

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

**MINUTES OF THE BOARD MEETING**

**November 8, 2007**

The regular Board Meeting of the Selma-Kingsburg-Fowler County Sanitation District was called to order at 4:05 p.m. by the Chairwoman, Judith Case.

**DIRECTORS' ROLL CALL**

Leland Bergstrom, Vice-Chairman (present)  
David Cárdenas (present)  
Don Tow (present)  
Bob Waterston (absent)  
Judith Case, Chairwoman (present)

**STAFF AND CONSULTANTS PRESENT**

David Michel, General Manager/ Board Secretary  
Ben Muñoz, Jr., Assistant General Manager  
Dennis A. Marshall, Acting District Counsel  
Robert Whitley, Consultant District Engineer  
Veronica Cazares, Supervising Engineer  
Gary Helm, Maintenance Supervisor  
Walt Schmidt, Plant Operations Supervisor  
Gabriel Jimenez, Asst. Plant Operations Supervisor  
Craig Strong, California Employers' Association

**OTHERS PRESENT**

Dennis Lujan, Mayor Pro-Tem City of Selma  
Jim Richards, KRCD  
Mark Stout, Cleantech America  
Steve McKenery, SPG Solar  
Alan Goto, PG&E  
Brian Hackett, BASE Energy  
Dennis Cox, Solar City  
Ed Blanton, Kingsburg Resident  
Norman Krebbs, Kingsburg Resident

**CONSIDERATION OF MINUTES**

There being no comments from the public, a motion to approve the minutes of the Board Meeting of October 11, 2007, was made by Director Cárdenas, seconded by Director Bergstrom, and approved by the following vote:

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

## **CONSENT CALENDAR**

Chairwoman Case asked several questions of Supervising Engineer Cazares regarding the plan and schedule for the sewer system management plan required by the general waste discharge order.

There being no comments from the public, a motion to approve the five consent calendar items and the staff recommendations as described below, was made by Director Bergstrom, seconded by Director Tow, and approved by the following vote:

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

### **Resolution No. 2007-04, Fixing the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act**

The District provides health & welfare benefits (medical & prescription) to employees through the California Public Employees Retirement System (CalPERS). CalPERS requires the District to specify a dollar amount of benefit contributed by the District. In the labor contract, the District negotiated that the dollar amount be based on a specific plan, even though other plans are also available to employees. That specific plan is Blue Shield Plan Code 542 which is also identified as CalPERS Code 304. The cost for calendar year 2008, for employee only, has risen from \$407.02 per month to \$447.97 per month, a 10.1% increase. This resolution authorizes the new amount.

The remaining costs of family health and welfare benefits are paid by employees through an IRS 125 premium-only-plan. Employees' salaries are adjusted to pay for their IRS 125 contribution according to the District formula for family coverage. Staff recommended that the Board adopt Resolution No. 2007-04, Fixing the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act.

### **Resolution No. 2007-05, Approving the State Water Resources Control Board Order No. 2006-0003 Statewide General Waste Discharge Requirements for Sanitary Sewer Systems SSMP Plan and Schedule for Selma Kingsburg-Fowler County Sanitation District**

A Board-approved plan and schedule for implementing a Sewer System Management Plan is required under the District's sewer collection system permit issued by the State.

In 2006, the State Water Board issued a general waste discharge order for participating agencies which is a permit to operate the sewer systems in the District. The District is a participant in that general order. The general order requires the agency's governing body to formally approve a plan and schedule to implement a Sewer System Management Plan (SSMP). District Supervising Engineer Veronica Cazares has drafted and stamped the District's plan (attached).

Staff recommended that the Board adopt Resolution No. 2007-05, Approving the State Water Resources Control Board Order No. 2006-0003 Statewide General Waste Discharge Requirements for Sanitary Sewer Systems SSMP Plan and Schedule for Selma Kingsburg-Fowler County Sanitation District.

#### District Technical Advisory Committee (DTAC) Report

The regular meeting of October 17, 2007 of the Selma-Kingsburg-Fowler County Sanitation District Technical Advisory Committee was cancelled by General Manager Michel due to lack of a quorum at 10:00 a.m. David Weisser had informed Mr. Michel several days earlier that he would be unable to attend because of a Golden State corridor meeting. Bruce Webber cancelled the morning of October 17<sup>th</sup> because of a Golden State corridor meeting. Darren Hays called the morning of October 17<sup>th</sup> to notify the District of a family member's emergency surgery.

