

**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 6, 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
Michael Damron – Secretary
Doug Treloar – Secretary Pro-Tem
Patricia Horwitz – Treasurer

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

Legal Counsel
Present: Anthony H. Trembley

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

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

Minutes of the October 16, 2007 Board Meeting: Not Available.

CLOSED SESSION: President Moorhouse asked Legal Counsel to lead the Board into Closed Session. Legal Counsel said the record should indicate the Board was going into Closed Session at 5:32 p.m. on Conference with Legal Counsel – Anticipated Litigation pursuant to Significant Exposure to Litigation per Government Code Section 54956.9(b) – One Case [Assessment District 2007-01 Formation Proceedings]. Legal Counsel said there were no members of the public present at this time, therefore there was no public comment being offered prior to going into Closed Session, but there would be an opportunity under Section IV. of the agenda after the Closed Session for public comments.

President Moorhouse reported the Board came out of Closed Session at 6:28 p.m. and there was no action taken. President Moorhouse said the Board would be going back into Closed Session after Section VI. on the Board's agenda.

Public Forum. None

Assessment District 2007-01

Informational Report on Formation Proceedings and Objections Thereto:

General Manager said at the Board meeting on October 16, 2007 a Public Hearing was conducted as part of the formation proceedings for Assessment District 2007-01. General Manager said at the meeting the ballots were tabulated in open session. The ballots were counted and the preliminary, unofficial results were reported. General Manager said at the same meeting there were some objections to the process and ballot issues filed and submitted to the Board. General Manager said subsequent to that meeting, the District held, at the request from some members of the public, an open public meeting at which time the ballots were reviewed once more, the outcome of the ballots was recalculated, and an opportunity was provided for the public to review the process. General Manager said at that meeting a number of objections were received to individual ballots filed by an attorney representing a Rincon Point property owner. General Manager said the item on the agenda at tonight's meeting was an informational item for the Board. General Manager said there were three basic items of objection for the Board's information: 1) letter from Mr. Douglas Wance from the law firm of Bingham McCutchen LLP on behalf of the Rincon Point Foundation; 2) document appended to one of the ballots from a property owner located at 8112 Puesta del Sol in Rincon Point, and; 3) Sixteen (16) individual ballot objects filed by attorneys representing Lucy Larkin Stephenson, a property owner within Rincon Point. General Manager said Legal Counsel responded directly to the property owner at 8112 Puesta del Sol, and that response from Nordman, Cormany, Hair and Compton LLP was included as part of the Staff Report.

President Moorhouse opened this item up for public comments. The first speaker was Darin Marx. Mr. Marx said he'd like to speak to the opinion of counsel that was attached to the Staff Report. Mr. Marx said on page 11, response to #16 "There exist no requirements in Proposition 218 or Government Code Section 53753 which support objectors' allegations" and Mr. Marx said those were pursuant to Probate Code 620 and the common law in respect to joint tenancy. Mr. Marx said the response states that there are no requirements in Prop. 218 to support those objections and a court can't read those statutory provisions into 218. Mr. Marx said that was incorrect as a matter of law, and nothing in Prop. 218 intended to overrule any sort of statutory or common law in effect prior to the enactment of Prop. 218. Mr. Marx said to interrupt law in that manner would be a violation of standard statutory rule of construction. Mr. Marx said Probate Code Section 15620 provides that in a trust where you have more than one trustee, in order for the trust to take any action, all of the trustees must act by unanimous written consent or the action is invalid. Mr. Marx said the courts have construed Probate Code Section 15620 in the context of an assessment; specifically in 1992 in La Jolla Mesa Vista Improvement Association, the Court of Appeals construed the interplay between an assessment proceeding and Probate Code 15620. The Court applied the terms of Probate Code 15620 to challenges made to ballots that were cast by property held in trust. Mr. Marx said he had a clear case precedent showing the interrelation between Probate Code 15620 and votes on assessment. Mr. Marx said nowhere in the staff report is there any mention of Probate Code 15620. Mr. Marx said out of the 16 objections cast, 14 concern Probate Code 15620. Mr. Marx said the responses to their objections were nonexistent. Mr. Marx said there appeared to be a mistake between record ownership and property ownership. Mr. Marx said the Counsel to the Board states that all that was required under Government Code 53753 is that the ballot be signed. Mr. Marx said that was not true. Mr. Marx said a ballot must be signed by someone with a property ownership

interest, and more than a record owner. Mr. Marx said you could not be listed on the Special Assessment Rolls and have that count as an ownership interest.

