

**SELMA-KINGSBURG-FOWLER  
COUNTY SANITATION DISTRICT**

**MINUTES OF THE BOARD MEETING**

**January 12, 2006**

The Regular Board Meeting of the Selma-Kingsburg-Fowler County Sanitation District was called to order at 4:00 p.m. by the Chairwoman, Judith Case.

**DIRECTORS' ROLL CALL**

David Cardenas (present)  
David Karstetter (present for Leland Bergstrom)  
Phil Larson (present for Bob Waterston)  
Don Tow (present)  
Judith Case, Chairwoman (present)

**STAFF AND CONSULTANTS PRESENT**

David Michel, General Manager/ Board Sec.  
Richard Hargrove, General Counsel  
Ben Muñoz, Assistant Manager  
Robert Whitley, District Engineer  
Jaime Ruiz, Engineering Technician II  
Frank Hernandez, Engineering Technician I

**OTHERS PRESENT**

Irene Thirlwall, Kingsburg Recorder  
Robert G. Flores

**APPROVAL OF MINUTES**

There being no questions or comments from the public, a motion to approve the minutes of the Board Meeting of December 8, 2005, was made by Director Tow, seconded by Director Cardenas, and approved by the following vote:

AYE:	Directors Tow, Cardenas, Karstetter, Larson and Case
NO:	None
ABSENT:	None
ABSTAIN:	None

**CONSENT CALENDAR**

General Manager Michel requested that, on the advice of General Counsel Hargrove, Resolution No. 2006-02, a Resolution Revising the Purchasing and Surplus Asset Disposition Policy, be

withdrawn to be brought back at a later date as necessary. Chairwoman Case so ordered. The remaining items on the Consent Calendar were as follows:

First Quarter Summary Financial Report (Informational)

General Manager Michel reported that the following items are noteworthy. Interest earnings appears to be favorable. As planned, a transfer from Contingency to Salary & Benefits will need to be made due to the union contract and non-represented wages being settled after the budget was approved. Services & supplies are running a little higher than usual because of the following: extra electricity usage in July-August to activate an extra treatment basin during a construction project; an electricity-related accounting adjustment to be made prior to the six-month report; and a one-time payment for back-billed California Regional Water Quality Control Board (RWQCB) permit fees. On an accrual basis of accounting, the following is the summary financial report for the O&M fund for the period July 1, 2005 through September 30, 2005.

<u>REVENUE (O&amp;M)</u>	<u>Actual FYTD</u>	<u>Budget for FY</u>	<u>Percentage</u>
Residential-Commercial	47,748	3,319,585	1.4%
Industrial	669,934	2,033,737	32.9%
Interest	29,466	40,000	73.7%
Staff Capital Projects Salary Transfer	----- 0	<u>80,000</u>	<u>0.0%</u>
TOTAL REVENUE	747,148	5,473,322	13.7%

<u>EXPENDITURES (O&amp;M)</u>	<u>Actual FYTD</u>	<u>Budget for FY</u>	<u>Percentage</u>
Salary & Benefits	759,918	2,385,322	31.9%
Services, Supplies & Franchise Fees	819,823	2,288,000	35.8%
Contingency	0	200,000	0.0%
Refurbishment & Replacement Transfer	----- 0	<u>600,000</u>	<u>0.0%</u>
TOTAL EXPENDITURES	1,579,741	5,473,322	28.9%

<u>CASH BALANCES (adjusted accrual to cash)</u>	<u>7-1-05</u>	<u>9-30-05</u>
General Operations & Maintenance (O&M)	3,414,208	2,771,359
District Expansion (DE)	2,884,708	2,879,570
District Refurbishment & Replacement (DRR)	4,715,998	4,484,384
Selma Collection System R&R (SRR)	1,288,951	1,262,237
Kingsburg Collection System R&R (KRR)	1,371,137	1,381,193
Fowler Collection System R&R (FRR)	757,455	758,423

Resolution No. 2006-01, a Resolution of Recognition and Commendation to

Sara Staunton, 2005 Employee of the Year

The Board honored the 2005 SKF Employee of the Year, Sara Staunton.

Shizuko Grimes Ground Lease Agreement Revision

The property, 10 acres of Thompson Seedless vines, located at 15309 Nelson Avenue, Kingsburg, California, APN 393-211-11, is part of the environmental buffer land purchased by the District. Mrs. Grimes sold the property to the District in 1997 and has continued to farm it herself while living on an adjacent 10 acres.

