

**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 **July 7, 2009**, at 5:30 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California.

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

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

Legal Counsel
Present: Anthony Trembley

President Damron called the meeting to order and led the Board and staff in the Pledge of Allegiance.

President Damron noted for the record that Director Treloar was absent.

Board Approval of Agenda - President Damron asked if there were any modifications and/or changes to the agenda. President Damron said he'd like to move Item A.8 up on the Agenda to be heard after Item A.1, the General Manager's Report. Hearing no other changes, the Agenda was approved as modified.

Approval of Minutes of the Meeting of June 2, 2009 – Director Moorhouse made a motion that the minutes of the June 2, 2009 Board Meeting be approved as submitted; Director Graf seconded the motion. The motion was approved by a 3-0 vote. Director Horwitz abstained, since she was absent from the June 2, 2009 meeting.

Public Forum – Hillary Hauser, Executive Director of Heal the Ocean presented the Board with flowers, and said she'd like to thank the Board for hanging in there for ten years through thick and thin. Ms. Hauser said Heal the Ocean would continue to be committed to watch dogging the Prop. 84 grant. Ms. Hauser thanked the General Manager and said the flowers were also in memory of the former General Manager, John Miko.

General Manager's Status Report – General Manager reported on the following:
State Budget Update – No state budget has been adopted and suspension of Prop. 1A funds

remain on the table. Attached is a letter sent by CASA and a number of local governmental agencies opposing the borrowing of local government revenue. A memo from the Director of the Department of Finance to the Governor identifying alternative cuts was also included in the Staff Report that identified alternative cuts that could be made in lieu of borrowing;

LAFCO Policy on Out of Agency Service Agreements for Agricultural Parcels – General Manager said he attended the July 2, 2009 LAFCO hearing where the commission considered a revised policy regarding annexation of agriculturally zoned parcels. There was a Staff Report from Bob Braitman and members of their ad hoc committee argued for the new revised policy. The General Manager from Goleta Sanitary District spoke against the policy for reasons we have discussed in past Board Meetings. General Manager said he also spoke against the policy and gave examples of how greenhouse parcels may need service in the future and they are very different than what the intent of this proposed policy. Mark Chyttilo, from the Environmental Defense Center spoke against the policy because as presented it was requiring agricultural property owners to subdivide their parcels for this purpose before they could be annexed to a water or wastewater district. Santa Barbara County Planning Department officials also opposed the policy, but the commission decided to go forward with the policy essentially as drafted. They did not vote on the project at this meeting, but decided to wait until their next meeting to vote after incorporating a slight modification of the policy language. General Manager said it did not look like they were going to respond to concerns about the policy;

Bluff Sewer Relocation Project Update – Public comments were received on the Draft Initial Study/Mitigated Negative Declaration the third week of June. The District’s consultant is preparing responses. The team met with the City of Carpinteria staff yesterday and talked about their comments and our responses to their comments. The City has indicated that a Conditional Use Permit is required for the project, and we’re looking at this and the other permitting requirements. There is also a wetland that the City may require a 100 foot buffer around that may present some challenges. The design is almost 100% complete. Director Moorhouse said Hillary Hauser and he walked the Bluffs years ago and talked about getting some state grant funds. General Manager said there was some good news regarding the IRWMP grant funds. He said some agencies are already getting checks;

Mission Terrace Lift Station – The vendor that provided the pump station came out and made some hardware changes to establish remote (radio based) communications with the District’s SCADA system. Staff is working with the developer to initiate dedication and conveyance of public infrastructure;

General Grit Classifier Installation – The new grit classifier was installed successfully by District staff. A crane was hired to remove the old unit and lift the new unit into place. Minor piping modifications were required. This completed another capital project in FY 2008/09;

Assessment District Administration Update - The District engaged a specialty firm to perform annual administration for Assessment District 2007-1, to prepare the required disclosure reports to coordinate assessments with the counties and the fiscal agent. There is no cost to the District. The costs are paid for by the property owners, and it provides a level of security to know that everything is being done according to the bond covenant requirements;

Operations Update – The treatment plant is running great. The collection system is also running fine with no overflows to report;

CWEA Plant of the Year Workshop Slideshow – A brief slideshow of photos from the CWEA Plant of the Year Workshop was shown to the Board. General Manager said it was an event with around 200 people in attendance, including 32 vendors, and it went off like clockwork. General Manager said he’d like to thank the Board for the opportunity to host the event and he thought it was rewarding.

