

**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 **August 7, 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 - **Absent**
Michael Damron – Secretary
Doug Treloar – Secretary Pro-Tem - **Absent**
Patricia Horwitz – Treasurer

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

Legal Counsel
Present: Anthony H. Trembley

Others Present: Adam Bauer, Scott Ferguson, Patrick Reeves, Christina Randopolous,
Ron Sickafoose

Public Present: Jaleh White, Doug White, Giti White, Sandra Will Carradine,
other public members present – did not sign in

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

President Moorhouse noted for the record that Director Treloar and Director Graf were not in attendance.

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

Minutes of the June 19, 2007 Board Meeting: Director Damron made a motion that the Board approve the minutes of June 19, 2007 as modified; Director Horwitz seconded the motion, and the motion passed by a 3-0 vote.

Public Forum. None

Resolution No. R-200 – Approval of Addendum to the Final Environmental Impact Report and Final Supplemental Environmental Impact Report for the South Coast Beach Communities Septic to Sewer Project.

General Manager said this was a resolution and the Board was being asked to approve an addendum to the FEIR and FSEIR for the South Coast Beach Communities Septic to Sewer Project. General Manager said the Board certified the FEIR in September 2004, and in September 2006 adopted the FSEIR. General Manager said the FSEIR addressed some design changes in the sewer system in the Rincon Point community. General Manager said it went from a conventional gravity system to a low pressure sewer system. Also in 2006, the District commissioned some updates from Penfield & Smith for Sandyland Cove and Sand Point Road communities. General Manager said the intent was to advance the design, look for utility conflicts and fine tune the cost estimates. In the course of the study Penfield & Smith evaluated the use of low pressure sewer within these two communities and found this approach to have a lower capital cost and substantially reduced construction related impacts and long-term impacts to the environment.

General Manager said one of the advantages would be the elimination of pump stations in the communities adjacent to the Carpinteria Salt Marsh. General Manager said this change would eliminate four public pump stations – two from each community.

General Manager said to realize the identified benefits and also some of the identified cost savings, the District is exploring the idea of the low pressure sewer system in those communities with the property owners. Information was sent out to each property owner and solicited their input. General Manager said those that responded said if this was a change that had lower construction impacts, lower costs and fewer environmental impacts, they were supportive. General Manager said he didn't hear from anyone that said they did not want this change.

General Manager said, as with the Rincon Point system, each home would be equipped with an individual grinder pump and tank and a small diameter pressure lateral. The main sewers in the private roadways would be 2-in diameter and buried approximately 3-feet deep, eliminating the pump stations that were proposed.

General Manager said to maintain strict compliance with CEQA requirements, the District prepared an Addendum to the FEIR and FSEIR that addressed the anticipated environmental impacts associated with the project design modifications. General Manager said no new significant impacts were expected and substantial reductions to previously identified impacts were likely to result. General Manager said no new mitigation measures were required.

General Manager said the Addendum was prepared in consultation with Padre and Associates and in consultation with the District's Legal Counsel, Ms. Nancy Schreiner.

General Manager said that State law did not require circulation or public review of the Addendum, but recommended that the Board formally adopt the Addendum at a regular Board meeting and receive public testimony prior to considering adoption. General Manager said it was staff's recommendation that the Board adopt Resolution R-200.

President Moorhouse opened this agenda item up for public comments. Hearing none, President Moorhouse opened it up for the Board. Director Horwitz said she was glad the staff was trying to give the District the best project possible, and glad the community was involved. Director Horwitz then made a motion that the Board adopt Resolution R-200 as presented; Director Damron seconded the motion.

General Manager said Counsel would like to comment on this item. Legal Counsel said the resolution was reviewed by Legal Counsel who participated in a consultation with staff on the preparation of the addendum. Legal Counsel said it was Legal Counsel's opinion that the addendum was correct and legal in merits.

President Moorhouse called for the vote. The motion passed by the following 3-0 roll call vote: Director Horwitz voted aye, Director Damron voted aye, and President Moorhouse voted aye. Directors Graf and Treloar were absent.

