

# **AGENDA**

## **REMOTE MEETING NOTICE**

This meeting will be accessible by remote video conferencing. Please be advised that while the District will endeavor to ensure these remote participation methods are available, the District does not guarantee that they will be technically feasible or work all the time. Further, the District reserves the right to terminate these remote participation methods (Subject to Brown Act Restrictions) at any time and for whatever reason. The public may observe and participate in this meeting remotely via Zoom as set forth below.

### **INSTRUCTIONS FOR USING ZOOM**

- Join the meeting using the link below.
- You must have audio and microphone capabilities on the device you are using to join the meeting.
- When you join the meeting make sure that you join the meeting with audio and follow the prompts to test your speaker & microphone prior to joining the meeting.

### **TO SPEAK DURING PUBLIC COMMENT USING ZOOM**

- The Board President will announce when it is time for Public Comment.
- Click on the Raise Hand icon if you would like to speak during Public Comment.
- Your name will be called on when it's your turn to speak.
- When your name is called, you will be prompted to unmute yourself.
- You will have three (3) minutes to speak. When your time is up, you will be muted.

### **TO SPEAK ON AN ITEM USING ZOOM**

- The Board President will call the item and staff will begin the staff report.
- Click on the Raise Hand icon if you would like to speak on the item.
- Your name will be called on when it's your turn to speak.
- When your name is called, you will be prompted to unmute yourself.
- You will have three (3) minutes to speak. When your time is up, you will be muted.
- You will repeat this process for each item you want to speak on.

### **FOR OPEN SESSION PARTICIPATION**

Join Meeting Electronically at:

#### **Join Zoom Meeting**

**<https://us02web.zoom.us/j/81571412030?pwd=WkIBVFpvdM9NWFRvNTRyZFFYjBudz09>**

**Meeting ID: 815 7141 2030**

**Passcode: 981723**

Please attend in Person or by submitting your comment via Email to:  
RMangus@GoletaSanitary.Org

**A G E N D A**  
REGULAR MEETING OF THE GOVERNING BOARD  
OF THE GOLETA SANITARY DISTRICT  
A PUBLIC AGENCY

One William Moffett Place  
Goleta, California 93117

April 1, 2024

**CALL TO ORDER:** 6:30 p.m.

**ROLL CALL OF MEMBERS**

**BOARD MEMBERS:** Edward Fuller  
Jerry D. Smith  
Steven T. Majoewsky  
Dean Nevins  
Sharon Rose

**CONSIDERATION OF THE MINUTES OF THE BOARD MEETING**

The Board will consider approval of the Minutes of the Regular Meeting of March 18, 2024.

**PUBLIC COMMENTS** - Members of the public may address the Board on items within the jurisdiction of the Board. Under provisions of the Brown Act, the Board is prohibited from taking action on items not listed on the agenda. Please limit your remarks to three (3) minutes and if you wish, state your name and address for the record.

**POSTING OF AGENDA** – The agenda notice for this meeting was posted at the main gate of the Goleta Sanitary District and on the District’s web site 72 hours in advance of the meeting.

**BUSINESS:**

1. PRESENTATION ON SOUTHERN CALIFORNIA GAS COMPANY’S LA GOLETA STORAGE FIELD FACILITY
2. REVIEW OF QUARTERLY CAPITAL IMPROVEMENT PROGRAM PROJECT STATUS REPORT
3. CONSIDERATION OF MEMORANDUM OF UNDERSTANDING FOR THE SOLIDS HANDLING IMPROVEMENT PROJECT (SHIP)  
(Board may take action on this item.)

4. CONSIDERATION OF DRAFT ORDINANCE NO. 96 INCREASING BOARD MEMBER COMPENSATION FOR FISCAL YEAR 2024-25  
(Board may take action on this item.)
5. GENERAL MANAGER'S REPORT
6. LEGAL COUNSEL'S REPORT
7. COMMITTEE/DIRECTOR'S REPORTS AND APPROVAL/RATIFICATION OF DIRECTOR'S ACTIVITIES
8. PRESIDENT'S REPORT
9. ITEMS FOR FUTURE MEETINGS
10. CORRESPONDENCE  
(The Board will consider correspondence received by and sent by the District since the last Board Meeting.)
11. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT  
(The Board will be asked to ratify claims.)

## **ADJOURNMENT**

*Persons with a disability who require any disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting are asked to contact the District's Finance & H.R. Manager at least 3 hours prior to the meeting by telephone at (805) 967-4519 or by email at [info@goletasanitary.org](mailto:info@goletasanitary.org).*

*Any public records which are distributed less than 72 hours prior to this meeting to all, or a majority of all, of the District's Board members in connection with any agenda item (other than closed sessions) will be available for public inspection at the time of such distribution at the District's office located at One William Moffett Place, Goleta, California 93117.*

