

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 19 2006**, 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

Public Present: Doug White
 Jaleh White
 Giti White
 Bob Engel

President Moorhouse called the meeting to order, and then 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 November 21, 2006 Board Meeting. Director Treloar made a motion that the November 21, 2006 minutes be accepted as presented; Director Graf seconded the motion and the motion was approved by a 4-0 vote. Director Horwitz abstained from voting, since she was absent from the meeting.

Public Forum. None

New Terms of Office – Directors Damron and Graf (2006-2010). General Manager reported Directors Damron and Graf were appointed to the Board of the Carpinteria Sanitary District in lieu of election pursuant to Elections Code Section 10515, by the Santa Barbara County Board of Supervisors, for the term of office ending in December, 2010. The Oaths of Office were administered by Board Secretary and Notary Public, Judy Kirkman and submitted to the County Elections office the first week in December.

Annual Board Reorganization. Each year in December, the Board establishes officers, the meeting place, meeting time, and other housekeeping functions as required by law.

Director Damron made a motion to nominate Director Moorhouse to continue to serve as President of the Board of Directors; Director Horwitz seconded the motion.

Director Treloar made a motion to nominate Director Graf to serve as President. After Board discussion, the motion made by Director Damron to nominate Director Moorhouse and seconded by Director Horwitz stood. The motion was amended to retain all Board officer positions the same as in 2006 and was approved by a 5-0 vote.

The Board Officer positions are: Jeff Moorhouse, President; Lin Graf, President Pro-Tem; Michael Damron, Secretary; Doug Treloar, Secretary Pro-Tem; and Patricia Horwitz, Treasurer.

The Board Committee Chairpersons and membership would remain the following: **Finance Committee** – Director Horwitz (Chairperson) and Director Treloar (Member); **Personnel Committee** – Director Graf (Chairperson) and Director Damron (Member); **Public Relations Committee** – Director Graf (Chairperson) and Director Moorhouse (Member).

The Board reaffirmed Nordman, Cormany, Hair & Compton, LLP as Legal Counsel.

The Board reaffirmed Craig Murray, P.E. as General Manager

The Board reaffirmed 5300 Sixth Street as the place of regular meetings of the Board.

The Board affirmed the first and third Tuesday of each month as the days of the regular meetings of the Board.

The Board affirmed the time of 5:30 p.m. as the time of the regular meetings of the Board.

The Board reaffirmed compensation to Directors as established by Board Resolution for attendance at regular, special or adjourned meetings of the Board of Directors, for committee meetings, seminars, conferences and other meetings as established by Board Resolution.

Director Treloar made a motion that the Board approve the organizational provisions as stated above; the motion was seconded by Director Horwitz and approved by a 5-0 vote.

Assessment District Formation Approach. General Manager reported that in September 2006 the Board approved implementation of the South Coast Beach Communities Septic to Sewer Project, and one key element was formation of an assessment district or multiple assessment districts for the purpose of providing long-term financing of the capital improvements necessary to serve Rincon Point Community, Sandyland Cove Community and Sand Point Road Community.

General Manager said assessment district formation and the related issuance of land secured municipal bonds were complex processes governed by state law with significant fixed and variable costs associated with each for formation and financing activities. General Manager said there were also administrative and processing requirements, including going to the Boards of Supervisors of multiple counties to get authorization and resolutions and continuing through the full term of the debt issue.

General Manager said in an attempt to streamline the process and reduce the overall project financing cost, which is passed on to the individual property owners, staff investigated the potential to consolidate multiple assessment districts for these discrete geographic communities into a single assessment district. General Manager said consolidation could reduce costs because a single bond issue with a larger par amount could be expected to attract a lower interest rate in the bond market than that which could be expected for multiple smaller issues.

General Manager said at the November 21, 2006 Board meeting, property owners within the planned assessment area expressed concern that combining these assessment districts into a single assessment area would skew the balloting and limit the ability of an individual community to vote for or against the project and the assessment that affects them specifically. On the basis of the comments heard from the public, Board directed staff to investigate the legality of forming a single assessment district for discrete geographic areas which may have different benefit assessments. This matter was presented to Bond Counsel, Jones Hall, who submitted a letter in which General Manager said it was Jones Hall's opinion that the District may legally form a single assessment district with multiple noncontiguous "benefit zones." The individual communities – Rincon Point, Sandyland Cove and Sand Point Road, would each be considered a benefit zone within the assessment district. Actual costs to provide service to each area would be fairly apportioned to each benefit zone. Accordingly, the per parcel assessment may be different for each zone. General Manager said Jones Hall also said in the assessment district proceedings the votes for each benefit zone could be separately tabulated, and the assessment ballots and the assessment engineer's report could be structured such that each community could effectively vote for or against the project and the associated assessment. General Manager said if a majority of property owners within the Rincon Point Community voted against the assessment, this "benefit zone" would be removed from the single assessment district prior to formation. General Manager said based on this information, staff believed the concerns expressed by the members of the public had been adequately addressed.

