

**CARPINTERIA SANITARY DISTRICT
IN THE
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

MINUTES

These are the **minutes** of the **special** 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 special meeting on **July 31, 2008**, at 2:00 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California.

Directors Present: Lin Graf – President - **Absent**
Michael Damron – 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 Pro-Tem Damron called the meeting to order and led the Board, staff and public in the Pledge of Allegiance.

President Pro-Tem Damron said, for the record, Director Treloar and Director Graf were absent today for this special meeting. Legal Counsel noted there was a quorum present, all Directors received written notice of the meeting and it was properly noticed per the Brown Act.

President Pro-Tem Damron asked if there were any modifications and/or changes to the agenda. Hearing none, the agenda stood as submitted.

Approval of Minutes of June 17, 2008 – Director Horwitz made a motion that the Board approve the minutes of the June 17, 2008 Board Meeting as submitted; Director Moorhouse seconded the motion, and the minutes were approved as submitted by a 3-0 vote.

Public Forum. None

Contract Award – Cash Contract No. 346 – Lift Station No. 4 Modifications Project - General Manager said this was a project to replace Lift Station No. 4 at the Sandpiper Mobile Home Park. General Manager said bids were opened on July 10th for construction. Two bids were received from qualified contractors. The apparent low bidder was Timothy J. Ferrie, Inc. of Thousand Oaks who bid \$443,900. The second bid was from Blois Construction Company of Oxnard who bid \$966,387. General Manager said a bid

tabulation summary was attached to the Staff Report showing a breakdown on the bids. General Manager said when you see two bids that are so far apart it raises some questions about the legitimacy of one or the other or both. General Manager said Kennedy/Jenks Consultants, the design engineer, was asked to complete a comprehensive review of Timothy J. Ferrie's bid submittal. General Manager said a letter from Kennedy/Jenks was attached to the Staff Report summarizing the evaluation efforts they took to verify that Timothy J. Ferrie was indeed a qualified contractor. General Manager said a copy of their contractor's license was also attached to the Staff Report. General Manager said he has had some conversations with Tim Ferrie and reviewed his long list of similar projects completed, primarily in Ventura County. General Manager said he appears to be very qualified to complete this type of work.

General Manager said the estimate of construction costs from the engineer was \$498,000, so staff thinks the work can be done based upon Tim Ferrie's bid of \$443,900 with the budget of \$540,000 that was allocated for design, construction, and construction administration.

General Manager said based on review by District staff and Kennedy/Jenks, Timothy J. Ferrie, Inc. is believed to be the lowest responsive, responsible bidder, and if Board approved the bid today a Notice of Award would be transmitted with a contract agreement. A construction agreement will come back to the Board after all the required bonds have been received from Timothy J. Ferrie, Inc.

General Manager said it was staff's recommendation that the Board approve issuance of a Notice of Award for the Lift Station No. 4 Modifications Project to Timothy J. Ferrie, Inc. of Thousand Oaks who was determined to be the lowest responsive, responsible bidder for this project with a bid amount of \$443,900.

Director Horwitz made a motion that the Board approve issuance of a Notice of Award for the Lift Station No. 4 Modifications Project to Timothy Ferrie, Inc. of Thousand Oaks, California, based on their bid in the amount of \$443,900. Director Moorhouse seconded the motion. Director Moorhouse asked if staff found out why there was such a wide discrepancy between the two bids. General Manager said it was hard to find out exactly why. General Manager said staff expected more bidders for this project, and some key players staff thought might bid did not bid the project. Director Moorhouse said he would like to track this project to make sure this project does not end up costing six, seven or eight hundred thousand dollars in the end with change orders. Director Moorhouse said he was interested also because of a bill that's in the works about having to have specific plans and contractors. General Manager said in this case this was clearly a conventional design-bid-build project brought to the contractors with a complete set of design documents. General Manager said he had a very direct conversation with Tim Ferrie who said they could do the job for what they bid. Director Horwitz said his bid was more in line with the engineer's estimate.

President Pro-Tem Damron called for the vote, and the motion was approved by a 3-0 vote.