Resolution No. R-224 – Adoption of the FY 2009/10 Annual Budget – President Damron said there were a couple of components to this item and said the General Manager would give his presentation and then the speakers would be given the opportunity to speak.

General Manager said he'd like to thank Hamid, the staff members and Finance Committee Members who worked on the budget process. General Manager said overall it looked like a positive budget to move forward into the coming year. A "Budget Snapshot" was put together providing an overall summary of the anticipated revenues, operating expenses and capital improvement projects for the upcoming fiscal year.

General Manager said on the revenue side our sewer service charges numbers are holding up. A change was made to reflect removal of 40 dwelling units for the Carpinteria Camper Park, and a few new units were added in other locations. The net effect is that our sewer service charge revenue is slightly lower. On the property tax revenue, about 10% of the District's projected revenue comes from property tax. It's still up in the air as to whether or not we will get that revenue. The current thought is that we might lose 8% of our property tax revenue. Other revenue is about the same as in prior years. One change we are dealing with this year is in our Safety Officer revenue. We expect to get somewhat less in revenue from the other districts because the Safety Officer who is an employee of our District is on a leave of absence for health reasons.

General Manager said on the operating expense side of the District's budget, there is an issue that we will talk about in detail, the cost of living adjustment, but overall our operating expenses in the wages and benefits category will increase by 3.4%. Generally, in the other expense categories, you will see a reduction from the prior year's budget. A good deal of that comes from the strategic improvements staff has made at the treatment plant. Utility electric costs are down because we implemented a positive displacement blower project. General Manager said overall the District's Total Operating Expenses are down 4.9% from last year.

General Manager said he was pleased to report to the Board that a number of Capital Improvement Projects (CIP) have been completed this year. Lift Stations No. 1 and No. 2 are carryover projects. Lift Station No. 5 has been completed, but we are dealing with some contract issues. Lift Station No. 2 Force Main Realignment is on hold, but the Board has authorized the project. We've received bids on the Manhole Rehabilitation Project (Phase 2), so that project will start moving right away. The Plant Water System Efficiency Modifications is underway, and we hope to engage a contractor tonight to do the work. The Bluffs Sewer Relocation project is underway and the Ocean Outfall Stabilization Project is on hold.

From the capital side this coming year, we hope to augment the Manhole Rehabilitation Program to allow us to add a number of manholes. One project is replacement of the Pony Motor on the Vac-Con, which is a CARB mandate. We're moving forward with the construction phase of the Bluffs Sewer Relocation project. Another project this fiscal year is work on the Carpinteria Creek Suspended Line Crossing. This is a \$200,000 rehabilitation project. The last capital project proposed this fiscal year is to update our SCADA system, to replace the software.

General Manager said our Non-Operating Expenses total a little over \$4M since our bonds were refinanced. The operating expenses of \$2.9M, taken away from our projected revenue, show a deficit of \$2.45M, but those are the funds that are dedicated from our reserves to implement the capital projects.

General Manager said, transitioning into the cost of living adjustment, it had been the District's practice for many years that the annual cost of living adjustment, the update to the District's salary matrix, was based upon a consumer price index of the L.A./Riverside/Orange County region put out by the Bureau of Labor Statistics. General Manager said that update was built into the District's budget process, and the District's salary matrix for all employees, other than himself, the cost of living is included in the budget document. It's based on a twelve-calendar month period for the prior calendar year. Over the last ten years it's been anywhere from 2.3% to 4.4%. General Manager said with what's going on statewide, there are agencies, including the State, that are furloughing employees.