# MINUTES

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

March 18, 2024

- CALL TO ORDER:** President Fuller called the meeting to order at 6:30 p.m.
- BOARD MEMBERS PRESENT:** Edward Fuller, Jerry Smith, Steven T. Majoewsky, Sharon Rose
- BOARD MEMBERS ABSENT:** Dean Nevins
- STAFF MEMBERS PRESENT:** Steve Wagner, General Manager/District Engineer, Rob Mangus, Finance Director/Board Secretary and Pete Regis, Plant Operations Manager, and Jeff Ferre, General Counsel (via Zoom).
- OTHERS PRESENT:** Tom Evans, Director, Goleta Water District (via Zoom)  
Craig Geyer, Director, Goleta West Sanitary District (via Zoom)
- APPROVAL OF MINUTES:** Director Majoewsky made a motion, seconded by Director Rose, to approve the minutes of the Regular Board meeting of 03/04/2024. The motion carried by the following vote:
- (24/03/2308)
- |          |   |                                |
|----------|---|--------------------------------|
| AYES:    | 4 | Fuller, Smith, Majoewsky, Rose |
| NOES:    |   | None                           |
| ABSENT:  | 1 | Nevins                         |
| ABSTAIN: |   | None                           |
- POSTING OF AGENDA:** The agenda notice for this meeting was posted at the main gate of the Goleta Sanitary District and on the District’s website 72 hours in advance of the meeting.
- PUBLIC COMMENTS:** None
- BUSINESS:**
1. **PUBLIC HEARING AND ADOPTION OF ORDINANCE NO. 96 ESTABLISHING DIRECTOR COMPENSATION**  
Mr. Wagner and Mr. Ferre gave the staff report.

Public Hearing was opened at 6:34 p.m.

No public comment and the Public Hearing was closed at 6:35 p.m.

Director Rose made a motion, seconded by Director Majoewsky to continue consideration of the proposed Ordinance to the next regular Board meeting on April 1, 2024 when all members are in attendance.

The motion carried by the following vote:

(24/03/2309)

AYES:	4	Fuller, Smith, Majoewsky, Rose
NOES:		None
ABSENT:	1	Nevins
ABSTAIN:		None

2. PRESENTATION ON THE CURRENT STATE OF OPERATIONS AT THE DISTRICT'S WATER RESOURCE RECOVERY FACILITY

Mr. Wagner began the staff report and introduced Pete Regis, Plant Operations Manager who presented a PowerPoint presentation to the Board.

No Board action was taken on item.

3. CONSIDERATION OF PROPOSED OFFICE SPACE REMODEL FOR SUCCESSION PLANNING

Mr. Wagner gave the staff report on this review item, no Board action was taken.

4. CONSIDERATION OF CONTINUED SUPPORT OF SANTA BARBARA COUNTY GREEN BUSINESS PROGRAM

Mr. Wagner gave the staff report.

Director Rose made a motion, seconded by Director Majoewsky to approve making a pledge in that requested amount of \$5,000, contingent upon the Program receiving sufficient contributions from other sources in order to be fully operational for the fiscal year beginning July 1, 2024.

The motion carried by the following vote:

(24/03/2310)

AYES:	4	Fuller, Smith, Majoewsky, Rose
NOES:		None
ABSENT:	1	Nevins
ABSTAIN:		None

5. GENERAL MANAGER'S REPORT

Mr. Wagner gave the report.

6. LEGAL COUNSEL'S REPORT

Mr. Ferre provided an update on social media posting guidance for public officials due to the recently decided U.S. Supreme Court case of Lindke v. Freed.

7. COMMITTEE/DIRECTORS' REPORTS AND APPROVAL/RATIFICATION OF DIRECTORS' ACTIVITIES

Director Smith – No report.

Director Majoewsky – Reported on the Goleta Water District meeting he attended.

Director Rose – Reported on the March 6, 2024 Goleta West Sanitary District meeting she attended.

8. PRESIDENT'S REPORT

President Fuller – No report.

9. ITEMS FOR FUTURE MEETINGS

No Board action was taken to return with an item.

10. CORRESPONDENCE

The Board reviewed and discussed the list of correspondence to and from the District in the agenda.

11. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT

Director Smith made a motion, seconded by Director Majoewsky, to ratify and approve the claims, for the period 03/05/2024 to 03/18/2024 as follows:

Running Expense Fund #4640	\$	457,134.00
Capital Reserve Fund #4650	\$	418,505.80
Depreciation Replacement Reserve Fund #4655	\$	7,654.79

The motion carried by the following vote:

(24/03/2311)

AYES:	4	Fuller, Smith, Majoewsky, Rose
NOES:		None
ABSENT:	1	Nevins
ABSTAIN:		None

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 8:22 p.m.

ATTEST

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Edward Fuller  
Governing Board President

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Robert O. Mangus, Jr.  
Governing Board Secretary

# **AGENDA ITEM #1**

**AGENDA ITEM: 1**

**MEETING DATE: April 1, 2024**

**I. NATURE OF ITEM**

Presentation on Southern California Gas Company's La Goleta Storage Field Facility

**II. BACKGROUND INFORMATION**

The Southern California Gas Company's (SCG's) natural gas storage operations in Goleta have played a key role in meeting the region's energy needs for more than 70 years. The La Goleta storage facility is one of SCG's naturally occurring underground storage reservoirs that is essential to providing customers with safe and reliable natural gas, especially during peak periods.

The La Goleta storage facility encompasses the porous sandstone of the Vaqueros Formation at an average depth of 4,200 feet. The field was originally discovered in 1929, in the search for new oil reserves but was found to contain only natural gas. The structure is now used for the cyclical injection and withdrawal of natural gas to help balance supply with demand. This subsurface sandstone reservoir of the Vaqueros Formation is sealed by the impermeable shale of the Rincon Formation, which immediately overlies the La Goleta storage facility.

