

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

February 20, 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

CALL TO ORDER: President Emerson called the meeting to order at
12:22 p.m.

APPROVAL OF MINUTES: Director Carter made a motion, seconded by Director
Majoewsky to approve the Minutes of the Regular
Meeting of February 05, 2007.

(07/02/400)

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

APPROVAL OF MINUTES: Director Fox made a motion, seconded by Director
Carter to approve the Minutes of the Special Meeting of
February 09, 2007.

(07/02/401)

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 24 hours in advance of
the meeting.

PUBLIC COMMENTS:

None

BUSINESS:

1. CONSIDERATION OF PUBLICATION OF PUBLIC NOTICE FOR ADJUSTMENTS TO DIRECTORS' COMPENSATION FOR FISCAL YEAR 2007-2008

Mr. Azoury gave a brief history of the District's policy as it pertains to adjustments to the Directors' compensation. He advised the Governing Board that in order to implement a change in their compensation by July 1, 2007, the District needs to publish the notice of its intent to make the adjustments in compensation in early March 2007. After a brief discussion, Director Fox made a motion, seconded by Director Emerson, to direct District staff to publish the public notice for adjustments in Directors' compensation for fiscal year 2007-2008.

(07/02/402)

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

2. CONSIDERATION OF CHANGE ORDER WITH MICHELS CORPORATION FOR THE 2006 SEWER REHABILITATION PROJECT

Mr. Azoury advised the Governing Board that after reviewing the bids submitted, in August of 2006 the District awarded the 2006 Sewer Rehabilitation Project to Michels Corporation to rehabilitate numerous sections of sewerlines throughout the District. During the completion of this project the design engineer and District staff determined that the sewer scheduled to be lined on Walnut Lane could not be properly cleaned without causing structural damage and that it was no longer suitable for rehabilitation with the Cast In Place Pipe (CIPP) method used by Michels Corporation. Accordingly, the District has received a change order request from Michels Corporation to replace the 850 feet of 15 inch techite pipe with 850 feet of 18 inch PVC pipe and to construct 5 manholes to service this line. The project design engineer and District staff have reviewed and evaluated the change order and recommend the Governing Board approve the change order for a price not to exceed \$498,976.00. After further discussion and questions from the Board, Director Carter made a motion, seconded by Director Majoewsky, to approve the change order for an amount not to exceed \$498,976.00 and that the project proceed as soon as possible due to the poor condition of the techite pipe and the time requirements in the Coastal Development Permit to complete the work before July 7, 2007.

(07/02/403)

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

3. DISCUSSION AND CONSIDERATION OF THE PROCESS FOR ADJUSTMENT TO THE DISTRICT'S SEWER SERVICE CHARGES FOR FISCAL YEAR 2007-2008

Mr. Azoury advised the Governing Board that the sewer service charges have been maintained for the last two years at \$20.86 per month for a single-family dwelling or its equivalent. At this time, the Board may wish to consider increasing its user charges to cover the continually increasing costs of operations and maintenance and begin a series of annual increases to accommodate financing of its share of the treatment facilities upgrading project. Mr. Azoury presented various options for financing the facilities upgrade project and advised the Board of Proposition 218, which requires property owners to be notified by mail at least 45 days in advance of holding a public hearing to adopt any increases in user charges. Mr. Azoury answered questions from the Board and Mr. Battles answered questions regarding noticing procedures and requirements. Mr. Azoury suggested the Governing Board schedule additional meetings to weigh the financing options before determining the final adjustment to the sewer service charges.

The Board did not act on this item.

4. GENERAL MANAGER'S REPORT

Mr. Salt reviewed the General Manager's Report and answered questions from the Governing Board. Mr. Azoury advised the Board of the March 1, 2007 workshop scheduled with HDR Engineering, Inc.

5. LEGAL COUNSEL'S REPORT

Mr. Battles discussed the District's consideration of a sewer service rate increase. In this regard, Mr. Battles advised the Board of a news article about other agencies that have raised their rates. San Andreas Sanitary District raised their rate from \$25 to \$54, a 116% increase. Valley Springs Utilities District raised its sewer rate by 83%, from \$27 to \$49.50. Angels Camp raised its sewer rate from \$41.32 to \$67.09, a 62% increase.

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

Director Fox reported that he attended the Goleta Water District Board meeting on February 13, 2007, the CSDA Chapter Annual Dinner with Director Emerson, and various other meetings. He also advised the Board of the extended discussion he had regarding the IRS position on whether elected Board members were considered employees and as a result to receive a W-2, or independent contractors, thus receiving 1099's.

7. PRESIDENT'S REPORT

President Emerson advised the Board of the CSDA Legislative Committee Meeting he attended and of the Legislative Bill regarding Workers Compensation abuse. He congratulated Director Fox on his presentation at the CSDA Chapter Annual Dinner. President Emerson also requested that the Governing Board ratifies his attendance at the Annual Dinner and requested reimbursement for the \$60 paid for his dinner and attendance. Director Trantow made a motion, seconded by Director Majoewsky, to ratify President Emerson's attendance at the CSDA Chapter Annual Dinner and reimburse the \$60 he paid for the dinner.

(07/02/404)

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

8. CORRESPONDENCE

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

9. CLAIMS

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

Depreciation Replacement Reserve Fund #4655	\$ 77,557.15
Running Expense Fund #4640	162,384.00

(07/02/405)

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

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:49 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