In contrast, General Manager said our finances remain sound. General Manager said our operating costs are going down, and five years after our last rate increase we are still not in a situation where we need to increase rates. General Manager said he felt like the District was in a healthy position, but in the Finance Committee some concerns were raised about the cost of living increase this year. General Manager said there were two key concerns. A letter is attached to the Staff Report from one Board Member who was not able to attend the meeting that outlines that Director's position. A second area of concern relates to recent trends in the Consumer Price Index. Between December 2008 and May 2008, the annualized index has been negative in each month. The concern was that we could end up next year with a CPI negative for the entire year.

General Manager said from his perspective there were negative impacts with deviating from the historical COLA practice. General Manager said he had seen tremendous effort from the staff this past year. The award-winning efforts are reflective of a high level of morale. General Manager said he understood this was a cost of living adjustment, and the primary purpose of it is to keep the District's salary matrix in line with our neighboring salaries, and that it is important to keep the great employees that we have paid at a level comparable to their colleagues. General Manager said, ultimately, this was a decision for the Board to make. Four options were outlined in the Staff Report. General Manager said other options may be considered.

President Damron said there were staff members that would like to speak, and called upon Mark Bennett, Operations Manager. Mr. Bennett thanked the Board for allowing the employees to speak and to observe the process and what it takes to get everything done. Mr. Bennett said he was speaking tonight for the employees. He said he had been with the District for 21 years and over the years it developed into the process about eight years ago of using the prior years cost of living index. This allows us to set the budget to make sure there is funding and it won't impact the District. Mr. Bennett said our staff had made leaps and bounds over the last three years, and in a way this is performance-based because the savings are because these guys have done an excellent job to make improvements that save the District money. Mr. Bennett said a lot of the things the Board does not see and the reason we are able to complete projects on budget or sometimes under budget is because of the work these guys do. That additional savings does not always get seen by the Board. Our guys are able to provide a lot of the expertise that other districts can not do. Our guys are heads and shoulders over some of their colleagues. Mr. Bennett said this was performance-based when we're looking at the quality of work of our guys compared to the work of employees from other districts. The main reason we won Plant of the Year was from the extra effort that we did when the inspector's came here and went through every piece of paperwork and piece of equipment.

Mr. Bennett said he looked at the CPI back to the 1920's and there were times that it did go into the negative mode. The most recent time it went negative for a period longer than six months was back in the 80's. We saw six months of negative in one year and it overlapped into negative the next year, and it turned out to be zero or a slight gain. Going back prior to that, there were a couple of trends backs in the 50's where it went zero, but the last time it went negative before that was in the 40's. The one method that Craig did not mention is that if we stick with the 3.9% this year and for some reason the economy does not pull back out in the positive, we can take that negative and average it with the following year adjustment. That way we are not losing anything currently to keep our salaries up, and if there is negative growth during the next twelve-month period, we can make that adjustment at the end of that period. Mr. Bennett said he thought going with the current CPI index and not making a change until next year until we see what the economy is going to do is the way to go. Mr. Bennett thanked the Board for allowing him to speak.

President Damron said before he opened it up to the Board he wanted to say that this was a very personal decision for every Board Member and there was no right answer to this dilemma. President Damron said he had given this a lot of thought since it came up a few months ago and he was ready to defend his decision on this matter, and he was certain his colleagues were also ready to defend their positions. President Damron said it was a tough decision for the Board.

President Damron called upon the Board for discussion. Director Horwitz' comments included: I'd like to thank each and every one for the fabulous job, the Plant of the Year award, the capital improvements and cutting operating costs. Being on the Finance Committee I do know that work on those capital improvements are bringing down operations costs. The District had a problem this year with health insurance premiums going up and immediately you reacted to that, and you may not have the benefits you had before because you had to change carriers, but I appreciate the choice was made based on your dedication to this District and saving money for this District. I do not want to make this personal, and this is one of the best budgets I have seen. But in looking at the negative figures, I'm asking you to appreciate our job and what we have to do. I'd like to throw out another option. I am not here to say we should take the COLA away. That is not my issue. My issue is that I am a numbers person, professionally and on the Board. That's where I put my energy on this Board. I can't look at these numbers and the negative CPI trend and not react. I would like to take the \$45,000, which is the 3.9% increase and approve this budget with that increase in it. The stipulation would be to put this amount aside and wait until the end of the year when we get the rest of the figures for the cost of living index and then make adjustments at that time. If we end up with a positive index the COLA could be given out retroactive. Maybe as a team we can look at this together and when we do our midyear adjustment we can face the negative or positive. This is another option that protects the fiscal management of this agency.