SCG's La Goleta storage facility includes natural gas injection and native gas wells, observation wells, natural gas compressors, a dehydration unit, pipelines and various buildings and ancillary equipment. This facility is at the forefront of safety controls and procedures, employing the latest technologies to monitor and operate the reservoir.

Ryan Bolton, SCG's Storage Operations Manager will give an overview presentation and update on the La Goleta Storage Facility.

**COMMENTS AND RECOMMENDATIONS**

This presentation is for information purposes only. No Board action is required.

**III. REFERENCE MATERIAL**

None

# **AGENDA ITEM #2**

**AGENDA ITEM: 2**

**MEETING DATE: April 1, 2024**

**I. NATURE OF ITEM**

Review of Quarterly Capital Improvement Program Project Status Report

**II. BACKGROUND INFORMATION**

On November 21, 2022, the Governing Board of the Goleta Sanitary District (District) approved a project notification policy in order to keep the Goleta West Sanitary District (GWSD) and other plant partners informed on the status of the District's Capital Improvement Program (CIP). One of the recommended actions of the policy was to conduct quarterly project status meetings with GWSD's General Manager to provide current information on the District's major CIP projects. Information provided at these meetings would then be summarized in a written report and distributed to GWSD and other plant partners.

The second quarterly CIP project status report of 2024 is presented herein. The CIP project status report will be shared with GWSD and other plant partners pursuant to the project notification policy.

**III. COMMENTS AND RECOMMENDATIONS**

The District has an extensive long-range CIP masterplan that identifies planned repairs and improvements to the District's collection system and treatment plant infrastructure over the next 10 years. This information is posted on the District's website for easy access.

As with any long-range plan, the list of CIP projects, their schedules, and estimated costs are subject to revisions as conditions change and more information related to individual projects are obtained. As projects approach their "delivery phase" (usually two to three years prior to start of construction through the end of construction) preliminary design and/or additional engineering and environmental analysis is initiated and the project scope, cost and schedule are updated accordingly. Projects in the delivery phase are considered active projects. A more comprehensive update to the entire 10-year master plan list of CIP projects is performed every three to five years.

Influent Pump Station Rehabilitation Project: Substantial completion was issued in December, 2023, marking the beginning of the 1-year warranty period by the contractor. The final unconditional waiver has been received from the prime contractor, and release of final retention is being processed.

Biosolids and Energy Strategic Plan (BESP) Phase 1: The Notice to Proceed was issued to Gateway Pacific Contractors on August 1, 2023. The contractor is in progress removing or relocating underground utilities associated with the project. Shoring and excavation for the digester is scheduled to be installed in

May, 2024. Environmental and Cultural Mitigation consultants are monitoring all ground-disturbing work.

Solids Handling Improvement Project (SHIP): Environmental review is ongoing, and a pre-application meeting was held with the Santa Barbara County Air Pollution Control District. In order to prevent delays in construction, the District initiated a pre-selection process for the thermal dryer technology. Requests for Proposals and front-end specifications were sent to several thermal dryer vendors. BCR Environmental, Inc.(BCR) was selected as the preferred vendor and a Memorandum of Understanding between the District and BCR is being negotiated to establish a price guarantee for equipment to be included in the eventual construction contract.

CIP Loan Expenditures to Date

The District closed on a \$14,135,000 Installment Sale Agreement loan from Banc of America Public Capital Corp on June 23, 2022, for implementation of the BESP and SHIP capital improvement projects. The District needs to spend 95% of the loan proceeds by June 13, 2025 to avoid additional loan fees. Below is a summary of loan activity through March 22, 2024.

Loan Principal	\$ 14,135,000
Escrow Earning	\$ 860,852
Loan Draws Including Closing Costs	\$ 4,318,509
Net Escrow Balance	\$ 10,677,343

With construction of the BESP phase 1 project and final design of the SHIP project underway, we are currently on schedule meet our loan expenditure timeline.

The existing 10-year CIP schedule has been reviewed and updated to reflect the latest cost and schedule assumptions. This information will eventually be incorporated into the 10-year CIP as shown on the District’s website.

A summary of the updated 10-year CIP project schedule with estimated project costs is attached to this report. This information will be forwarded to GWSD and our other plant partners for their information pursuant to the project notification policy.

This item is for the Board’s information only. No action is required at this time. Actions related to the individual projects will be brought to the Board for consideration as needed in the future.

**IV. REFERENCE MATERIALS**

Goleta Sanitary District Revised 10-year CIP Project Schedule and Estimated Costs Summary, April 2024

Goleta Sanitary District Capital Improvement Program Active Projects Update, April 2024

**GOLETA SANITARY DISTRICT  
10-YEAR CAPITAL IMPROVEMENT PROGRAM  
PROJECT SCHEDULE AND ESTIMATED COSTS SUMMARY  
April 2024**

