

**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 19, 2008**, at 5:30 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California.

Directors Present: Lin Graf – President  
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 - **Absent**  
Hamid Hosseini – Finance Director

Legal Counsel  
Present: Anthony Trembley

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

President Graf said, for the record, Director Treloar was absent for tonight's meeting.

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

**Approval of Minutes of July 1, 2008** – President Graf asked if there were any modifications. General Manager said he had two modifications. On page 1, Legal Counsel Present: **Anthony Trembley** should have read **Nancy Kierstyn-Schreiner**, and the first sentence on page 3 has been changed to read: General Manager said, as part of this process, several findings and actions **are** required by State law to complete the assessment district formation proceedings, and they **will** be ordered by adoption of Resolution No. R-210. General Manager said both of those changes had been made and the corrected minutes would be submitted for Board signatures.

Director Damron made a motion that the Board approve the July 1, 2008 Minutes as modified; Director Horwitz seconded the motion, and the motion was approved by a 4-0 vote.

**Approval of Minutes of July 15, 2008** – Director Damron made a motion that the Minutes of July 15, 2008 be approved as submitted; Director Horwitz seconded the motion, and the motion was approved by a 4-0 vote.

**Approval of Minutes of July 31, 2008** – General Manager said he had one correction on the July 31, 2008 Minutes. General Manager said on page 5 where it said **President Graf** reported the Board coming out of Closed Session, should have read **President Pro-Tem Damron** reported the Board . . .

Director Horwitz made a motion that the Board approve the Minutes of July 31, 2008 as modified; Director Damron seconded the motion, and the motion was approved by a 3-0 vote. Director Graf abstained, since he was absent from the July 31, 2008 Board Meeting.

**Public Forum.** None

**General Manager's Status Report - IRWMP Meeting Report** - General Manager said he attended a meeting of the Cooperating Partners on August 5, 2008 in Goleta. The group reviewed proposals submitted by firms to provide grant administration. Direction was given to the new Interim Manager of the County Water Agency, Matt Naftaly, to move ahead with contracting activities. State Board staff conducted inspections of several of the grant-funded project sites last week. General Manager said they had planned on coming to Carpinteria, but they ran out of time; **SAMA Meeting Report** – The SAMA meeting was August 13, 2008 at the Summerland Sanitary District. Ryan Lodge, the South Coast representative from the State Water Board attended the meeting and gave a general overview of RWQCB activities; **SBSDA Meeting Report** – General Manager said Director Moorhouse and he attended the SBSDA meeting in Solvang. The speaker was Bob Geis, the Santa Barbara County Auditor-Controller. General Manager said Mr. Geis gave a report on all the services they provide to Special Districts and talked about not being compensated for all the services; **General Manager Schedule** – General Manager said he would be in Monterey the second half of this week for the annual CASA conference, and from September 1 – September 12 would be out of the country on vacation. General Manager said the office would be covered by Judy, Hamid, Lance and Art. General Manager said the September 2, 2008 Board Meeting has been cancelled, and the meeting scheduled for September 16, 2008 has tentatively been moved to September 23, 2008; **Operations Update** – Treatment and Collections are operating fine with no sewer overflows to report. The plant's main air compressor had a failure and required a minor rebuild by an outside contractor. Staff has been working with our Accela database vendor to address some glitches and get some updates. General Manager said Lance Lawhon, the District's Engineering Technician, has been working with him on several sections of the District code book. It will come to the Board for consideration of approval after internal review and review by counsel.

**CSDA 2007 Board Election** - General Manager said this was a Board decision. General Manager said included with the Staff Report were candidate statements and an actual ballot. Director Moorhouse made a motion that the Board vote for James Acosta to serve a three-year term on the CSDA's Board of Directors; Director Damron seconded the motion, and the motion was approved by a 4-0 vote.

**As-Needed Engineering Contract – Penfield & Smith** – General Manager said the Board entered into an agreement with Penfield & Smith for the provision of engineering and consulting services in April, 2008. General Manager said task orders over \$5,000 come back to the Board for approval. General Manager said this task order pertains to engineering and consulting services for the Bluffs Sewer Relocation Project. General Manager reported through the IRWMP process the District expects to receive \$1.25M in state grant funds (50% match). General Manager said the Bluffs Sewer Relocation Project had been on the District's Capital Improvement Project (CIP) list for a long time, and did not move forward because the District did not have the funds to move forward, and also the District was counting on some

other development projects to move forward to provide some of the funding. General Manager said the grant has come through, and the design part of the project has been placed on the CIP budget for the current fiscal year. General Manager said the project involves relocating approximately 6,000 linear feet of gravity sewer from out on the bluff face above the Union Pacific Railroad tracks into Carpinteria Avenue. General Manager said there were a couple of challenging aspects to this project: 1) where the Bailard Avenue offramp goes up is a high spot, and a gravity sewer going through would need to be a very deep trench or some trenchless method to hold the line and grade and get the line through the overpass. General Manager said that aspect of the design is where Penfield & Smith's geotechnical investigation is necessary. General Manager said the other challenging part is the Carpinteria Creek crossing. General Manager said he reported several years back where that part of Carpinteria Creek got exposed by channel erosion and the flow was temporarily diverted. General Manager said the existing pipeline in Carpinteria Avenue, downstream of the proposed connection point, crosses Carpinteria Creek in an inverted siphon, and replacement of the siphon has been included as a critical component of this project.

