

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

MINUTES OF THE BOARD MEETING

June 12, 2008

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 G. Case.

DIRECTORS' ROLL CALL

Leland Bergstrom, Vice-Chair (4:14 p.m.)
David Cárdenas (present)
Don Tow (present)
Bob Waterston (present)
Judith Case, Chairwoman (present)

STAFF AND CONSULTANTS PRESENT

David Michel, General Manager/ Board Secretary
Ben Muñoz, Jr., Assistant General Manager
Hilda Cantú Montoy, General Counsel
Veronica Cazares, Supervising Engineer
David Bacon, Information Systems Analyst
Robert Whitley, Consultant District Engineer

OTHERS PRESENT

David Weisser, City of Fowler
David Karstetter, Kingsburg Councilmember
Norman Krebbs, Kingsburg Resident
Florence Varela, Selma Resident

CONSIDERATION OF MINUTES

Kingsburg resident Norman Krebbs requested that the minutes of the Board Meeting of May 8, 2008 be revised to incorporate his entire statement reflected on page 8.

It was the consensus of the board that the minutes be revised and brought back to the Board for consideration at the next Board Meeting.

CONSENT CALENDAR

Director Tow requested that consent items C-3 (Well Abandonment License) and C-4 (Report of Theft) be pulled from the calendar for separate discussion. Chairwoman Case so ordered and included item C-2 (DTAC Report) as being pulled for separate discussion.

Consultant District Engineer Activity Report

Consultant District Engineer Whitley provided a letter stating that the following presents a summary of the activities that he has been engaged with on behalf of the District.

6.3 Improvement Project

Bottleneck No. 1-Secondary Clarifier Capacity- Presented the final report and recommendations to the Board of Directors on April 10, 2008. Reviewed maintenance repairs to solids removal piping inside Clarifiers 1 & 2.

Bottleneck No. 2A-Pond No. 6- Construction of Pond No. 6 remains as the critical path action item. The Fresno County amended Conditional Use Permit for Pond No. 6 & No. 7 and CEQA Initial Study are in public review. Reviewed staff alternatives re: installation of a liner on the western bank to minimize seepage potential into the Ward Drain.

Bottleneck No. 3-Solids Thickening (DAFT)-Worked with operations staff re: preparation for an operational stress test work plan.

Bottleneck No. 4-Hydraulic Modifications-Continuing to prepare engineering drawings for a new effluent pump station and the renovated effluent pipeline that will provide for conveyance to all of the percolation ponds.

Bottleneck No. 4-Influent Pipeline Repair-Provided technical consulting advice to District staff regarding design considerations.

10 year Capital Improvement Plan (CIP)-Refurbishment and Replacement

Continued to review a 10-year CIP with the District's Technical Advisory Committee (DTAC).

There being no comments from the public, a motion to receive the report, was made by Director Cárdenas, seconded by Director Tow, and approved by the following vote:

AYE:	Directors Cárdenas, Tow, Waterston and Case
NO:	None
ABSENT:	Director Bergstrom
ABSTAIN:	None

District Technical Advisory Committee (DTAC) Report

General Manager Michel reported that DTAC met on May 21, 2008, the minutes of which were distributed to the Board. After a page-by-page review of the proposed budget, DTAC recommends that the Board adopt the 11.8% rate increase. After 11 months of review, DTAC recommends that the Board approve the 10-year Refurbishment & Replacement Capital Improvement Program. The 20-page R&R CIP was distributed to the Board. Bruce Webber has resigned from DTAC and his email resignation was distributed to the Board. Staff has solicited a replacement from the City of Selma.

Chairwoman Case asked that the action item CIP list be considered separately from the rest of the DTAC report, which was informational.

DTAC Vice-Chairman David Weisser said that the CIP list was the 11 month work of the Committee and it is the joint recommendation of the Committee to plan for this work to refurbish and replace treatment plant components. No borrowing is necessary now, but the District will have to borrow to do the work. It will be more expensive to put it off and do it later.

Director Tow said the work is too far ahead of schedule. He asked where the information came from. He said the community is not ready for this type of plan.

Director Waterston – “Let me ask a question. DTAC, where did the information come from?”

David Weisser – “It was information that was presented to us from Whitley & Associates and the District here. They run the plant, so that’s where the information comes from. And if you don’t...we have to trust the information we’re given.”

