

**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 **September 18, 2012**, at 5:30 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California.

Directors Present: Lin Graf – President
Jeff Moorhouse – President Pro-Tem
Pat Horwitz – Treasurer - **absent**
Mike Modugno – Secretary
Michael Damron – Secretary Pro-Tem

Staff Present: Craig Murray – General Manager
Kim Garcia – Board Clerk
Hamid Hosseini – Finance Director

Legal Counsel
Present: Anthony Trembley – Musick, Peeler & Garrett, LLP

Public Present: None

President Graf called the meeting to order and asked Director Modugno to lead the Board and staff in the Pledge of Allegiance.

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

Board Approval of Agenda - President Graf asked if there were any modifications and/or changes to the agenda. Hearing none, President Graf said the agenda was approved as submitted.

Board Approval of Minutes of the Meeting of August 21, 2012 – Director Damron made a motion that the Minutes of the August 21, 2012 Regular Board meeting be approved as submitted; Director Moorhouse seconded the motion, and the motion was approved by a 3-0-1 vote, with Director Modugno abstaining from voting.

Public Forum – None.

General Manager's Status Report – General Manager reported on the following:

Collections System Supervisor Recruitment – General Manager said from the pool of applicants, eight candidates were interviewed by the District panel and asked to provide written response to one question. From that group two finalists were selected and second round interviews were conducted in an informal setting that included a facility tour. A conditional job offer was extended and accepted. Appointment is pending background checks and pre-employment fitness testing.

Staff Promotion – General Manager said John Bacchilega was promoted from Laborer to the Collection System Operator I position. Over the past several months John has contributed greatly to the Collections Department and, on his own initiative, obtained a CWEA Collection System Maintenance Technology Grade I Certificate. Congratulations to John on a well-deserved promotion.

September SAMA Meeting Report – General Manager said the District hosted the Sanitation Agency Managers' Association for its monthly lunch meeting on September 12th. There was an extended report and good dialogue about the proposed \$1.4M fine issued to the South San Luis County Sanitation District and the associated RWQCB hearing held in San Luis Obispo on September 7th. A number of agencies are embarking on pipeline rehabilitation projects at this time and bid prices for trenchless work remain low.

Rincon Point Septic to Sewer Project Update – General Manager said the Santa Barbara County Board of Architectural Review considered the project on August 24th and had minor comments on building color and lighting of the proposed pump station building. The District has received a letter of completion from the County for the land use permit. It's anticipated that this project will go before the planning commission at a hearing scheduled for November 14th. Caltrans has continued their internal review of the pipeline design with extensive focus on the pipe attachment to the highway bridge over the railroad corridor. They have indicated a requirement to use welded steel pipe and a steel casing, materials that are not desirable from the District's standpoint because of corrosion control factors. Property easement deeds and user agreements are now being received at a better pace. A comprehensive final design review workshop was held within the community on September 17th and the plans are close to being ready to bid.

Manhole Rehabilitation – General Manager said District staff is working with the contractor who performed a manhole rehabilitation project in 2010/11 to address defects identified during the warranty period. This work is expected to continue through the end of September.

SCE Service Reliability Meeting – General Manager said he attended a meeting on August 29th, hosted by the Carpinteria City Manager, with officials from Southern California Edison to discuss power quality concerns within the Carpinteria Valley. The District, along with representatives from the Carpinteria Valley Water District, shared concerns about power quality and the cost impacts of recurring outages and voltage drops. As a result of the meeting, SCE will look further into the concerns of the agencies and the City.