The property has a severely deteriorated irrigation system that requires substantial maintenance and tending, which is performed by the renter. Staff has revised the agreement to reflect the same changes made to other ground leases, namely that the Lessor can take the property as needed and that the Lessee is responsible for all maintenance, repair and replacement. Mrs. Grimes has verbally agreed to a \$45 per acre per year rent, an increase from the previous year's rental fee of \$30 per acre per year.

Staff recommended that the Board authorize the General Manager to execute the revised Ground Lease Agreement with Shizuko Grimes, effective through December 31, 2006 at the rent of \$45 per acre per year.

Consent Calendar Approval

There being no questions or comments from the public, a motion to approve the Consent Calendar, was made by Director Karstetter, seconded by Director Larson, and approved by the following vote:

AYE:	Directors Karstetter, Larson, Cardenas, Tow and Case
NO:	None
ABSENT:	None
ABSTAIN:	None

**PUBLIC COMMENTS**

There were no comments from the public.

**UNFINISHED BUSINESS**

Robert G. Flores, Selma – Report on Future Sewer Service Charges on Tax Roll

General Manager Michel reported that, in December, 2005, the Board directed staff to issue a settlement check to Mr. Robert G. Flores for part of the sewer service charges for fiscal year 2005-06 for APN 388-163-02 at 1843 W. Front Street, Selma. The tax roll charges for FY 2005-06 were based on California Water Service records for FY 2003-04. Mr. Flores had rented the property to the operator of a restaurant, who, according to Mr. Flores, was supposed to pay the sewer service charges. This was never made known to the District until after the fact, the wastewater having been discharged to the sewer system. The property had been inactive for some years prior to the restaurant operation and District staff continued to follow procedure in billing the property owner.

The tenant closed down the restaurant in approximately September, 2005. Therefore, restaurant-level wastewater discharge is expected to be reflected in Mr. Flores' FY 2006-07 sewer service charges on the tax roll because the FY 2006-07 charges are based on California Water Service records from July, 2004 through June, 2005.

<u>TAX YEAR</u>	<u>WATER USAGE BASIS</u>	<u>GALLONS</u>	<u>EQUIVALENT SINGLE FAMILY RESIDENCES (ESFR's)</u>	<u>TOTAL AMOUNT ASSESSED FOR SERVICE CHARGE PLUS SEWER REPLACEMENT</u>
July 05 – June 06	July 03 – June 04	796,320	14.22	\$3,620.70
July 06 – June 07	July 04 – June 05	906,080	16.18 (13.8% increase)	Rates not yet set.
July 07 – June 08	July 05 – June 06	Three months restaurant usage records from July 2005 – September 2005 not available.		

SKF staff will continue to make every effort to identify and contact property owners if their tax roll sewer service charges increase substantially. However, this effort only gives advance tax roll billing warning to the property owner and does not change the volume of wastewater already discharged to the public sewer. To the General Manager's knowledge, this situation with Mr. Flores is the only such occurrence that has come before the Board in the last 28 years. Staff does an excellent job in preparing fair, accurate and timely billings and tax roll assessments in accordance with the Ordinances and policies adopted by the Board. Staff recommended that no further settlements be made to Mr. Flores so as to avoid setting an unsustainable precedent.

Mr. Flores appeared before the Board and asked how much the FY 2005-06 charges would be. Staff responded that, if rates stayed the same, the bill would be \$4,120.36. Mr. Flores said that

he could not afford that much, that he would have to sell the property. Director Cardenas stated that the District had given him as much relief as possible and that with the extra time before next year's tax bill is due, Mr. Flores could attempt to recover the service charges from his former tenant. Chairwoman Case asked Mr. Flores if spreading out the payments over time would be helpful. He said yes. Staff and General Counsel Hargrove said that an agreement could be made between the District and Mr. Flores as a recorded lien against the property and the payments could be placed on the tax roll. Mr. Flores said that would help him. General Manager Michel mentioned that similar agreements for amortizing connection fees included six percent annual interest. General Counsel Hargrove stated that this agreement would not be pursuant to the same sections of the law that provide for the amortized payment of connection fees including interest.

Chairwoman Case and staff advised Mr. Flores that if he rents out the property to another business, be sure to notify the District to quarterly bill the business directly if that is Mr. Flores' arrangement with his tenant. Mr. Flores said he would do so. There were no questions or comments from the public. With the consensus of the Board, Chairwoman Case directed staff to work with Mr. Flores to develop an agreement to collect the service charges on the tax roll over a period of time as a recorded lien against the property and bring the agreement back before the Board for approval.