Dennis Kuttler said he wanted to start by saying this was a serious presentation regarding objection to ballots. Mr. Kuttler said the Board was cast into the role of quasi-judicial. Mr. Kuttler said the Board was empowered to hold a hearing on objections, and that had not been done. Mr. Kuttler said the concept of tabulating the ballots occurs after the agency has the hearing to hear the objections. Mr. Kuttler said at the last public hearing he specifically asked "is this the time for public hearing on objections?" Mr. Kuttler said the answer was no. Mr. Kuttler said he then participated in an informal meeting of the staff to look at the ballots with no public hearing and no agency listening to the objections. Mr. Kuttler said it had to happen because these were real people with real money -- \$80-100,000. Mr. Kuttler said the purpose of Prop. 218 was to do two things: limit local government revenue, and enhance taxpayer consent (the voting process). Mr. Kuttler said the agency must act as the judicial body, listen to the objections, consider the objections and then rule on the objections. Mr. Kuttler said this had not been done. Mr. Kuttler said Legal Counsel had given the Board an idea about these objections, but the Board cannot accept that outside of a full hearing on other points of view. Mr. Kuttler said the Board would decide whether a parcel would be burdened an economic burden for 30 years, based upon whether or not the owner of the property properly voted. Mr. Kuttler said to say that the District's rules could override probate code regarding ownership of trusts was not right, and a trustee of a trust had no ownership. Mr. Kuttler said it was the trust that was the owner, and all the trustees of the trust must sign a ballot in order for it to be valid, otherwise the ballot was void. Mr. Kuttler said the Government Code specifically said that the Board must consider the objections by a hearing where the Board would decide the facts and apply the law to the facts. Mr. Kuttler said that had not been done. Mr. Kuttler said all sixteen (16) objections would need to be reviewed in detail. Mr. Kuttler said the Board could find an impartial third party to conduct the public hearing on the objections, and let that third party evaluate the District's Counsel's position on the law and evaluate the property owner's position.

Giti White said she would like to concur with the speakers before her, and would like to request that CSD defer further assessment proceedings until it had thoroughly considered the wide range of objections raised in the course of the assessment process. Ms. White said some of the objections arose on October 16th at the Public Hearing, and others arose the following Friday at the meeting in the Board's absence. Ms. White said the Board had not considered or addressed the objections, such as the challenges to the assessment ballots. Ms. White said she did not believe the Staff Report accurately described the sequence of meetings or accurately analyzed many of the objections to the assessment district. Ms. White said the Board should consider all of the objections prior to proceeding.

Billy Taylor said he took issue with the Board's response written on November 6, 2007 to allegation #1 where it says "in order to reduce some of the costs the District was successful in its attempts to receive grant funds for the project from the State of California." Mr. Taylor said this was misleading because the funds were vetoed on October 14th, two days before the vote count. Mr. Taylor said this grant was used to influence the homeowners vote. Mr. Taylor submitted a summary of the history of the bill, which he said showed that the Governor vetoed it on October 14, 2007. Mr. Taylor asked if the Board was finalizing and creating the assessment district tonight, or was the Board modifying the Engineer's Report and bringing it back and creating an assessment district at a future meeting.

Hillary Hauser from Heal the Ocean, said she was representing 3,000 members and 3,500 hundred surfers that signed a petition to the County to do something about the septic problem at Rincon. Ms. Hauser said yesterday the Regional Water Control Board did announce the development of TMDLs which at Rincon would have an effect on property owners - it might be three years down the road, but Rincon property owners would have to

apply for waste discharge permits and install monitoring wells and show how they are not polluting waters out there. Ms. Hauser said as far as the State grant goes, this was talked about as Prop. 50 when it first came out, but it was prior to the present proposition that is funding this. Ms. Hauser said Prop. 40 paid for the EIR years ago, the \$425,000. Because of Prop. 40, the State grant could not be funded out of Prop. 50 funds because those two propositions are paired. The funding for the State grant for this project is Prop. 84. Ms. Hauser said this project could be picked apart legally, but the voter intent is that the majority voted for this project.

President Moorhouse said this item would be brought back to the Board for comments. Legal Counsel said in response to the question asked if the assessment district was being finalized this evening by virtue of the resolution in the next item on the Agenda, Legal Counsel said the answer was no. Legal Counsel said the resolution dealt with a modification to the Engineer's Report and directing the Engineer's Report be brought back to the Board at a later date.

