

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

June 15, 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

PUBLIC PRESENT: Citizen Hersel Mikaelian

CALL TO ORDER: President Fox called the meeting to order at 7:30 p.m.

APPROVAL OF MINUTES: Director Carter made a motion, seconded by Director
Majoewsky to approve the minutes of the Regular Board
meeting of 06/01/09 as amended.

(09/06/697)

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: None

BUSINESS:

1. **PUBLIC HEARING AND CONSIDERATION OF SEWER SERVICE CHARGE INCREASE,
APPROVAL OF ORDINANCE NO. 71 AND APPROVAL OF RESOLUTION NO. 09-484**

Mr. Azoury advised the Board that in order to conform to Proposition 218, a public hearing was scheduled for this evening to receive comments and concerns from the District's users on the proposed increase. The District mailed out approximately 17,000 notices to its constituents advising them of the proposed change in the rate structure and announcing the public hearing. The District received 5 telephone calls in response to the notice requesting more information about the increase and 8 letters of protest. Mr. Azoury advised the Board that the public expressed concerns about the current economic climate and also questioned the District's methodology in determining the sewer service charges. He provided the Board with a summary of all communications from the public. At 7:37 p.m. President Fox opened the public hearing regarding the proposed sewer service charge increase. Mr.

Hersel Mikaelian introduced himself and advised the Board that he had spoken to President Fox and General Manager Azoury via telephone over the last couple days. He said he had no argument with raising the sewer service fees if in fact it was necessary, but he had a problem with the method used in determining the rate structure. Mr. Mikaelian felt that the flat fee system is not equitable and that a single person does not use the system as much as a family of five persons. He asked that the District consider changing the method from a flat rate basis for residential users to water-usage basis. Mr. Azoury advised Mr. Mikaelian that he had conferred with District counsel and that the District's methodology is not unusual and completely legal. Director Smith expressed his opinion that the District is selling a service, not a product. He continued that there are fixed costs that must be covered by the sewer service fees and that pipes still need to be maintained regardless of use. He acknowledged that there are variable costs affected by flow such as electricity and chemicals. Director Majoewsky advised the Board that he would be interested in knowing what percentage of the total budgeted expenses is variable. He advised Mr. Mikaelian that the Finance Committee would examine this issue and also revisit the methodology in establishing the sewer service rate structure. There being no further public comments, President Fox closed the public hearing at 8:15 p.m. After further discussion Director Smith made a motion, seconded by Director Carter, to adopt Ordinance 71, Adopting an Ordinance and General Regulation Amending Ordinance No. 11 Relating to Sewer Service Charges.

(09/06/698)

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

Director Majoewsky made a motion, seconded by Director Carter, to adopt Resolution 09-484, Setting Forth Findings Relating to Adoption of Sewer Service Charge Ordinance

(09/06/699)

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

2. CONSIDERATION OF APPROVAL OF RESOLUTION NO. 09-485, ORDER AND RESOLUTION ELECTING TO HAVE SEWER SERVICE CHARGES COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2009-10, DIRECTING THE PREPARATION AND FILING OF REPORT, FIXING TIME AND PLACE FOR HEARING AND PROVIDING FOR NOTICE THEREOF

Mr. Azoury stated that this item relates to setting a date and time for the public hearing for the Board to act on having the sewer service charges be collected on the tax roll for fiscal year 2009-2010. The hearing is scheduled for Monday, July 20, 2009 at 7:30 p.m. Director Carter made a motion seconded by Director Majoewsky, to adopt Resolution 09-485, Electing to have Sewer Service Charges Collected on the Tax Roll for Fiscal Year 2009-10,

Directing the Preparation and Filing of Report, Fixing Time and Place for Hearing, and Providing for Notice Thereof.

(09/06/670)

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

3. CASA REQUEST FOR FINANCIAL SUPPORT FOR CITY OF VACAVILLE NPDES PERMIT LITIGATION

Mr. Azoury advised the Board that the District received a letter from CASA requesting monetary support in order to appeal the Contra Costa Superior Court decision against the City of Vacaville regarding the NPDES permit issued for Vacaville's wastewater treatment plant. The Board wanted to know more about what effect, if any, the court's decision had on the District's operations. Director Smith advised the Board that he wanted to read more of the court's decision and suggested this item be brought back to the Board at a future meeting. The Board took no action and requested more detail for future discussion.

4. CONSIDERATION OF AMENDMENT TO CONTRACT FOR ENGINEERING DESIGN SERVICE WITH HDR ENGINEERING, INC. TO CONDUCT FAULT TRACING INVESTIGATION AND PREPARATION OF REPORT

Mr. Azoury advised the Board that HDR Engineering, Inc. has requested an adjustment of their contract in the amount of \$70,669 to cover costs for additional geotechnical work related to the Wastewater Treatment Plant Upgrading Project. He advised the Board that this request was discussed by the Engineering Committee. After further discussion, Director Majoewsky made a motion, seconded by Director Emerson, to direct the General Manager to execute the Amendment to Contract for Engineering Design Service with HDR Engineering, Inc. in an amount not to exceed \$70,669.

(09/06/671)

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

5. CLOSED SESSION CONFERENCE WITH LABOR NEGOTIATOR (GOVT. CODE SEC. 54957.6) AGENCY DESIGNATED REPRESENTATIVE: KAMIL AZOURY, GENERAL MANAGER

EMPLOYEES: ALL EMPLOYEE TITLES

After addressing subsequent agenda items, the Board entered into a closed session at 10:20 p.m. Mr. Azoury presented to the Board employees requests for adjustments in benefits and compensation that were discussed at the District's labor negotiations. The Board came out of closed session at 11:35 p.m. In open session the Board took the following actions:

1. The Board decided to conduct a historical trend survey of the annual cost of living adjustments (COLA) since the last salary survey in 2004 and compare these values with similar COLA values of the same agencies surveyed in 2004. Based on these results the Board will determine future actions on this issue.
2. The Board declined the reversal of the current vacation cash out policy which requires employees to cash out vacation accruals over one year accrual balance.
3. The Board acted on granting a COLA adjustment of 2.6% to all District employees for FY 2009-2010.
4. The Board declined the request for personal use of the District vehicles in cases of personal emergencies citing potential liabilities to the District.

(09/06/673)

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

6. GENERAL MANAGER'S REPORT

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

7. LEGAL COUNSEL'S REPORT

No Report

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

Director Emerson advised the Board of the CSRMA meetings he attended.

Director Smith advised the Board of the Finance Committee meeting he attended.

Director Carter advised the Board of the Goleta State of the City luncheon he attended.

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

9. PRESIDENT'S REPORT

President Fox advised the Board of the SBCSDA chapter meeting, the Goleta Water District meeting, and the Goleta State of the City luncheon he attended.

10. CORRESPONDENCE

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

11. CLAIMS

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

| | |
|---|------------|
| Depreciation Replacement Reserve Fund #4655 | 10,903.75 |
| Capital Reserve Fund #4650 | 4,116.00 |
| Plant Facilities Upgrade Fund #4670 | 3,306.33 |
| Running Expense Fund #4640 | 277,780.36 |

(09/06/672)

AYES: Fox, Carter, Majoewsky, Emerson, Smith

NOES: None

ABSENT: None

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:45 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