General Manager said a public comment was also made at the November 21, 2006 Board meeting suggesting that the single assessment approach was in direct conflict with the FEIR for this project. General Manager said the FEIR indicated there would be separate assessment districts for each discrete geographic community. However, consolidation into a single assessment district is being proposed solely to reduce project implementation costs and to streamline the administrative process. General Manager said no additional environmental impacts or changes to previously identified environmental impacts would result from consolidating the assessment districts as proposed, and an additional environmental review was not necessary to address the minor change in approach.

General Manager said it was staff's recommendation that the Board authorize staff to proceed with formation of a single assessment district with multiple benefit zones as described for the South Coast Beach Community Septic to Sewer Project.

President Moorhouse opened this item up for public comment. Giti White said she would encourage the Board to pursue the multiple assessment district approach. She said it was her

understanding that assessment districts could be weighted, based on proportional benefits, so the balloting might not be one home, one vote. Jaleh White said she was at the Board meeting to formally ask the Board not to vote for the formation of a single assessment district. Ms. Jaleh White said in order to save money for the Rincon Point homeowners, the District should include the Santa Barbara County park bathrooms and the Bluffs III parcels as part of the formation of assessment district for Rincon Point. Ms. Jaleh White said Santa Barbara County had been involved in this project from the beginning and they should pay their fair share for construction and usage of the infrastructure. Doug White said he'd like to second what Jaleh and Giti said previously. Mr. White said this was an opportunity to save money for the Rincon homeowners by drawing that assessment district so that it includes the parks and parcels at Bluffs III.

President Moorhouse asked the Board if there were any questions or discussion. Director Horwitz said she'd like clarification in one area, and asked if a single assessment district was formed, would the individual areas still have their own vote. General Manager said the ballots for each community could be tabulated separately, so if there were 72 voting parcels within Rincon Point Community and 50% + 1 voted against the project, the Board would provide direction to staff and the Financing Team to take Rincon Point out of that assessment district. Legal Counsel read from the opinion letter included in the Agenda from Jones Hall. Legal Counsel said it was their opinion that there was nothing to prevent the District from going ahead and forming a single assessment district containing three noncontiguous "benefit zones". Legal Counsel said Jones Hall indicated that if this Board decided to pursue a single-district approach, it was critical that the engineer's report define each neighborhood as a district "benefit zone" and specifically detail the apportionment costs to each benefit zone. Legal Counsel said the opinion letter also talked about having a separate tabulation for the votes for each benefit zone, and they indicated that although technically the assessment district was a single unit for purposes of tabulating ballots, the Board had discretion, after the ballots are counted but before the district was formed and the engineer's report was approved in final form, to order the assessment engineer to modify the report to, among other things, exclude property. Legal Counsel said if the Board pursued a single assessment district with multiple benefit zones, it was his opinion the argument made at the November 21 meeting relative to CEQA, was a purely semantic argument. If the Board goes in this direction, there would be no physical changes to the environment. There would be no environmental impact. There would be no changes as analyzed pursuant to the CEQA document. Legal Counsel said this was a policy matter for the Board to decide.

Director Treloar asked if Padaro Lane should be included in the assessment district. General Manager said based upon all conversations with this group of homeowners, they did not want to be included as part of the assessment district.

Director Damron made a motion that the Board authorize staff to proceed with formation of a single assessment district with multiple benefit zones as described for the South Coast Beach Communities Septic to Sewer Project; Director Graf seconded the motion. The motion was approved by a 5-0 vote.