Resolution No. 2006-02, a Resolution Establishing an Auditor Rotation Policy

In December, 2005 the Board directed staff to "accept a proposal from Borchardt, Corona and Faeth to perform the FY 2005-06 audit using an audit partner different from the audit partner who performed the FY 2004-05 audit and to prepare a policy statement for consideration at the next Board meeting which provides for rotation of auditors within a firm every three years and rotation of firms every six years." In the agenda packet, staff had presented a draft resolution which fulfills the Board's directive and also had presented a letter dated 12-28-05 from Norman Krebbs regarding this matter. Staff recommended that the Board adopt Resolution No. 2006-02, a Resolution Establishing an Auditor Rotation Policy.

There being no questions or comments from the public, a motion to adopt Resolution No. 2006-02, a Resolution Establishing an Auditor Rotation Policy, was made by Director Karstetter, seconded by Director Tow, and approved by the following vote:

AYE:	Directors Karstetter, Tow, Cardenas, Larson and Case
NO:	None
ABSENT:	None
ABSTAIN:	None

Chairwoman Case asked that a copy of the resolution be sent to Mr. Krebbs.

Fowler 8<sup>th</sup> Street Alley Sewer Project – Notice of Completion

General Manager Michel reported that Haydon Construction of Fresno has completed this \$142,000 project for replacing and relocating the sewer in the 8<sup>th</sup> Street alley in Fowler. Prior to the project, it was too shallow and was subject to being crushed by traffic in the alley. Both District supervising engineer Veronica Cazares and design engineer John Hardin have inspected the work and recommended acceptance of the project. Staff recommended that the Board accept the Fowler 8<sup>th</sup> Street Alley Sewer Project as complete and order the filing of the Notice of Completion.

There being no questions or comments from the public, a motion to accept the Fowler 8<sup>th</sup> Street Alley Sewer Project as complete and order the filing of the Notice of Completion, was made by Director Cardenas, seconded by Director Karstetter, and approved by the following vote:

AYE:	Directors Cardenas, Karstetter, Larson, Tow and Case
NO:	None
ABSENT:	None
ABSTAIN:	None

## **NEW BUSINESS**

### **Selma Tract 5303 Valley View Estates - Request for Variance**

General Manager Michel reported that this item had been placed on the agenda at the request of BLH Construction Company, the developer of Tract 5303 in Selma. He stated that after the agenda was published, BLH requested that the item be removed from the agenda because they do not want to pursue a variance from the District. Chairwoman Case so ordered.

### **Grit Remediation Construction Project – Authorization to Solicit Bids**

General Manager Michel and District Engineer Whitley reported that the California Regional Water Quality Control Board (RWQCB) has required that the District excavate two areas on the treatment plant site that have been used for burying grit in past years.

“Grit” is the heavy settleable material that is the first thing removed from the influent wastewater stream entering the treatment plant. It consists of sand, egg shells, coffee grounds, seeds and other similarly-dense items. Approximately 3-4 cubic feet is produced per day. Additionally, grit is vacuumed from the sewer collection system during routine cleaning operations. Until about five years ago, it was the practice of the District to bury grit at two areas at the treatment plant site. The RWQCB has required that the District excavate the two areas, dispose of the excavated material at an appropriate site and backfill with clean dirt.

District Engineer Whitley has prepared Grit Remediation Project plans, specifications and bid documents to solicit sealed bids for excavation of 30,000 cubic feet of material and disposal at the County of Fresno American Avenue Landfill. The project is expected to take 180 days to complete. Backfilling will be part of an upcoming earthwork project in Disposal Pond No. 4. Testing of the excavated area is required to determine that all contaminated material has been removed. If testing shows that more material needs to be removed, then additional work will be necessary. This item is identified in the budget as 8075-203-02 Grit Remediation Construction with a budget estimate of \$100,000. The engineers estimate for construction and engineering is \$174,000. Staff recommended that the Board authorize staff to solicit sealed bids for the Grit Remediation Project.

Board Members commented that they had seen articles and advertisements educating the public about materials that should not be put down the drain, such as grease and grit. They suggested that staff look into sending such a public information message along with each City's water bills.

