

**CARPINTERIA SANITARY DISTRICT
IN THE
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

MINUTES

These are the **minutes** of the **special** 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 special meeting on **November 30, 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 - **Absent**

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

Legal Counsel
Present: Anthony Trembley

Public Present: None

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

President Damron noted for the record that Directors Treloar and Moorhouse were absent.

Board Approval of Minutes of the Meeting of October 19, 2010 - Director Horwitz made a motion that the Minutes of the October 19, 2010 Board meeting be approved as submitted; Director Graf seconded the motion, and the motion was approved by a 3-0 vote.

President Damron noted for the record that Director Moorhouse had just arrived to the meeting.

Board Approval of Minutes of the Meeting of November 2, 2010 - Director Horwitz made a motion that the Minutes of the October 19, 2010 Board meeting be approved as submitted; Director Graf seconded the motion, and the motion was approved by a 4-0 vote.

Public Forum - None.

General Manager's Status Report - General Manager reported on the following:
South Coast Beach Communities Septic to Sewer Project Update - Discussions are

continuing with Caltrans regarding the easement. Caltrans has not made a decision, but at the local level they have made a recommendation to Sacramento to support our request for an encroachment permit. Plans have been forwarded to the structural design division to review the proposed attachment to the bridge that crosses over the railroad tracks. The Ventura County Planning Department has issued land use permit conditions and the hearing on the Coastal Development Permit will be held on December 9th. The District is working continuously with the County of Santa Barbara on the issuance of the follow on land use permit for the Sandyland and Sand Point Road components of the project. The team is preparing some final documentation, including a Stormwater Pollution Prevention Plan and Native Tree Report to meet County requirements. Director Horwitz asked for an update on costs for the consultant regarding Caltrans. General Manager said the consultant was paid an up front retainer, and on top of that there had been about \$1300 additional expenses. General Manager said final bid documents were being prepared for the Sandyland Cove and Sand Point Road portions of the project and should come back to the Board in early January. Outstanding private property easements are being followed up by Penfield & Smith. Penfield & Smith is preparing packets to send out to Rincon Point homeowners that contain the easement deeds, user agreements, electrical requirements and other important information; **SAMA Meeting Report** – General Manager said he attended a SAMA meeting on November 10th at the Montecito Sanitary District. Harvey Parkard from the Central Coast Regional Water Quality Control Board gave a presentation on Salt and Nutrient Management Plan requirements that is affecting the Santa Maria watershed and ultimately will affect inland dischargers and recycled water purveyors; **Operations Update** – The treatment plant is operating well and in full compliance with our NPDES permit. The District's SCADA Project is nearing completion. Staff is working with the software vendor, the software manufacturer and with AIA Automation on a compatibility issue. Staff completed a comprehensive annual inspection program of all of the District's pump stations to make sure they're functioning properly and that all alarms and communication systems are online. This program performed in advance of the rainy season, supplements regular inspections that occur several times each week. The Carpinteria Summerland Fire Protection District was at the District's WWTP on November 16th using our dry "training" manhole to conduct confined space entry/rescue training for their staff. The collection system is operating well with no problems to report. Lance Lawhon, the District's Engineering Technician, is renewing permits and inspecting grease control equipment for all food service establishments in the District. General Manager said the Board might want to take a look at the utility vehicle that was delivered today and parked outside the Administration Building. This vehicle was a replacement vehicle approved as a capital expense in the budget this fiscal year.

Comprehensive Annual Financial Report and Audited Financial Statements for Fiscal Year 2009/10 – Hamid Hosseini, Finance Director, introduced Greg Fankhanel, the District's auditor from Teaman, Ramirez & Smith, Certified Public Accountants (TRS). Finance Director Hosseini said an independent audit of the Carpinteria Sanitary District for Fiscal Year 2009/10 was performed by TRS. In prior years the primary product of the audit was in the form of an Annual Audit Report, which included the audited financial statements. 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. Finance Director Hosseini said the CAFR would be submitted to the Government Finance Officers Association (GFOA), the association that established the Certificate of Achievement for Excellence in Financial Reporting Program in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

Finance Director Hosseini said the District intends to submit its CAFR for review and consideration, where a panel of experts in public-sector financial reporting would review the submittal and decide if the District qualified for the recognition. Finance Director Hosseini went over some of the components of the CAFR and said the Statistical section provided District financial information from the last ten years.

Auditor, Greg Fankhanel from TRS said he wanted to focus on the Auditor's Report. Mr. Fankhanel said the CAFR format was new and he thought it was a good direction for the District. Mr. Fankhanel said the District would probably receive a reward for submitting the CAFR. Mr. Fankhanel said the Audit Report did not cover all the sections submitted in the CAFR report, and added the Statistical section would be very useful in seeing the trends over the last ten years. Mr. Fankhanel said the Auditor's letter followed the transmittal letter and showed a clean opinion with no exceptions. Mr. Fankhanel said he would be happy to answer any questions from the Board. Director Horwitz said the Finance Committee had already reviewed the CAFR report. Director Horwitz said she appreciated the extra work and it provided additional information with different ways to read the information. Director Moorhouse asked how many special districts in California would be recipients of the award from GFOA. Finance Director Hosseini said the City of Carpinteria had been a recipient in the past, and there were two special districts in Ventura (Castaic Lake Water Agency and the United Water District) that had participated. General Manager said he was proud to say the District was stepping up to be one of those agencies to participate. Director Moorhouse said he just attended the CSRMA Finance Committee in San Francisco and they were participating in a similar program. Director Moorhouse said it was not a long list of agencies that participate and are awarded for their achievement. Director Moorhouse asked when the District would be notified if they are a recipient of the award. Mr. Fankhanel said it would probably be in April or May. Director Horwitz said award or no award, the addition of the information and transparency was well worth the effort.