Agreement for Bond Underwriting Services – Stone & Youngberg

South Coast Beach Communities Septic to Sewer Project. General Manager said one of the key members of a municipal financing team is a bond underwriter who helps navigate the district formation process and ultimately markets and sells the municipal bonds that are issued. General Manager said staff solicited proposals from two very qualified underwriting firms, both San Francisco firms with

extensive experience managing public land secured financings in California. General Manager said staff met with representatives from each firm and reviewed statements of qualifications from both firms. The District's financial advisor, Fieldman & Rolapp also reviewed the submittals. The recommendation that came back from Fieldman & Rolapp was included in the staff report to the Board. The recommendation said both firms were highly qualified, but recommended the Board engage Stone & Youngberg based on their experience and their willingness to market the bonds to local residents at a competitive price. Stone & Youngberg's qualifications were also presented to the Board. General Manager said Jim Cervantes, managing director from Stone & Youngberg would oversee the assessment district formation and financing for this project.

General Manager said it was staff's recommendation that the Board review and approve the Professional Services Agreement for bond underwriting services between the Carpinteria Sanitary District and Stone & Youngberg dated December 19, 2006. General Manager said all underwriting fees are contingent on successful district formation and bond issuance and would be paid directly from bond proceeds.

President Moorhouse opened this item up for public comments. **Doug White** said he thought it was important that the voting process tabulation be conducted by a disinterested party, not CSD, the Board or homeowners. Mr. White said the voting should be anonymous. **Jaleh White** said several of homeowners she talked to expressed concern that this Board meeting and the previous one were scheduled close to a holiday, and they were not able to attend. **Giti White** said she would like to go on record to again say she would like to see this process separated into multiple assessment districts instead of a single large assessment district.

Director Damron made a motion that the Board approve the Professional Services Agreement for bond underwriting services between the Carpinteria Sanitary District and Stone & Youngberg dated December 19, 2006; Director Horwitz seconded the motion. President Moorhouse said a question had come up regarding meeting notification as it had in the past meeting, and asked if the meeting was properly noticed. General Manager said this meeting was properly noticed and that it was on the District's regular meeting night and posted on the District's website and front window on Thursday prior to the meeting on Tuesday.

President Moorhouse called for a Board vote; the Board approved the motion by a 5-0 vote.

Cash Contract No. 340 – Penfield & Smith

Assessment District Engineering Services. General Manager said this was the last member of the financing team. General Manager said Cash Contract No. 340 was an agreement with Penfield & Smith for assessment district engineering services. General Manager said Penfield & Smith was the original engineer that prepared the report for the Rincon assessment district in 2000. General Manager said they are familiar with the project and experience preparing assessment engineering reports on many different types of assessment districts and land secured finances.

General Manager said the Engineer's Report is a formal document, required for assessment district formation by Division 12 of the Streets & Highways Code, and establishes the total assessment on a per parcel basis and includes an assessment diagram to clearly delineate the assessment areas. General Manager said all the benefit zones would be included and clearly defined showing all the parcels.

General Manager said Penfield & Smith's proposal was included with Cash Contract No. 340 and included preparation of the required exhibits, recordation and filing of the required documents, preparation and posting of legal notices, assistance in preparing, distribution and tallying of ballots and attending meetings as necessary. General Manager said the proposal reflects formation of a single assessment district with three separate improvement areas or benefit zones. General Manger said their proposed fee was based on a time and materials reimbursement basis with a not to exceed amount of \$39,000.

General Manager said the County of Santa Barbara had given a verbal commitment to provide grant funding to cover the cost of the proposed engineering effort, through the Hannah Beth Jackson grant funds that are earmarked for septic to sewer improvement projects. General Manager said if, for some reason the District did not receive the grant funds, the \$39,000 would be paid from bond proceeds.

General Manager said staff recommended that the Board 1) review and approve Cash Contract No. 340 between the Carpinteria Sanitary District and Penfield & Smith for professional engineering services with a not to exceed amount of \$39,000; and 2) authorize the General Manager to execute a purchase order with the County of Santa Barbara to secure grant funding.

President Moorhouse opened this item up for public comments: Jaleh White asked if the grant the General Manger spoke about were the same funds specified for the clean water act. Giti White said she again urged the Board to include Bluffs III and the park parcels in the formation of the assessment district. Doug White also talked about grant funds as part of a clean water act.

