

MINUTES
REGULAR MEETING OF THE GOVERNING BOARD
GOLETA SANITARY DISTRICT
A PUBLIC AGENCY
DISTRICT OFFICE CONFERENCE ROOM
ONE WILLIAM MOFFETT PLACE
GOLETA, CALIFORNIA 93117

January 4, 2010

BOARD MEMBERS PRESENT: John R. Fox, John S. Carter, Steven T. Majoewsky, George W. Emerson, Jerry D. Smith

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Kamil Azoury, General Manager, Jeff Salt, Operations Manager, Kathy Johnson, Office Manager, Richard Battles, Legal Counsel from Howell Moore & Gough LLP

OTHERS PRESENT: Bert Bertrando of Goleta Water District, Larry Meyer of Goleta West Sanitary District

CALL TO ORDER: President Fox called the meeting to order at 7:33 p.m.

APPROVAL OF MINUTES: Director Carter made a motion, seconded by Director Smith to approve the minutes of the Regular Board meeting of 12/21/09.

(10/01/737)

AYES: Fox, Carter, Majoewsky, Emerson, Smith

NOES: None

ABSENT: None

POSTING OF AGENDA: The agenda notice for this meeting was posted at the main gate of the Goleta Sanitary District 72 hours in advance of the meeting.

PUBLIC COMMENTS: None

BUSINESS:

1. **CONSIDERATION OF APPOINTMENT OF DISTRICT PRESIDENT AND PRESIDENT PRO TEM FOR CALENDAR YEAR 2010**

Mr. Azoury advised the Board that, pursuant to District policy, Director Carter was the next Director in line to take on the position of President of the Goleta Sanitary District Governing Board and Director Majoewsky as President Pro Tem. Director Carter advised the Board that he is willing to accept the appointment as President and Director Majoewsky advised the Board that he is willing to accept the appointment as President Pro Tem. Director Smith

made a motion, seconded by Director Emerson to appoint Director John S. Carter President and Director Steven T. Majoewsky President Pro Tem of the Goleta Sanitary District for calendar year 2010, to be effective as of the second Board meeting in January.

(10/01/738)

AYES: Fox, Carter, Majoewsky, Emerson, Smith
NOES: None
ABSENT: None

2. CONSIDERATION OF A CHANGE ORDER TO THE PLANT REFURBISHMENT PROJECT CONTRACT TO FURNISH FOUR NEW PUMP MOTOR SOLE PLATES, CURBING AND REVISED ANCHOR BOLT SYSTEM FOR THE INSTALLATION OF FOUR PUMPS AND MOTORS IN THE PLANT PUMP STATION

Mr. Azoury advised the Board that due to necessary design changes to the plant refurbishment project, specifically with regard to the anchor bolt system needed to properly anchor the pumps and motors, Cushman Construction Corporation requested a change order in the amount of \$73,077 to cover the additional costs that would be incurred in order to facilitate the design changes. Mr. Azoury advised the Board that the Engineering Committee met and reviewed the design changes and the request for additional funds by Cushman. He presented an illustration of the improved design to the Governing Board. Mr. Azoury advised the Board that the Engineering Committee reviewed and considered the change order with District staff and recommends that the Governing Board approve the change order. President Fox advised the Board that it appears the original design by Brown and Caldwell was flawed and that they should be held accountable. He suggested the work should not continue until the District determines who should be held responsible for paying any increased costs of the design changes. The Board discussed the fact that if the project were held up while determining responsibility for the design flaws, the cost of the delay would be the District's responsibility. The Board also recognized that the proposed change order is a contractual change between the District and the contractor and the District should not hold back the construction and faced with further costs of delays while attempting to dispute any design flaws with the design engineering consultant. Director Majoewsky advised the Board that the Engineering Committee discussed this issue at length and that the Committee has every intention to look into who is responsible for the design errors. After further discussion of the additional costs that would result from any delay of installing the new pumps, Director Majoewsky made a motion, seconded by Director Carter to approve the change order as presented for an amount not to exceed \$73,077, and that Cushman Construction should proceed with the installation of the new pumps, motors and piping.

(10/01/739)

AYES: Carter, Majoewsky, Emerson, Smith
NOES: Fox
ABSENT: None

5. GENERAL MANAGER'S REPORT

Messrs. Azoury and Salt reviewed the General Manager's Report.

6. LEGAL COUNSEL'S REPORT

Mr. Battles advised the Board that Ed Thoits is now on staff at Howell Moore & Gough LLP. Mr. Battles also advised the Board of AB 1192 that seeks to limit a public agencies' ability to enter into 'sale-leaseback' and 'lease-leaseback' transactions. He advised the Board that the CSDA opposes the bill. Mr. Azoury advised the Board that he will send a letter of opposition to AB 1192.

7. COMMITTEE/DIRECTOR'S REPORTS AND APPROVAL/RATIFICATION OF DIRECTORS' ACTIVITIES

Director Emerson advised the Board of the upcoming Santa Barbara chapter meeting of the CSDA to be held in Santa Barbara on January 25, 2010.

Director Smith advised the Board of the Engineering Committee meeting he attended. He advised the Board that the Engineering Committee will continue its investigation of the plant refurbishment project design changes with regard to the pump anchoring system. He advised the Board that the District would confer with Brown and Caldwell and determine responsibility for the additional costs incurred as a result of the necessary changes.

Director Majoewsky advised the Board of the Engineering Committee meeting he attended.

Director Carter advised the Board of the Engineering Committee meeting he attended. He distributed an article to the Board regarding sewage treatment and renewable energy. Director Carter advised the Board that as incoming President he would like the meeting time changed and asked staff to include this as an agenda item for discussion at the next Board meeting.

8. PRESIDENT'S REPORT

President Fox advised the Board of the LAFCO meeting he attended.

9. CORRESPONDENCE

The Board reviewed correspondence to and from the District in the agenda and made a part hereof as Exhibit "A".

10. CLAIMS

Director Emerson made a motion, seconded by Director Majoewsky to approve the claims as follows:

Plant Facilities Upgrade Fund #4670	458.60
Depreciation Replacement Reserve Fund #4655	235.25
Running Expense Fund #4640	364,204.77

(10/01/740)

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AYES: Carter, Majoewsky, Emerson, Smith, Fox

NOES: None

ABSENT: None

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:55 p.m.

John S. Carter
Governing Board President

Kamil S. Azoury
Governing Board Secretary

Steven T. Majoewsky

George W. Emerson

Jerry D. Smith

John R. Fox