

**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 19, 2013**, at 5:30 p.m. at its District administrative office located at 5300 Sixth Street, Carpinteria, California.

Directors Present: Jeff Moorhouse – President
Mike Modugno – President Pro-Tem
Michael Damron – Treasurer
Lin Graf – Secretary
Gerald Velasco – Secretary Pro-Tem

Staff Present: Craig Murray – General Manager
Hamid Hosseini – Finance Director

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

Public Present: Rich Teaman – Teaman, Ramirez & Smith, CPA

President Moorhouse called the meeting to order and asked Director Graf to lead those present in the Pledge of Allegiance.

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

Board Approval of Minutes of the Meeting of November 5, 2013 – Director Damron made a motion that the Minutes of the November 5, 2013 Regular Board meeting be approved as submitted; Director Modugno seconded the motion, and the motion was approved by a 5-0 vote.

Public Forum – None.

General Manager's Status Report – General Manager reported on the following:
Rincon Point Septic to Sewer Project Update – General Manager said Tierra Contracting began work within Rincon Beach Park in preparation for delivery of the pump station wet well and other below grade structures. Directional drilling of the 4-inch force main from the park to CalTrans bridge was tentatively scheduled to begin the week of November 25th. Although work within the CalTrans right of way was delayed, Tierra will accelerate some other aspects of the work and still plans to finish on schedule. A fiber optic line buried more than 18 feet below grade was hit yesterday. No utility has claimed this line, however an engineer from Verizon has been dispatched to the site to investigate. **SCAP Board of Directors Meeting** – General Manager said he participated in a 2-day Board of Directors Strategic Planning Workshop for SCAP held in Oxnard. The focus was on making SCAP even more valuable to its member agencies. **SAMA Meeting Report** – General Manager said he attended the Sanitation Agency Managers' Association monthly lunch meeting on November 13th at the Montecito Sanitary District. The speakers were principals from Abalone Coast Analytical in San Luis Obispo who discussed proposed changes to the California Ocean Plan. The Ocean Plan sets the standards for ocean water quality. In order to protect ocean shellfish harvesting, the changes would reduce the Ocean Plan limit for fecal coliform bacteria to 14 MPN/100mL. Fecal coliform has many sources, predominately in the marine environment from birds. This standard would likely translate to dramatically lower NPDES permit effluent limits for ocean dischargers, with language requiring dischargers to differentiate between effluent based and background sources of bacteria. **West Padaro Main Sewer Extension Project** – General Manager said on November 4th the Santa Barbara County Zoning Administrator approved a Coastal Development Permit/Conditional Use Permit. The LAFCO hearing for the reorganization is scheduled for December 5th, and it will be followed by a short protest period, before the boundary change can be recorded and finalized. CalProp has undertaken some potholing activities and construction is anticipated to begin in late December or early January. **Operations Update** – General Manager said the treatment plant is operating well and in full compliance with our NPDES discharge permit. Collection system maintenance activities continue at a good pace, with the new Vactor performing very well. Water use has increased, however the cleaning efficiency as compared to the older VacCon machine is much higher. A lower lateral blockage was reported at a residence on Ninth Street which resulted in a minor SSO of approximately 14 gallons. The sewage was fully contained and did not leave the property. The lateral was added to our inventory and put on a maintenance schedule.

Comprehensive Annual Financial Report and Audited Financial Statements

Fiscal Year 2012/2013 – General Manager said he'd like to introduce Rich Teaman from Teaman, Ramirez & Smith, Certified Public Accountants. Rich's firm has been conducting the District audits for the last eight years. General Manager asked the District's Finance Director, Hamid Hosseini, to present this agenda item.

Finance Director Hosseini said an independent audit of the Carpinteria Sanitary District for Fiscal Year 2012/13 was performed by TRS. Starting in FY 2009/10 the District and TRS combined efforts to produce a broader audit report referred to as a Comprehensive Annual Financial Report, or CAFR. This method of reporting has continued annually. Finance Director Hosseini said the CAFR would be submitted to the Government Finance Officers Association (GFOA) for review. The District has received a Certificate of Achievement for Excellence in Financial Reporting by the GFOA for each year that the report has been submitted.

Auditor, Rich Teaman from TRS said he wanted to focus on the Auditor's Report which includes a clean opinion with no qualifications. The report addresses required audit standards and includes several reports: Mr. Teaman said that the opinion letter will look very different from the prior year due to changes to the auditing standards. The report itself also incorporated other changes to maintain consistency with the updated auditing guidelines. Additionally, a new section titled Deferred Inflows of Resources, which was introduced by GASB Statement 63, was added. Within this new section a line listed as Deferred Gain on Refunding contained a figure for FY 2012/13. This figure represents the gain that was earned as a result of refinancing the agency's bonds. This figure will be amortized over the life of the debt.