President Moorhouse asked General Manager if he could address the comments regarding funding earmarked for a specific clean water act. General Manager said originally these funds consisted of \$2,000,000 garnered at the State level and assigned with some restrictions to the County of Santa Barbara for administration. General Manager said funds from this grant had been secured previously by the District to update engineering studies for Rincon Point, Sandyland Cove, and Sand Point Road. Most recently, funds were committed from this grant to fund the engineering efforts related to annexation of the subject parcels. General Manager said with any grant program there are specific guidelines, and it was the grant administrator's responsibility to make sure the funds were allocated within the grant's provisions. General Manager said the Environmental Health Department at the County had allocated these funds without any conditions for water quality monitoring or water quality improvement.

Director Horwitz made a motion that the Board review and approve Cash Contract No. 340 between the Carpinteria Sanitary District and Penfield & Smith dated December 19, 2006, and authorize the General Manager to execute a purchase order with the County of Santa Barbara to secure grant funding; Director Damron seconded the motion, and the motion was approved by a 5-0 vote. Director Treloar said he would again like to ask about Padaro Lane.

Biosolids Management Options. General Manager said currently the District contracts with San Joaquin Composting (SJC) and Marborg to haul biosolids to Kern County where the material is co-composted with green waste and reused in Kings County as an agricultural soil amendment. General Manager said this approach had been used over a decade and had worked very well. Due to some hauling inefficiencies using roll-off bins the cost for continuation of that approach has now become cost prohibitive. General Manager said staff had looked at a number of alternatives over the last few

months, and at the last meeting staff presented those options that were available at the time of that meeting. The recommended approach included contracting with SJC for hauling biosolids, composting and procurement of a wheel loader to facilitate loading of long haul trailers. Bob Engel of Engel & Gray composting facility in Santa Maria attended the Board meeting and suggested there might be other hauling approaches that could reduce the overall unit cost and would also keep the District's biosolids in Santa Barbara County. The Board had directed staff to investigate other options that would provide for the use of Engel & Gray's facility and keep the District's biosolids within the County. Engel & Gray submitted a revised proposal with two management options. The first option proposed a base unit price of \$46.50 per ton for hauling and disposal with a variable fuel surcharge. This option would require the District to purchase a wheel loader to load semi-trailers. The second option proposed a base unit price of \$52.50 per ton for hauling and disposal, also with a variable fuel surcharge. Under this option, Engel & Gray would jockey roll-off bins as necessary to optimize hauling efficiency. General Manager said if this option were selected, staff would recommend construction of a concrete pad for bin storage to avoid destruction of the existing asphalt surface at the WWTP.

General Manager presented the options recommended from the last Board meeting, as well as the new proposed options from Engel and Gray. General Manager said Option 1 and Option 3 would require the purchase of a wheel loader, and Option 2 would require construction of a concrete pad. General Manager said those capital expenditures were not included in this year's budget, and would need to be included in this year's mid-year adjustment.

General Manager said staff believed all three options offer the District a long-term, reliable management strategy for reuse of biosolids generated at the WWTP. General Manager said based on direction from the Board, staff would prepare agreements with contractors and vendors for Board approval in January 2007. General Manager said this item was also considered by the Board Finance Committee at its meeting held on December 18, 2006.

General Manager said staff recommended that the Board 1) select the desired biosolids management alternative for hauling and disposal for a three-year period commencing in January 2007; and 2) that the Board authorize the associated capital expenditure in accordance with the District's purchasing resolution.

President Moorhouse opened this item up for discussion. Mr. Bob Engel from Engel & Gray was present. He said he was available for any questions from the Board. Director Damron asked the General Manager to select between the two options put forth by Engel & Gray. General Manager said Option 2 from Engel & Gray had a higher monthly cost, but lower capital cost. From an operational standpoint General Manger said he would choose Option 2 from the two options proposed from Engel & Gray because it was cleaner because the material would not be put on the ground.

Director Damron said Option 2 would only add 10% to the District's costs to make it convenient for our staff and to keep the biosolids within the county.

General Manager said the fuel surcharge in Engel & Gray's proposed options were a concern to him. General Manager said a fuel surcharge was not in San Joaquin's option. General Manager said the fuel surcharge was based on an index that was in January of 2005. General Manager said it was open-ended. The cost of fuel would cause the escalation of the District's cost of management of biosolids under both of Engel & Gray's options. General Manager said that having a fuel surcharge and a cost of living increase that's tied to a CPI type index is double dipping in his opinion.

President Moorhouse said he didn't know what a loader would be worth in ten years, and it seemed that Option 2 would be the cheapest way to go. President Moorhouse asked if Option 2 was the best option from operation's standpoint. General Manager said he had some concerns and had discussed those concerns with Mr. Engel. General Manager said he asked Mr. Engel how quickly and reliable would they be to come out and jockey the bins around the yard. General Manager said he was satisfied with Mr. Engel's response that they would respond within 24 hours.

