

**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 **November 2, 2010**, at 5:30 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California.

Directors Present: Michael Damron– President
Lin Graf – President Pro-Tem
Jeff Moorhouse – Secretary
Pat Horwitz – Secretary Pro-Tem
Doug Treloar – Treasurer

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

Legal Counsel
Present: Anthony Trembley - **Absent**

Public Present: None

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

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

Public Forum – None.

General Manager's Status Report – General Manager reported on the following:
NPDES Permit Renewal Status – Peter von Langen, the District's assigned regulator at the RWQCB in San Luis Obispo took a tour of the District's WWTP on October 27th and met with staff briefly as part of the ongoing NPDES permit renewal process. General Manager said the RWQCB was responsive to the preliminary comments provided by staff. Notice ran in the Coastal View last week and will run again next week regarding availability of the draft permit. The Notice was also posted at City Hall and on the District's website. The public review and comment period runs through December 9, 2010. The RWQCB will consider the Final NPDES Permit on February 3, 2011; **Bluffs Sewer Relocation Project Status** – One piece of the project involves the sewer extension in Dump Road to connect the line that now serves City Hall, Costas Auto Works and buildings in that area. When the new line goes into Carpinteria Avenue the flow would be diverted from those buildings taking it out of the

existing Dump Road sewer, which is a line the District has had problems with over the years. This line was dedicated to the District several years ago by the City and is in fairly bad shape from all the Eucalyptus trees. General Manager said the plan was to have all that flow come out to Carpinteria Avenue. Staff talked to Venoco in concept about an easement and it sounded like they were receptive, but when the proposal went to them for consideration they came back and said they were not interested in granting an easement and did not want to encumber the property any further. Director Treloar asked if the District would be replacing one easement with another easement, both on Dump Road. General Manager said yes, but the two easements were not parallel. General Manager said he met with Venoco's Land Manager, Pat Moran, and then drafted a letter that Mr. Moran said he would take to Venoco for reconsideration of the easement. General Manager said obtaining the easement would not be a barrier to the Bluffs Sewer Relocation Project, but if it were part of the project the District would benefit from some grant funds. General Manager said another easement the District had been waiting for on a vacant commercial parcel was finally approved in concept and final conveyance documents were being prepared; **Caltrans 101 Widening Project Status – CSD Facility Impacts** – General Manager said there would be some impacts to the District's infrastructure, including at locations where Caltrans has proposed construction of a sound wall. General Manager said there was a project on the District's CIP list to rehabilitate the suspended line across Carpinteria Creek north of Highway 101. General Manager said the line had problems with interior corrosion and support on the overland section of the pipe. The CIP Project involved going in and restoring it at its current state. General Manager said he met with the City this week and it turned out the City is at a stalemate with Caltrans regarding the alignment of Via Real and this is holding up the widening project. The City would like to see a different alignment for Via Real that would have impacts on the District's sewer line. General Manager said it was not something that could not be worked out. General Manager said staff would work with the City on the realignment of our sewer line, eliminating that aerial crossing altogether, and it could potentially work better with this alternate alignment. General Manager said in the meantime the District is in a standby and stay informed role that would keep our rehabilitation project on hold; **Operations Update** – The treatment plant is operating well and in full compliance with our NPDES permit. A Carpinteria Middle School class toured the plant on October 22nd. The collection system is operating well with no problems to report. Collection staff completed night pipe cleaning and video inspection of the pipes on Friday, October 29th. Director Treloar asked if there were any public complaints. General Manager said one person, at 3 a.m., was up and came out and asked what was going on, but there were no other comments or complaints. Staff responded to an odor report from a business in the industrial park and determined the odor was unrelated to the District's collection system facilities. Santa Barbara County APCD was called and responded. General Manager said Staff was coordinating with the City of Carpinteria on the road overlay projects on Casitas Pass Road and Santa Ynez Avenue. The District's Engineering Technician, Lance Lawhon, attended the 20th anniversary celebration of Gold Coast Recycling, the Oxnard materials recycling facility where Harrison takes all of Carpinteria's solid waste to be sorted and processed. The District was recognized for recycling. General Manager said he paged through Board agendas going back over ten years, and it was in the 1997 and 1998 period that he saw an incident log in the packet. General Manager said the District's incident log included odor complaints and other calls from citizens in the community, and some were valid and some not. General Manager said the District received an average of about one incident call every month. Director Horwitz said the incidents were included in the General Manager's report, but maybe a visual quarterly summary report would be good.