General Manager said Penfield & Smith's proposal includes field survey and aerial topographic mapping for a large area. In addition to plan and profile design of the main sewer, the work includes planning and design of collector or lateral sewers necessary to serve the existing commercial buildings on the bluffs, as well as abandonment of the existing bluffs sewer. Penfield & Smith's scope also includes permitting activities and preparation of a Stormwater Pollution Plan for the construction activities. General Manager said Penfield & Smith's proposal was attached to the Staff Report for Board review.

General Manager said the District's design budget estimate for this project was originally \$150,000. General Manager said staff did not anticipate one aspect of the design for reconnection of private commercial buildings. General Manager said Penfield & Smith's estimate for the proposed engineering services was \$220,145. General Manager said although this exceeds the District's planning estimate, due to savings in other recently completed CIP projects, the work can be accomplished without committing additional general fund dollars to the CIP fund.

General Manager said it was staff's recommendation that the Board authorize the General Manager to approve Task Order No. 002 in the amount of \$220,145, pursuant to the as-needed engineering services agreement with Penfield & Smith.

Director Moorhouse said when he came on the Board in 1997, the line out at the bluffs was one of his pet peeves, and he was happy to see it come to fruition.

General Manager said the next phase would be the going through the CEQA process, and hopefully that will come together in order to be able to begin construction.

Director Moorhouse said he would like to make a motion that the Board authorize the General Manager to approve Task Order No. 002 pursuant to as-needed engineering services agreement with Penfield & Smith; Director Damron seconded the motion, and the motion was approved by a 4-0 vote.

**Padaro Lane Main Sewer Extension - Sewer Construction Agreement and Reimbursement Agreement** – General Manager said this item on the agenda was asking the Board to approve two separate agreements with individuals on Padaro Lane. General Manager said Robert Short and George Handtmann had been to the Board at recent meetings. General Manager said they reside on Padaro Lane and were originally part of the South Coast Beach Communities Septic to Sewer Project. General Manager said they were undertaking construction of approximately 515 linear feet of 8-inch gravity sewer on Padaro Lane to serve their properties and some of their neighbors. General Manager said there would be two manholes and lateral sewers from the main to the property line. General Manager said this was a conventional gravity sewer system – a very straight-forward project.

General Manager said this component was removed from the assessment district by a Board-adopted resolution, Resolution No. R-208 on June 17, 2008. General Manager said a Sewer Construction Agreement (SCA), the standard agreement for individuals to utilize for private individuals to construct facilities that will be dedicated back to the District, was drafted between the District and the project proponents, Robert Short and George Handtmann. General Manager said in the recitals of this agreement are all the conditions and some special requirements. General Manager said included in the agreement is that they comply with the conditions of their Coastal Development Permit from the County of Santa Barbara. Through this process they have to comply with the mitigation measures that were originally set forth in the EIR that was completed by the District.

General Manager said the agreement also commits them to pay certain costs that were incurred through the assessment district proceedings and the annexation proceedings that could be attributed to Padaro Lane. They would be paying a pro-rated share of the costs as part their permit process to the District.

General Manager said the next aspect of this item is a Reimbursement Agreement between the District and Bob Short and George Handtmann to recover a portion of the project costs. General Manager said under this agreement, property owners who desire sewer service would pay the District a pro-rata share of the construction costs, and these funds would be returned to the project proponents. General Manager said this agreement sets forth a 20-year period during which the reimbursement agreement would be in effect.

General Manager said the Sewer Construction Agreement and the Reimbursement Agreement have been reviewed by the District's legal counsel, and it is staff's recommendation that the Board approve 1) the Agreement for construction and Dedication of a Sewer Main Extension on Padaro Lane between the District and Robert Short and George Handtmann; and 2) the Public Sewer Reimbursement Agreement for Padaro Lane Sewer Main Extension between the District and Robert Short and George Handtmann, both dated August 19, 2008.

Director Horwitz asked who would be supervising the construction of the project. General Manager said Mr. Short and Mr. Handtmann had to obtain a County land use permit, and the County would have to make sure they were complying. They also had to obtain a County Road Encroachment Permit, so the County Roads Dept. comes out and makes sure their backfill and paving is up to County standards. General Manager said the pipeline would be inspected by our District, and our staff would be paid as one aspect of this agreement through our regular percentage based fee for plan checking and inspection.