Operations Update – General Manager said the WWTP is operating in full compliance with our NPDES permit. Several odor complaints were received during and following the Labor Day weekend. District staff responded to each complaint and acted to mitigate the odors immediately. The aerobic digester was the source, but atmospheric conditions contributed to the problem. During operations to remove heavy accumulation of mineral scale from an 8-inch clay sewer on Padaro Lane, the District's "chain flail" cleaning head became stuck. Despite best efforts to remove the equipment, we were unable to get the unit out of the pipe. The hose was cut and the following morning, Tierra Contracting responded to dig up the pipe and remove the stuck equipment. A sanitary sewer overflow occurred on September 2nd from two manholes in Via Real just west of the entrance to the Santa Barbara Polo & Racquet Club. An estimated 690 gallons of wastewater was released but none reached a storm drain or other surface water body. Required notification and reporting was performed. The spill was due to an accumulation of grease at a location that is

already a priority maintenance spot, cleaned on a recurring schedule. A poor hydraulic design was allowed many decades ago due to a conflict with a 22-inch high pressure gas main.

Resolution No. R-256 – Appointing Members to the Board of Directors of the Coastal Districts Financing Authority – General Manager said on March 2, 1993 the District Board approved Resolution No. R-42 which authorized execution of a Joint Powers Agreement with the South Coast Water District. This agreement resulted in the formation of the Coastal Districts Financing Authority effective as of April 1, 1993 and appointed two members of the District Board to serve as members of the Board of Directors of the Authority. A copy of the Resolution was attached to the Board packet for reference.

General Manager said shortly after the formation of the JPA, the District successfully completed a \$19M bond issuance to finance a major upgrade to its wastewater treatment facility. South Coast Water District completed a \$4M bond sale to finance capital improvements within its service area around the same time. A number of meetings of the Authority Board were held through the mid 1990's but since that time has been essentially dormant. However, the Authority still exists as a legal entity and the District now desires to reactivate it to provide a vehicle for an upcoming public financing.

General Manager said District staff has contacted South Coast Water District staff and they are amenable to reactivation of the Authority. It requires actions by both agencies. The JPA requires the District Board to appoint two members of our Board to the JPA Board, one of these appointments would be conditional and effective upon the written approval of the South Coast Water District Board. The South Coast Water District Board would appoint one member of their board to the JPA. The function of this three member board would be primarily to approve the bond transactions. Resolution No. R-256 was drafted to effect this appointment and ideally, the Board would appoint members in an ex-officio capacity, similar to the approach taken in Resolution No. R-42 where the District President and President Pro-Tem were chosen as Authority representatives.

General Manager said if approved, Resolution R-256 would be provided to the South Coast Water District with a template for a corresponding resolution of their Board. Subsequent to that, a meeting of the Authority Board of Directors would be scheduled.

General Manager said it was staff's recommendation that the Board review and adopt Resolution No R-256 appointing members to the Board of Directors of the Coastal Districts Financing Authority, with appropriate amendments made to designate the appointments.

Director Damron made a motion to designate the President of the Board of Directors to serve as a member of the Authority Board and to designate the President Pro-Tem of the Board of Directors to serve as a member of the Authority Board subject to SCWD approval; and to adopt Resolution No. R-256 as amended. Director Modugno seconded the motion and the motion was approved by the following 4-0 roll-call vote, Director Damron voted aye, Director Moorhouse voted aye, President Graf voted aye and Director Modugno voted aye.

Municipal Service Review/Sphere of Influence Update Process – General Manager said the District has requested that LAFCO, through its Municipal Service Review Update process required every five years by statute, consider adjusting the District's sphere of influence to better represent an ultimate service area boundary. General Manager showed, utilizing the District's service area map located in the Board room, the current service area boundary and the current sphere of influence which are both essentially contiguous.

General Manager said that there may be a future need to extend public sewer service to certain parcels with agricultural zoning designations that are fully developed with greenhouse operations, farm-worker housing or visitor retail establishments. Annexation of

these parcels into the District's sphere appears to be in conflict with an existing Santa Barbara County zoning policy that prohibits extension of sewer services outside the urban rural boundary. The County has historically been concerned with extending sewer service to agricultural parcels on the basis that it may promote development. In 2009, LAFCO adopted a policy, similar in concept, indicating that boundary changes that would put agricultural parcels into the service area of water or wastewater agencies were not acceptable. At the September 6, 2012 LAFCO meeting, this issue was presented for discussion.