Director Moorhouse's comments included: I am one of the Board Members who asked for a justification of how the COLA numbers are derived. Different agencies use different sets of numbers. How does one agency justify using their numbers. The economy is cyclical. I don't see why we use year to year instead of smoothing out more historical numbers, i.e. a five year average, rather than a year to year. That way when a negative year comes up or even two negative years in a row, that won't have the negative impact. What are we supposed to do next year if the negative numbers continue? Do we reduce your pay by three or four percent? We don't want to do that. If we use a better formula, a rolling five or seven year average, that would account for three or four bad years. I'd like to see a breakdown of employee benefits realizing the increase in costs annually to the District versus COLA increase. How does the District account for increased costs, and how does that relate to COLA? It's not that the Board does not want to give raises. There are a lot of unanswered questions for me.

Director Graf's comments included: I would like to thank everyone for their performance. I think we are getting pigeonholed into thinking that COLA relates to performance. It's my understanding you have a salary matrix that's related to performance. Don't supervisors and the General Manager give annual reviews and employees given pay raises based on meeting performance goals? General Manager answered yes. Director Graf continued: Your performance can be rewarded by the salary structure in place. I'm missing something when you say the COLA should be a performance-based thing. That's what the whole salary structure/performance review is based on. This COLA is used as part of the process to establish what the salary matrix. Is. It should not have anything to do with the CPI. I'm a little confused as to why it's being lumped into the same category. I hope that all of you that deserve a pay raise based on performance will receive them. I think there is merit into using a larger average of CPI's, so you don't have these fluctuations of averages. I just

want to make sure you all feel you are getting pay raises based on performance regardless of what the CPI may be.

President Damron's comments included: I don't think Pat and I are that far apart. I like Jeff's way of trying at some point to use a rolling average. If we averaged the last five CPI complete calendar years, that averages out to 3.8%. If you average a negative year into that next year, it won't throw it off that much. I feel like doing anything different this year, since the Board has not set a policy of doing anything different, is like moving the goal post in the middle of the game. I think the point Mark was trying to make was during the course of the year staff has gone above and beyond to save the District money. I am proud to be on this Board. We have our financial house in order. On the same day as the water district is on the front page of the newspaper regarding controversial rate increases, we have our picture saying we received the Plant of the Year award for the whole State. Seeing the negative numbers is disconcerting. I appreciate Mark's perspective as far as the last time in history this happened. I am in favor of, and it may sound different from Pat's point of view, but it's just a timing thing, of approving the budget as presented with a 3.9% COLA and next year at this time, if it's a negative two, we would not take away 2%, but would roll that negative 2% forward and subtract it from the next year. Between now and then, the Board may vote to go with a rolling five, Jeff's idea, but I don't think it's fair to make that decision now. I would not have a problem if someone came up to me in the street and asked how could you grant a 3.9% COLA in this economy. I would say, "Ten years ago we had seventeen employees, we only have fifteen today." Can you name another agency in town that has fewer employees? Can you name another agency in town that has an operating budget that is less this year than last? Can you name one other agency in town that achieved state status as far as operation of the year? I have no problem. Everyone would need to know going forward if this calendar year ends in a negative, that would be deducted from the next positive year and we would move forward. This is what my position is tonight.

Director Moorhouse said he would object to using a two-year time period because of the volatility in using two-year time periods. Director Moorhouse said by using a five to seven year period now it averaged out to 3.8% and nationwide it's around four percent. Director Moorhouse said he would like to look at a longer rolling period and would like to see an adhoc committee formed, made up of administration, Board and employees to take a look at COLA, inflation and the annual cost of employee benefits and come up with something long term that will be positive.

Director Graf said he agreed with President Damron. You don't move the goal line until the game is over. What we're talking about is what effect this will have on the salary matrix. I don't have any problem approving the budget as proposed and doing what Jeff proposes for the future. We know we have a seven-month period of negative figures, and need to deal with that down the road.