Director Horwitz said it was her understanding the 40-yard trailer wheel loader would always save the District if it were purchased. General Manager said the way the District manages hauling the roll-off bins presently is less efficient and more costly than hauling in the larger trailers.

Director Horwitz asked about the value of the loader in ten years. General Manager said in ten years the value from current prices of used loaders would be around \$50,000. Director Horwitz said when she looked at the options from Engel & Gray and the option from San Joaquin Composting, the savings in three years from the San Joaquin option could almost pay half of the asset that would always save the District. Director Horwitz said when she was looking at the contract from Engel & Gray, she had a problem with the feedstock clause and the requirement that the District be an advocate for their company. Director Horwitz said she thought Engel & Gray would also be double dipping in adding a surcharge and a cost of living.

President Moorhouse asked if the proposal from Engel & Gray was for three years. General Manager said he did not have the contract, but the proposal from Engel & Gray had an evergreen clause that the District's Legal Counsel would like to comment on. Legal Counsel said he would very strongly recommend that if the Board moved forward with Engel & Gray that an evergreen clause not be included in the contract. Legal Counsel said evergreen clauses were often utilized in the employment of superintendents in a school setting and he did not see them widely used outside that setting. Legal Counsel said there were a number of public policy reasons why he made that recommendation, and problems may arise when public entities go into an evergreen contract because they don't periodically check the market to ascertain that the prices are market appropriate and it creates a public policy image that the District is not keeping its options open. Rather than have an evergreen or rollover clause, districts have a tendency to make the contract for a specific number of years. In this case it would be three years, and then the District could revisit during year three.

General Manager said this term was not used by Engel & Gray in bad faith, and Mr. Engel said in a follow-up conversation that he would be agreeable to a fixed term.

Director Graf said from a Workers Comp standpoint, it would be best if you didn't have someone operating a loader, as in Option 2. General Manager said that was correct. In Options 1 or 3, the contractor would be doing the loading. Director Graf said the biosolids would sit on the ground in Options 1 and 3 until someone came to load them and in Option 2 would be dumped directly into the bin.

Director Treloar said looking at the costs between San Joaquin and Engel & Gray, the last issue would be saving our constituent's money. Director Treloar said the current system is working and the District should stay with what's working. Director Treloar said he was not pleased with some of the items in the Engel & Gray proposal.

President Moorhouse said one of his concerns was that the San Joaquin approach may be gone in the future, and the District may be legislated away from delivering compost to these other areas. General Manager said the County of Kern voted to prohibit the land application of biosolids in Kern County through an initiative. General Manager said it does not affect San Joaquin Composting

because they don't land apply biosolids or biosolids-containing materials in Kern County. They take the compost produced there and reuse it beneficially in Kings County. If Kings County were to pass a similar ordinance, that could impact the San Joaquin Composting operation. General Manager said there was also an air pollution control district regulation that was being considered that might effect composting operations in Kern County or the Central Valley. It is unknown at this time, but San Joaquin Composting was aware of this and was making some changes. General Manager said this would not happen for at least a five-year period, so a three-year contract with San Joaquin would be a safe and reliable management approach. Legal Counsel said at this time the Kern County ordinance was unconstitutional.

President Moorhouse wanted to know the outcome of the Finance Committee when this item was discussed. Director Horwitz said the General Manager went over the options, and the Finance Committee was not concerned with the capital expenditure if the savings were ongoing. Director Treloar said after looking at the options, he was leaning toward Option No. 3. Director Horwitz said she was also looking at San Joaquin.

Bob Engel addressed the evergreen clause and said that was a way his company could plan for the future. Mr. Engel said some companies have long-term contracts and some evergreen clauses. Mr. Engel also addressed the comment about double dipping on the cost of living and fuel. He said what you've seen in higher fuel prices had not been reflected in the cost of living. Mr. Engel said Engel & Gray's fuel surcharge was patterned after the guys that haul fuel, and there are highs and lows and that cost of living does not affect the price. Mr. Engel said when they do the evergreen contracts they do adjust the cost of living or the base fuel price by the cost of living every two years to come up with a new base to set the fuel surcharge.

