

**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 **December 6, 2011**, 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
Pat Horwitz – Treasurer
Jeff Moorhouse – Secretary
Mike Modugno – Secretary Pro-Tem

Staff Present: Craig Murray – General Manager
Kim Garcia – Board Clerk
Hamid Hosseini – Finance Director

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

Public Present: None

President Graf called the meeting to order and asked Director Horwitz to lead the Board and staff in the Pledge of Allegiance.

President Graf noted for the record legal counsel, Anthony Trembley, is absent and Director Moorhouse had not yet arrived, but would be arriving shortly.

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

Board Approval of Minutes of the Meeting of November 1, 2011 - Director Damron made a motion that the Minutes of the November 1, 2011 Board meeting be approved as submitted; Director Modugno seconded the motion, and the motion was approved by a 3-0-1 vote with Director Horwitz abstaining from voting.

Public Forum – None. Director Moorhouse arrived at 5:33 p.m.

General Manager's Status Report – General Manager reported on the following:

Carpinteria Public Agency Cooperation Meeting - General Manager said on November 28th he met with the General Manger and the Chief Engineer of the Water District, the City Public Works Director and the City Manager to discuss special district public improvement projects within the City right of way and associated concerns with permitting and approvals required by the City. Going forward, a preliminary comprehensive project planning meeting will be held for any future significant projects in order to obtain a mutual understanding of how the projects will proceed with respect to project impacts and applicable permitting processes and procedures. Director Horwitz said she would like to commend General Manager for the way in which the collaboration with the City has been handled.; **Bluffs Sewer Relocation Project Update** – General Manager said at the time of his report approximately 1,600 linear feet of pipe and four new manholes were in place, and excellent progress is continuing. Work will be transitioning off the road and into the CalTrans parcel. General Manager said to avoid a conflict with an existing water line a design revision was necessary and a change order is pending for this modification. General Manager said the Contractor is proposing an alternative pavement restoration approach that will be presented to the City Public Works Department for consideration. General Manager said he expects the staff from SWRCB to revisit the project site in January to observe the progress of this grant funded project. **Sand Point Road Septic to Sewer Project Update** – General Manager said the contractor has completed installation of all lateral branches to each property using directional drilling and progress is continuing with the installation of individual property grinder pumps. Weekly progress meetings are being held.; **SAMA Meeting Report** – General Manager said he attended the monthly SAMA meeting on November 9th at the Montecito Sanitary District where the group toured their new laboratory building.; **LAFCO Update – GC 56133 Amendments** – General Manager said he attended the LAFCO hearing on November 3rd and provided testimony to supplement the Districts position on proposed amendments to Government Code Section 56133. The commission decided not to support the proposal put forward by CALAFCO; **Plum/Pear Street Sewer Replacement Project Update** – General Manager said a design workshop and kickoff meeting was held with Kennedy/Jenks Consultants. A decision was made to again contact Union Pacific Railroad to discuss open cut installation within the railroad corridor.; **Operations Update** – General Manager said the WWTP is operating in full compliance with our permit. On October 23rd the primary digester blower failed. Pump and motor repairs were required and staff reassembled the unit and put it back on line. General Manager said staff continues to investigate radio communication problems from Lift Station No. 5. Intermittent signal loss is causing an inordinate number of soft alarms - troubleshooting efforts will continue. General Manager said the collection system is operating well with no problems to report since our last meeting. A Carpinteria Valley Water District waterline installation project on El Carro has resulted in damage to a number of District-owned lateral sewers. Repairs are being made to our satisfaction and CVWD and their Contractor have been provided additional direction on the importance of avoiding these laterals where possible. General Manager said work is continuing at the Lagunitas residential development project and staff is providing inspection services as necessary. General Manager said grease interceptor and grease trap inspections are being conducted by staff and compliance efforts are generally good.

Comprehensive Annual Financial Report and Audited Financial Statements Fiscal Year 2010/2011 – General Manager said he'd like to give a special commendation to the District's Finance Director for doing an excellent job in compiling the information necessary to produce the Comprehensive Annual Financial Report for FY 2010/2011.

Hamid Hosseini introduced Greg Fankhanel, the District's auditor from Teaman, Ramirez & Smith, Certified Public Accountants (TRS). An independent audit of the Carpinteria Sanitary District for Fiscal Year 2010/11 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. This method of reporting was continued for FY2010/11. Finance Director Hosseini said the CAFR would be submitted to the Government Finance Officers Association (GFOA). Finance Director Hosseini said the District intends to submit it's CAFR for review and consideration. The District was awarded a Certificate of Achievement for Excellence in Financial Reporting by the GFOA for FY 2009/10.

Auditor, Greg Fankhanel 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: Balance Sheet, Net Assets, and Statement of Cash Flows. The CAFR's Statistical Section is very useful to identify trends over the last ten years. Mr. Fankhanel 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.

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 Horwitz made a motion that the Board adopt the Comprehensive Annual Financial Report for the year ended June 30, 2011, 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 Modugno seconded the motion, and the motion was approved by a 5-0 vote.