Mr. Teaman provided the Board and staff with an oral summary of the CAFR contents and said he would be happy to answer any questions from the Board.

Finance Director Hosseini went over additional supplemental reports which included: a summary of the financial statements, Capital Improvement Program status report, detail of monthly revenue and expenses, Investment Report per Government Code 53600, Summary of property tax revenue and Development Impact Fee report. Finance Director Hosseini said the CAFR's Statistical Section is very useful to identify trends over the last ten years.

President Moorhouse said he would like to thank staff and TRS for their work in compiling the CAFR document.

Director Damron made a motion that the Board adopt the Comprehensive Annual Financial Report for the year ended June 30, 2013, and that the Finance Director be authorized to distribute the necessary reports and file the State Controller's Report with the State of California. Director Graf seconded the motion, and the motion was approved by a 5-0 vote.

Dedication of Sewer Facilities; Lagunitas Residential Development – 6380 Via Real – General Manager said the project to construct a new sewer system to serve a 73-unit residential development located at 6380 Via Real has been completed to the satisfaction of the District and the appropriate Notice of Completion has been recorded at the County of Santa Barbara. The maintenance period is now complete and these lines have been found to be in acceptable condition through CCTV inspection.

General Manager said the facilities include 366 linear feet of 10-inch gravity sewer main, 1,612 linear feet of 8-inch sewer main, 37 laterals, 11 sewer manholes and other appurtenances required to serve the Lagunitas residential development.

General Manager said if approved this infrastructure will become the property of the District upon dedication. After final acceptance by the Board of Directors, the District will own and maintain the facilities.

General Manager said it was staff's recommendation that the Board approve the dedication of the sewer facilities constructed at 6380 Via Real and authorize recordation of the Dedication of Sewer and Appurtenances with the County of Santa Barbara.

Director Damron made a motion that the Board accept the dedication of sewer facilities constructed at 6380 Via Real, parcel numbers 001-470-001 and 001-470-040, and authorize recordation of the Dedication of Sewers and Appurtenances with the County of Santa Barbara; Director Graf seconded the motion and the motion was approved by a 5-0 vote.

Cash Contract No. 410 – Sancon Engineering - Collection System Rehabilitation Project – General Manager said on November 5, 2013 the Board authorized a Notice of Award to Sancon Engineering. Notice was delivered to Sancon along with two copies of Cash Contract No. 410 and Addendum to Cash Contract No. 410 acknowledging incorporation of

one section of the Contract Documents that was inadvertently omitted from the specification book. Signed copies of the agreement and addendum were returned with required bonds and insurance certificates. Once Cash Contract No. 410, in the amount of \$655,591.62, is approved and executed by the Board, Notice to Proceed will be issued to Sancon.

General Manager said the contract performance period is 90 working days from Notice to Proceed and that the form of agreement has been reviewed by legal counsel.

General Manager said that it was staff's recommendation that the Board approve and execute Cash Contract No. 410 between the District and Sancon Engineering, Inc., and the Addendum to Cash Contract No. 410, for the Collection System Rehabilitation Project.

Director Damron made a motion that the Board approve and execute Cash Contract No. 410 between the District and Sancon Engineering, Inc., and the Addendum to Cash Contract No. 410, for the Collection System Rehabilitation Project; Director Velasco seconded the motion and the motion was approved by a 5-0 vote.

2014 CASA Winter Conference – President Moorhouse said this item was on the agenda as an informational item for any Board member who might want to attend the 2014 CASA Winter Conference to be held in Indian Wells on January 15-17, 2014. President Moorhouse said he would be attending. President Moorhouse suggested that any Board member who was interested to contact the Office Manager/Board Clerk.

Finance Committee – Director Damron said the committee met and reviewed the monthly reports.

Personnel Committee – Did not meet.

Public Relations Committee – Director Graf said the committee met on November 19th and are continuing to work on an updated outreach program, but there was nothing to report at this time.

Ad Hoc Utilities Committee – Did not meet.

CASA Legislative Committee Report – None.

LAFCO Report – President Moorhouse said that the next LAFCO meeting will be held in Santa Barbara.

SBCSDA Report – President Moorhouse said that our General Manager has been selected to receive the SBCSDA General Manager of the Year Award.

CSRMA Report – President Moorhouse said he attended the CSRMA Pooled Liability Committee meeting.

Board Member Vacation Dates – None.

Future Agenda Items – None.

Adjournment There being no further items to discuss, President Moorhouse adjourned the meeting at 6:30 p.m.

Jeff Moorhouse

Lin Graf

Mike Modugno

Gerald Velasco

Michael Damron