General Manager said he'd like to address the comments regarding vetoing of Prop. 84 funds. General Manager said in this current fiscal year, the State of California appropriated around \$7M of Prop. 84 funds, and that's the money that was awarded the District by the State Water Resources Control Board. General Manager said in the past couple of weeks he had been talking with a person from the Division of Financial Assistance, and she is working on the agreement that will come to the Board for action. General Manager said the Governor did take action that affected some of the guideline requirements for other programs within the Prop. 84, including the IRWMP Program. General Manager said he believes the money committed to the District this fiscal year was not affected by the Governor's veto.

Resolution No. R-203 – A Resolution of the Board of Directors Ordering Changes And Modification to Engineer's Report for Assessment District 2007-01. General Manager introduced Scott Ferguson from Jones Hall and asked him to give an overview of Resolution No. R-203. Mr. Ferguson said this resolution directs the Engineer, Penfield & Smith, to modify the Preliminary Engineer's Report to reflect a cost savings that would come about because the assessment vote was positive in each of the four benefit zones. Mr. Ferguson said the cost savings from the fixed costs associated with the sale of municipal bonds could be spread across the four zones, and the total assessment for each parcel within the assessment district would be reduced. Mr. Ferguson said no other modifications to the Engineer's Report would be necessary or proposed.

General Manager said the assessment on each zone would be reduced.

President Moorhouse opened this item up for public comment. Jaleh White was the first speaker. Ms. White said she was at the meeting to urge the Board to consider all the objections that have been raised regarding the Preliminary Engineer's Report and tabulation of votes before adopting Resolution No. R-203. Ms. White said she was particularly concerned with assessing homeowners for the District's legal fees and reimbursing Heal the Ocean. Ms. White talked about the EIR and how the project had been changed almost 100%. Ms. White urged the Board to consider this before moving ahead without listening to all the concerned citizens.

Giti White said she wanted to request CSD to defer consideration of Resolution No. R-203 and modifications to the Engineer's Report and other assessment proceedings until it had thoroughly considered the wide range of objections raised in the course of this assessment process. Ms. White said these objections include objections to a number of assessment ballots and concerns regarding numerous insufficiencies in the Engineer's Report. Ms. White said "Why put the cart before the horse?" Ms. White said the concerns should be addressed before the Engineer's Report is revised. Ms. White said she would like to further encourage CSD to insist that all general and specific benefits are accurately

described in any modifications to the Engineer's Report. Ms. White said she would also like to encourage CSD to insist that general or public benefits associated with the project are clearly identified in the assessment, such as routing the sewer line out to the State and Santa Barbara County Parks at Rincon. Ms. White said CSD did not have the authority to assess Rincon homeowners to advance funds to cover this general benefit. Ms. White said CSD has also described further public benefits of this project in its applications for two clean water grants for this project. Ms. White said she would like to encourage the CSD Board to remove funds to be reimbursed to Heal the Ocean from the proposed assessments. Ms. White said if Heal the Ocean reimbursement remains in the revised Engineer's Report, she urged CSD to analyze and disclose all specific benefits to a number of project area homeowners and others who in turn receive reimbursements from Heal the Ocean, and if reimbursements to Santa Barbara County are contained in the Engineer's Report, she urged CSD to analyze and disclose any benefits, general or otherwise, associated with those reimbursements.

Dennis Kuttler passed out a sheet to the Board containing a Government Code Section and said his comments regarding this report were found in the Government Code Section that was highlighted and referenced in the District's Legal Counsel's report. Mr. Kuttler said that at a public hearing an agency should consider all objections or protests to the proposed assessment. Mr. Kuttler said the Board had not had that hearing. Mr. Kuttler said the next highlighted paragraph said at the conclusion of the public hearing, an impartial party would tabulate the ballots. Mr. Kuttler said the revised Engineering Report said the tabulation of the ballots had already taken place and you find no objections that overwhelm the consent. Mr. Kuttler said "How can that be?" Mr. Kuttler said in order for the Board to protect these real people, your neighbors who are on the verge of being assessed real money against their property, you simply must consider both sides to the objections. Mr. Kuttler said this resolution would tell the public that you've already tabulated and you don't find there's any change in the outcome. Mr. Kuttler said the hearing on the objections had not taken place. Mr. Kuttler said on page 12 of the District's Legal Counsel's letter says "To require the District to scratch below the surface and validate each ballot in the manner suggested by objectors is inventing new law, and makes no practical sense." Mr. Kuttler said to the contrary, once there's an objection you have to scratch the surface, and in considering the objections you must look at both sides. Mr. Kuttler said to do less would be potentially burdening people who did not consent to this assessment. Mr. Kuttler said the example of the trust. Mr. Kuttler said the trust is the owner of the property, and a trustee is not the owner or entitled to vote. Mr. Kuttler said the only way a trust ballot is valid, under California law, is if all trustees sign the ballot. Mr. Kuttler said to suggest that that is not required by law because of District law, is not a fit with the rights of ownership of property. Mr. Kuttler asked if the Board believed the public hearing had been held on the objections, or was the Board still in the process of evaluating objections and at some point in time there would be a public hearing where the Board would consider both sides.