There being no questions or comments from the public, a motion to authorize staff to solicit sealed bids for the Grit Remediation Project, was made by Director Karstetter, seconded by Director Cardenas, and approved by the following vote:

AYE:	Directors Karstetter, Cardenas, Larson, Tow and Case
NO:	None
ABSENT:	None
ABSTAIN:	None

#### Treatment Plant Flow Restriction Analysis

District Engineer Robert Whitley presented a report identifying seven areas that cause restrictions in flow through the treatment plant, thereby limiting the plant's capacity to hydraulically process wastewater. Staff reported that, in the fall of 2004, staff observed and documented several areas in the treatment plant that appeared to be having hydraulic problems. The Board authorized District Engineer Robert Whitley to perform an hydraulic analysis of the treatment plant. That analysis is now complete.

In addition to providing detailed digital information regarding the current hydraulic configuration of various plant components for use by operations, maintenance and design personnel, the report presents a prioritized list of seven areas of the plant that are hydraulic restrictions (bottlenecks). This engineering analysis was authorized at \$68,000 which included surveying, engineering and contingency. Although the engineering portion exceeded estimates due to additional requests by staff and necessary in-depth analysis by the engineer, the overall project was within budget.

The list shows that the preliminary design for an additional disposal pond which is underway is necessary to relieve a restriction that occurs at 5.0 million gallons per day (mgd). Then resolving the restriction at the effluent outfall pipe will relieve a restriction that occurs at 5.3 mgd, increasing capacity to 6.5 mgd (if a sufficient new disposal pond has been constructed). The prioritized list continues through five more such restrictions. Staff will use this report to recommend refurbishment projects in the upcoming Capital Improvement Program review and in the upcoming budget.

District Engineer Whitley stated that the information generated in this report and in the capacity determination work that is next on the agenda is necessary so that the District can plan for treatment plant expansion needs before they become a problem. In answer to a question from General Counsel Hargrove, General Manager Michel stated that the California Regional Water Quality Control Board (RWQCB) requires that the District notify RWQCB when the plant approaches 80% of capacity. RWQCB wants to make sure that the District has sufficient time to plan for the design and financing of expansion.

#### Determination of Wastewater Treatment and Disposal Capacity – Authorization to Proceed

General Manager Michel reported that staff solicited a proposal from District Engineer Robert Whitley to perform a Treatment and Disposal Capacity Determination, which was distributed with the agenda packet. The reasoning behind the request was the following. The District must stay ahead of the rapid growth curve for residential and commercial development that has been recently experienced. The treatment plant equipment and facilities have certainly lost some efficiency over the years and do not have the same capacity to remove pollutants as when the last Capacity Determination was done on the late 1970's. In addition to industrial expansion and growth, existing industries which discharge 75% of their wastewater to land may face more strict environmental regulations from the California Regional Water Quality Control Board (RWQCB) and may be required to discharge most or all wastewater to the public sewer. New equipment and facilities have been added to the treatment plant over the years and existing facilities have been modified.

The Board has already set in motion the necessary assessment and planning for the sewer collection and transport systems when the Board authorized the ongoing Sewer System Master Plan update now being conducted by Carollo Engineers of Fresno. Now it is time to assess the plant.

The proposed Treatment and Disposal Capacity Determination, to be performed by Whitley Burchett and Associates of Walnut Creek, will use some of the information gathered in the Hydraulic Profile study and the Additional Disposal Pond preliminary design work. In addition to hydraulic capacity (total annual million gallons, average daily million gallons) the Capacity Determination analysis will specify the capacity to remove biochemical oxygen demand (total annual pounds per year, average daily pounds per year) and suspended solids (total annual

pounds per year, average daily pounds per year). Biochemical oxygen demand (BOD) is a measure of the strength of the organic pollution in the wastewater. Suspended solids is a measure of the pollutant material in the wastewater that neither settles readily nor is dissolved.

Funding for this engineering work will come from the District Refurbishment (R&R) and Replacement Fund which stands at \$4.2 million and has sufficient unallocated reserves to fund this request. Staff recommends that the Board establish budget item 8102-203-02 Treatment and Disposal Capacity Determination with an expenditure authorization not to exceed \$43,300 which includes a 10% manager's contingency and to authorize staff to issue a Notice to Proceed to District Engineer Robert Whitley.