Revisions to Chapter 3, Personnel Rules and Regulations (Anti-Fraud Policy Addition; Cellular Phone Policy Update) – General Manager said the changes were somewhat self-explanatory. General Manager said our auditor last year when he reported said one of the things you need to think about is having a fraud policy. General Manager said this policy gives staff a direction on what to do if they see fraud in the workplace, whether it be at staff or management levels. It tells them who to report to and protects the District.

General Manager said the other policy being presented to the Board was updating our current Cellular Phone Policy. On July 1, 2008 a State law went into effect regarding "hands-free" use of cell phones while driving. General Manager said he thought it was

appropriate for our agency to update our policy. General Manager said we don't have our employees talking on the phone in District vehicles or on District time, other than the time when they are commuting and might be on call. They need to have the phone on to have the ability to respond to an emergency.

Director Horwitz said on the first page it talked about the District Manager coordinating all investigations with District Legal Counsel and the supervisor of the affected work area. Director Horwitz said when you look at the Investigative Responsibilities on the second page it did not mention the District's Legal Counsel. The Board asked for a revision to add District Legal Counsel. Director Moorhouse questioned the language on the first page of the policy regarding suspected fraud by a general manager upon receipt of a credible report of such conduct. Director Moorhouse said the policy reads that the Chair of the Board of Directors would determine if it were credible. Director Moorhouse said he thought it should be determined by the entire Board. General Manager said practically what the Chair of the Board would do would be to make a call to our Legal Counsel to discuss the situation, and if there was some legitimacy to it, the Chair would call a meeting of the Board of Directors. President Pro-Tem Damron called on Legal Counsel for his counsel on the subject. Legal Counsel said he thought the policy was fine as it was written, and if there was alleged fraud by a general manager, the Chair of the Board of Directors would make a determination. Legal Counsel said what his experience has been in the past is that the Chair would pick up a phone and call Legal Counsel and then make a determination as to credibility. Either way, it would get reported to the full Board. Legal Counsel said he didn't think you needed the full Board to determine whether it is credible, and he thought the policy was OK the way it was written.

General Manager said this would amend our Chapter 3, Personnel Rules and Regulations and it was staff's recommendation that the Board approve the addition of the Anti-Fraud Policy as amended by the Board and approve the updated Cellular Phone Policy.

Director Horwitz made the motion that the Board approve the revisions to the Chapter 3, Personnel Rules and Regulations to approve the amended Anti-Fraud Policy and the updated Cellular Phone Policy; Director Moorhouse seconded the motion, and the motion was approved by a 3-0 vote.

CCTV Video Pipeline Inspection System Procurement – General Manager said this was a capital improvement project in the budget this year for procurement of a new pipeline video inspection system. General Manager said it was something at the staff level that staff had been working very hard on to determine the best approach, the best equipment, and the best fit for our agency's needs. General Manager said the District's CCTV inspection van was purchased in 1996 and didn't have a lot of miles on it, but the equipment had been used quite a bit with upgrades over the years. General Manager said the technology has passed by our existing system in terms of collecting data and recording video imagery. General Manager said the data is being recorded on VHS tapes, information is documented by hand, and there's a tremendous amount of data entry and data translation. General Manager said the state of the art is very different. You collect digital video, code it in the field in the computer and download it and automatically it links up to our GIS. General Manager said staff looked closely at retrofitting our existing vehicle and putting a newer version of the equipment in the existing vehicle, but based on the pricing to do that staff felt it was too much money to invest in a 1996 vehicle with no airbags.

General Manager said staff met with a variety of vendors who provided on-site video presentations and we had them demonstrate their equipment by televising a line in our system. General Manager said staff received quotes on every different option imaginable, but what's recommended today is the right approach for our agency. General Manager said it was a two-tier approach. Our Purchasing Policy dictates how the District purchases

equipment such as this. General Manager said in this case it made sense to purchase the vehicle separate from the equipment and then retrofit with the vehicle. General Manager said what was proposed was the purchase of a 2009 van with a boxed-style body through the State Department of General Services Volume Contract. General Manager said most all of the District's vehicles are purchased through this competitively bid system and meets our requirements. General Manager said we would be purchasing a E450 Commercial Cutaway Van from Downtown Ford Sales in Sacramento for a quote of \$35,600, including tax, delivery and modifications.