Finance Director Hosseini went over additional reports that 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.

General Manager said he would like to give special thanks this year to Greg and his team at TRS to get to this point to have the document that was passed out took extra effort. General Manager said Greg and Hamid worked together. General Manager said he'd like to give a special commendation to Hamid for doing an excellent job advancing the financial information of the District this year.

Director Horwitz made a motion that the Board adopt the Comprehensive Annual Financial Report for FY 2009/10, authorize the Finance Director to distribute copies to interested parties and file the State Controller's Report with the State of California; Director Moorhouse seconded the motion, and the motion was approved by a 4-0 vote.

Amendment to Task Order No. 002 – Penfield & Smith (Bluffs Sewer Relocation Project Final Engineering Design) – General Manager said the District had an as-needed agreement with Penfield & Smith to provide engineering, planning and survey services on a various number of projects. General Manager said going back to August 2008, Task Order No. 002 was issued to provide engineering and designs services for the Bluffs Sewer Relocation Project. General Manager said the design effort proceeded and the District issued two additional task orders for permitting support and procurement of property title reports. General Manager said the combined project budget was around \$240,000, and the original Task Order No. 002 fee was \$220,145. General Manager said the project manager had changed from Ron Sickafoose, who retired, to our current project manager Dave Rundle. General Manager said the project had inched along with some hurdles with permitting, and

as a result, Penfield & Smith had expended the available budget. General Manager said a letter from Dave Rundle was included in the Staff Report that provided a summary of extra work performed on the Bluffs Sewer Relocation Project and outlined the work necessary to complete the bidding phase. General Manager said ample funds exist in the restricted CIP fund to cover the proposed amendment and no general fund transfer was required. General Manager said it was staff's recommendation that the Board approve an amendment to Task Order No. 002 issued to Penfield & Smith increasing the fee to \$236,145 and extending the performance period to April 1, 2011.

Director Graf made a motion that the Board approve the amendment to Task Order No. 002 issued to Penfield & Smith as presented; Director Horwitz seconded the motion, and the motion was approved by a 4-0 vote.

SCAP 2010 Biosolids Trends Survey – General Manager said the District was a member of the Southern California Alliance of POTWs (SCAP) and recently participated in a survey of member agencies regarding the treatment and management of biosolids. A copy of the final SCAP 2010 Biosolids Trends Survey was attached to the Staff Report for the Board's information. General Manager said the report outlined how the different agencies were managing their biosolids in Southern California, how much they were producing, what they are paying and concerns going forward. Director Horwitz asked if you looked at the wet tons to do an analysis of costs, as the District's costs were one of the higher ones. General Manager said that is partially the result of the District's choice to manage the biosolids in Santa Barbara County. The District used to haul to Kern County at a lower cost per ton. General Manager said the configuration of the District's drying equipment and conveyor, allowing the District to haul in small roll-off bins instead of larger transfer trailers added costs. General Manager said staff would continue to monitor other management options in our region. Director Moorhouse said that CASA staff member Greg Kester is dedicated to the biosolids issue and is a great resource. Director Graf said it was interesting that the District produced more than Camarillo. General Manager said they may have drying beds and achieve a much dryer product, as opposed to the District biosolids which average 15% total solids and 85% water.

Outgoing Board Member Recognition – Director Michael Damron was recognized by Mark Bennett, Operations Manager, speaking for the Operations employees, Judy Kirkman, Office Manager and Secretary to the Board, Legal Counsel Tony Trembley, General Manager Craig Murray, and Board Directors Horwitz, Graf and Moorhouse.

General Manager presented outgoing Director Damron with a plaque thanking him for seventeen years of service to the District and the community. General Manager reiterated what all the other speakers had said – Director Damron would be missed.

Director Damron made personal comments and said it had truly been his pleasure and he did not regret a minute of the past seventeen years on the Board. Director Damron personally thanked Mark Bennett, on behalf of the employees, Legal Counsel Trembley, Secretary to the Board Judy Kirkman, General Manager Craig Murray and his fellow Board Directors Graf, Horwitz and Moorhouse. Director Damron said he would also like to thank previous employees, Kellie Burrie and John Miko. Director Damron again thanked everyone for their kind words and said it had been his honor and pleasure to serve on the Board.

Finance Committee – Director Horwitz said the Finance Committee met and went over the CAFA report and the regular monthly reports.

Personnel Committee – Did not meet.

Public Relations Committee – Did not meet.

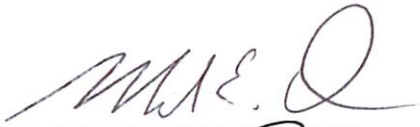
Board General Items

CASA and CSDA Legislative Committee Reports – Director Moorhouse left reports with the Secretary to the Board for interested Board Members from CASA and CSDA. Director Moorhouse mentioned an email from CASA he received inviting submission of articles that would be of interest to colleagues, such as an article on an employee's accomplishments.

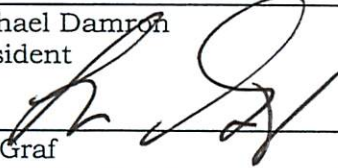
LAFCO Report – Director Moorhouse reported LAFCO would not be meeting for the next three months.

Future Agenda Items

Adjournment. There being no further items to discuss, President Damron adjourned the meeting at 6:32 p.m.



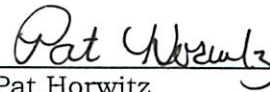
Michael Damron
President



Lin Graf
President Pro-Tem



Jeff Moorhouse
Secretary



Pat Horwitz
Secretary Pro-Tem

Doug Treloar - **Absent**
Treasurer