

**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 **October 21, 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

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

Legal Counsel
Present: Anthony Trembley

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

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 the Special Board Meeting of September 23, 2008 – Director Damron made a motion that the Board approve the September 23, 2008 Minutes as submitted; Director Moorhouse seconded the motion, and the motion was approved by a 3-0 vote. Directors Treloar and Horwitz abstained since they were absent from the meeting.

Public Forum. None

General Manager's Status Report - IRWMP Meeting Report – General Manager said he would report in more detail on this item later on the agenda; **CSD Staffing Update** – Anthony Vega resigned from the District last Friday to accept a position with the City of Carpinteria, and due to his short tenure with the District, instead of going out and conducting a new recruitment effort, management elected to go back to the list of qualified applicants for the Laborer position that had previously been developed during the prior recruitment effort. An offer was extended to the second ranked candidate in that process, and staff is currently completing background checks and other pre-employment screening. The new Laborer is expected to start on November 3rd. Richard Cervantes was promoted to Collections System Operator Grade 2 earlier this month, following his successful passing of

the CWEA Grade 2 Collection System Operations TCP examination; **South Coast Beach Communities Septic to Sewer Project Update** - The cash payment period for the assessments ended last Friday, October 17th. The finance team has been working on the documentation and different steps necessary as we move into the marketing of the bonds. A lot of time is being spent evaluating the pros and cons and the timing issue with this process. Director Treloar asked if the cash payment period was the time when the homeowner could pay upfront. General Manager said that was correct. General Manager said that out of 133 parcels that were in the assessment area, 50 made cash payments. In Rincon, out of 72 parcels, 20 cash payments came in. Out of 39 assessments at Sandyland, 18 cash payments came in, and at Sand Point Road there were 22 assessments and 12 cash payments. The finance team thought this was a high percentage of cash payments. Director Moorhouse asked about the timeframe for going out to sell the bonds. General Manager said the team was looking at this and there were issues with delaying it. General Manager said rates could continue to go up, and the decision to go forward, how to go forward, and the different documents would come back to the Board. General Manager said the team was looking at the November 18th Board Meeting. General Manager said the team was in the information gathering mode and were talking with different people to determine the best course of action;

Primary Clarifier Drive Failure - There was a failure of the drive chain and flight system within the District's primary clarifier on or about October 8th. District staff responded to the problem, and when staff was dealing with the problem the clarifier had to be pumped down and some odors were generated. A community member called the Santa Barbara Air Pollution Control District (APCD) directly. General Manager said staff had informed APCD of the problem ahead of time, and it was a short-duration event where three or four hours later things were back to normal. General Manager said he attached a copy of the report submitted after the APCD came out the following day. Staff is still working on the remedial efforts to get the clarifier back in shape. General Manager said the reason for the failure was the composite plastic chain had worn out, and it was replaced with a new chain. Also, a number of flights were changed, and some epoxy coating of metal components was done inside of the tank while it was down. The tank will be back in service on Friday. Everything is currently operating fine in a bypass mode;

No Drugs Down the Drain Week - A resolution was passed at the last Board Meeting regarding the "No Drugs Down the Drain Week" campaign. During that week an article was published in the *Coastal View*, and information was added to our website about how to properly manage unused pharmaceuticals. General Manager said copies were included with the Staff Report;

NPDES Permit Fee Schedule Modifications - The SWRCB took some action to change the fee structure for NPDES permits. Each year the District pays a fee of around \$10,000 to have a permit. This structure was intended to spread those costs in a more equitable manner. General Manager said the District would benefit from this action by paying a reduced fee of approximately \$2,400 instead of \$10,000;

CASA Legislative Session Wrap Up Report - The Legislative Wrap Up Report from Mike Dillon of CASA was attached to the Staff Report for the Board's information. General Manager said it talked about some of the bills that went into the legislative session and ones the Governor acted on;

Padaro Lane Sewer Extension - This is the private project on Padaro Lane. Construction began this week. Staff participated with a meeting of County Planning staff. The County has an archaeologist on site. General Manager said the project should go fairly quickly and be complete in two weeks;