Project Name	High Priority				Medium Priority				Low Priority		TOTAL
	FY 23	FY 24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
Influent Pump Station Rehabilitation Project	\$1,000,000	\$3,100,000									\$4,100,000
Biosolids and Energy Phase 1 <sup>1</sup>	\$200,000	\$3,750,000	\$7,250,000	\$700,000							\$11,900,000
Solids Handling Improvement Project <sup>2</sup>	\$200,000	\$350,000	\$1,350,000	\$7,500,000	\$9,500,000	\$8,500,000					\$27,400,000
WRP Filter Building Instrumentation CIP <sup>3</sup>			\$30,000	\$272,900							\$302,900
WRP Filter Building Mechanical CIP <sup>4</sup>			\$75,000	\$800,000	\$400,000						\$1,275,000
Chemical Storage Building CIP					\$420,000						\$420,000
PLC CIP							\$213,160				\$213,160
Increased Biogas Utilization Project						\$200,000	\$3,500,000	\$3,500,000			\$7,200,000
Outfall Cathodic Protection CIP							\$85,260				\$85,260
Secondary MCC Building CIP							\$100,270				\$100,270
Secondary Aeration Basin CIP							\$429,630				\$429,630
Effluent Area CIP								\$566,450	\$566,450	\$566,450	\$1,699,350
Headworks CIP									\$389,585	\$389,585	\$779,170
Secondary Clarifier CIP								\$376,700			\$376,700
Solids Stabilization Area CIP									\$426,400	\$426,400	\$852,800
New Office Building CIP									\$546,330	\$546,330	\$1,092,660
<b>Total</b>	<b>\$1,400,000</b>	<b>\$7,200,000</b>	<b>\$8,705,000</b>	<b>\$9,272,900</b>	<b>\$10,320,000</b>	<b>\$8,700,000</b>	<b>\$4,328,320</b>	<b>\$4,443,150</b>	<b>\$1,928,765</b>	<b>\$1,928,765</b>	<b>\$58,226,900</b>

 Active Projects

Changes for April 2024:

<sup>1</sup> Moved \$1,250,000 from FY24 to FY25 to match current spend rate

<sup>2</sup> Moved \$500,000 from FY24 to FY25 to match current spend rate

<sup>3</sup> Delayed project start from FY24 to FY25

<sup>4</sup> Delayed project start from FY24 to FY25

**GOLETA SANITARY DISTRICT  
Capital Improvement Program  
Active Projects Update  
April 2024**

Project Name	Description	Status	Cost Estimate	Next Step	Changes
Influent Pump Station Improvement Project	Rehabilitation of Influent Pump Station	Project was deemed substantially complete in December 2023. Currently within the 1-year warranty period by contractor. All unconditional waivers have been received, and final release of retention to the contractor has been approved.	\$4.12M	1-year warranty period extends through December 2024.	Project has been completed.
BESP Phase 1	Installation of new 500k gal. digester, new 160kW Combined Heat and Power System, gas conditioning system, and associated utility and electrical work	The 24" Primary Effluent branch to Biofilter 1 has been removed. Electrical ductbank and conduit construction is ongoing. Preparations are underway to take Digester 1 offline.	\$11.9M	Ductbank construction and cutover of existing conductors to Digesters 2 and 3, followed by demolition of old ductbank per plans. Digester excavation is scheduled to begin in May 2024.	Excavation has exposed unmarked ductbanks which interfere with the proposed footprint of Digester 4. Due to digester placement constraints, relocation of the ductbanks is necessary. This added effort may impact project cost and completion date.
Solids Handling Improvement Project	Installation of new centrifuge, thermal dryer, and pelletizer to be located in a new solids building adjacent to sludge drying beds. New utility and electrical equipment associated with facility.	Environmental review is ongoing. APCD pre-application meeting completed. Memorandum of Understanding is being negotiated for price guarantee of thermal dryer technology for inclusion in construction contract.	\$27.4M	Complete environmental analysis and final design to determine project impacts, scope and estimated costs.	Building construction material type is being reevaluated to potentially reduce overall construction cost.

# **AGENDA ITEM #3**

**AGENDA ITEM: 3**

**MEETING DATE: April 1, 2024**

**I. NATURE OF ITEM**

Consideration of Memorandum of Understanding for the Solids Handling Improvement Project (SHIP)

**II. BACKGROUND INFORMATION**

The Solids Handling Improvement Project (SHIP), part of the Biosolids and Energy Strategic Plan, includes the installation of a new centrifuge and an indirect thermal dryer facility to produce “Class A” biosolids for beneficial reuse in the region. On March 6, 2023, the Board authorized staff to enter into a design services agreement for the SHIP, to finalize the design for incorporation into the project’s construction bid documents. Due to the complexity of indirect thermal dryers and the differences between available systems, the SHIP 100% design drawings cannot be completed without knowing which supplier’s technology will be used.

In November 2023, the District issued a request for proposals (RFP) to BCR Environmental, Inc. (BCR), Komline-Sanderson, and Andritz for the pre-selection of the thermal dryer technology which will be included in the SHIP 100% design. The RFP included design specifications and a draft Memorandum of Understanding (MOU) to lock in the equipment price until construction commences.

The District received proposals from BCR and Komline-Sanderson. After thorough review with the Hazen and Sawyer design team, the two proposals were scored using criteria included in the RFP. Staff carried out a sensitivity analysis on the scores assigned to each vendor, and BCR remained the clear frontrunner based on higher end-product quality and lower capital and operating costs. The District subsequently entered into a Professional Services Agreement with BCR as established in the RFP to finalize the thermal dryer design for incorporation into the SHIP 100% design drawings.

The next step of the project is to execute the MOU which establishes the following terms:

- a. BCR will prepare submittals and provide coordination with the District through the final design of the thermal dryer system.
- b. BCR will provide equipment supply bids which are identical to the “Best and Final” equipment price, as incorporated into the MOU by addendum, to all contractors bidding on the project.
- c. BCR will provide preliminary operation and maintenance (O&M) manuals with storage and installation requirements prior to delivery of the system.
- d. BCR will meet other commercial warranty and risk management requirements set forth in the RFP and this MOU.
- e. If and when the District undertakes construction, it will competitively bid the project and will require the lowest responsive and responsible bidder to install

BCR's system.