General Manager said he would like to make one clarification for the Board. The proposed budget reflects all the impacts of this cost of living increase, as well as the incremental costs for other salary related items.

Director Horwitz said fiscally it is the Board's responsibility to manage the District's money. I know we have always had the COLA, yet I'm looking at the world economy, and the old rules don't work anymore. I don't think its good fiscal management to ignore the trend for 2009. I don't think we can say we've always done it in the past, and that's the only fair way to go. Life is not fair right now, and we need to react right now.

Director Graf said that unfairness will show up the next go around if it continues. We are not proposing that we take money away. Next year if it's a negative that salary matrix will not change unless some ad hoc committee comes up with a different formula or way of looking at a cost of living increase. Director Graf said he could support what President Damron said based upon the performance and what this agency has done. We've done a

great job of managing this District fiscally, and in the scheme of things 3% or \$45,000 will not shake anyone up.

Director Moorhouse said he thought that by using the five to seven year rolling CPI average, it would get the District on a smoother 3.5%/3.6% COLA that can be justified. Director Moorhouse said he was comfortable in the fact that the District has reduced four positions over that same period. Director Moorhouse said he would have a harder time if positions had not been reduced and we were giving increases and possibly laying someone off.

Director Graf said look at the bottom line. Our operating costs will be down 5% from the prior year.

Director Horwitz said it wasn't anything personal, but it did not make sense to her to take the figures and not react to them.

Director Horwitz said she'd like to have separate Board actions on the COLA and the proposed budget.

Director Graf made a motion that the Board approve the COLA figures as presented in the budget with a stipulation that an adhoc committee be formed to review this process for future budgeting; Director Moorhouse seconded the motion, and the motion was approved by a 3-1 vote. Director Horwitz voted nay, and Director Treloar was absent.

Director Horwitz made a motion that the Board adopt Resolution No. 224, adopting the Fiscal Year 2009/2010 Budget as submitted; Director Graf seconded the motion, and the motion was approved by the following 4-0 roll call vote: Director Horwitz voted aye, Director Graf voted aye, Director Moorhouse voted aye, and President Damron voted aye.

President Damron said the Board would take a 3-4 minute recess. President Damron called the meeting back to order at 6:27 p.m.

Change Order No. 003 to Cash Contract No. 346B - Lift Station No. 4 Modifications Project - General Manager said the work for both the projects - Lift Stations No. 4 and 5 had been completed to the District's satisfaction by Timothy J. Ferrie, Inc (TJF). General Manager said during construction activities at Lift Station No. 5 unforeseen conditions required District staff to authorize TJF to undertake work outside of the original contract scope to complete the desired improvements. The valve assembly outside Lift Station No. 5 was deteriorated and needed to be replaced, and also some piping and coating of the interior of the structure was coordinated with the wetwell coating. The contractor was directed to make these repairs, and the work was successfully completed. Change Order No. 003 reflects both of these changes. If approved, the change order would increase the contract price by \$13,664.16, making the revised total \$618,927.16. No change in contract time is proposed. General Manager said it was staff's recommendation that the Board approve Change Order No. 003 to Cash Contract No. 346B.

Director Graf made a motion that the Board approve Change Order No. 003 to Cash Contract No. 346B with Timothy J. Ferrie, Inc. as presented; Director Moorhouse seconded the motion, and the motion was approved by a 4-0 vote.

Lift Station No. 4 Modifications Project Acceptance and Approval of Notice of Completion - General Manager said this was the same contract with Timothy J. Ferrie, Inc. and the work under this contract was completed the first week of June, 2009. District staff and its engineering consultant verified that the work was performed in accordance with the project specifications. General Manager said it was a pleasure to work with the contractor, Tim Ferrie. He worked with staff when we wanted to do things a little differently to add or take away to achieve a better product than what was originally designed. Staff recommends that the Board accept the improvements and authorize the General Manager to execute and

record the Notice of Completion. After the prescribed 35-day waiting period, retention will be released to the Contractor and applicable bonds will be exonerated in accordance with the contract.