Unauthorized Sewer Connection Response - Staff became aware of an unauthorized connection to the District's sewer system on Padaro Lane. General Manager said back in the early 80's when the pipeline along Padaro Lane went in there were a few parcels that did not participate in the assessment district, did not pay connection fees, and have never paid sewer service charges. A few weeks ago staff became aware of one. Director Treloar asked if this property owner was one that would be picked up with the extension. General Manager said

the property is in the middle of an existing line that has been there since the early 80's. General Manager said at some point they tied in, and the cleanout in their driveway does not meet the District's standards. General Manager said a letter had been sent to the property owner outlining all the steps they needed to take to be in compliance, including inspecting their connection, bringing that up to standards, paying the Development Impact Fee and paying back sewer service charges. Director Damron asked how far back the property owner was responsible for sewer service charges. General Manager said, based on the District's historical practice, the District would require three (3) years of back sewer service charges. General Manager said staff looked at the remainder of the parcels on Padaro Lane, and there were a couple more parcels that seem to be in the same situation and were being investigated. General Manager said the District is in a better position now with technology and the GIS to look into this more carefully. General Manager said Lance, the District's Engineer Technician, was coming up to speed quickly and was on top of this. Director Damron asked if there were any District policies regarding payment of penalties for this type of situation. General Manager said the District's sewer use ordinances, Ordinance No. 2 and Ordinance No. 7, would give the District some authority within statutory limits. Legal Counsel said not only is there liability for the sewer service charge going back three years, but there is also liability for the DIF fee. There is some penalty to waiting and not paying with the initial hookup. The owner is paying the more expensive, current fee. Director Graf suggested this be a future agenda item; **Bluffs Sewer Relocation Design** – Fugro has completed geotechnical borings along the pipe alignment and on either side of Carpinteria Creek and down Carpinteria Avenue. The surveyors were out also. An aerial survey and topographical mapping was also going on. A kickoff meeting was held with the design team on October 3; **SAMA Meeting Report** – General Manager said he attended a SAMA meeting in Guadalupe on October 8th. In addition to all the general communication between the managers, there was a presentation from Zenon (a company that manufactures membranes for ultrafiltration and wastewater). Zenon talked about advancements in membrane technologies for water recycling applications and a title 22 recycled water system utilizing the Zenon ultrafiltration membranes in service at the Laguna County Sanitation facility in Orcutt; **Operations Update** – The Treatment Plant is operating well, even with the primary clarifier in bypass mode. Unfortunately, there was a daily limit violation of our effluent standards on October 5th for total and fecal coliform. There was no logical explanation for the violation. The chlorination system at the time was working perfectly, validated by continuous residual monitoring. Samples prior to and following this event were “non-detect” for coliforms. The violation was reported to the CRWCB as required by our NPDES permit. Standard laboratory procedures were followed in responding to this situation. Director Horwitz asked if the District would receive a fine for this violation. General Manager said it was possible. Director Treloar asked when taking a sample, is the sample divided so if we get a bad reading the remains could be tested to see if it was done properly. General Manager said in some cases yes, but for this bacteriological sampling, samples are set up in tubes and there is a holding pattern where we don't get the results for days. General Manager said we have one shot with this particular constituent. General Manager said he didn't think anything staff did was abnormal or not standard procedures. There was a small sewer system overflow (SSO) on October 11th. Staff responded immediately to a very minor overflow (approximately 5 gallons) from an end of line cleanout on a short 6-inch sewer serving several homes on Alva Street. Root intrusion into the main line was the cause of the back up. Staff removed the roots and the line has been added to our priority maintenance schedule. Insituform completed all of the outstanding punch list repairs and follow up CCT inspections the week of October 14th. We will be moving ahead with closeout of their contract. An odor complaint was received from a member of the public who claimed to smell natural gas coming from one or two manholes that the District owns on the Carpinteria Bluffs. Staffs