#### Centrifuge Installation Project No. 2 – Notice of Completion

This \$547,712 contract was for installation of District pre-purchased equipment. The installation has been completed by the contractor, TNT Industrial Contractors, Inc.

As part of the project, but unrelated to this contractor's completion, there were four vendors who supplied equipment which the District pre-purchased: Monoflo (sludge pumps, polymer pumps and grinder) whose work is completed; Tesco (controls) whose work is completed; Seepex (cake pump system) whose equipment is being tested; and Andritz (centrifuge) whose equipment is being tested.

Staff recommended that the Board accept the Centrifuge No. 2 Installation work of TNT Industrial Contractors, Inc. as complete and order the filing of the Notice of Completion.

#### Consultant District Engineer Activity Report

Consultant District Engineer Whitley submitted the following written report.

### 6.3 Improvement Project

Secondary Clarifier Capacity (Bottleneck No. 1)- District operations personnel completed the operational stress test in September. The operational data is being evaluated and analytical results and findings are being developed.

Pond No. 6 (Bottleneck No. 2)-Continued to review the application procedures and documentation for submittal to the Fresno County Planning Department. Fresno County did reconsider a prior decision that a new application for a Conditional Use Permit is needed. The current situation is that an application for an amended existing CUP is required for the construction of Pond No. 6 and No. 7. Construction of Pond No. 6 remains as the critical path action item.

Hydraulic Modifications (Bottleneck No. 4)-Continued preparation of detailed engineering design drawings for the modified effluent pumping and transmission piping to the Percolation Ponds. Submitted drawings for staff review of an approximate 50% completion of design.

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

Continued to review a preliminary 10 year CIP for submission to the District's Technical Advisory Committee (DTAC). Emphasis on the treatment facility improvements for modifications to Aeration Basin No. 2 and repair of Aeration Basin No. 3. Also proposed including renovation of all four secondary clarifiers to provide long-term structural and mechanical reliability is in the CIP.

## **PUBLIC COMMENTS (first call)**

There were no public comments.

## **UNFINISHED BUSINESS**

### Authorization to Solicit Bids for Clearing Land

Staff requested authorization to solicit bids for clearing land so that the Board has cost information to help in making property use decisions.

In the upcoming months, the Board will be making decisions regarding the use of District property. The decisions include the following:

1. Treatment and Disposal Use – expansion plans for the facility
2. Number of Lessees – one lessee or several
3. Terms of Leases – short-term leases or long-term leases

4. Clearing of non-productive trees and vines – lessee or ag contractor

Staff believes it would be helpful in making staff recommendations and Board decisions to know how much it would cost to clear non-productive trees and vines from the former Helm North, Helm South and Juarez parcels. There are several things for the Board to consider before making decisions on the items listed above.

- A. At the October 2007 Board Meeting, current lessee's of District property told the Board that they would not be interested in leasing any land other than the land they have been working for many years. They said that the former Juarez property would not be good for agriculture but may be good for a percolation pond.
- B. DTAC has not yet started looking at the long term strategic plan for facilities expansion and should provide valuable input on land use.
- C. Fresno County Public Works staff is currently early in an evaluation process regarding using the former Juarez property as a "mixing table" for County road repair materials. They will bring the idea to the Fresno County Board of Supervisors after the evaluation is complete. The County would clear the District property and use sand from the site to mix with road oil in windrows to be used to repair County roads. After several years, they would leave behind a rough-graded percolation pond. District staff is concerned about the possible effects of road oil on soil and groundwater.

Staff recommended that the Board authorize staff to solicit land clearing bids for three parcels (former Helm North property at 14720 S. Del Rey, former Helm South property at 15532 S. Del Rey, and former Juarez property at 11067 E. Conejo).

Director Tow suggested that staff solicit the advice of the County farm advisor regarding scheduling of clearing the land. Director Cárdenas suggested that staff consult the farm bureau. Director Bergstrom advised to take it slow before accepting any bids. Chairwoman Case suggested surveillance, clean up and protection of the ag pump on the former Juarez property. She also advised that Mrs. Grimes and Mr. Schnitzler be contacted regarding the possibility that Scarry will not want to renew their lease.