Darin Marx said he would like to concur with the remarks of Mr. Kuttler. Mr. Marx said the proposed resolution states in its recitals that tabulation of the assessment ballots indicated that the overall assessment passed. As Mr. Kuttler stated, in fact that tabulation can not occur until objections have been ruled upon. Mr. Marx said what was significant in this case in that a number of ballots were cast by people that owned no interest in any property affected by the special assessment. Mr. Marx said this was in violation of the California Constitution. Mr. Marx said Article XIII, subsection four states that because only special benefits are assessable, electors residing within the district who do not own property within the district shall not be deemed under this constitution to have been deprived of the right to vote for any assessment. Simply put, if you don't have an ownership interest in property, you don't get to vote. Mr. Marx said a few examples would be Assessment No. 10,

on the tax records it shows the Dirado Living Trust as the owner. Mr. Marx said the ballot was signed by someone whose name is illegible and not a trustee. Mr. Marx said the current vesting deed has multiple trustees. Mr. Marx said the ballot signed by an individual having no ownership value in the property, and was an invalid vote according to the California Constitution. Mr. Marx said this was the problem with almost all the objections made, and these ballots do not meet that standard.

Doug White said he'd like to align himself with the remarks made by Mr. Kuttler, Jaleh and Giti White. Mr. White said as he had seen so many times over the last nine years, the Board is faced with going through the motions or actually doing their job. Mr. White said he hoped the Board would not shrug off the objections that were heard or hopefully read.

Darin Marx said the complete packet of objections had not been included in the Board's agenda packet, and he wanted to make sure for the record that the complete packet of objections submitted would be incorporated into the Board's record.

President Moorhouse said this would be duly noted.

Scott Ferguson said he'd like to respond to a comment made. Mr. Ferguson said the public hearing as required under Government Code 53753 was the hearing that was held on October 16, 2007. Mr. Ferguson said a second hearing was not required under Government Code Section 53753 or Proposition 218. Mr. Ferguson said all objections and protests that had been submitted at that hearing, and are continuing to be submitted, are being taken under submission. Mr. Ferguson said the next resolution, bringing back the revised Engineer's Report, would be the resolution where the Board determines whether or not a majority of protests exist and rules on any objections that have been submitted.

Mr. Kuttler said he was at the public hearing and asked President Moorhouse if this was the time for objections, and the answer was no. Mr. Kuttler said objections had not been submitted, as Mr. Ferguson just recited. Mr. Kuttler said the Board has not had a public hearing to consider objections.

Legal Counsel said the comments from Mr. Kuttler and the other comments heard at the Board Meeting would be taken under submission, and Mr. Ferguson was correct in his observation that at the time of consideration of the final Engineer's Report any action with respect to whether or not the protests would be heard would be part of that proceeding.

Director Horwitz made a motion that the Board adopt Resolution No. R-203 Ordering Changes and Modifications to Engineer's Report for the Carpinteria Sanitary District Assessment District No. 2007-01; Director Damron seconded the motion, and the motion was approved by the following 5-0 roll call vote: Director Treloar voted aye, Director Damron voted aye, Director Graf voted aye, President Moorhouse voted aye, and Director Horwitz voted aye.

Audited Financial Statements for Fiscal Year 2006/2007 – the District's Finance Director, Hamid Hosseini introduced Richard Teaman from Teaman, Ramirez & Smith, Certified Public Accounts, who prepared the Audited Financial Statements for FY 2006/07. Finance Director said a team, including Mr. Teaman, came to the District in June and later in August 2007 to complete the audit. Mr. Teaman said this was the second year that his firm had been engaged to perform the audit. Mr. Teaman said the first year was the toughest because they were trying to get a sense of who you were and how you did things. Mr. Teaman said the District's staff was very prepared, and that helped expedite the process and allowed his team to move forward to complete the financial statements. Mr. Teaman said in the first year of the audit they had to do additional things (contact the prior auditor, look at permanent documents, long-term contracts, and information such as this) where as in the second year they could get into more of the detail. Mr. Teaman said things were very clean and he had no problems to report. Mr. Teaman said the purpose of this type of audit was to issue an opinion on the financial statements, and he was happy to report the District has a