Legal Counsel asked Mr. Engel about the term of the feedstock agreement with Santa Barbara County. Mr. Engel said there was no expiration. Legal Counsel said if the Board approves the option with Engel & Gray he'd like to get a copy of the agreement and other comparable contracts in the area.

Legal Counsel said relative to the evergreen clause, he would like to see a long-term contract rather than having the evergreen clause. Legal Counsel said whatever approach the Board selected, whether it be Engel & Gray or San Joaquin Composting, the Board would need to direct staff to bring back a contract to be reviewed and approved by the Board.

Director Damron made a motion to direct staff to bring back a contract to the Board with the Engel & Gray revised Option 2; the motion was seconded by Director Graf. Director Treloar said when the facility was rebuilt it was designed where anything on the ground was washed down and collected back into the system. Director Treloar said he did not see wash down as a big issue. Director Treloar said in regards to the feedstock, when the District was composting and tried to get feedstock from the County, the District was cut off.

President Moorhouse called for a vote. The motion was approved by a 3-2 vote. Directors Horwitz and Treloar voted nay.

Operations Staffing Update. General Manager said this was an item for the Board's information and had been discussed at length with the Board Personnel Committee. General Manager said Lou Becker, after 35 years, the District's Operation Manager had given his intent to retire in June, 2007. To optimize the transitional process a Special Projects Manager Position was created on an interim basis. The District's current Operations Manager would be moved into this position on a

temporary basis for a six-month period. The Operations Manager was posted internally; one application was received from a candidate who appears to possess the experience and qualifications necessary to fill this role. General Manager said he would complete the evaluation of this candidate and consider promotion of the Operations Manager in January 2007. After January 2007 General Manager said a recruitment process will begin to fill the anticipated internal promotion. General Manager said Job Descriptions had been created or updated for the WWTP vacancies, and some modifications to the organizational structure may be brought back to the Board after the vacancies are filled.

2007 CSDA Committee Appointment. President Moorhouse said the Board received information on appointments to the 2007 CSDA Committee. President Moorhouse said he had an interest in serving on the Legislative Committee, but found out the Legislative Committee was being reduced in size. President Moorhouse said if there is a need in the future, this item would be brought back to the Board for discussion.

General Manager's Status Report. General Manager reported on the following: **NPDES Permit Revisions** – The Regional Water Quality Control Board adopted a revised NPDES Permit for the District at its December 1, 2006 meeting in San Luis Obispo. The permit revisions effectively removed the comprehensive provisions related to collection system management and operation in favor of the District's participation in a statewide regulatory program; **SAMA Meeting** - The December SAMA meeting was held on December 13th in Los Alamos. Officers for 2007 were selected and a general discussion of wastewater issues followed; Santa Barbara CSDA – General Manager said he would serve as the first district representative on the Board of Directors for 2007; **Ocean Outfall Structural Condition Assessment** – Harbor Offshore on November 30 and December 1 took the concrete weightcoat off the pipe in a number of locations and measured the conditions of the steel and found out the steel pipe was in good condition. That was good news. Harbor Offshore did a good job and submitted a report documenting their work. Harbor Offshore also did a video inspection of the outfall and found in places the sand was undermined and wasn't supporting the pipe in some places. General Manager said he'd like to inspect the pipe again at a later date to see if a change in the seasons affected the shifting of the sand; **Laboratory ELAP Inspection** – General Manager said the laboratory was inspected by the State and it went quite well; **CSRMA Work Comp Premium Audit** – CSRMA gave back a premium return of \$812.00 based on their final program audit for last year; **Operations Update** - The WWTP is operating in full compliance with the effluent limits in the District's NPDES. No sewer overflows from the Collection system. A new 1-ton utility truck was delivered and is currently equipped and District logo being applied; **Holiday Appreciation Dinner** – December 20th at 6:00 pm reminder.

Board Committee Reports

Finance Committee. – Met and went over budget report and mid-year adjustment that will come back to the Board.

Personnel Committee. Did not meet.

Public Relations Committee. Did not meet.

Board General Items: General Manager said he proposed that the regular Board Meeting on January 2, 2007 be canceled due to the closeness to the holiday.

Future Agenda Items: None

Adjournment. There being no further items to discuss, President Moorhouse adjourned the meeting at 7:21 p.m.

Michael Damron
Secretary

Lin Graf
President Pro-Tem

Patricia Horwitz
Treasurer

Jeff Moorhouse
President

Douglas Treloar
Secretary Pro-Tem