Kingsburg resident Ed Blanton commented that the District should sell the dirt by the cubic yard and that it would make a fine pond for City of Selma stormwater. Director Tow commented that Consolidated Irrigation District gets \$3 per yard for sand. Director Case suggested that the topic of the City of Selma stormwater be a future agenda item.

There being no further comments from the public, a motion to authorize staff to solicit land clearing bids for three parcels (former Helm North property at 14720 S. Del Rey, former Helm South property at 15532 S. Del Rey, and former Juarez property at 11067 E. Conejo), was made by Director Tow, seconded by Director Bergstrom, and approved by the following vote:

AYE:	Directors Tow, Bergstrom, Cárdenas and Case
NO:	None

ABSENT: Director Waterston  
ABSTAIN: None

### Extension of Lease and Rental Agreements

General Manager Michel reported that bids were solicited in 2006 for leasing various District properties for agriculture. He talked to all agricultural lessees and they were agreeable to a one year extension with the same terms and conditions. Susan Scarry's son said that he is yet to decide whether he wants to lease again next year.

In December, 2006 the Board received proposals for farming various District-owned properties in order to ensure fair market value. The Board entered into one-year lease agreements for four agricultural properties and month-to-month rental agreements for three residences.

1. Grimes – 10 acres of vines at 15309 Nelson Avenue for \$450 per year (\$45/acre/year).
2. Lehner – 39.1 acres of plums at 11654 E. Clarkson Ave. for \$3,910 per year (\$100/acre/year).
3. Scarry – 20 acres of vines at 11497 East Conejo Avenue for \$1,200 per year (\$60/acre/year).
4. Schnitzler – 53.52 acres vines at 11641 E Magnolia Ave for \$6,690 per year (\$125/acre/year).
5. Chavez – Residence at 15532 South Del Rey Avenue for \$420 per month.
6. Clutterham – Residence at 11641 East Magnolia Avenue for \$400 per month.
7. Zapata – Residence at 14720 South Del Rey Avenue for \$440 per month (delinquent).

The long term strategic plan for facilities expansion has not yet been reviewed by DTAC and therefore the uses of District property has not been determined. Staff recommends that the Board authorize staff to execute extensions for all lease and rental agreements except Zapata through December 31, 2008, under the same terms and conditions.

There being no comments from the public, a motion to authorize staff to execute extensions for all lease and rental agreements except Zapata through December 31, 2008, under the same terms and conditions, was made by Director Bergstrom, seconded by Director Cárdenas, and approved by the following vote:

AYE: Directors Bergstrom, Cárdenas, Tow and Case

NO: None  
ABSENT: Director Waterston  
ABSTAIN: None

### Energy Efficiency and Alternative Energy Presentations

Assistant General Manager Muñoz has been the Project Manager for investigating energy efficiencies and alternatives. He invited five organizations to make energy related presentations to the Board

PG&E – Alan Goto (PG&E) and Brian Hackett (BASE Energy) presented the Integrated Energy Audit report prepared by BASE Energy, Inc. The report identifies cost effective energy efficiency measures, demand response opportunities, as well as any potential for self-generation. Among the energy saving opportunities that were identified are the following items which are being addressed by DTAC: conversion of Aeration Basin No. 2 to fine bubble diffusion; SCADA and dissolved oxygen sensor controls; refurbishment of AB-3 with higher efficiency blowers, motors and diffusers; variable frequency drives; and installation of anaerobic digester with heat and power system. The report also discussed possible opportunities for varying time of day usage and lighting controls. The report did not recommend solar energy. Over-aerating the aeration basin and then turning down blowers as a cost savings measure was questioned by the Board. District Engineer Whitley commented that careful testing after the installation of automatic controls would be required to avoid possible detrimental effect to the activated sludge.

SPG Solar of Carlsbad – Steve McKenery described Power Purchase Agreements (PPA's) whereby the District would allow a company to use District land for a set period of about 25 years and the company would design, finance, construct, operate and maintain a power generating system such as solar or bio-generation. The company would sell the energy produced to the District at a pre-determined cost in accordance with the PPA. As reported in April, 2007, SPG Solar performed a preliminary feasibility study for installing about 6 acres of rotating solar panels on District property producing about 1,000 kW of electricity. The economics were based on a PG&E program to pay the District for each kWh produced during the first five years, thereby subsidizing some of the initial capital outlay by the District. Mr. McKenery said that the panels would only need to be rinsed twice per year, even in this agricultural part of the dusty San Joaquin Valley. He estimated that it would take one man one-half day with a hose to do the work on a 6-acre site.