### **III. COMMENTS AND RECOMMENDATIONS**

The MOU terms have been negotiated and found to be mutually agreeable between BCR and the District. The final draft has been reviewed by legal counsel and is included as a reference to this report.

It is recommended that the Board authorize staff to execute the attached MOU.

### **IV. REFERENCE MATERIAL**

Memorandum of Understanding for Final Design, Purchase, and Installation of a BCR Thermal Dryer for the Solids Handling Improvement Project

**SECTION 00525**

**MEMORANDUM OF UNDERSTANDING**

The purpose of this Memorandum of Understanding (MOU) is to document the agreement between the Goleta Sanitary District (DISTRICT) and BCR Environmental Corporation (Supplier) to supply the Thermal Dryer System (System) for the Goleta Sanitary District Solids Handling Improvements Project (Project).

This MOU references other documents, which are considered integral parts of this MOU. All requirements embodied in the referenced documents are inseparable requirements of this MOU.

The DISTRICT issued a Request for Proposal, Thermal Dryer Equipment Procurement (RFP), which is incorporated herein by reference, to the Supplier and received a proposal from Supplier dated [December 7, 2023] (Proposal).

This MOU is intended to create a binding commitment between the Supplier and the DISTRICT for acquisition of the System by the DISTRICT's contractor from the Supplier pursuant to the terms and conditions of this MOU.

**AGREEMENT**

**ARTICLE 1 - DUTIES OF SUPPLIER**

The Supplier shall have the following duties under this MOU:

- a. Prepare submittals for the DISTRICT pursuant to the Technical Specifications set forth in the RFP, this MOU, and the Supplier's Proposal. The initial general arrangement drawings shall be delivered to the DISTRICT within six (6) weeks after execution of an agreement for professional services with the DISTRICT as identified in the RFP.
- b. Provide coordination with the DISTRICT in its completion through the final design of the System.
- c. Provide equipment supply bids to the general Contractor bidding on the Project that are identical to, and in accordance with, the RFP terms and documents, the Supplier's Proposal, and this MOU, as amended to include the Supplier's Best and Final Offer pursuant to Section 00200, Article 2 of the RFP. The terms and conditions offered to the general Contractor shall be commercially reasonable and those customary in the California public works market place, to the extent the terms and conditions are not specifically addressed herein.
- d. Deliver the System consistent with the RFP documents and approved submittals according to a schedule mutually agreed upon with the DISTRICT's Contractor and no earlier than 30 weeks and no later than 52 weeks from receipt of notice for purchase from the DISTRICT's Contractor.
- e. Provide preliminary operation and maintenance (O&M) manuals with storage and

installation requirements prior to delivery of System. Provide preliminary and final O&M manuals and training to the DISTRICT for operation of the System in accordance with the Technical Specifications in the RFP.

- f. Meet other commercial warranty and risk management requirements set forth in the RFP and this MOU.

**ARTICLE 2 - DISTRICT OBLIGATIONS**

Should the DISTRICT undertake construction of the Project, it will competitively bid the public works contract in 2025 to upgrade its solids handling facilities, including installation of the Thermal Dryer System at its Water Resource Recovery Facility at 1 William Moffett Place, Goleta, California. The DISTRICT agrees that, subject to the conditions below, it shall award the public works construction contract to the lowest responsible and responsive bidder consistent with California law and applicable DISTRICT requirements. As a result of the RFP process, the DISTRICT shall complete design of the Project so as to accommodate the Supplier’s System and shall require DISTRICT’s Contractor to purchase and install Supplier’s System. The DISTRICT shall further require that, if DISTRICT’s Contractor obtains the System from the Supplier, it shall do so in full compliance with the price and payment terms set forth in this MOU.

This obligation to obtain the System from the Supplier shall be conditioned upon the award of the construction contract for the Project that includes the Supplier’s System, and the favorable result of any legal challenge to this process which could result in a court order or judgment preventing the DISTRICT from either (i) executing the construction contract for the Project, or (ii) requiring the DISTRICT’s Contractor to install the Supplier’s System. If the DISTRICT fails to proceed with the Project, is prevented from entering into the construction contract, or is prevented by legal proceedings from designating the Supplier’s System equipment for inclusion in the DISTRICT’s Project, the DISTRICT shall not be liable to the Supplier for any damages, including but not limited to restocking, Proposal preparation and contracting costs, or loss of prospective profit.

**ARTICLE 3 - PRICE**

The System equipment shall be manufactured, insured, and delivered for the sum of not to exceed Seven Million Five Hundred Thirty-Eight Thousand dollars and no cents \$7,538,000.00 dollars in US currency, exclusive of California sales tax. This total amount shall be inclusive of all payments for the Supplier’s costs including those costs set forth below.

<b>Total Equipment Supply Cost</b>	\$ (US) 7,538,000.00 To be provided by the DISTRICT to all bidders  Amount is equal to the Total Proposal Cost
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- a. The price set forth herein shall reflect shipping F.O.B. to the DISTRICT’s facility. The DISTRICT’s Contractor will not accept C.O.D. shipments. The Supplier shall be responsible for payment of all charges for handling, shipping,

packaging, wrapping, bags, containers, boxing, crating, labeling, customs and duties, and insurance for shipping.

