

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

July 16, 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 Meyer of Goleta West Sanitary District, Bert
Bertrando of Goleta Water District

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

APPROVAL OF MINUTES: Director Carter made a motion, seconded by Director
Majoewsky to approve the Minutes of the Regular
Meeting of July 02, 2007.

(07/07/451)

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. Bertrando provided details of the Goleta Water District Board of Directors Meeting
held July 9, 2007 at which time the Board continued to hear public input and protests on
the new water service rates.

BUSINESS:
1. PUBLIC HEARING REGARDING PLACING SEWER SERVICE CHARGES ON THE
COUNTY TAX ROLL FOR FISCAL YEAR 2007-2008. CONSIDERATION AND
APPROVAL OF RESOLUTION 07-460 OVERRULING OBJECTIONS AND ADOPTING

REPORT ON SEWER SERVICE CHARGES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2007-2008

President Emerson announced that the public hearing was open, and asked Mr. Azoury if any input had been received from the public. Mr. Azoury stated that, although the public notice had been published in the Santa Barbara News Press twice as required, no phone calls or other input had been received from the public. Mr. Azoury presented the sewer services charge report to the Board and recommended that the Board approve Resolution 07-460 for collection of sewer service charges. President Emerson closed the public hearing and after some discussion, Director Majoewsky made a motion seconded by Director Fox, to approve Resolution 07-460 overruling objections and adopting the report on sewer service charges to be collected on the tax roll for fiscal year 2007-2008.

(07/07/452)

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

2. CONSIDERATION OF APPROVAL OF ATTENDANCE AT THE 38TH CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) ANNUAL CONFERENCE

After some discussion about the conference to be held October 1-4, 2007 at the Portola Plaza Hotel in Monterey, California, Director Fox made a motion, seconded by Director Majoewsky, to approve the attendance of the Board members and the General Manager at the CSDA 2007 Annual Conference.

(07/07/453)

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

3. SUBORDINATION REQUEST FROM CITY OF GOLETA REDEVELOPMENT AGENCY RELATING TO PROPOSED BOND ISSUANCE FOR GOLETA OLD TOWN REDEVELOPMENT PROJECT

Mr. Azoury advised the Board of the June 14, 2007 letter the District received from the City of Goleta Redevelopment Agency along with a report prepared by its fiscal consultant relating to the Redevelopment Agency's proposed issuance of bonds to fund improvements to the Goleta Old Town redevelopment project area. Mr. Azoury explained that the letter asks that the Goleta Sanitary District agree to subordinate its statutory pass through payments to the Redevelopment Agency's payment obligations for the bonds, thus enabling the Redevelopment Agency to obtain a higher credit rating on its bonds and lower its financing costs. These pass through payments amount to approximately \$920. Because the amount to be subordinated by the District is small, and because it appears that sufficient funds will be available to pay both the Redevelopment Agency's debt service on its bonds and amounts due to the Goleta Sanitary District, Mr. Azoury recommended that the Governing Board approve the Redevelopment Agency's

subordination request. Mr. Battles answered questions from the Board. After further discussion Director Carter made a motion, seconded by Director Majoewsky, to agree with the Goleta Redevelopment Agency subordination request and send a letter to the City of Goleta advising them of said agreement.

(07/07/454)

AYES: Emerson, Trantow, Fox, Carter, Majoewsky

NOES: None

ABSENT: None

4. CONSIDERATION OF ENROLLING IN THE CALPERS 457 DEFERRED COMPENSATION PROGRAM

Mr. Azoury advised the Board of the Finance Committee meeting held July 5, 2007 to discuss enrolling in the California Public Employees' Retirement System (CalPERS) 457 Deferred Compensation Program. He gave a brief history of the District's 457 Plan as contracted with Lincoln Financial. Mr. Azoury advised the Board of CalPERS fees and offerings and Director Emerson had some positive comments on these fees as well as the CalPERS program. Director Trantow discussed the Finance Committee meeting and commented on Lincoln funds and returns. He had questions regarding the CalPERS program funds and performance. After further discussion, the Governing Board recommended that the District enroll in the California Public Employees' Retirement System 457 Deferred Compensation Program. District staff was directed to bring the necessary CalPERS Resolution and the most recent CalPERS fund performance returns for the Board's consideration.

5. CLOSED SESSION CONFERENCE WITH LABOR NEGOTIATORS (GOV'T CODE SEC. 54957.6)

The Board entered into a closed session at 9:20 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 10:36 p.m. In open session the Board recognized the need for the District to supply shower towels as requested and set the boot allowance at \$175 per employee per year based on a local survey. The Board noted that before any consideration will be given to the employee request for a 3% @ 60 Pension Contract Adjustment, the District should provide a cost analysis to the Board based on cost estimates provided by CalPERS.

(07/07/455)

AYES: Emerson, Trantow, Fox, Carter, Majoewsky

NOES: None

ABSENT: None

6. GENERAL MANAGER'S REPORT

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

7. LEGAL COUNSEL'S REPORT

Mr. Battles advised the Board of various sanitary districts' sewer service rate increases including Costa Mesa Sanitary District.

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

Director Majoewsky reported on the Engineering Committee Meeting he attended on July 10, 2007. He suggested a workshop to facilitate more involvement with the public and other agencies including the Goleta Chamber of Commerce.

Director Carter reported on the Personnel Committee Meeting he attended on July 6, 2007.

Director Fox reported on various meetings he attended including the Goleta Water District Board Meeting, Goleta West Sanitary District Board Meeting, and CSDA Finance and Board Meetings.

9. PRESIDENT'S REPORT

None

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 Trantow made a motion, seconded by Director Majoewsky, to approve the claims with the exception that check #123458 be held until concerns regarding the LAFCO budget is addressed.

Depreciation Replacement Reserve Fund #4655	\$	120.68
Running Expense Fund #4640		170,354.89

(07/07/456)

AYES: Emerson, Trantow, Fox, Carter, Majoewsky

NOES: None

ABSENT: None

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:50 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