Director Waterston - “I guess that my point is that. It would be no different us questioning Hilda. She’s our attorney and for us to say I don’t think what you’re saying is right, I don’t think we should do that. And all respect to the Mayor here, unless he’s an expert in all this other stuff, I will agree and go along with what you guys say. “Cause I’m not an expert in any of this and I can only rely on that. And if I don’t like your answers, then we need to fire all of you. And get someone that I like your answers to.”

David Weisser – To give you some history on some of our experience, I have worked in the collection system with the City of Hanford. I’m familiar with their treatment plant as well. Although I did not operate it as an operator, I was involved in the collection end of it, servicing and maintaining pumps and all that. So I have considerable background, 12 years in sewer. And as far as Darren Hays and Alan Weaver, I really don’t know as far as their experience goes.”

Director Tow – “Each one of the meetings, both the engineer and the manager were there during most of the meetings you had, they were always present?”

David Weisser – “Yes. And most of the time Norman and Ed were also there and they would give us input.”

Director Tow – “Director Waterston, I would like to read a paragraph to you to see what your feeling is concerning this. This paragraph was written by Mr. Ed Blanton and I have some feelings concerning it. See if this fits what we’re talking about here, and I know the District Manager has a copy of it, was informed that he has one. The Chairman has a copy, probably not everybody, I have one. But it says conflict of interest. Robert Whitley, as a consulting District Engineer, has to declare Whitley Burchett & Associates as ineligible to provide engineering services for the District projects. A clear conflict of interest exists for this principal of a firm to have any input in the District’s needs and discussions. Recommendation and decision constitutes a serious conflict when his firm is the only firm asked to

perform the recommended engineering. So you sit on one side of the table and recommend what needs to be done and then receive all of the engineering fees for doing this project.”

Chairwoman Case – “How is that related to what we’re talking about?”

Director Tow – “How they receive the information. How did they get the information that they made this? It came from this engineer, without any other, so that’s how I related it.”

Director Waterston – “Madam Chair, to go along with what Don said, I think that, has nothing to do with Mr. Blanton, but I’ll ask this lady here, she is who we pay to look over this, not Mr. Blanton. And I guess to ask you, is there a conflict of interest?”

General Counsel Montoy – “Well, actually, there is an item on the agenda concerning the District Engineer’s contract, that as you know, you had asked me to take a look at. And that is an issue that I was going to report when it came to me, that is an issue that I am reviewing. We were very close to putting an agreement together. One of the issues is the current agreement and proposed programs and projects. The other issue is going forward with a new contract that is updated as to what is really going on now as the District has grown, as staff has been employed, etc. It is something that I’m looking at, Mr. Waterston. There are issues that have been raised and I’m taking a further look at it. And I may consider submitting something to the FPPC for verification. This is a matter that relates to the District and to the engineer, so its very important that you protect the District’s interests and the engineer’s interests, that this matter be resolved. How do you set that? So that relates to that. But the matter before you right now is something that a committee has arrived at and you have raised, or members have raised, various issues, some relate to the accuracy, some relate to whether you agree with the needs and to the other issue of whether you want to plan and then whether you want to pay. So the matter before you now is more like a plan that’s being proposed. It’s not binding on the Board to say just because we’ve approved this program or plan that means that for the next 10 years this is what we’re going to spend every year all the time. But obviously, with respect to the budget item that’s on later today, it does impact it. Some of the figures in the budget have been taken from this report.”

Director Cárdenas said that DTAC knows the technical items more than the Board. Four members plus Mr. Krebbs and Mr. Blanton had input. He treasures DTAC and supports their recommendation.

Chairwoman Case said that the additional engineering oversight is greatly appreciated.

David Weisser said that DTAC questioned the drafts, changed things, deleted things and did not accept everything. DTAC went over it with a fine tooth comb.

Director Bergstrom said that elected officials are not experts and he appreciates that DTAC double checks to make sure that what we’re doing is correct.

Kingsburg resident Norman Krebbs commented to the effect that the growth projection is not going to happen. The plan is flawed. Selma has not approved it.

There being no further comments from the public, a motion to approve the 10-year R&R CIP, with each project to come back before the board on an individual basis, was made by Director Cárdenas, seconded by Director Waterston, and approved by the following vote:

AYE:	Directors Cárdenas, Waterston, Bergstrom and Case
NO:	Director Tow
ABSENT:	None
ABSTAIN:	None

Consultant District Engineer Whitley took exception to the attack on his integrity. He said to please cease that activity, that he will work with the attorney.