- b. The Supplier agrees to offer all bidders on the Project the System in accordance with this MOU, as amended to include the Supplier's Best and Final Offer pursuant to Section 00200, Article 2 of the RFP and as more specifically set forth in the specifications and approved shop drawings, at the proposed price and without additional terms and conditions inconsistent with this MOU. Any such additional terms and conditions offered to proposing Contractors, not inconsistent with the terms of this MOU, shall be those customary to the public works marketplace in California and in Goleta, and offered at no additional cost.
- c. California Sales Tax (if applicable) will be added at the prevailing rate at time of invoicing.

#### **ARTICLE 4 - PAYMENT TERMS AND PRICE ESCALATION**

The DISTRICT agrees to include the proposed price for the System and the following payment terms in its invitations for bids on the Project:

1. *10 Percent of the sum set forth above upon PO issuance (to assist with procuring final supplier submittals)*
2. *25 percent of the sum set forth above on approval of all submittals of the System equipment.*
3. *30 percent of the sum set forth above when the System equipment is ready for shipment on a Schedule of Values basis. These payments will include payment for all equipment.*
4. *25 percent on installation of the System per an agreed to installation checklist. NTE 90 days from delivery of major equipment.*
5. *10 percent on successful completion of performance testing, submittal and approval of O&M manual, training of DISTRICT's employees and upon completion of the System and final acceptance of the System by the DISTRICT.*

*Payments terms are Net 30 days of submittal of invoices.*

*The partial payments set forth above shall be due only upon full and complete performance of each benchmark task listed above for all equipment and services required pursuant to the Technical specifications contained in the RFP and referenced in this Memorandum of Understanding.*

*A 5 percent retention will be withheld by DISTRICT from each of the payments listed above. Such 5 percent retention shall be provided to DISTRICT's Contractor for payment to the Supplier at the time of final payment as required by the contract documents and prevailing California law.*

*The Invitation for Bids shall allow for a price escalation for the System equal to increases in the Bureau of Labor Statistics (BLS) Producer Price Index if the DISTRICT's Contractor fails to order the equipment within ninety (90) days from award of the construction contract for the Project and Contractor shall be responsible for such costs.*

## ARTICLE 5 - TERMS AND CONDITIONS

1. The DISTRICT and/or the DISTRICT's Contractor will review accelerometer on the delivery truck, and visually inspect shipment(s) from the Supplier upon receipt at construction site to determine whether they conform to the requirements of this MOU. Notwithstanding these provisions for inspection, the Supplier acknowledges that the System is not reasonably subject to mere visual inspections to ascertain whether the equipment fully conforms to the applicable specifications and that testing after installation is required prior to final acceptance of the System. The DISTRICT's Contractor shall be required to schedule performance testing per the Technical Specifications with the assistance of the Supplier.
2. Operations Manual and Training: The Supplier shall be responsible to provide an operations and maintenance manual and training to the DISTRICT's employees as is set forth in the Technical Specification. All costs associated with provision of the operations and maintenance manual and employee training shall be included in the price set forth above.
3. Price Escalation: The costs included in this MOU shall remain in effect and are not subject to escalation for eighteen (18) months from the date of approval of the MOU by the DISTRICT's Governing Board, provided that once the DISTRICT awards a construction contract for the Project, the Supplier shall be subject to its agreement with the Contractor for maintaining the price of the System subject to the price escalator in the construction contract as addressed in Article 4 above.
4. Delivery of the System: The Supplier shall have the equipment ready to ship at the time agreed upon with the Contractor and delivery of the System shall be coordinated between the Supplier and the DISTRICT's Contractor so as to avoid storage and re-shipping of the System.
5. Warranty: The Supplier expressly warrants that the System shall conform to all Technical Specifications and final design. All equipment shall be new and of good merchantable quality, free from material defects of workmanship and fit for the purpose for which it is specified. For purposes of this warranty, any parts not meeting the foregoing quality shall be deemed defective. The Supplier provides warranties on all equipment provided as set forth in the Technical Specifications. The foregoing warranty provisions shall also be applicable to equipment or software supplied to the Supplier by a third party entity and provided to the DISTRICT's Contractor via this MOU. Any warranties provided by third party equipment or software suppliers shall be assigned to the DISTRICT after final acceptance as defined in the Technical Specifications.
6. Liens, Claims and Encumbrances: The Supplier warrants and represents that all the equipment when delivered will be free and clear of all liens, claims, encumbrances and infringements of any patents, trademarks, copyrights or franchise rights.
7. Independent Contractor: The Supplier, and the Supplier's employees or persons under contract to the Supplier in the performance of services on this MOU, including services provided on DISTRICT property, shall perform work as independent contractors. The Supplier shall provide insurance to cover its work and its employees as required by the DISTRICT's Contractor. Further, neither party to this MOU is the agent or legal representative of the other party for any purpose, nor shall the actions of either party under

this MOU create a partnership, joint venture, or relationship of principal and agent between the parties.

