

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

October 19, 2009

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 7:30 p.m.

APPROVAL OF MINUTES:

Director Smith made a motion, seconded by Director
Emerson to approve the minutes of the Regular Board
meeting of 10/05/09.

(09/10/710)

AYES: Fox, Carter, Majoewsky, Emerson, Smith

NOES: None

ABSENT: None

POSTING OF AGENDA:

The agenda notice for this meeting was posted 72 hours
in advance at the Goleta Sanitary District and at the
Goleta branch of the Santa Barbara County Library.

PUBLIC COMMENTS:

Mr. Bertrando advised the Governing Board that the Cachuma Operation and Maintenance Board is considering a bond issue to fund the construction of a second pipeline to allow the maintenance, repair and replacement of the existing pipeline from Lake Cachuma that is the primary source of water for the Goleta Water District.

BUSINESS:

1. PRESENTATION OF DISTRICT'S AUDIT REPORT AND FINANCIAL STATUS AS OF JUNE 30, 2009, BY DISTRICT AUDITOR, AND CONSIDERATION OF ADOPTION OF DISTRICT'S ANNUAL AUDIT AND FINANCIAL STATEMENTS FOR FISCAL YEAR 2008-2009

Mr. Azoury introduced Greg Fankhanel, a partner with the District's auditing firm Teaman, Ramirez & Smith, Inc. Mr. Fankhanel presented the 2008-2009 Audit Report to the Board and answered numerous questions from the Governing Board. After further discussion, Director Carter made a motion, seconded by Director Majoewsky, to accept and adopt the District's Annual Audit and Financial Statements for fiscal year 2008-2009 with some minor changes.

(09/10/711)

AYES: Fox, Carter, Majoewsky, Emerson, Smith

NOES: None

ABSENT: None

2. DISCUSSION AND CONSIDERATION OF MEMBERS OF THE GOVERNING BOARD JOINING THE DISTRICT EMPLOYEE RETIREMENT THROUGH CALPERS AND THE DISTRICT PROVIDING MEMBERS OF THE GOVERNING BOARD MEDICAL INSURANCE BENEFITS THROUGH THE CALPERS HEALTH PROGRAM

Mr. Azoury advised the Board that this item was brought to them at the August 3, 2009 Governing Board meeting. At that time Director Smith suggested that this item should be brought back to a future meeting along with the costs to the District for providing employee retirement and medical insurance for the members of the Governing Board through CalPERS. The Board discussed the details of the CalPERS Retirement and Health Program as presented by Mr. Azoury and decided that there was not enough information to make a decision. After further discussion the Board tabled any decision until District Staff could provide further information and bring it to the Board at a future meeting.

3. DISCUSSION OF PARTICIPATION IN THE PROPOSITION 1A SECURITIZATION PROGRAM

Mr. Azoury advised the Board that Proposition 1A permitted the State to borrow 8% of property tax revenue from local agencies which may have caused a hardship for some agencies that depend on property tax revenue. As such, SB 67 was passed that will allow agencies to participate in the Prop 1A Securitization Program. Mr. Azoury advised the Board that the amount of funds that would be borrowed from the District would not impact the District's operations and would not create a hardship to the District. After further discussion Director Smith made a motion, seconded by Director Majoewsky to decline to participate in the Proposition 1A Securitization Program.

(09/10/712)

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

4. CONSIDERATION OF APPROVING RESOLUTION 09-490 AUTHORIZING A REPRESENTATIVE TO SIGN AND FILE A FINANCIAL ASSISTANCE APPLICATION FOR A FINANCING AGREEMENT FROM THE SWRCB

Mr. Azoury advised the Board that at the May 19, 2008 meeting the Governing Board approved Resolution 08-469 authorizing the General Manager to represent the District in its application to the State Water Resources Control Board (SWRCB) for a state revolving fund loan. He advised the Board that the SWRCB has made some minor changes in the language of the State's model resolutions and is requesting that the District submit an updated authorized representative resolution. After further discussion Director Majoewsky made a motion, seconded by Director Smith to approve Resolution 09-490 Authorizing a Representative to Sign and File a Financial Assistance Application for a Financing Agreement from the SWRCB.

(09/10/713)

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

5. GENERAL MANAGER'S REPORT

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

6. LEGAL COUNSEL'S REPORT

No Report

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

Director Emerson advised the Board of the CSRMA Executive Board meeting he attended. He also advised the Board of the Santa Barbara County CSDA meeting scheduled for November 20, 2009 at which the Director of California Forward would speak.

President Fox requested that the Board approve reimbursement of expenses he will incur in order to attend the Goleta Valley Planning Advisory Committee meeting. After further discussion Director Smith made a motion, seconded by Director Emerson, to reimbursement expenses for President Fox to attend the Goleta Planning Commission Meeting.

(09/10/714)

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

8. PRESIDENT'S REPORT

President Fox advised the Board of the agenda of the upcoming LAFCO meeting scheduled for November 5, 2009. He advised the Board that he attended the Goleta Lemon Festival and complimented Teresa Kistner and District Staff on a job well done for the GSD Environmental Safari Booth at the Festival.

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

Depreciation Replacement Reserve Fund #4655	356,635.35
Plant Facilities Upgrade Fund #4670	149,661.48
Running Expense Fund #4640	266,234.88

(09/10/715)

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

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:09 p.m.

John R. Fox
Governing Board President

Kamil S. Azoury
Governing Board Secretary

John S. Carter

Steven T. Majoewsky

George W. Emerson

Jerry D. Smith