has responded on a number of occasions but have not confirmed the presence or absence of a gas odor. Staff is continuing to work with this community member to see if we can't resolve this and might involve The Gas Company and/or Venoco if and when appropriate. Last Friday, representatives from Romtec, the developer and District staff started up the pump station at Mission Terrace. The District's SCADA integrator is working to connect the new pump station to our remote monitoring and alarm system at the plant. Verizon installed a phone line at the pump station. Everything is fine, and they have one home that is occupied. The first, on-site phase of the plantwide ARC-Flash evaluation and upgrade project was completed by the District's consultant. This is an OSHA requirement. Inspections of all panels and motor control centers have been done, and the engineering evaluation and the follow up work before they put the labels on all panels indicating the level of personal protective equipment and the level of risk related to various electrical equipment at the plant. Staff has been looking at a variety of means of controlling digester foaming, including air flow modifications and external recirculation pumping. Our plan is to increase pumping capacity of existing recirculation pump on a permanent basis. A two-year service was completed for influent pumps. Coolant was changed and tolerances were checked, all within original specifications. Joey Mendoza took his Grade 2 State WWTP Operator exam on October 11th. Director Treloar asked when Joey would find out the results. General Manager said probably sometime around May of next year.

Proposed LAFCO Policy Revision Related to Extension of Public Service to Agricultural Parcels – General Manager said a letter from LAFCO, dated October 14, 2008, was attached to the Staff Report. General Manager said this was notice that on their next meeting of November 6th, LAFCO would consider adoption of a new policy to provide guidance to applicants and local agencies regarding the extension of public services to agriculturally zoned parcels. What LAFCO is saying in their letter is any annexation of agriculturally zoned parcels to a district such as ours would be prohibited. The District would have to serve that parcel if it were necessary and desired through an “Out of Agency Service Agreement.” General Manager said, going back a few years in our District, we have agreed to serve parcels through that type of agreement. There were at least a few Ag parcels where there was a residence on that parcel that needed sewers, and the District continues to serve that parcel through this type of agreement. General Manager said these agreements came before his tenure with the District, and he did not like this particular mechanism for changing our boundary or providing service outside the District's existing boundary. General Manager said he thought the goal of the Executive Officer at LAFCO was to uphold their mission to preserve agricultural lands. General Manager said he thought this was not the best way to do this, and staff and legal counsel believe, in some ways, that this is not allowed by the Government Code. General Manager said there are some specific requirements in the Government Code regarding these “Out of Agency Service Agreements”. One requirement says you can use an “Out of Agency Service Agreement” to serve a property only if it's in your sphere of influence and you're anticipating a later change of organization to serve that parcel. General Manager said if the District were to work on an annexation package where they needed service right away that would be an acceptable approach to the District providing service. General Manager said “Out of Agency Service Agreements” could also be used if there was an existing threat to public health or safety, and even in cases such as this there are caveats. General Manager said from the District's standpoint this created a “fuzzy” service area boundary making it difficult to track and also had potential implications to the District's property tax revenue. General Manager said Legal Counsel talked with Goleta Sanitary District's legal counsel recently about an issue they had where LAFCO was trying to steer them to an “Out of Agency Agreement”, and they essentially said they were not going to

do this. General Manager said he was not the only manager concerned about how LAFCO is proposing to change their policy.

General Manager said he wanted to bring this information to the Board, not for any kind of action, but for the Board to provide direction on how to respond, whether the District sends a letter to LAFCO voicing concerns regarding the potential policy change, or provides comment at the next LAFCO hearing. President Graf asked the Board for comments. Director Horwitz said this was not a land use issue, but a sewer service issue, and if something is not said now, then LAFCO is putting us in the position of being the “bad guy”. Director Horwitz said she totally agreed with the General Manager’s stance on this subject. Director Treloar said the District has a few of these “Out of Agency Service Agreements” and the very reason is that you may have a ten acre parcel that is zoned agriculture and they build a little packing shed with one bathroom and need service. For the property owner to bring their whole ten acres into our District may have been a financial hardship, and that’s the reason the District has the agreements from the past. They had a specific need. Director Treloar said the District was here to provide sewer service to those who need it, and not here to control land use. Director Moorhouse asked if the Special District’s representative that sits on the LAFCO Commission knew about this, or was this one of Bob Braitman’s ideas, or one of the City representatives that sits on LAFCO. General Manager said he thought it was the Goleta Sanitary District issue that was the reason. General Manager said they had a proposal to annex a parcel that was agricultural primarily, but there was a church proposed on a portion of the property. There were concerns from various parties that the agency was going to promote growth by annexing the entire parcel. LAFCO came back to Goleta with different proposals. One was to annex four acres only out of the twenty acres, and Goleta Sanitary District did not like this proposal. Another was to serve them with an “Out of Agency Service Agreement,” and Goleta Sanitary District said they would not do that. General Manager said he attended the LAFCO hearing where this item was on the agenda, and at the end of the day LAFCO approved the annexation of the entire parcel. General Manager said he thought this letter from LAFCO might be the Executive Officer, or direction from the Commission, to come back and try to address that circumstance before they have to deal with it again. President Graf said there was consensus from the Board that the District does not want to be used as the “land use” agency, and if annexation is appropriate, that’s what the District should pursue. General Manager said he was hearing the direction from the Board was to inquire with the special district representative on the LAFCO Commission, and to direct correspondence to LAFCO.