8. Indemnification: The Supplier agrees to indemnify, protect, hold harmless and defend the DISTRICT and its officers, directors, agents, employees, volunteers, and boards, Contractor and Design Engineer, from and against any and all claims, liabilities, demands, causes of action, fines, penalties, damages, costs and expenses, including but not limited to reasonable fees of attorneys and other professionals (collectively, "Claims"), whether arising before or after completion of the work hereunder, that arise directly to the negligence, recklessness, or willful misconduct of the Supplier or its officers, employees, agents, subconsultants, or any person under the Supplier's direction or control, except to the extent that such Claims are attributable to the sole negligence, active negligence or willful misconduct of the DISTRICT. Supplier shall also indemnify, protect, hold harmless and defend the DISTRICT and the DISTRICT's officers, directors, agents, employees, volunteers, boards, Contractor and Design Engineer from and against any and all Claims arising by reason of claimed infringements of any patents, trademarks, copyrights or franchise rights, in connection with or incident to or arising out of the performance of this MOU or the ownership and use of the System by the DISTRICT, unless the alleged infringement occurs as a result of any alteration or modification to the System by the DISTRICT or the use of the System in combination with the products or services of any party other than the Supplier. The provisions of this Section 8 shall survive any expiration or termination of this MOU.
9. Assignment: The Supplier shall not assign any of its obligations or responsibilities under this MOU, and no such assignment will be binding upon the DISTRICT or the DISTRICT's Contractor unless such assignment has had prior written approval of the DISTRICT, which approval shall not be unreasonably withheld, conditioned, or delayed. Failure to obtain approval of any assignment, including an involuntary assignment to creditors, shall constitute a breach of this MOU which may lead to termination. This Agreement shall be binding upon and shall inure to the benefit of any permitted successors and assigns of the parties hereto.
10. Jurisdiction: This MOU shall be administered and interpreted under the laws of the State of California, including but not limited to the Uniform Commercial Code, without regard to the conflict of laws provisions thereof. The United Nations Convention on the International Sale of Products will not apply. The jurisdiction for any litigation arising from this MOU shall be in the state of California, and its venue shall be in the County of Santa Barbara.
11. Modifications: No modification to this MOU, nor any waiver of any rights, shall be effective unless agreed to in writing by both parties.
12. Liquidated Damages: The DISTRICT's Contractor may include liquidated damages in its agreement with the Supplier to the extent that same are required of the DISTRICT's Contractor. The amount of such damages in the aggregate shall not exceed ten (10) percent of the total System contract price as listed in this MOU. Such damages shall only be applicable:
  - i. If directly related to the Supplier's failure, after Supplier's receipt of a ten (10) business day written notice and cure period, to deliver the System within the time period stipulated in Article 1 of this MOU, failure to support the startup of the

System, or failure of the System during the startup where any such failures result in a delay to the critical path of the construction Project schedule; or

- ii. If the System fails, after Supplier's receipt of a ten (10) business day written notice and cure period, to meet the Performance Guarantee requirements as determined by a Performance Test in accordance with the Specifications.

13. Notices: All notices under this MOU shall be in writing and shall be considered delivered and effective on the earlier of actual receipt or (i) the day following transmission if sent by facsimile when followed by written confirmation by overnight carrier or certified United States mail; or (ii) the day after dispatch if sent by private overnight carrier (e.g., Federal Express); or (iii) five (5) days after posting if sent by certified mail; or (iv) the day following transmission if sent by email. Notice shall be sent to the following persons:

**Supplier:**

Contact Name: Joshua Scott

Address: 100 N Laura St. Suite 601, Jacksonville, FL 32202

Phone: 904-819-9170

Fax:

E-mail: jscott@bcrinc.com

**Contractor:**

Contact Name:

Address:

Phone:

Fax:

E-mail:

**DISTRICT:**

Contact Name: Steve D. Wagner

Address: 1 William Moffett Place, Goleta, CA 93117

Phone: 805-967-4519

E-mail: swagner@goletasanitary.org

**Construction Manager:**

Contact Name: TBD

Address: TBD

Phone: TBD

E-mail: TBD

14. Severability: If any portion of this MOU is held invalid, the parties agree that such invalidity shall not affect the validity of the remaining portions of this MOU, and the parties shall seek in good faith to agree to substitute for the invalid provision a valid provision that most closely approximates its terms.
15. Waiver of Consequential Damages: Notwithstanding anything contained herein to the contrary, in no event shall Supplier, its affiliates, or directors, officers, shareholders, partners, members, employees, or agents be liable in any manner for incidental, consequential, or punitive damages, loss of profits, or business interruption. The waiver in this Section shall survive the expiration or earlier termination of this MOU.



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Title

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Title

**Approved as to Form:**

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Counsel for the District

**END OF SECTION**

# **AGENDA ITEM #4**

**AGENDA ITEM: 4**

**MEETING DATE: April 1, 2024**

**I. NATURE OF ITEM**

Consideration of Draft Ordinance No. 96 Increasing Board Member Compensation for Fiscal Year 2024-25

**II. BACKGROUND INFORMATION**

The District's Board members have been compensated at the rate of \$236.25 per meeting, with a maximum of six (6) meetings per month, since July 1, 2023. Health and Safety Code Section 6489 authorizes an increase in compensation for Board members in an amount not to exceed five percent (5%) for each calendar year following the operative date of the last adjustment. To approve an increase in compensation, the Board needs to (i) publish a notice of public hearing two times in the newspaper, (ii) hold a public hearing following publication of the notice, (iii) adopt an ordinance approving the compensation increase, and (iv) publish the ordinance in the newspaper. The compensation increase is effective 60 days after the adoption of the ordinance, unless the ordinance specifies a later effective date.

