

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

October 19, 2007

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

**BOARD MEMBERS ABSENT:** Elbert W. Trantow

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

**PUBLIC PRESENT:** Larry D. Meyer of Goleta West Sanitary District, and Rich Teaman of Teaman, Ramirez & Smith, Inc., District Auditors.

**CALL TO ORDER:** President Emerson called the meeting to order at 12:20 p.m.

**APPROVAL OF MINUTES:** Director Fox made a motion, seconded by Director Carter to approve the Minutes of the Special Meeting of September 26, 2007.

(07/10/482)

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

Director Carter made a motion, seconded by Director Fox to approve the Minutes of the Special Meeting of September 27, 2007.

(07/10/483)

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

Director Fox made a motion, seconded by Director Carter to approve the Minutes of the Special Meeting of October 9, 2007.

(07/10/484)

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

**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. PRESENTATION OF DISTRICT'S AUDIT REPORT AND FINANCIAL STATUS AS OF JUNE 30, 2007, BY DISTRICT AUDITOR, AND CONSIDERATION OF ADOPTION OF DISTRICT'S ANNUAL AUDIT AND FINANCIAL STATEMENTS FOR FISCAL YEAR 2006-2007

Mr. Azoury briefly presented the 2006-2007 Audit Report to the Board and introduced Mr. Teaman, the District's auditor. Mr. Teaman stated that his firm had issued an unqualified opinion and that since this is the 4<sup>th</sup> year for GASB34 there were fewer changes in the format comparing the prior year's financial information with this year's result. Mr. Teaman answered numerous questions from the Governing Board. Director Majoewsky made a motion, seconded by Director Fox, to accept and adopt the District's Annual Audit and Financial Statements for fiscal year 2006-2007 as presented.

(07/10/485)

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

2. REVIEW AND APPROVAL OF LETTER TO GOLETA WEST SANITARY DISTRICT GOVERNING BOARD REGARDING UPGRADING OF GOLETA SANITARY DISTRICT WASTEWATER TREATMENT PLANT

Mr. Azoury advised the Governing Board of the letter from Goleta West Sanitary District (GWSD) dated September 25, 2007 to Goleta Sanitary District (GSD) regarding their participation in the upgrading of the GSD wastewater treatment plant. He reported that for many months GSD has been corresponding with GWSD in an effort to confirm GWSD's plans with respect to GSD's wastewater treatment plant upgrading project. In a letter to GSD dated September 25, 2007, GWSD stated that it is prepared to participate in the upgrading project provided that certain issues are adequately addressed. The specific issues raised by GWSD relate to financing, indemnification, project details and the schedule for making payments for project costs. A draft letter to GWSD responding to their letter was presented to the Board. He briefly summarized the issues addressed in the letter as follows:

- GWSD would not be subject to any finance costs if they plan to pay cash for their share of the project costs.
- Indemnity will continue to be addressed pursuant to the existing contract between the plant users. New indemnification provisions will be discussed as a separate issue.
- All plant users will be made aware of the financing and scheduling of the phases of the project. Descriptions and cost estimates have been provided and documented to the users. As the planning process continues, cost estimates will change.

An Ad Hoc Committee meeting was scheduled for October 22, 2007 to review the issues of the GSD draft letter to GWSD.

3. GENERAL MANAGER'S REPORT

Messrs. Azoury and Salt reviewed the General Manager's Report. Mr. Salt advised the Governing Board of the Outfall televising and there was an extensive discussion of the project. Mr. Azoury advised the Board that he would be attending the CASA Retreat November 5-7, 2007.

4. LEGAL COUNSEL'S REPORT

Mr. Battles advised the Board that the State Water Resources Control Board has issued a draft Water Recycling Policy. He further reported that Governor Schwarzenegger vetoed SB 1001. The bill would have reduced the size of the Regional Water Quality Control Board from 9 members to 7. Mr. Battles reported the veto or passage of several other Senate and Assembly bills.

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

Director Carter reported on the GSD Ad Hoc Committee meeting he attended with the GWSD Ad Hoc Committee. He also commented on the latest technology presented by various vendors at the WEFTEC Conference in San Diego.

Director Fox reported on the LAFCO meeting he attended regarding the Santa Barbara sphere of influence. He urged the Board of Directors to attend the Lemon Festival and invite the public to the GSD Open House. Mr. Fox further commented on the WEFTEC equipment presentations.

6. PRESIDENT'S REPORT

President Emerson reported on the CSRMA meeting in San Francisco he attended on October 18, 2007.

7. CORRESPONDENCE

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

8. CLAIMS

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

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Plant Facilities Upgrade #4670	\$2,224.09
Depreciation Replacement Reserve Fund #4655	4,000.00
Running Expense Fund #4640	194,094.34

(07/10/486)

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

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 2:25 p.m.

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George W. Emerson  
Governing Board President

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Kamil S. Azoury  
Governing Board Secretary

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Elbert W. Trantow

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John R. Fox

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John S. Carter

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Steven T. Majoewsky