There being no questions or comments from the public, a motion to establish budget item 8102-203-02 Treatment and Disposal Capacity Determination with an expenditure authorization not to exceed \$43,300 which includes a 10% manager's contingency and to authorize staff to issue a Notice to Proceed to District Engineer Robert Whitley, was made by Director Cardenas, seconded by Director Karstetter, and approved by the following vote:

AYE:	Directors Cardenas, Karstetter, Larson, Tow and Case
NO:	None
ABSENT:	None
ABSTAIN:	None

#### Plant Perimeter and Safety Fencing Project – Receive Bid Results

General Manager Michel reported that staff has budgeted to replace portions of fencing each year rather than all at once. The District owns 550 acres that needs to be fenced. Each year for the past several years, staff has had contractors install new or replacement fencing. The project for this year is to replace three-strand barbed wire fencing with 6-foot chain-link fencing, from Conejo Avenue to Kamm Avenue along the western boundary, approximately 6,130 feet.

The FY 2005-06 identifies \$73,000 for plant perimeter and safety fencing (items 8090-203-02 and 8023-203-01, which was changed to 8037-203-01 to differentiate it from a prior FY's project). Sealed bids were opened January 10, 2006. The results were as follows:

<u>CONTRACTOR</u>	<u>BID</u>
Torres Fence Co., Inc. (Fresno)	\$ 65,181.60
Ace Fence Co. (Fresno)	\$ 68,500.20

Staff checked the references of the apparent low bidder. Torres Fence Company has an active, Class B license with no complaints or actions. Fresno Unified School District and Fresno Metropolitan Flood Control District both gave positive references. Comments were as follows:

“good job, timely, no major problems, no excessive work requests.” The Flood Control District has used Torres Fence for 25 years.

Staff recommended that the Board accept the low bid of \$65,181.60 from Torres Fence Co., Inc. of Fresno for the Fence Project I-2006, award the contract and authorize the General Manager to execute the contract to be funded equally from budget items 8090-203-02 and 8037-203-01 with a total project authorization of \$71,700 which includes a 10% manager’s contingency.

Chairwoman Case stated that she would like to see the contract amount plus contingency limited to the amount of the next highest bid. She said that she wants to minimize the chance of any project costing more than the next highest bid because of extra work and change orders.

There being no questions or comments from the public, a motion to accept the low bid of \$65,181.60 from Torres Fence Co., Inc. of Fresno for the Fence Project I-2006, award the contract and authorize the General Manager to execute the contract to be funded equally from budget items 8090-203-02 and 8037-203-01 with a total project authorization of \$68,500 which includes a 10% manager’s contingency, was made by Director Case, seconded by Director Karstetter, and approved by the following vote:

AYE:	Directors Case, Karstetter, Cardenas, Larson and Tow
NO:	None
ABSENT:	None
ABSTAIN:	None

## **COMMUNICATIONS**

Director Larson stated that as Chairman of the Fresno County Board of Supervisors, he would normally sit on the SKF Board of Directors, but he has assigned the position to Bob Waterston for continuity. He said that he will remain an alternate, as he is tonight. General Manager Michel and Assistant Manager Muñoz presented Director Larson with an official SKF hat and jacket as a welcoming gesture.

The Board selected the date of the March 9th Board Meeting for the next Chairwoman’s barbecue at 11:30 a.m. Board Members explained to Director Larson that the barbecues are held occasionally throughout the year to promote good employer-employee relations.

**CLOSED SESSION**

Chairwoman Case called for a closed session at approximately 5:07 p.m. to give instructions to General Manager Michel, Assistant Manager Muñoz, General Counsel Hargrove and District Engineer Whitley regarding price, terms and conditions for the potential sale of all or part of parcel number 393-330-03T to the Kings River Conservation District (KRCD). The Board returned to open session at 5:50 p.m.

Chairwoman Case reported that direction has been provided to staff regarding the terms and conditions for negotiating an agreement with the KRCD.

**ALLOWANCE OF CLAIMS**

There being no questions or comments from the public, a motion to accept the warrant list report showing checks issued in the amount of \$588,608.53, was made by Director Tow, seconded by Director Cardenas, and approved by the following vote:

AYE:	Directors Tow, Cardenas, Karstetter, Larson and Case
NO:	None
ABSENT:	None
ABSTAIN:	None

**ADJOURNMENT**

There being no further business to come before the Board, Chairwoman Case declared the meeting adjourned on a motion duly made, seconded and approved by unanimous voice vote at 5:52 p.m.

Respectfully submitted,

Approved,

\_\_\_\_\_  
David Michel, General Manager/  
Secretary of the Board

\_\_\_\_\_  
Judith G. Case  
Chairwoman of the Board