Director Moorhouse made a motion that the Board accept the Lift Station No. 4 Modifications Project, authorize filing and recordation of a Notice of Completion, and approve release of retention and applicable bonds in accordance with the contract; Director Graf seconded the motion. Director Horwitz asked if this was money being dispensed now that is being put in last year's budget as retention funds. Finance Director, Hamid Hosseini, said the retention funds are a part of the project that have not been paid to the contractor. They are funds being withheld until the project is completed. The June 30th Budget Report will show the funds for fiscal year 2008/2009.

President Damron called for the vote, and the motion was approved by a 4-0 vote.

Cash Contract No. 363 – Plant Water System Efficiency Modifications Project –

General Manager said the Plant Water System Efficiency Modifications Project was a capital improvement project from the prior fiscal year. When the plant was upgraded in 1993 it employed a hydropneumatic pressure tank, which is like a pressure tank. When there are periods of low water demand, supply is from the pressure tank, and during high water demand pumps will kick on to replenish the supply. Over the years the system corroded and the water system now consists of a pump running around the clock, regardless of demand. This project was conceived to remedy that problem. PROUSYS, a control engineering firm based in Ventura, was hired to prepare a system design. Desired services include replacement of the electronic controls for the water system and minor retrofitting of the hydropneumatic tank. Piping and mechanical upgrades will be completed by District staff. The anticipated outcome will be significant power savings. Based on conservative estimates, payback for the entire project should be achieved within two years. PROUSYS has submitted a proposal, and Cash Contract No. 363 would authorize PROUSYS to provide the desired services on a time and materials basis with a not to exceed total of \$15,000 and would be completed within 60 calendar days. After the Staff Report was put together, Legal Counsel upon reviewing the packet, realized that their General Terms conflicted with the language of our agreement in a few areas, so our recommendation tonight would be to amend this portion of the agreement slightly to strike out paragraphs 4, 8, 13, 15 and 16 starting on page three. General Manager said it was staff's recommendation that the Board approve and execute Cash Contract No. 363 for the Plant Water System Efficiency Modifications Project between the Carpinteria Sanitary District and PROUSYS of Ventura.

Director Moorhouse made a motion that the Board approve and execute Cash Contract No. 363 for the Plant Water System Efficiency Modifications Project between the Carpinteria Sanitary District and PROUSYS of Ventura, California and inclusive of staff's recommendation to strike those paragraphs on PROUSYS' contract as modified; Director Graf seconded the motion, and the motion was approved by a 4-0 vote.

Cash Contract No. 365 – Penfield & Smith – Septic to Sewer Project Engineering Design and Support Services -

General Manager said Ron Sickafoose was in the audience from Penfield and Smith, which meant we are moving forward with our Septic to Sewer Project design phase. The funding is in place to implement the South Coast Beach Communities Septic to Sewer Project. One of the next crucial steps in the process would be completion of the final engineering design, preparation of bidding documents, procurement of permits and rights of way, and direct property owner outreach. To do this we plan to engage a team of consultants to assist with these tasks. General Manager said back in April of 2009 a qualifications based selection process resulted in the decision to pursue a professional services contract with Penfield & Smith. Director Damron participated in that process.

Penfield & Smith put together a team of professional engineers and planning professionals to complete the work. Ron Sickafoose will be the Program Manager and responsible for the entire project. Dave Rundle will serve as Project Manager and the lead designer on the project. General Manager said he had been working with Ron and Dave to prepare a detailed scope of services, task based fee estimates and a project schedule. After a series of meetings to refine the scope, Penfield & Smith submitted the proposal being presented for Board approval. General Manager said the District does have an existing as-needed service agreement with Penfield & Smith, but due to the nature and magnitude of this project a separate cash contract was drafted to establish contractual, insurance and indemnity requirements that are specific to this project. General Manager said it was staff's recommendation that the Board approve and execute Cash Contract No. 365 with Penfield & Smith for professional engineering services on a time and material basis with a not to exceed contract amount of \$991,000.00.