General Manager said secondly, staff recommends a negotiated procurement process for the CCTV inspection system. General Manager said it was difficult to pursue a competitive bid for this type of equipment that includes software, equipment and services. A list of main components of the build-out was included in the staff report.

General Manager said after looking at all the major manufacturers, staff was recommending the Environsight Rover 125 system coupled with the WinCan software application as the most appropriate system for the District. This equipment and the related vehicle improvements would be provided by Advanced Infrastructure Technologies of Gardena, California, the local Environsight vendor. General Manager said recent budget pricing for the desired system was approximately \$105,000.

General Manager said Resolution R-91 establishes rules and regulations pertaining to the purchase of equipment and provides for negotiated procurement in lieu of competitive bidding in certain circumstances. General Manager said in this case competitive bidding would be impractical or incongruous and have additional compelling administrative considerations that warrant employment of alternate purchasing procedures.

General Manager said based on current cost projections, the approved CIP budget of \$150,000 for this equipment is satisfactory, and staff is recommending that the Board authorize procurement of a CCTV pipeline inspection system as proposed in accordance with Resolution No. R-91.

General Manager said he was working closely with staff, and this was something that would make their lives easier, but this purchase comes with essentially an agreement that we are going to make good use of this. General Manager said the expectations are in place that if we buy this we will be inspecting the entire system every three years.

Director Moorhouse made a motion that the Board authorize negotiated procurement of a CCTV pipeline inspection system as proposed in accordance with Resolution No. R-91; Director Horwitz seconded the motion, and the motion was approved by a 3-0 vote.

Legal Counsel introduced Andrew Reed, a law clerk in their office this summer at Nordman, Cormany, Hair & Compton LLP. Legal Counsel said Andrew was in his third year of law school at Pepperdine, and Andrew wanted to attend this Board Meeting because he wanted to see a client meeting, as well as a public meeting.

Board Committee Reports

Finance Committee – did not meet.

Personnel Committee – did not meet.

Public Relations Committee – did not meet.

Board General Items

CASA Legislative Committee Report – Director Moorhouse said he would report at the new meeting, but he did participate in a conference call regarding AB 2986 (Leno).

Future Agenda Items – General Manager noted the regular Board Meeting scheduled for August 5, 2008 had been cancelled.

CLOSED SESSION – District Legal Counsel reported the Board would go into Closed Session at 2:35 p.m. regarding the following item:

CONFERENCE WITH LEGAL COUNSEL – Existing Litigation Per Government Code Section 54956.9 (a); One Case: William Taylor, et al vs. Joseph E. Holland, et al and Carpinteria Sanitary District; Case #56-2008-00320612-CU-JR-VTA; Ventura Superior Court.

President Pro-Tem Damron reported the Board coming out of Closed Session at 3:13 p.m. and reconvened regular session. Legal Counsel gave the following report regarding agenda Item V.

The Board of Directors met in Closed Session today to discuss the terms of a proposed settlement agreement between the contestants, Heal the Ocean and the District. The purpose of the settlement agreement is to finalize the tentative agreement between the parties reached in court on July 24, 2008. The Board of Directors provided direction to General Manager and District Legal Counsel concerning the terms of the agreement acceptable to the District, and has authorized the General Manager to execute the agreement on behalf of the District if it contains terms in accordance with the direction given by the Board of Directors. Upon an acceptable agreement being reached, it will be publicly reported in accordance with the Ralph M. Brown Act. That concludes the Closed Session report.

Adjournment. There being no further items to discuss, President Pro-Tem Damron adjourned the meeting at 3:15 p.m.

Lin Graf - **Absent**
President

Pat Horwitz
Secretary Pro-Tem

Michael Damron
President Pro-Tem

Doug Treloar - **Absent**
Treasurer

Jeff Moorhouse
Secretary