Solar City of Fresno – Dennis Cox presented a solar electric analysis for a 2,000 kW system with fixed orientation solar panels. He said that PPA's are a common method of establishing alternative energy projects. The good thing about PPA's is that the energy production company has to worry about the costs, rebate estimates, sunny day estimates and economic feasibility. He said that panels in this area would need to be rinsed more frequently than twice per year. He said the savings for solar power would be small because the District now pays only 10.5¢ per kWh as opposed to the much higher residential rate. He said there may be other reasons to move forward with solar such as reduction of carbon dioxide and other air quality reasons.

Kings River Conservation District (KRCD) – Jim Richards expressed KRCD’s interest in exploring with SKF the possibility of a cooperative venture to pursue various types of power generation opportunities.

Chevron, USA – Staff met with Chevron in September, 2007. They had indicated a willingness to discuss any combination of finance-design-build-lease-operate of solar energy or anaerobic digesters with electricity cogeneration. After reviewing the District’s energy costs (10.3¢ -10.5¢ per kWh), the representative said that their services would not be economical for SKF because SKF’s electric rates are very low. Although they declined Assistant General Manager Muñoz’s invitation to make a presentation to the Board, they said they still may be interested in working with the District.

Chairwoman Case commented that the District should invest in the PG&E type projects to reduce demand. Reducing emissions will show good environmental stewardship. Consultant District Engineer Whitley said that generation could be pursued as a parallel path. He recommended that the Board direct staff to continue implementation of PG&E suggestions as recommended by DTAC and to authorize staff to send out requests for letters of interest in a PPA. The response will tell the District whether to request formal proposals.

At 5:33 p.m., during the presentations and discussions above, Mayor Pro-Tem Dennis Lujan of Selma had taken the seat of Director Tow who had to leave because of a prior commitment.

There being no comments from the public, a motion to continue implementation of PG&E suggestions as recommended by DTAC and to authorize staff to send out requests for letters of interest in a PPA, was made by Director Lujan, seconded by Director Bergstrom Cárdenas, and approved by the following vote:

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

## **COMMUNICATIONS**

CASA Conference – General Manager Michel commented that Board members wanting to attend the CASA conference January 9-12, 2008, in Indian Wells should notify General Manager Michel by November 30, 2007.

Possible Special Joint Board-DTAC Meeting – General Manager Michel presented an email from Selma City Manager D-B Heusser asking that the Board consider authorizing staff to arrange a special joint meeting of the Board and DTAC to hear a presentation of an alternative treatment technology from ECO TECH USA. Director Lujan said that Selma was ready for an up or down vote on the ECO

TECH USA technology. Acting District Counsel Marshall said that the District must follow the public contract code. Director Bergstrom said that any presentations should be limited to technologies that have been successfully demonstrated in California. Director Cárdenas said that the District should not move to a different treatment technology in a rush. Director Lujan cautioned against the status quo. District Engineer Whitley advised a systematic approach to reviewing alternative technologies. With the consensus of the Board, Chairwoman Case tabled this item until the next meeting.

Operational Audit Discussion – There was no discussion.

Money Savings Report – General Manager Michel reported that staff saved money by rebuilding a utility cart for \$325 using staff expertise and District maintenance shop facilities when a commercially rebuilt cart would have cost \$3,800 and a new cart would have cost \$8,000. Director Cárdenas and Board Members commended staff and said to keep up the good work.

### **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 \$595,893.01, was made by Director Bergstrom, seconded by Director Lujan, and approved by the following vote:

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

### **PUBLIC COMMENTS (second call)**

None.

### **CLOSED SESSION**

Chairwoman Case called for a closed session at 6:09 p.m. to give instructions to General Manager, Assistant Manager and Labor Relations Consultant regarding wages, hours and working conditions of

union and non- represented employees and to discuss potential litigation regarding a tenant at 14720 South Del Rey Avenue.

The Board reconvened to open session at 6:31 p.m. Acting District Counsel Marshall said that the Board unanimously directed legal counsel to initiate legal proceedings to regain possession of the residence at 14720 South Del Rey Avenue if payment is not made by November 9, 2008.

**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 6:32 p.m.

Respectfully submitted,

Approved,

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David Michel, General Manager/  
Secretary of the Board

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Judith G. Case  
Chairwoman of the Board