Director Graf made a motion that the Board approve Cash Contract No. 365 dated July 7, 2009, between the District and Penfield & Smith for professional engineering services on a time and material basis with a not to exceed amount of \$991,000.00; Director Horwitz seconded the motion. President Damron said he participated in the selection process, and after all the presentations it was clear to him that Penfield & Smith did not treat the interview process lightly and came in with everything they had. They were far superior to the other firms, and President Damron said he felt confident that these are the right people for the job. It was very professional and very impressive. Director Horwitz asked if this was within the cost that was anticipated for the project. General Manager said he was surprised, but it does match up with the cost estimate in the Engineer's Report. Ron Sickafoose said he actually took line items out of the Engineer's Report and was right on with Rincon, but felt a little more energy and time would be needed with the other communities, but the cost estimate is again close. Director Graf asked was the Information Officer for Penfield & Smith inhouse. Mr. Sickafoose said yes, there would be a point person and he and the Project Manager would also be available.

President Damron called for a vote, and the Board approved the motion by a 4-0 vote.

Cash Contract No. 366 – Safety Consulting Services – General Manager said the District has entered into a cooperative agreement with three other local wastewater agencies and jointly hired a Safety and Training Officer to provide safety and OSHA compliance support to all the cooperating agencies. The District is the “host agency” and the Safety and Training Officer is an employee of the Carpinteria Sanitary District. Currently, the Safety and Training Officer is on a medical leave of absence anticipated to run through the end of 2009. In effort to continue the program the participating agencies have elected to engage a safety consulting firm for a six-month period. The cost will be paid with unspent contributions for FY 2008/2009 received from the participating agencies. MGRyan & Co., Inc., a safety consulting firm based in Oxnard was solicited to present a proposal. Cash Contract No. 366 would engage MGRyan to provide support services through the end of 2009 on a time and materials basis with a not to exceed contact amount of \$45,000. General Manager said the cash contract was reviewed by Legal Counsel and there was one change. On page 2 of the cash contract, the contract should go through December 31, 2009, and that change was made on the copy for execution. General Manager said it was staff's recommendation that the Board approve and execute Cash Contract No. 366.

Director Moorhouse made a motion that the Board approve and execute Cash Contract No. 366 for safety consulting services between the Carpinteria Sanitary District and MGRyan & Co., Inc. of Oxnard, California; Director Graf seconded the motion, and the motion was approved by a 4-0 vote.

Resolution No. R-223 – Setting Appropriations Limit for Fiscal Year 2009/10 –

Finance Director, Hamid Hosseini 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. The district’s appropriations limit for FY 2009/10 is \$2,968,871. The projected property tax revenue for this period is \$450,000, which is well within the established limit. Resolution No. R-223 formally adopts the appropriation limits in accordance with state law.

Director Graf made a motion that the Board adopt Resolution No. R-223 as presented; Director Horwitz seconded the motion, and the motion was passed by the following 4-0 roll call vote: Director Graf voted aye, Director Horwitz voted aye, Director Moorhouse voted aye and President Damron voted aye.

2009 CASA 54th Annual Conference – President Damron said this item was for the Board’s information, in case any of the Board would like to attend. Director Moorhouse said he would be presenting and would be attending the conference.

Committee Reports

Finance Committee – Director Horwitz said the committee went over the monthly budget report, investment report and the budget.

Personnel Committee – did not meet.

Public Relations Committee – did not meet.

Board General Items

CASA Legislative Committee Report – Director Moorhouse said the latest Leno bill talking about 10% retention on capital projects is being railroad through to reduce the retention amount to 5%. We are trying to get this bill sunset or the Governor to veto the bill. It passed the legislature today. There’s been a lot of discussion regarding this one bill. A person from the LAO’s office will be at the CASA Conference to talk about Prop. 1A. Director Moorhouse said anything with appropriations on it was being shelved.

Future Agenda Items

Adjournment. There being no further items to discuss, President Damron adjourned the meeting at 7:25 p.m.

Michael Damron
President

Pat Horwitz
Secretary Pro-Tem

Lin Graf
President Pro-Tem

Doug Treloar - **Absent**
Treasurer

Jeff Moorhouse
Secretary