clean, unqualified opinion. Mr. Teaman said that was the highest level of opinion that could be given. Mr. Teaman pointed out some changes in the 2006/07 financial statements from the prior year. Mr. Teaman said the actual opinion language changed to reflect being audited by Teaman, Ramirez & Smith both years. Mr. Teaman said on page 2, lines were deleted for liabilities payable from restricted assets, which no longer applied to the District. Mr. Teaman said on page 3 a line was deleted for gain on a sale of capital assets. Mr. Teaman said the District did not have a gain over the last two years. Mr. Teaman said on page 4 a line was deleted for proceeds from sale of capital assets and interests payable from restricted assets. Mr. Teaman said in the footnote #4 on page 12, two paragraphs were added describing the investments in the State LAIF program expanding the footnote. Also, footnote #5, the table showed two years of information. Mr. Teaman said on page 17, footnote #14, a sentence relating to benefits was added for clarification purposes. Mr. Teaman said to refer to pages II – VI in the front portion of the Financial Statements, Management Discussion and Analysis, which laid out what the District has been doing the past two years, and where the District is headed. Mr. Teaman said as part of the audit a report is issued related to internal control and financial compliance, which is required by Government Auditing Standards. Mr. Teaman said he was happy to report there were no findings or issues that had to be reported. Mr. Teaman said a report was issued on the Appropriations Limit, and this was the second year of this report and required under California law. Mr. Teaman said there were no findings or exceptions in that report. Mr. Teaman said in relation to Management's Letter, there were no findings and no Management Letter. Mr. Teaman said he met with the Finance Committee discussing the year-end process and a couple of items noted related to arbitrage and other post-employment benefits, the need for establishing an anti-fraud program, and the timing of the audit and completion. Those items were not anything that the District is doing wrong, just suggestions going forward from our auditing firm.

The District's Finance Director, Hamid Hosseini reported there was an additional report in the packet, and he would like to bring a couple of items to the Board's attention. Finance Director said the District started the year with approximately \$9.2M of cash and equivalent, and had approximately \$5M of revenue last fiscal year and \$2.3M of operating expenses. Debt Service was \$1.2M, and Capital Improvement Projects (CIP) were approximately \$678,000. Finance Director said the District was in compliance with the ratio, \$2.19M, which is above the \$1.25M that the District is supposed to maintain. Finance Director said the District has approximately \$10M of cash and equivalent, and number of days of working capital is 869, which is over two years of operating expenses. Finance Director then talked about the District's CIP projects, and the completion of six projects the last fiscal year. Finance Director said if the Board had any questions to give him a call.

Director Horwitz said she'd like to thank the staff, especially Hamid, keeping the District on track. Director Horwitz made a motion that the Board adopt the Audited Financial Statements for the year ended June 30, 2007 and that the Finance Director be authorized to distribute the necessary reports; Director Graf seconded the motion. General Manager said he would like to acknowledge Rich Teaman and his firm. General Manager said they did a great job, were very professional and easy to work with. General Manager said he would like to publicly recognize Rich for a job well done.

President Moorhouse called for a vote, and the motion was approved by a 5-0 vote.

Agreement for Professional Services – BacGen Technologies, Inc. Digester Blower Project - General Manager said this was like the standard consulting agreement, but the only difference was there was no fee that had to be paid by the District. This project will be partially funded through an incentive payment made by Southern California Edison under their Industrial Energy Efficiency (IEE) Program. The IEE Program will cover the cost of engineering design and support services. General Manager said BacGen Technologies, Inc. of

Seattle, WA previously completed a comprehensive energy audit of the District's wastewater treatment facility. Replacement of a 150hp centrifugal blower with a more efficient and smaller positive displacement blower was identified as a simple, discrete project that could realize significant energy savings, with a payback period of approximately four years. General Manager said BacGen's design fees would be paid by SCE, and the attached agreement for professional services between the District and BacGen sets forth certain other requirements and obligations that were standard in other agreements for engineering services entered into by the District.

General Manager said it was staff's recommendation that the Board review and approve the Agreement for Professional Services between the District and BacGen Technologies, Inc., dated November 6, 2007.

Director Damron made a motion that the Board approve the Agreement for Professional Services between the District and BacGen Technologies, Inc., dated November 6, 2007; Director Graf seconded the motion, and the motion was approved by a 5-0 vote.