Overview Presentation on Assessment District Formation Proceedings for Carpinteria Sanitary District Assessment District 2007-1. General Manager said this was a presentation on the Assessment District formation process. General Manager introduced Ron Sickafoose and Pat Reeves of Penfield & Smith Engineers, Adam Bauer with Field and Rolapp & Associates, and Scott Ferguson from Jones Hall. General Manager said the presentation was for the benefit of the Board, public and homeowners. General Manager said Adam Bauer would lead the discussion. Mr. Bauer went over an overview of the presentation. Mr. Bauer introduced Scott Ferguson, bond counsel, who gave an overview of the Board actions that would be considered for action by the Board at the meeting. Mr. Ferguson said in order to form an assessment district there were four items that would need to come before the Board. Two of those items, Resolution of Intention to make Acquisitions and Improvements and Resolution Preliminarily Approving Engineer's Report were presented at the meeting for consideration by the Board for adoption. Mr. Ferguson said a third resolution would come to the Board in approximately 55 days and would be a resolution confirming the Engineer's Report and forming the assessment district. Mr. Ferguson said approximately 30-40 days later, the final resolution would come to the Board authorizing issuance of the bonds. Mr. Ferguson said the bonds would be secured by the assessments to be levied on the properties within the assessment district.

Mr. Ferguson described the Engineer's Report as having four benefit zones within the assessment district. Mr. Ferguson said that he had reviewed Engineer's Report from a legal perspective and found it compliant with state law. Mr. Ferguson said the resolution sets the Public Hearing date for October 16, 2007. Ballots will be due and tabulated at the meeting. The resolution also gives instruction to staff and the financing team to mail the ballots to all the residents of the proposed assessment district. The ballots will come in during the period prior to the October 16th, and will be kept by the Board's Secretary, who will open them at the end of the Public Hearing on October 16, 2007. Mr. Ferguson said it would be a majority vote of the ballots submitted.

General Manager said the target date to mail out the ballots was the third week of August, and there was a 45-day mandatory period. The planned date for the public hearing is October 16, 2007. General Manager said shortly after mailing out the ballots an informational workshop would be scheduled for residents within the assessment district to talk more about the project, the physical changes to the parcels, and a representative from the District's financing team will be available to talk in detail about the financing and costs of the project.

Mr. Bauer introduced Patrick Reeves from Penfield & Smith Engineers who talked about preparing the Engineer's Report. Mr. Reeves said the Engineer's Report had to be prepared by a licensed civil engineer, licensed in the state of California, and had to provide all the cost information that was relative to the project, the list of benefiting properties, the rules for spreading the project costs among the benefiting properties, the Assessment Diagram and the construction documents. Mr. Reeves said a critical part of the Engineer's Report was a list of estimated assessments for each benefiting property. Mr. Reeves said the assessments were conservative and what was presented was the highest that could be assessed. Mr. Reeves said the District was going after bonds where the District would receive volume discounts if all four of the areas were passed.

General Manager talked about the background of assessment districts in the Carpinteria Sanitary District's service boundary. General Manager said the District just recently completed and closed out two assessment districts, one for Padaro Lane and one for

Serena Park. The bonds have been paid back, and the homeowners' assessments have ceased showing up on their property tax bills. General Manager said when the homeowners come to the District and want to obtain sewer service, the District goes through the assessment district process. General Manager said this process was governed by state law, the Streets and Highway Code - the 1913 Municipal Improvement Act. The 1915 Act governs how bonds are sold.

Mr. Bauer identified the four zones that would make up Assessment District No. 2007-1, with the number of parcels and cost of improvements. Mr. Bauer said each zone would vote independently.

General Manager said the grant the District was pursuing was a Prop. 50 grant through the State's Clean Beaches Initiative grant program. General Manager said like the last state grant the District received for the EIR preparation for this project, it's paid out on a reimbursement basis. The District spends funds and submits an invoice to the state and they pay whatever they have committed to pay. General Manager said the grant the District was pursuing would pay up to 25% of the construction costs. At the end of the project, when it's complete and the District receives the funds from the state, the assessments would be lowered. Any individuals opting to pay cash upfront, the money would be refunded at that time also.

Mr. Bauer said the zones were identified as: Zone A - Rincon Point; Zone B- Sandyland Cove; Zone C- Sand Point Road; and Zone D - Padaro Lane. Mr. Bauer said all the improvements for all four zones total \$8,048,130. Mr. Bauer said Zone D, Padaro Lane, was so small, that if Padaro Lane was the only one that passed, the District would not issue bonds. Some other way would be utilized to fund those improvements. Mr. Bauer went over the costs for issuing bonds if two or more zones passed.