Well Abandonment License Requirement

General Manager Michel reported that staff looked into abandoning two ag wells and two domestic wells on District properties and found that a C-57 Well Driller's license is required by law.

There is one ag well and one domestic well (drinking water) on each of the former Juarez and former Scarry properties, now owned by the District and recently cleared of trees and vines. Staff had solicited bids from licensed contractors, but got no response because this is the well drillers busy season. Staff proposed to wait and rebid.

As an alternative, staff looked into obtaining a permit for performing the work with District forces. Staff contacted Ed Yamamoto at the Fresno County Department of Health. He said that, to abandon either ag wells or domestic wells, a County permit must be obtained. He said that the County permit can only be issued to a licensed contractor holding a C-57 Well Driller's License. Darren Hays of Kingsburg confirmed that the City of Kingsburg had to hire a contractor to abandon wells because of the C-57 license requirement. Unless directed otherwise, staff will solicit proposals during the non-busy season and will bring this back before the Board.

Director Waterston confirmed with staff that the well heads were staying on the wells.

There being no comments from the public, a motion to leave the wells as is, was made by Director Tow, seconded by Director Bergstrom, and approved by the following vote:

AYE:	Directors Tow, Bergstrom, Cárdenas, Waterston and Case
NO:	None
ABSENT:	None
ABSTAIN:	None

Report of Theft

General Manager Michel reported that, during the past month, approximately 30 feet of installed 6-foot chain link fence was stolen from the east side (south portion) of the treatment plant, valued at \$750. In

a separate incident, approximately \$300 worth of scrap metal was stolen after intruders cut the east side fence to gain entrance to the treatment plant site. Two reports were taken by Area III Fresno County Sheriff's Department.

Director Tow said that the District should use barbed wire rather than chain link fence.

PUBLIC HEARINGS

Fiscal Year 2008-09 Draft Budget Third Presentation (Version 3-31-08 with revisions)

General Manager Michel reported that the budget indicates an overall 11.8% rate increase (\$2.57 per month per household) due to increased costs for the following: refurbishment & replacement (R&R) of 33 year-old facilities & equipment; services & supplies; sludge removal; labor costs; and worker benefits. The District Technical Advisory Committee (DTAC) reviewed the budget at two meetings. DTAC recommends that the Board adopt the 11.8% increase.

Attached are pages 5, 6 and 7 of the 3-31-08 draft budget which have been revised to reflect the Refurbishment and Replacement (R&R) Capital Improvement Program (CIP) as adopted by DTAC and the draft Expansion CIP. Other budget pages that would be affected by the revisions will be modified to reflect the budget as adopted.

Budget messages and memos were presented to the Board at the April and May, 2008 meetings. Notices have been mailed to all property owners and to industrial dischargers within the District. There were 8,946 notices mailed with 16 protests (letters were distributed in Board packet). Kingsburg resident Norman Krebbs distributed seven pages of petitions protesting the rate increase.

The budget indicates a rate increase from \$21.82 to \$24.39 per month for each equivalent single family residence (ESFR). This is an increase of \$2.57 per month per household. On an annual basis, this is an increase from \$261.82 per year to \$292.59 per year, which is an annual increase of \$30.77.

Director Tow said that the District has not done enough to minimize the rate increase.

Chairwoman Case said that the District should find some savings in the services & supplies portion of the budget. She opened the public hearing.

Kingsburg resident Norman Krebbs commented to the effect that past increases have caused \$3.6 million in excess revenue. The District has overcharged rate payers. Don't increase rates, reduce costs.

Chairwoman Case commented that R&R has been underfunded.

Selma resident Florence Varela said the District should try to save instead of spending. She questioned why this generation has to pay so much in advance.

Chairwoman Case closed the public hearing. She said that the District should hold the line on the services and supplies budget at the FY 2006-07 level.

Director Waterston said to go with the budget and review it every quarter.

Director Tow said to cut 10% across the Board and leave a 1.8% rate increase.

Director Cárdenas said that the Fowler residents he has talked to consider it to be a health issue. he supports the 11.8% increase.

Director Bergstrom said we don't have to spend it, its just budgeted.

Consideration of Resolution No. 2008-03, A Resolution Approving and Adopting the Budget for the
Fiscal Year 2008-09

General Manager Michel reported that the budget needs to be approved by this Resolution in order to provide fiscal policy direction to staff for the fiscal year which begins July 1, 2008.