IRWMP Prop 50 Grant Funding Agreements – Bluff Sewer Relocation Project -

General Manager said this was the item he mentioned in his GM Report that we would be talking about in more detail. The Integrated Regional Water Management Plan grant program through the State Water Resources Control Board (SWRCB) is moving forward. The District is working with 26 other agencies in Santa Barbara County to finance the grant agreement. The primary agreement will be between the SWRCB and the Santa Barbara County Water Agency. General Manager said there had been discussion with the Board in the past about substantial costs to navigate the program. General Manager said the Project Partners group, which consists of the 14 agencies that will receive grant funds in this round, had collectively agreed to hire Kennedy/Jenks Consultants to coordinate all the grant invoices and reimbursement requests. There are other administration costs that must also be shared, including a limited amount of staff support time from the Santa Barbara County Water Agency and general program management and coordination to be provided by a separate consultant.

General Manager said a Memorandum of Understanding had been developed for Administration of Santa Barbara Countywide Proposition 50 Grant Funding and Reporting

(MOU) between all the parties, the water agency and the other project proponents. General Manager said this MOU commits the agencies to pay their prorated share of the costs to administer the grant. General Manager said there were other requirements in the MOU. General Manager said it sets forth duties for the water agency and duties for the project proponents and talks about the financial agreement being entered into in terms of cost sharing. General Manager said the District's cost share for the first year of administration would be \$15,504. Appendix C, attached to the Staff Report, provides an estimate for year two. General Manager said a project from the Santa Barbara Flood Control District, related to the Santa Maria Levy, was dropped from the year one project list. The \$200,000 that was committed to this project, the State has agreed to allow this to be used for grant administration, so the District's cost for the first year will effectively be reduced to under \$5,000. General Manager said that was not reflected in the MOU, because the District is required to pay up front, and then submit to the State for reimbursement. Those savings would be reflected at that time.

General Manager said the second item the Board is asked to approve is a subgrant agreement between the District and the County Water Agency. General Manager said because the District is not contracting directly with the State Water Resources Control Board, it was collectively decided that this type of agreement would be necessary to ensure that all the parties involved agreed to meet their individual obligations and we all would receive the grant funds expected. General Manager said this subgrant agreement was requiring the District to comply with the terms of the primary agreement between the State and the County Water Agency.

General Manager said he was happy to answer any of the Board's questions regarding the MOU or the subgrant agreement. General Manager said he wanted to point out there were some risks inherent in entering into the agreements, particularly the MOU. The District is agreeing to pay a certain percentage of the costs. There is a risk that some projects may drop out of the process, and those costs would not go away entirely. President Graf asked if their grant funds would be redistributed to the remainder of the group. General Manager said that was an unknown. General Manager said that's the way it had worked so far with the one project that had dropped out, but there were no guarantees that the State would decide to do that. General Manager said the partnering agencies do not anticipate that happening.

Legal Counsel added in the MOU, if for any reason this District said we want to terminate our participation in the MOU, under this MOU that would require the State to also concur that CSD could terminate. Legal Counsel said there were some risks, but from the risk judgment standpoint what you need to do is balance those against the funds that will come to the District from this project.