Mr. Bauer went over future activities related to the formation of the assessment district. General Manager said homeowners within the approved assessment district would be given the option of paying cash upfront. It would be lower than the assessment costs that include financing of bonds.

General Manager said there had been some questions about future users and property owners adjacent to the proposed assessment district, one of them being the County beach park at Rincon Point, and the other being the resort development on the Bluffs III properties. General Manager said the concern from homeowners is that these properties would be tying into infrastructure that the assessment district paid for without them paying their fair share. General Manager said a mechanism would be implemented, whether it is an ordinance or reimbursement agreement or Board policy to make sure that future connections would pay their fair share of the infrastructure costs. The revenue, if a future property owner paid "x" dollars, would be fairly apportioned to reduce the assessments, and could be funded to those property owners that paid cash.

General Manager said that in 2000 the voters approved an assessment district in Rincon Point. The cost for public improvements at that time was around \$41,000 per parcel. General Manager said if the District were building the original project for Rincon Point, the costs would be significantly higher than those presented in the Carpinteria Sanitary District Assessment District No. 2007-1. One of the differences in the costs now versus the costs in 2000 is the on-site costs. The District is going to own and maintain the on-site portions of the system for the low pressure communities, so the costs for the grinder pump and onsite lateral pump, the tank and septic tank abandonment, and even the District's connection fees or Development Impact Fees are included in these numbers. In prior years, those figures were not included.

President Moorhouse opened this item up for public comment. President Moorhouse said there were no speaker slips submitted, but asked if anyone wanted to make any comments. Hearing none, President Moorhouse closed the item for public comments and

opened it up to the Board. Director Horwitz said there wasn't a lot of new information, but she wanted to say there were four different zones and some people had a hard time grasping that concept. Director Horwitz said she thought the Board was ready to move on. Director Damron said staff and the consultants had done a great job in answering questions that have come up in previous meetings and putting things into plain English for everyone to understand. Director Damron said everyone would have a chance to vote on this project for their neighborhood.

Resolution No. R-201 – A Resolution of Intention to Make Acquisitions and Improvements; Carpinteria Sanitary District No. 2007-1. General Manager said the consent had been received from the Santa Barbara County Board of Supervisors on July 17, 2007 and from the Ventura County Board of Supervisors on July 10, 2007. General Manager said the resolution was developed by Mr. Ferguson of Jones Hall and reviewed by Nordman, Cormany, Hair & Compton LLP. General Manager said it was staff's recommendation that the Board adopt Resolution No. R-201.

President Moorhouse opened this item up for public comments. The first speaker was Jaleh White. Ms. White commented on the following subjects: funds paid for the EIR in 2004 and forming an assessment district without an EIR, funds received from Heal the Ocean, why homeowners had to pay District's legal fees, fees from property owners regarding future sewer connections and paying a fair share for infrastructure, and water quality off Rincon Point.

Giti White's comments included: appealing to the Board to defer a decision on the proposed assessment for Rincon community until benefits have been identified associated with the project, relocating the existing bluffs sewer line and establishing an assessment process for the County and State beach parks and Bluffs parcels, and appealing to the Board to deny Resolution R-201.

Doug White's comments included: sharing costs with future Bluffs development and State/County Parks and developing a cost-sharing plan so Rincon Point homeowners don't have to subsidize costs.

Sandra Carradine commented that she had been to many meetings and had seen the yawns and blank stares from the Board. Ms. Carradine commented on an article in the LA Times that said she was posh and affluent and could afford to pay the highest sewer rates in the County. Ms. Carradine said she did not appreciate it and the Board would continue to hear from her.

There being no further comments from the public, President Moorhouse opened this item up for Board discussion. Director Horwitz said she did not respond to threats, and when she heard the speaker talk about legal fees, they did not mention that those legal fees were brought about by two frivolous lawsuits from the same people who were complaining about the legal fees. Director Horwitz talked about the sewer lines and overflow that the District had in 1998, which happened during El Nino. The District has a letter from the EPA commending the Carpinteria Sanitary District for their quick response, for the improvements done and for the way the District has stood as an agency ever since. Director Horwitz said the District does not go out and look for people to hook up to the sewer system. Director Horwitz said the General Manager had explained many times that when someone comes to us and they are hooked up, they are assessed and pay their fair portion. Director Horwitz said she wanted to commend the public present, because they had come to realize their voting rights had not been stolen away. Director Horwitz asked General Manager to address some of the speakers' comments.