Phone System Replacement Authorization – General Manager said there had been problems with calls into the office for the past month, since the major power outage in Carpinteria. General Manager said one component in the present phone system had been damaged and was creating intermittent and difficult problems to deal with in a public agency. General Manager said people call in and try to get transferred to an extension and they are sent somewhere else. General Manager said the voicemail system was broken and various options researched to have it repaired. General Manager said to replace the current 1995 vintage system with an in-kind vintage unit would cost around \$2,000 to \$4,000 and would not represent an upgrade or improvement for the District. General Manager said staff has researched and was recommending the purchase of a new PBX system with 16 phones from Costco designed for agencies of this size. General Manager said staff had talked to other companies that had purchased and installed the system and we feel confident that it is a good and the most affordable solution. General Manager said to start from scratch with AT&T or Nortel or some industrial system would be \$10 - \$15,000. General Manager said this was not anticipated and not in the District's budget this year, so this is being brought to the Board to authorize purchase and installation of the PBX system. Director Graf asked if the system from Costco was analog, digital or computer-based. General Manager said the District had six lines that go through the current PBX system. General Manager said the system from Costco would accept eight and then you could add to it at a later date, if needed. General Manager said it was a digital system that had more advanced features than the current system.

Director Graf made a motion that the Board approve the proposed expenditure for the replacement PBX system in an amount not to exceed \$6,000; Director Horwitz seconded the motion. Director Treloar asked if staff had looked at different business systems and looked into leasing systems. General Manager said options had been presented by the company that sells the District's current system. General Manager said the company was willing to lease a replacement or refurbished component, but staff did not feel that was the route to go. Director Graf asked if the District would have to hire someone to install the proposed system. General Manager said staff would be able to install the proposed system. General Manager said the main unit would be installed at the plant, so in case of a power outage all the phones would continue to operate. Currently the system is located at the Administration building with a UPS battery that kicks in and lasts about five minutes.

President Moorhouse called for a vote and the motion passed by a 5-0 vote.

General Manager's Status Report: General Manager reported on the following:
Dewatering Building Construction Schedule – Spiess Construction has submitted a revised

construction schedule and the building should be done by late January; **Collection System Rehabilitation Project – Phase 1 Updates** – Contract work is nearing completion with the 21-inch diameter trunk line between Linden Avenue and Lift Station No. 1 being the last major element of work. General Manager said there would be visibility of the District’s work in Carpinteria beginning this week with cleanings happening over the weekend. General Manager said the line would be installed next Monday or Tuesday. Director Treloar asked if the District expected any odor complaints. General Manager said he did not think so, because the actual lining process would take about one day; **SBCSDA Annual Meeting Report** – General Manager and President Moorhouse attended the annual meeting on October 29th. Ralph Heim, the CSDA lobbyist, provided an overview of the recent legislative session in Sacramento; **IRWMP Update** – General Manager said the region did get selected for the callback list for Step 2 funding with three other California entities. General Manager said there was a meeting this week here at the District with the consultant, CH2Hill that is putting together the application. General Manager said it looked good at this time; **Operations Update** – General Manager said there was one private lateral spill on Birch Street and District would work with the property owner regarding a grease problem. General Manager said the Board had already been updated on the digester blower project, but added there would be additional agreements with contractors and the engineer coming to the Board at future meetings. General Manager said pumps at Lift Station No. 3 were giving the District problems, and staff is evaluating options for replacement. Mission Terrace estates sewer improvements construction is still underway. Construction of a manhole and forcemain in Linden Avenue near Canalino School has been completed. Mechanical and electrical systems for the pump station will be installed in November.

Legal Counsel asked if Board could go back into Closed Session at this point on the agenda, rather than after item VI. Legal Counsel said Mr. Ferguson had a flight to catch. Legal Counsel said the record should reflect the Board going back into Closed Session at 7:51 p.m. under Item No. II, continuing the Closed Session.

President Moorhouse reported the Board coming out of Closed Session at 9:04 p.m. and there was no action to report from Closed Session, so the Board would continue with the regular agenda.

Board Committee Reports - None

Board General Items - CASA Legislative Committee Report – No report.

Adjournment. There being no further items to discuss, President Moorhouse adjourned the meeting at 9:05 p.m.

Michael Damron
Secretary

Lin Graf
President Pro-Tem

Patricia Horwitz
Treasurer

Jeff Moorhouse
President

Douglas Treloar
Secretary Pro-Tem