Cash Contract No. 388 – Sandyland Cove Septic to Sewer Conversion Project – General Manager said a Notice of Award was delivered to MGE Underground, Inc of Paso Robles, California along with two copies of Cash Contract No. 388. Signed copies of the agreement were returned with required bonds and insurance certificates. Once Cash Contract No. 388 is approved and executed by the Board, Notice to Proceed will be issued to MGE Underground, Inc.

General Manager said the total contract amount is for \$983,956 with a contract performance period of 100 days from Notice to Proceed and that the form of agreement has been reviewed by legal counsel. Funding for this work will be provided through Assessment District 2001-1 funds and a portion through the Prop 84 Clean Beaches Initiative Grant.

General Manager said staff recommends that the Board approve and execute Cash Contract No. 388 between the District and MGE Underground, Inc. for the Sandyland Cove Septic to Sewer Conversion Project.

Director Horwitz made a motion that the Board approve and execute Cash Contract No. 388 between the District and MGE Underground, Inc. for the Sandyland Cove Septic to Sewer Conversion Project; Director Damron seconded the motion, the motion was approved by a 5-0 vote.

Cash Contract No. 392 – Penfield & Smith; Sandyland Cove Septic to Sewer Project Construction Management – General Manager said that our obligations to execute the project and comply with applicable permits require us to make sure the work is done in

conformance to the project specifications. Penfield & Smith was asked to provide a proposal for construction management and on-site inspection. Their proposal dated November 14, 2011, which outlines a scope of services and associated fee estimate of \$139,800, is attached for Board review.

General Manager said services would be provided on a time and materials reimbursement basis and there may be some savings if the Sandyland Cove component moves forward as scheduled with overlap between the projects. General Manager said funds generated through the formation of Assessment District 2007-1 are available to cover the cost of the construction and purchase of equipment. However, it will be necessary for the District to commit a portion of the Prop 84 Clean Beaches Initiative Grant to fund the entirety of the project.

General Manager said it was staff's recommendation that the Board approve Cash Contract No. 392 between the District and Penfield & Smith for construction management and related services on the Sandyland Cove Septic to Sewer Conversion Project with a not to exceed fee of \$139,800.

Director Damron made a motion that the Board approve Cash Contract No. 392 between the District and Penfield & Smith as presented. Director Modugno seconded the motion and the motion was approved by a 5-0 vote.

Integrated Regional Water Management Plan – Program Status Update – General Manager said the District continues to participate in the Santa Barbara Integrated Regional Water Management Plan (IRWMP) process with cooperating agencies throughout the County. A meeting was held December 6th and the General Manager said he participated via conference call.

General Manager said the District is currently receiving Proposition 50 IRWMP grant funds related to the Bluffs Sewer Relocation Project awarded as part of a regional \$25M grant from the State Water Resources Control Board. The statewide IRWMP grant process is ongoing for Proposition 84 funds and our consortium was recently awarded a significant planning grant to update the regional IRWMP document.

General Manager said provided for Board review is an email from the Santa Barbara County Water Agency Manager containing a general status update and an overview of the funding for the regional process.

CalPERS Retirement Benefit Review Recommendation – General Manager said recently public retirement benefits in California have been under media and public scrutiny. General Manager said the District currently participates in the CalPERS 2% @ 55 Miscellaneous Pool and pays both the employee contribution at 7% and the employer contribution, which this year is currently at 10.763% for all regular employees, the employer share fluctuates based on the performance of the participation pool.

General Manager said on November 21st, at their regular meeting, the Board Finance Committee discussed the District's retirement benefit in the context of its impact on ongoing future operating costs. It was the consensus of the Board and the direction of President Graf to defer this item to the Personnel Committee for further review and discussion. The Personnel Committee is scheduled to meet on December 9th.

LAFCO Independent Special District Selection Committee Commissioner Nomination and Election Process – General Manager said on January 23rd, 2012, in Buellton, there will be a meeting of the Independent Special Districts Selection Committee for the purpose of electing one regular position and one alternate commissioner position to sit on the Santa Barbara Local Agency Formation Commission.

The Board packet includes a letter from Mr. Bob Braitman, the LAFCO Executive Officer, outlining the process for filling vacancies and the schedule for nominations and elections. General Manager said to ensure voting representation, the District's voting member or designated representative must be present at the January meeting.

2011 CASA Mid-Year Conference – President Graf said this item was on the agenda in case anyone was interesting in attending. President Graf said he might be attending. Director Moorhouse said it should be a good program.

Finance Committee – Director Horwitz reported the finance committee met on November 21st and reviewed the monthly budget report. The committee reviewed the CAFR which has been presented for Board review.

Personnel Committee – Did not meet.

Public Relations Committee – Did not meet.

CASA Legislative Committee Report – None to report.

SBCSDA Report – Director Moorhouse said he attended the monthly meeting on November 3rd in Buellton.

LAFCO Report – Director Moorhouse said he would be attending the next scheduled meeting in February 2012.

Adjournment. There being no further items to discuss, President Graf adjourned the meeting at 6:00 p.m.

Lin Graf
President

Mike Modugno
Secretary Pro-Tem

Michael Damron
President Pro-Tem

Jeff Moorhouse
Secretary

Pat Horwitz
Treasurer