Staff recommends that the Board adopt Resolution No. 2008-03, A Resolution Approving and Adopting the Budget for the Fiscal Year 2008-09.

Chairwoman Case opened the public hearing. Kingsburg resident Norman Krebbs commented to the effect that he recommends no more than a 4.5% rate increase. there were no other comments. Chairwoman Case closed the public hearing.

There being no further comments from the public, a motion to adopt Resolution No. 2008-03 approving the budget with quarterly review, was made by Director Waterston, seconded by Director Bergstrom, and approved by the following vote:

AYE:	Directors Waterston, Bergstrom and Cárdenas
NO:	Directors Tow and Case
ABSENT:	None
ABSTAIN:	None

Consideration of Ordinance No. 116, An Ordinance Amending Ordinance No. 3, "An Ordinance Providing for the Establishment of Sewer Service Charges for Services and Facilities Furnished by District's Sewage System, Collection Procedures, Penalties for Delinquency and Restriction on the Use of Funds Derived."

General Manager Michel reported that the service charge rate needs to be set by this Ordinance in order to fund the budget for the fiscal year which begins July 1, 2008. The new rate actually will take effect July 13, 2008. Staff recommended that the Board adopt Ordinance No. 116.

There were no comments from the public.

A motion to adopt Ordinance No. 116, was made by Director Waterston, seconded by Director Bergstrom, and it failed by the following vote, needing a two-thirds majority for passage:

AYE:	Directors Waterston, Bergstrom and Cárdenas
NO:	Directors Tow and Case
ABSENT:	None
ABSTAIN:	None

Re-Consideration of Resolution No. 2008-03, A Resolution Approving and Adopting the Budget for the Fiscal Year 2008-09 and Re-Consideration of Ordinance No. 116, An Ordinance Amending Ordinance No. 3, "An Ordinance Providing for the Establishment of Sewer Service Charges for Services and Facilities Furnished by District's Sewage System, Collection Procedures, Penalties for Delinquency and Restriction on the Use of Funds Derived."

General Counsel Montoy stated that the Board could take a second vote on Resolution No. 2008-03, if a motion was made by a previously prevailing party.

A motion to re-open Resolution No. 2008-03 and Ordinance No. 116 was made by Director Cárdenas, seconded by Director Waterston, approved by the following vote:

AYE:	Directors Cárdenas, Waterston, Bergstrom and Case
NO:	Director Tow
ABSENT:	None
ABSTAIN:	None

Chairwoman Case said that she would support a rate increase based on a services & supplies total amount shown on page 10 to be \$2,233,392, the same as was expended in FY 2006-07. General Manager Michel said that, based on a rule of thumb, that would reduce the annual rate approximately \$9.59 per ESFR from the proposed \$292.59 per ESFR to approximately \$283.00 per ESFR, which would be approximately \$23.58 per month instead of \$24.38 per month. He said that it would not be exact, but that a number was needed for the Ordinance.

A motion to revise the budget for adoption of Resolution No. 2008-03 and to adopt Ordinance No. 116, at an annual rate of approximately \$283.00 per ESFR, with the understanding that the exact amount is to be determined based on a total services & supplies budget of \$2,233,392, was made by Director Cárdenas, seconded by Director Bergstrom, and approved by the following vote, needing a two-thirds majority for passage:

AYE:	Directors Cárdenas Bergstrom, Waterston and Case
NO:	Director Tow
ABSENT:	None
ABSTAIN:	None

Consideration of Resolution No. 2008-04, A Resolution Overruling Protests and Confirming Report on Sewer Service Charges and Delinquent Sewer Service Charges for Selma-Kingsburg-Fowler County Sanitation District for the Fiscal Year 2008-09

General Manager Michel reported that this Resolution needs to be adopted and filed with the County in order to approve the list of parcels and the assessments to be collected on the Tax Roll.

Staff recommended that the Board adopt Resolution No. 2008-04.

Chairwoman Case opened the public hearing. There were no comments. She closed the public hearing.

A motion to adopt Resolution NO. 2008-04, was made by Director Bergstrom, seconded by Director Waterston, and approved by the following vote:

AYE:	Directors Bergstrom, Waterston, Cárdenas and Case
NO:	Director Tow
ABSENT:	None
ABSTAIN:	None

PUBLIC COMMENTS (first call)

None.