General Manager said comments from LAFCO commissioners at the September 6th meeting seemed to acknowledge the difference between greenhouse agriculture and open field agriculture in terms of the nature of development and the need for sewer service. They indicated that there may be justification to include certain categories or types of agricultural properties within our Sphere of Influence. It was suggested that the next step in the process would be to develop a proposed sphere boundary that could be vetted through the County of Santa Barbara Planning and Development Department and other interested parties, preliminarily approved by the District Board of Directors, and then brought back to LAFCO with maps and supporting information for additional consideration.

General Manager said there are a number of items to be determined. One item includes deciding which agency initiates the Sphere of Influence boundary change. District staff has requested that any proposed sphere amendment be part of the LAFCO Municipal Service Review and Sphere of Influence update process. LAFCO staff has requested that the District prepare and submit an application to amend our sphere. Another issue to be resolved is what level of CEQA may be required and who is responsible for performing and paying for the process, if one is required.

General Manager said District staff will work to develop a plan and a proposed sphere boundary for consideration by LAFCO staff and vetting with other interested parties. Ultimately, a draft MSR or a sphere modification proposal will come back to the Board for consideration.

California Public Employees' Pension Reform Act of 2013 (PEPRA) – General Manager said at the end of the legislative session on August 31, 2012, the Legislature passed a pension reform bill, AB 340, which was subsequently signed by the Governor on September 12th. This bill addresses changes to CalPERS, California Public Employees' Retirement Pension System.

General Manager said this item is being presented to the Board to provide a summary of provision changes to retirement benefits including new pension formulas, maximum compensation used to calculate pension benefits and employees being required to contribute at least 50% of the normal cost.

General Manager said District staff has been monitoring information provided from various agencies, such as CASA and CSDA, regarding interpretation of changes to pension benefits for new members, hired on or after January 1, 2013, and existing members. Staff will continue to carefully track the legislated changes and respond accordingly to ensure compliance. The Board can anticipate a number of items for consideration in the coming months.

Paperless Board Agenda Process – General Manager said District staff has investigated the potential implementation of a paperless Board agenda process through the purchase and use of electronic devices.

General Manager said there are a number of electronic devices, software applications and data plans that exist to facilitate the switch from paper to paperless. The Apple iPad utilizes document readers and annotator applications which are available for a minimal one-

time cost. The cost of available tablet devices was discussed, as were the various methods for which data and materials would be transferred to the devices. Cost savings associated with paper consumption, copy machine wear and staff time to copy, compile and hand deliver packets were also considered.

Director Damron made a motion to approve the purchase of one electronic device, with a not to exceed cost of \$1000, for the purpose of a trial implementation of a paperless Board agenda process. Director Modugno seconded the motion and the motion was approved by a 4-0 vote.

Finance Committee – President Graf reported the Finance Committee met on September 17th and reviewed the monthly budget report, draft financial statements for fiscal year 2011-12, received an update on the revenue bond refinancing and reviewed the District’s financial model with regard to debt financing, IRS compliance check information and a status update on the Assessment District 2007-1 bond sale.

Personnel Committee – Did not meet.

Public Relations Committee – Director Moorhouse reported that the Public Relations Committee met on September 14th and discussed a public outreach plan. The next meeting is scheduled for Monday, October 1st, Director Modugno will be absent, therefore President Graf will attend.

CASA Legislative Committee Report – None.

LAFCO Report – None.

SBCSDA Report – Director Moorhouse reported that SBCSDA Awards Committee is currently accepting nominations for outstanding general managers, engineers, accountants, legal advisors or contractors in our area.

Board Member Vacation Dates – Director Modugno will be absent for the October 2nd & October 16th regular Board meetings.

Future Agenda Items – None.

Adjournment. There being no further items to discuss, President Graf adjourned the meeting at 6:43 p.m.

Lin Graf
President

Mike Modugno
Secretary

Jeff Moorhouse
President Pro-Tem

Michael Damron
Secretary Pro-Tem

Pat Horwitz
Treasurer