Director Horwitz made a motion that the Board approve the Sewer Construction Agreement and Reimbursement Agreement between the District and Robert Short and George Handtmann as presented; Director Damron seconded the motion, and the motion was approved by a 4-0 vote.

**Cash Contract No. 346, Lift Station No. 4 Modifications Project** – General Manager said the Board approved a Notice of Award to Timothy J. Ferrie, Inc. at our last Board Meeting for construction of the Lift Station No. 4 Modifications Project. General Manager said agreements were sent to Mr. Ferrie for his review and execution. General Manager said those were returned with the required insurance certificates and bonds to undertake this project. General Manager said the engineering consultant and staff reviewed the documents and all were in order. General Manager said the bid amount was \$443,900 from Tim Ferrie. General Manager said Cash Contract No. 346, part of the bid documents and completed by Tim Ferrie, is being presented to the Board tonight for approval. General Manager said it was a 240 calendar-day contract with liquidated damages applied for schedule noncompliance. General Manager said a Notice to Proceed will be sent to Tim Ferrie once the contract agreement is executed by the Board.

General Manager said it was staff's recommendation that the Board approve and execute Cash Contract No. 346 between the District and Timothy J. Ferrie, Inc. for the Lift Station No. 4 Modifications Project.

Director Damron made a motion that the Board approve and execute Cash Contract No. 346 between the District and Timothy J. Ferrie, Inc. for the Lift Station No. 4 Modifications Project; Director Moorhouse seconded the project, and the motion was approved by a 4-0 vote.

**Change Order No. 3, Collection System Rehabilitation Project Phase 1** – General Manager said this was a change order to Cash Contract No. 331 between the District and Insituform Technologies. General Manager said the District was waiting on Insituform to complete some punchlist items, but this change order is for work that was completed earlier, during the construction phase of the project. At the District's direction, there were two items of extra work that were not included in the original contract. Staff directed Insituform to perform some additional scale removal on three pipelines in the Eleanor Drive area. General Manager said it wasn't anticipated that the scale would be as bad in that area and wasn't reflected in the contract documents. Also, traffic control and bypass pumping requirements, beyond those included in the original project scope, were necessary to complete an open cut repair in the Reynolds Avenue offramp from US 101.

General Manager said Change Order No. 3 would increase the contract price by \$30,250, making the revised total \$1,220,399.20, but still within the allocated budget for this project. General Manager said if Board approved, Insituform would submit their final progress payment request and proceed with closeout activities.

General Manager said it was staff's recommendation that the Board approve Change Order No. 3 to Cash Contract No. 331 with Insituform Technologies, amending the contract price to \$1,220,399.20.

Director Damron made a motion that the Board approve Change Order No. 3 to Cash Contract No. 331 with Insituform Technologies, amending the contract price to \$1,220,399.20; Director Horwitz seconded the motion, and the motion was approved by a 4-0 vote.

**Budget Amendment Request – Elections Division Expenses – South Coast Annexation to CSD** – General Manager said this item was related to the annexation election for South Coast Annexation to the Carpinteria Sanitary District. General Manager said that annexation is complete. General Manager said at the outset, the District submitted a request for election services to the Santa Barbara County Elections Department, which was the same kind of request the District would submit for Board Member elections. It states that the District agrees to pay within 30 days of the election the costs the County incurred in conducting the election. General Manager said this election was called by LAFCO, but it was the District's annexation election. General Manager said he signed the form that was submitted to the County Elections Officer, Billie Alvarez. General Manager said prior to submitting the form he received an informal email in January from Billie saying that for a mail ballot election of this type her estimate at that time was between \$2,000 and \$3,000. We received an invoice dated June 16, 2008 from the SB County Elections Dept. for services and materials rendered by the Elections Division totaling \$35,139.96. General Manager said that invoice and some of the materials received from the County were included in the Staff Report. General Manager said once the District received the one-page invoice the County was contacted. General Manager said he informed them this was a lot more than we expected, and asked for an accounting of the charges. General Manager said the labor summaries and expenditure transaction record were included in the Staff Report. General Manager said he had other information for charges spent publishing notices for this election.

General Manager said he talked directly with Ms. Alvarez and asked why the invoice was \$35,000 versus the original estimate of \$2-3,000. She explained that she and her staff spent an excessive amount of time conducting this election due to what she called intense scrutiny and involvement from attorneys, voters and interested parties. Ms. Alvarez said all the hours reflected in this time accounting, she and her staff spent conducting the election. General Manager said Ms. Alvarez said there was no way she could have anticipated the level of scrutiny and involvement in conducting this election.

