

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

February 5, 2007

BOARD MEMBERS PRESENT: George W. Emerson, Elbert W. Trantow, John R. Fox,
John S. Carter, Steven T. Majoewsky

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Kamil Azoury, General Manager; Jeff Salt, Operations
Manager; Kathy Johnson, Office Manager, Richard G.
Battles, Legal Counsel from Mullen & Henzell

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

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

APPROVAL OF MINUTES: Director Carter made a motion, seconded by Director
Fox to approve the Minutes of the Special Meeting of
January 02, 2007 as corrected.

(07/02/397)

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

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

PUBLIC COMMENTS: Mr. Meyer advised the Board that Goleta West Board
Meetings would now be held at 7:15 p.m.

BUSINESS:

1. **CONSIDERATION AND ADOPTION OF RESOLUTION NO. 07-451 REGARDING
DEFENSE AND INDEMNIFICATION OF DIRECTORS AND EMPLOYEES**

Mr. Azoury advised the Board that in reviewing the District's prior ordinances and
resolutions, it came to the attention of District staff that the District's records were
incomplete with respect to the adoption of a resolution on March 5, 1984 entitled

Resolution of the Governing Board of the Goleta Sanitary District under Government Code Sections 825 and 995 Regarding Defense and Indemnification of District Employees. A notation on a copy of the 1984 Resolution by the District's legal counsel at the time, Arthur Henzell, indicates that the Board adopted the 1984 Resolution on March 5, 1984. However, District staff has been unable to locate a signed copy of the 1984 Resolution, and the minutes from the Board's meeting on March 5, 1984 do not clearly indicate whether the 1984 Resolution was formally adopted. In order to address this issue and to update the provisions contained in the 1984 Resolution, District legal counsel has drafted a revised resolution regarding the defense and indemnification of the District's directors and employees. In addition to updating the 1984 Resolution, the revised resolution sets forth standards that will be applied in determining whether a District director or employee was acting within the scope of their employment for purposes of qualifying for a defense and indemnification with respect to civil, administrative and criminal actions brought against the director or employee. These standards are intended to assist the District in determining the circumstances under which a director or employee is entitled to a defense and indemnification. The proposed updated resolution has been reviewed by the District's Personnel Committee on two occasions and reflects the Personnel Committee's suggested revisions. Mr. Azoury answered questions from the Board regarding dollar limits and insurance coverage. He recommended that the Governing Board adopt Resolution No. 07-451 as presented.

After further discussion, Director Majoewsky made a motion, seconded by Director Carter to approve Resolution No. 07-451 Regarding Defense and Indemnification of Directors and Employees.

(07/02/398)

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

2. GENERAL MANAGER'S REPORT

Messrs. Azoury and Salt reviewed the General Manager's Report. Mr. Salt advised the Board of manhole repairs being done throughout the District and Director Majoewsky complimented the District staff on a job well done. Mr. Azoury advised the Board of the CWEA Tri-Counties Section awards presented to staff and to the District. He gave a verbal report on Senate Bill No. 1729 as it relates to the CalPERS trust fund for retirement health coverage and explained that Governor Schwarzenegger vetoed the legislation until further discussion and amendment. The next Board Meeting was changed from February 19th, President's Day, to February 20, 2007 at 12:00 p.m.

3. LEGAL COUNSEL'S REPORT

Mr. Battles discussed the Sanitary Sewer Overflow (SSO) issue and the recently released audit results of Los Angeles County sewage spills. The audit determined that all of the regulations and disclosure requirements have created a communications breakdown that has left Los Angeles County health officials not knowing about numerous sewage spills.

The audit found that the county had records for just 19 of the 208 major sewage spills since 2002, which dumped nearly 10 million gallons of untreated waste onto streets and into creeks and other tributaries that lead to the sea.

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

Director Trantow discussed the Finance Committee Meeting of January 31, 2007 and that the draft financial plan for the plant upgrade project design and construction has been submitted by the District to the Regional Water Quality Control Board as required. He also discussed the presentation Mr. Azoury gave to the Finance Committee regarding the possibility of a sewer service rate increase.

Director Fox discussed various meetings he had attended.

Director Carter provided more details of the CASA Conference held January 17-20, 2007 in Indian Wells, California. He also advised the Board that pursuant to his Ethics Training he would no longer accept any gratuity from vendors.

5. PRESIDENT'S REPORT

President Emerson informed the Board that the next CSDA Chapter meeting would be held at the Royal Scandinavian Inn in Solvang. He advised the Board that there should be a special meeting held to discuss the alternatives for financing the Treatment Plant Facilities Upgrade. The Board agreed upon February 9, 2007 at 12:00 p.m. for this Special Board Meeting. President Emerson advised the Board that at the last CSDA Chapter Meeting, Director Trantow was honored with the Lifetime Achievement Award.

6. CORRESPONDENCE

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

7. CLAIMS

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

Depreciation Replacement Reserve Fund #4655	\$ 69,066.44
Running Expense Fund #4640	204,367.80

(07/02/399)

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

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:25 p.m.

George W. Emerson
Governing Board President

Kamil S. Azoury
Governing Board Secretary

Elbert W. Trantow

John R. Fox

John S. Carter

Steven T. Majoewsky