UNFINISHED BUSINESS

6.3 MGD Plan Update

General Manager Michel reported that, in May, 2007, the Board approved the plan to increase the capacity of the treatment plant to 6.3 million gallons per day (MGD). The time estimate was 18 months to implement the plan. The County of Fresno has determined that a land use application and

revised conditional use permit is required, which extended the schedule. The current target completion date is August, 2009 although item 2b may extend to early 2010. There are five projects in the plan, an update of which is shown below as version 6-4-08. This is informational only, no action is needed.

Project No.	Project Description	Conceptual Cost Estimate	Source of Funding	Notes
1	Secondary Clarifiers (Relieve Solids Settling Restriction)	\$250,000 including engineering	Capital Expansion (Div-03)	<p>Secondary Clarifier Performance Evaluation was completed by Consultant District Engineer Whitley. It concluded that, with certain structural modifications, flow monitoring improvements, changes in operational criteria and concurrent operation of aeration basins, the clarifiers will be able to handle solids loading at a hydraulic rate of 6.4 MGD on an annual average basis. The Board approved a total budget of \$250,000 in April, 2008 and directed staff to proceed with</p> <p>Staff began the project and initiated and completed an additional structural modification to stabilize the elbow slip joints in clarifiers 1 and 2 which may alleviate the need for the more expensive lowering of the return sludge and drive mechanisms. Flow monitoring and distribution box modification work is underway.</p>
2a	New Disposal Pond No. 6 (Additional Disposal Pond Capacity Phase 2) Plus CEQA Review for All Projects	\$2,162,000	Capital Expansion (Div-03)	The purpose is to expand capacity to 6.0 mgd. Staff drawings have been submitted to County of Fresno. State Fish & Game required a biological survey. A permeability test has been completed and the hydrogeologic report has been revised. The next step is to obtain County permits and request Board authorization to solicit bids.
2b	Deepen Disposal Pond No's 4 & 5 (Additional Disposal Pond Capacity Phase 1)	\$725,000	Capital Expansion (Div-03)	This will occur sometime after Project 2a. The purpose is to expand capacity to 6.3 mgd, average annual flow basis. Excludes cost estimate for an additional Disposal Pond No. 7, which ultimately will be needed for annual pond maintenance.
3	Solids Thickening (Relieve Solids)	\$225,000	Capital Expansion (Div-03)	As directed in March, 2008 Engineer Whitley is overseeing an engineering evaluation to relieve the restriction.

	Thickening Restriction)			Recommendations may include conversion of gravity unit to Dissolved Air Flotation Thickener (DAFT).
4	Effluent Disposal Pipe Design & Construction (Hydraulic Modifications Phase 1)	\$2,976,400	50% Capital Expansion & 50% Capital Refurbish & Replace (Div-03)	This project relies on the completion of Project 2a. Consultant District Engineer Whitley and is continuing design. The purpose is to expand capacity to about 7.4 mgd, average annual flow basis.
5	42" Influent Line Refurbishment	\$675,000	Capital Refurbish & Replace (Div-04)	District staff has designed specifications for a cured-in-place type lining of the pipe from the headworks to Aeration Basin No. 3. The purpose is to provide a crucial auxiliary artery plus additional influent capacity when used with parallel influent line. In May, 2008, the Board authorized staff to solicit bids, the results of which should be ready for the July 2008 Board Meeting.
TOTAL CONCEPTUAL COST		\$7,013,400		

NOTES:

- 1) All costs are conceptual cost estimates and will be updated as the design and bidding processes proceed.
- 2) Design, construction & implementation is scheduled to be completed by August, 2009.

General Counsel Report on Review of Engineering Services Agreement

General Counsel Montoy said she gave the report earlier as part of the discussion under another agenda item.

NEW BUSINESS

None.

COMMUNICATIONS

General Manager Michel presented a letter to Wellhead Electric dated May 14, 2008.

ALLOWANCE OF CLAIMS

There being no comments from the public, a motion to accept the warrant list report showing checks issued in the amount of \$375,617.33, was made by Director Waterston, seconded by Director Cárdenas, and approved by the following vote:

AYE: Directors Waterston, Cárdenas, Tow and Case
NO: None
ABSENT: Director Bergstrom
ABSTAIN: None

PUBLIC COMMENTS (second call)

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 5:46 p.m.

Respectfully submitted,

Approved,

Ben Muñoz, Jr., Interim General Manager/
Secretary of the Board

Judith G. Case
Chairwoman of the Board