

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

August 3, 2009

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

BOARD MEMBERS ABSENT: John S. Carter

STAFF MEMBERS PRESENT: Kamil Azoury, General Manager, Richard Battles, Legal Counsel from Howell Moore & Gough LLP

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

CALL TO ORDER: President Fox called the meeting to order at 7:34 p.m.

APPROVAL OF MINUTES: Director Majoewsky made a motion, seconded by Director Smith to approve the minutes of the Regular Board meeting of 07/20/09 with a minor correction mentioned by Director Smith.

(09/08/685)

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

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 of the Goleta Water District indicated that the Water District has about \$1.5 million in certain risky investments and that they are looking for other investment options.

BUSINESS:

1. AMENDMENT OF ORDINANCE NO. 66 RELATING TO AUTHORITY OF GENERAL MANAGER TO MAKE CERTAIN EXPENDITURES AND AUTHORIZING GENERAL MANAGER TO SIGN CERTAIN DOCUMENTS ON BEHALF OF DISTRICT

Mr. Azoury advised that the purpose behind the proposed Ordinance 72 was to facilitate the District's operations for purchases of goods and services and executing documents that have been previously approved by the Governing Board in addition to other documents that bear no monetary obligations to the District. Director Smith asked about the other signatories to the documents if this function is delegated to the General Manager to which Mr. Battles advised that the applicable Health and Safety Code governing this provision does not require more signatories. Director Fox questioned the value of the increased monetary expenditures authority as exceeding the inflation since the date of the existing Ordinance 66 that was executed by the Board in 2006. Directors Majoewsky and Smith indicated that the purpose of the proposed ordinance was not specifically targeted to address inflation only but more to facilitate purchases in light of the current cost of services and goods. Director Fox expressed displeasure over not having more than one signature. Mr. Azoury briefly advised the Board of the internal control procedures for procurement of goods and services and indicated that he plans on making a future presentation to the Board on this subject. He added that there is currently in place a procedure for checks and balances for all purchases such that more than one person is involved in these transactions. He advised that there are several steps between employees requesting the purchase of goods and services and the subsequent review and authorization by the Department supervisors, the Operations Manager, the Office Manager and the General Manager. Additionally, Mr. Azoury indicated that payment for goods and services are made through the accounting staff that does not have the authority to sign checks for purchases.

After further brief discussion, Director Emerson made a motion that was seconded by Director Majoewsky to adopt Ordinance 72.

(09/08/686)

AYES: Majoewsky, Emerson, Smith
NOES: Fox
ABSENT: Carter

2. DISCUSSION AND CONSIDERATION OF MEMBERS OF THE GOVERNING BOARD JOINING THE DISTRICT EMPLOYEE RETIREMENT PROGRAM THROUGH CALPERS

Mr. Azoury advised that since the reporting of compensation to the Governing Board members to the IRS was changed from previous practice of using Forms 1099 to Forms W-2, it has been determined that the members of the Board qualify for the retirement benefit under the existing contract between the District and the California Public Employee Retirement System (CalPERS). He explained the process associated with making the election to join the CalPERS program as explained in the staff report for this

item of the agenda. Director Emerson inquired about the impact on the District's existing obligation should members of the Governing Board join the retirement program. Director Smith suggested deferring this item to a future meeting when all the members of the Governing Board are present and that staff should bring back an assessment of the cost impacts on the District. Director Fox advised of a certain article in his possession written by an attorney about social security payments. He indicated that he would give this article to the District's Counsel for his review. Mr. Azoury advised that he would bring back this item to the Board at a future meeting with other relevant cost information, clarification on how the CalPERS retirement system coordinates with Social Security and the existing contract between CalPERS and the District.

3. CONSIDERATION OF SOLICITATION OF PUBLIC BIDS FOR THE FAIRVIEW AVENUE AND SAN PEDRO CREEK SEWER REPLACEMENT AND RELOCATION PROJECT

Mr. Azoury advised that the design of the Fairview Avenue replacement and relocation project is complete and the project is ready for public bidding after issuance of the necessary permits. He briefly showed the Board the proposed alignment of the new interceptor and responded to several questions regarding certain details of the project. Director Emerson asked why such project was not a good candidate for trenchless pipe bursting technology to which Director Majoewsky responded that because of the significant increase in the interceptor size, pipe bursting would be risky under such circumstances. Mr. Azoury elaborated on this issue citing the difficulties the District had faced in the Atascadero Creek pipe bursting project even though it was ultimately completed successfully and was granted an award of excellence. Director Fox asked about savings under current bidding environment to which Mr. Azoury responded that the originally estimated cost of the project was \$3.3 million and the revised engineer estimate is \$2.3 million. After some discussion Director Smith made a motion to be seconded by Director Majoewsky to authorize staff to solicit public bids for the Fairview Avenue project after receipt of all necessary permits.

(09/08/687)

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

4. GENERAL MANAGER'S REPORT

Mr. Azoury reviewed the General Manager's Report and made a brief presentation of the hydraulic (Hydra) mathematical model used by the District for assessing its collection system operations.

5. LEGAL COUNSEL'S REPORT

None

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

Director Emerson reported that Director McFarland of the Goleta West Sanitary District (GWSD) has retired. Mr. Meyer, a Director at GWSD advised that his District will be meeting on the following night to discuss replacing Director McFarland. Director Emerson commented on the last meeting of the local chapter of the California Special Districts Association (CSDA) and the presentation on the adverse impact of the Guaga Mussel. Director Smith advised of the Finance Committee meeting he had attended that addressed the first item on the agenda.

7. PRESIDENT'S REPORT

President Fox commented on CSDA and the formation of the Associates group that would include attorneys. He referred to educational programs that would allow attorneys participating in CSDA to receive continuing education credits. He also commented on the upcoming CSDA conference in September to have over 500 attendees. President Fox commented also about the passing away of Dick Dewees who served on the LAFCO commission for several years.

8. CORRESPONDENCE

The Board reviewed correspondence to and from the District in the agenda and made a part hereof as Exhibit "A". Director Majoewsky inquired about certain correspondence between GWSD and LAFCO about the detachment proposal by the City of Goleta. Mr. Meyer responded that no action has taken place by the City as of this date. Director Smith questioned the suspension of Proposition 1A and the consequence of the State not being able to pay back the funds borrowed from local governments.

9. CLAIMS

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

Depreciation Replacement Reserve Fund #4655	17,611.87
Plant Facilities Upgrade Fund #4670	175,268.73
Running Expense Fund #4640	204,215.23

(09/08/688)

AYES: Fox, Majoewsky, Emerson, Smith

NOES: None

ABSENT: Carter

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:30 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