Cash Contract No. 379 – Raftelis Financial Consultants - General Manager said this was an item the Board Finance Committee are recommending to move forward with re-evaluation of sewer service charges and other fees that make up the bulk of the District's annual revenue. Rates have remained steady for the past six years. Going forward, in order to continue to meet the fiscal obligations of the District, General Manager said it was appropriate to carefully evaluate future cost projections and to maintain a revenue stream that was sound. General Manager said the Finance Committee was recommending that the District engage a financial consultant to assist with the process in the current fiscal year. The last time the District utilized an outside consultant for this type of study was in 1988. At that time they affirmed the rate structure in place and recommended a modest escalation of Development Impact Fees. In 2004, District staff utilized the rate and fee study models from 1988 to develop the basis for a necessary rate increase that was approved by the Board and remains in place today. General Manager said the current annual sewer service charge (SSC) per equivalent dwelling unit was \$512. An ordinance updated this rate.

Proposals were solicited from five qualified firms with expertise in public sector financial planning and utility rate development. All five responded with excellent proposals. A special Finance Committee was held to review the five proposals, narrowing them down to two top-ranked firms. The two top-ranked firms made a presentation and responded to questions from the Finance Committee at a subsequent meeting. After careful consideration, Raftelis Financial Consultants, Inc. (RFC) was identified as the firm most suitable to perform the study on the District's behalf. Setting them apart was the inclusion of a simple yet comprehensive financial model with an outstanding graphic interface that the District will be able to use as a financial planning tool going forward.

General Manager said their proposal was attached for the Board, which gave an overview of their experience and qualifications and outlined the scope of services for the project. RFC's proposal estimated a project cost of \$34,952, and the work would be completed on a time and materials reimbursement basis. General Manager said the cost of conducting a rate and fee study was contemplated during development of the current fiscal year budget. General Manager said a new CIP project was being proposed to cover the cost of the study, and it would not be necessary to allocate additional general fund money to the restricted capital fund to cover the cost of this project.

General Manager said it was staff's recommendation that the Board approve and execute Cash Contract No. 379 with Raftelis Financial Consultants, Inc. for financial planning and preparation of a Sewer Rate and Fee Study with a not to exceed contract amount of \$34,952 and that the associated capital expenditure be authorized.

Director Treloar said speaking for the Finance Committee, there were five proposals that were reviewed and narrowed down to two before making this decision. Director Treloar said he had been concerned with spending this kind of money when it wasn't budgeted, but the people he had spoken to in the community thought it was great that the District was having someone come in from the outside that was known for this type of business to conduct the study. Director Horwitz said she was very impressed with the proposals. She said her favorite part was RFC's financial dashboard that would answer all the "what ifs".

Director Horwitz made a motion that the Board approve and execute Cash Contract No. 379 with Raftelis Financial Consultants, Inc. for financial planning and preparation of a Sewer Rate and Fee Study with a not to exceed contract amount of \$34, 952 and that the associated capital expenditure be authorized; Director Graf seconded the motion, and the motion was approved by a 5-0 vote.

Finance Committee – Did not meet.

Personnel Committee – Did not meet.

Public Relations Committee – Did not meet.

Board General Items

CASA and CSDA Legislative Committee Reports – Director Moorhouse said he attended CASA’s Executive Board Meeting and one of the legislative issues that would come forward was the issue of reclaiming and redistributing water. One of the other issues the Board talked about was the idea of bringing in other environmental agencies and organizations that have in the past seemed to be opposed to agencies such as ours. Director Moorhouse said representatives from these environmental agencies and organizations would be invited and attending CASA meetings in the future.

LAFCO Report – Director Moorhouse reported LAFCO met and the big issue before LAFCO is the City of Goleta detachment from Goleta West which will be heard in December.

Future Agenda Items

Adjournment. There being no further items to discuss, President Damron adjourned the meeting at 6:08 p.m.

Michael Damron
President

Pat Horwitz
Secretary Pro-Tem

Lin Graf
President Pro-Tem

Doug Treloar
Treasurer

Jeff Moorhouse
Secretary