General Manager said there was a letter to the Editor of the *Coastal View* about a quotation that was attributed to him in the *Ventura County Star*, saying that he said these were affluent homeowners who could afford to pay these high costs. General Manager said

this statement was a misquote that he did not make. General Manager said it was unfortunate that was perpetuated and was sorry it happened, but sometimes we have no control over the press and what they write.

General Manager said, for the record, the County of Santa Barbara, the State of California and the owners of some future resort had not come to the District and asked the District to provide sewer service. The District cannot respond to something that does not exist. General Manager said his intent was to formalize the mechanism by which future users will pay their fair share.

General Manager said the comments about the Bluffs sewer line and it being an immediate failure threat are untrue. General Manager said that line was difficult to access, but the District has a plan to move it into the Carpinteria Avenue right of way and is in the process of searching for a means to fund that project so the cost is not added to the ratepayers' annual charge. General Manager said he was licensed engineer and would not allow a project like this to hook up to that line if he felt it was in immediate jeopardy.

Director Horwitz said the District is looking for public funds to help finance that Bluff line to be moved. Director Horwitz said she'd like to commend staff in that they have researched and know they don't have to get the project done now, but want to take the time to look for outside funding.

Director Damron said the homeowners came to the District. Director Damron said there were proponents and opponents of the project and they both have had an opportunity over the last several years to influence their neighbors. Director Damron said this was a fair process and staff had done a great job to address concerns, and he thought it was time to move on.

President Moorhouse said they were public servants and did not go out asking for this, and that it was the residents who came to the District. President Moorhouse said, as in any democracy, the homeowners would get their chance to vote for the project. President Moorhouse said it was disappointing that people want to come and harass the messenger.

Director Damron made a motion that the Board adopt Resolution R-201 as written; Director Horwitz seconded the motion. The motion was approved by the following 3-0 roll call vote: Director Damron voted aye, Director Horwitz voted aye, and President Moorhouse voted aye. Directors Graf and Treloar were absent.

Resolution No. R-202 - A Resolution of the Board of Directors of the Carpinteria Sanitary District Preliminarily Approving Engineer's Report and Directing Related Actions.

General Manager said the Engineer's Report was the official document that established the assessment per parcel and was prepared in accordance with State law. General Manager said Resolution R-202 was developed by Mr. Ferguson of Jones Hall and was also reviewed by District's legal counsel. General Manager asked Pat Reeves, Penfield & Smith Engineers if he had any additional comments on the Engineer's Report. Mr. Reeves said there was a concern about the accuracy of Rincon Point portraying roads or easements. Mr. Reeves said those portrayed on the boundary maps were all per the most current assessor's parcel maps for both Ventura and Santa Barbara counties. Mr. Reeves said they were accurate boundaries, despite the location of existing roadways.

Mr. Reeves said as far as benefiting people down the road, the only people that would benefit from this project were the ones that receive laterals and paid their fair share.

General Manager said it was staff's recommendation that the Board adopt Resolution R-202.

President Moorhouse opened this item up for public comments. Giti White said she was at the meeting to urge Carpinteria Sanitary District to minimize the costs and the negative impacts of this project by denying Resolution R-202. Ms. White said after seven years this project remained more of a red flag than a flagship. Ms. White said she'd like to

encourage the District to remove funds to be reimbursed to Heal the Ocean for the proposed funding for the assessments. Ms. White said the District did not have the authority to incur legal defense costs outside its service area.

Director Damron made a motion that the Board adopt Resolution R-202; Director Horwitz seconded the motion, and the motion was approved by the following 3-0 roll call vote; Director Damron voted aye, Director Horwitz voted aye and President Moorhouse voted aye. Directors Graf and Treloar were absent.