General Manager said there was some preliminary indication from the County that they would be submitting a supplemental invoice for additional staff time and expenses incurred in responding to the election contest filed in Ventura Superior Court dealing with the lawsuit and providing information to the attorneys. General Manager said the District objected to the additional billing as these activities were outside the scope of our original services request. General Manager said County staff reviewed this matter and agreed there would be no additional costs to the District beyond the original \$35,139.96 invoice of June 16, 2008.

General Manager said these costs were not part of our operating budget. Legal Counsel has indicated that we do have a legal obligation to pay the invoice. General Manager said there is a good chance that the District could recover these costs through the assessment district, but there was not a \$35,000 line item in the Engineer's Report for this unanticipated cost. There are contingencies built in the costs estimates for the assessment district that could reasonably be used to cover these legitimate costs.

Staff recommended the Board authorize payment of the invoice to Santa Barbara County as payment for services provided.

Director Horwitz said she was having a hard time with this. Director Horwitz asked if there was any way to voice our concerns over the mismanagement by LAFCO. Director Moorhouse said the Board is one of the agencies that elects the Board of Directors for LAFCO. A Special District representative serves on LAFCO. Director Moorhouse said he had, on behalf of the Board, voiced his displeasure with the leadership of LAFCO because the District had to go to election because of missteps. Director Moorhouse said he found it odd that during the last election cycle the President who was sitting as the Chair of LAFCO was not elected to sit as the representative of LAFCO. He was elected to sit as an alternate.

Director Damron asked if this would cause any grief if the Board decided not to pay this invoice at this time and wait until the next meeting. General Manager said on the signed *Request for Election Services* it says "Failure to pay within 30 days will result in an interest charge commencing from the date of the election." General Manager said the only risk that the District would incur would be the interest charges.

Director Graf asked how realistic could it be to assume the District could be reimbursed for these charges. Legal Counsel said there was not a line item under the non-construction project costs category in the Engineer's Report, but there is a line item for annexation costs. General Manager said this would not cover this expense, and certainly would not cover legal expenses. General Manager said because there wasn't a line item doesn't mean if there are funds left over they could be shifted to cover this cost. Legal Counsel said there are other line items for legal fees and for legal defense reimbursement costs.

Legal Counsel said we were talking about an Elections Division bill and not a bill from LAFCO. Legal Counsel said he understood it did not eliminate the thought about how we got to where we are and where we were relative to the election. Legal Counsel said in respect to the Elections Dept., they were very cooperative during the elections contest process and the litigation. Legal Counsel said the District is legally responsible for this cost, both per the Government Code and the Elections Code.

Director Horwitz said she was really dissatisfied with the whole thing. She said the costs for noticing should have been anticipated. General Manager said originally the Elections Division was planning on noticing the election the same as noticing other elections. Observers came in and said that was not adequate. General Manager said out of caution, they expanded their noticing.

Director Horwitz made a motion that the Board authorize payment of the County of Santa Barbara invoice for election services rendered; Director Damron seconded the motion, and the motion was approved by a 4-0 vote.

### **Board Committee Reports**

**Finance Committee** – Director Horwitz said the Finance Committee met twice. The first meeting was with the District’s auditor. Director Moorhouse also attended that meeting. Director Horwitz said the auditor looked at the way the District does their invoicing and reported to the Finance Committee that for an agency our size we are running a tight ship. Director Horwitz said the auditor would be including some of his comments in the audit letter.

Director Horwitz said the second Finance Committee was the normal monthly meeting reviewing the monthly budget report and included an insurance update and more information on the audit.

**Personnel Committee** – did not meet.

**Public Relations Committee** – did not meet. General Manager said he’d like to schedule the next PR meeting the end of next week to review the draft District newsletter from Martin Rauch.

### **Board General Items**

**CASA Legislative Committee Report** – Director Moorhouse said he didn’t have a report, but he was scheduled to attend the CASA Legislative Committee Meeting on Friday. Director Moorhouse said he received a call from CSRMA and was asked to be on their Finance Committee. Director Moorhouse said they meet twice a year, and there would not be a financial impact on the District, as all costs are covered by CSRMA.

**Future Agenda Items** – Director Damron asked if an item could be placed on a future agenda regarding who to send a letter to voicing displeasure with the item regarding the annexation election costs.

**CLOSED SESSION – District Legal Counsel reported the Board would go into Closed Session 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 Graf reported the Board coming out of Closed Session and did not have any action to report. Regular Session reconvened.**

**Adjournment.** There being no further items to discuss, President Graf adjourned the meeting at 6:28 p.m.

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Lin Graf  
President

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Pat Horwitz  
Secretary Pro-Tem

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Michael Damron  
President Pro-Tem

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Doug Treloar - **Absent**  
Treasurer

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Jeff Moorhouse  
Secretary