Director Treloar said his concern was that the District had their act together and we are in and out in nine months, and some other agency takes four or five years. Director Treloar asked if the District was on the line for administrative expenses long beyond the completion of our project, or are these expenses a percentage of the total funds. General Manager said that was a question deliberated upon by the group. General Manager said the group had agreed, in concept, to continue to share costs through the three-year term of this grant. General Manager said he thought it would take our District three years to fully implement our project, and there were other partners who had projects already in the construction phase, so they will be in that situation where they could come back and say they are not going to pay anymore. General Manager said this was addressed in the MOU, and everyone would pay their prorated share for each year of this grant administration.

Legal Counsel said under the subgrant agreement, there is a long period that the subgrant agreement is good for, going out to about the year 2012. On the subgrant agreement that the board is being asked to approve, that agreement terminates upon the

earlier of several different events. One is the County Water Agency's disbursement of all funds for the project by June 30, 2012, plus 35 years. Legal Counsel said the monitoring term of this agreement extends far into the future. There are long-term monitoring responsibilities attached to this agreement as well, but nothing that appears it would require the District to spend additional material or funds.

Director Horwitz said the General Manager mentioned the District would be responsible for three years of administration costs, but the tables attached to the Staff Report only show administration costs for two years. General Manager said he anticipated the third year would be similar to the second year shown.

General Manager said it was staffs recommendation that the Board approve 1) the Memorandum of Understanding for Administration of the Santa Barbara Countywide Proposition 50 Grant Funding and Reporting; and 2) the Proposition 50 Integrated Regional Water Management Subgrant Agreement as presented, and authorize the Board President to sign the final execution drafts, including any minor modifications necessary as soon as they are available for signatures.

Legal Counsel said, for example, the subgrant agreement in the Board's packet has a twenty-three year period, and the final form of the agreement that has come out since the agenda packet was published is thirty-five years, to be consistent with the State grant.

Director Moorhouse made a motion that the Board approve staffs recommendation as stated by the General Manager; Director Damron seconded the motion, and the motion was approved by a 5-0 vote.

Director Moorhouse had another engagement, and had to leave the Board Meeting at 6:25 p.m.

Dedication of Sewer Facilities: 3960 Via Real – General Manager said this was a dedication of sewer facilities on 3960 Via Real. This was a request to construct a new sewer to serve a 4-unit parcel development in April, 2007. General Manager said the project was completed to the satisfaction of the District and the appropriate Notice of Completion was recorded at the County of Santa Barbara on October 11, 2007. General Manager said a one-year maintenance period follows the notice of completion, and that is now completed. General Manager said a CCTV inspection showed the lines to be in acceptable condition. The facilities include a gravity sewer main, gravity sewer service laterals, two (2) manholes and all other sanitary sewer appurtenances required to serve the development. General Manager said after Board approval, the District will own and maintain the facilities, and it was staffs recommendation that the Board approve the dedication of the sewer facilities constructed at 3960 Via Real, APN's 005-430-063, 005-430-064, 005-430-065 and 005-430-066, and authorize recordation with the County of Santa Barbara.

Director Damron made a motion that the Board accept the dedication of sewer facilities constructed at 3960 Via Real, APN's 005-430-063, 064, 065, and 066 and authorize execution by the appropriate District officials and recordation thereof; Director Horwitz seconded the motion, and the motion was approved by a 4-0 vote.

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 – none

Future Agenda Items – Remedies to Illegal Hookups

Legal Counsel, Tony Trembley, introduced Darth Vaughn – a first year attorney in the office of Nordman, Cormany, Hair & Compton, LLP who was in attendance. Legal Counsel Trembley said Darth would be practicing real estate, land use and public entity laws with Nancy Schriener and himself. Mr. Trembley also noted that he was a graduate of Cornell and a USC law school graduate, and they were delighted to have him join them.

Adjournment. There being no further items to discuss, President Graf adjourned the meeting at 6:31 p.m.

Lin Graf
President

Pat Horwitz
Secretary Pro-Tem

Michael Damron
President Pro-Tem

Doug Treloar
Treasurer

Jeff Moorhouse
Secretary