Report on Annexation Proceedings – South Coast Annexation to the Carpinteria Sanitary District. General Manager said the Santa Barbara Local Agency Formation Commission (LAFCO) considered the South Coast single annexation that included all four distinct communities at its August 2, 2007 meeting. General Manager said he attended the meeting and provided some testimony. General Manager said after some discussion the LAFCO Commission approved the annexation unanimously. General Manager said this did not finalize the annexation. General Manager said there was a written protest period that follows a 30-day statutory window that would not start for about 30 days. If LAFCO receives protests from less than 25% property owners within the annexation areas and less than 25% from registered voters, then the annexation area would be confirmed. General Manager said if the 25% threshold is confirmed, it would go to an election probably through the County Registrar, who would mail a ballot and then the threshold would become 50%. If less than 50% protest, then the annexation is confirmed.

Cash Contract No. 346 – Kennedy/Jenks Consultants

Lift Station No. 4 Rehabilitation/Replacement – Final Design Services. General Manager said Capital Improvement Project (CIP) funds had been allocated for rehabilitating and upgrading Lift Station No. 4. General Manager said in February 2007 Kennedy/Jenks submitted a preliminary engineering study that evaluated alternatives for planned rehabilitation and/or replacement of Lift Station No. 4. General Manager said this lift station was located adjacent to Sand Piper Mobile Home Park and built in the 70's. General Manager said it had been updated over time, and a few years ago the force main was replaced. General Manager said there were three alternatives proposed, and based on Kennedy/Jenks' report the most appropriate alternative would be to convert the existing wetwell portion into a submersible pump station. General Manager said all pumps and controls would be new and conform to the District's current standards for telemetry and controls. The station would have a 25-year design life. General Manager said Kennedy/Jenks' proposed fee would be \$62,996 and it was staff's recommendation that the Board review and approve Cash Contract No. 346 between the Carpinteria Sanitary District and Kennedy/Jenks Consultants for professional services with a not to exceed contract amount of \$62,995.

Director Damron made a motion that the Board approve Cash Contract No. 346 between the Carpinteria Sanitary District and Kennedy/Jenks Consultants for professional services with a not to exceed contract amount of \$62,995, dated August 7, 2007; Director Horwitz seconded the motion and the motion passed by a 3-0 vote.

Board Workshop Planning. President Moorhouse tabled this item until all Board Members were present for discussion.

General Manager's Status Report: Collection System Rehabilitation Project Update – Pipe is being put into the ground. A line was replaced on Church Street coming down Carpinteria Avenue using the pipebursting method. Work is starting on a line on 9th Street. General Manager said there had been some complaints about the noise associated

with the trenchless replacement method; **Pump Station SCADA System Update** – The system is working well and we are getting information from Lift Stations 1 & 2; **Staff Recruitment Status Report** – Joey Mendoza has been hired as the Operator In Training and is fitting in well. We interviewed one candidate for the Safety and Training Officer position and another interview with a second candidate is scheduled this week; **Integrated Regional Water Management Plan Update** – This is moving along and we submitted an application for round 2, Step 1 of the Prop. 50 funds; **CSDA Annual Conference** – The annual CSDA Conference will be held October 1-4, 2007 in Monterey. Board Members should have received information on the conference programs and registration information; **Operations Update** – The WWTP is operating in full compliance with our NPDES Permit. The Collection system is operating fine with no sewer system overflows. Upgrades have been completed at Lift Station No. 2. The District has had some vandalism and has done some fence repairs and removed items on that site to make it more visible. CIWQS online reporting has been delayed due to problems with the State computerized system. President Moorhouse and I will attend the CASA Conference in San Diego next week.

Board Committee Reports.

Finance Committee – Director Horwitz reported the Finance Committee will meet with the auditor for the Exit Interview next week.

Personnel Committee – Did not meet.

Public Relations Committee. The PR Committee met regarding the District's newsletter. General Manager said the newsletter was being mailed out today.

Board General Items: President Moorhouse reported he would be attending the Legislative Committee meeting in San Diego during the CASA Conference and would report back to the Board.

Future Agenda Items:

Adjournment. There being no further items to discuss, President Moorhouse adjourned the meeting at 7:00 p.m.

Michael Damron
Secretary

Lin Graf **(Absent)**
President Pro-Tem

Patricia Horwitz
Treasurer

Jeff Moorhouse
President

Douglas Treloar **(Absent)**
Secretary Pro-Tem