At its meeting on February 5, 2024, the Board directed District staff to schedule a public hearing relating to the increase in director compensation. At its meeting on February 21, 2024, the Board directed District staff to prepare a draft ordinance increasing compensation by the full 5% effective July 1, 2024, and to arrange for publication of the required notice. The public hearing was held at the March 18, 2024 meeting, and the notice was published as directed by the Board. A motion was made to continue the item for consideration at the April 1, 2024, Board meeting when all Board members are expected to be in attendance. As such, it is presented herein for a consideration by all Board members.

A 5% increase to the current compensation of \$236.25 per meeting would result in a revised compensation figure of \$248.06 ( $\$236.25 \times 1.05 = \$248.06$ ) per meeting.

**III. COMMENTS AND RECOMMENDATIONS**

A proposed ordinance providing for a change in director compensation of up to 5% is attached to this report. The ordinance provides for a revised compensation figure of \$248.06 per meeting.

If the Board wishes to approve a change, it should adopt Ordinance No. 96, subject to any changes that the Board deems appropriate. If the Ordinance is adopted, the change in compensation will become effective as of July 1, 2024.

**IV. REFERENCE MATERIAL**

Draft Ordinance No. 96

**ORDINANCE NO. 96**

**ORDINANCE OF THE GOVERNING BOARD  
OF THE GOLETA SANITARY DISTRICT  
ESTABLISHING DIRECTOR COMPENSATION**

**WHEREAS**, since July 1, 2023, members of the Governing Board of the Goleta Sanitary District (the “District”) have been compensated at the rate of \$236.25 per meeting, with a maximum of six (6) meetings per month, as authorized by Health and Safety Code Section 6489; and

**WHEREAS**, Health and Safety Code Section 6489 authorizes an increase in compensation for members of the Governing Board of an amount not to exceed five percent (5%) for each calendar year following the operative date of the last adjustment; and

**WHEREAS**, the Governing Board of the District wishes to increase the compensation payable to members of the Board, as set forth herein.

**NOW, THEREFORE, BE IT ORDAINED** by the Governing Board of the Goleta Sanitary District as follows:

- 1.** The compensation for members of the District’s Governing Board shall be increased from \$236.25 to \$248.06 per meeting, effective as of July 1, 2024.
- 2.** All ordinances, resolutions, regulations, policies, and Board actions in conflict with this Ordinance are hereby repealed.
- 3.** The Secretary of the District is hereby directed to enter this Ordinance in the minutes of the meeting at which it is adopted and to publish this Ordinance once in a newspaper of general circulation, as required by Health and Safety Code Section 6490.

**PASSED AND ADOPTED** this 1st day of April, 2024 by the following vote of the  
Governing Board of the Goleta Sanitary District:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

By: \_\_\_\_\_  
Edward Fuller, President  
of the Governing Board

**COUNTERSIGNED**

By: \_\_\_\_\_  
Robert O. Mangus, Jr., Secretary  
of the Governing Board

# **GENERAL MANAGER'S REPORT**

## **GOLETA SANITARY DISTRICT GENERAL MANAGER'S REPORT**

The following summary report describes the District's activities from March 19, 2024, through April 1, 2024. It provides updated information on significant activities under three major categories: Collection System, Treatment/Reclamation and Disposal Facilities, and General and Administration Items.

### **1. COLLECTION SYSTEM REPORT**

#### **LINES CLEANING**

Staff have been conducting priority lines cleaning throughout the District. Staff have also been conducting routine lines cleaning in the area of Cathedral Oaks and N. San Marcos Roads.

#### **CCTV INSPECTION**

Staff has also been conducting routine Closed-Circuit Television (CCTV) inspections in the area of N. San Antonio Rd. and Calle Real.

#### **REPAIR AND MAINTENANCE**

Staff raised two manhole frames and covers that had damaged risers, one on Muirfield Dr. and the other on Barrington Dr.

Staff replaced seals in both CUES CCTV inspection camera light heads as well as two new light bulbs in one of the camera heads.

#### **SEWER MAIN EXTENSION**

Construction has started on Calle Real and N. Kellogg Ave. for the new sewer main extension and private sewer lateral that will serve the Goleta Neighborhood Clinic at 5582 Calle Real, operated by Santa Barbara Neighborhood Clinics (SBNC). This is an SBNC project, staff will inspect the sewer mains, manholes, and lateral installation. The 358 feet of 8-inch sewer pipe and two manholes that are being constructed will become District facilities following inspection by staff and project completion.

#### **APPOINTMENT OF NEW COLLECTION SYSTEM SUPERVISOR**

Braden Stribling has been promoted to the position of Collection System Supervisor.

#### **INTERNAL RECRUITMENT FOR COLLECTION SYSTEM MAINT TECH II (CSMT II)**

A Notice of Internal Recruitment has been distributed to District staff for the CSMT II position, previously held by Braden Stribling. The deadline to submit an application was Wednesday, March 27, 2024, at 5:00 p.m.

#### **COLLECTION SYSTEM MAINTENANCE TECH I RECRUITMENT (CSMT I)**

A Conditional Offer of Employment letter has been signed by an applicant for the CSMT I position. The pre-employment physical and drug tests results are pending.

### **2. TREATMENT, RECLAMATION AND DISPOSAL FACILITIES REPORT**

Plant flows for the month of March 2024 averaged 6.21 million gallons a day. The Reclamation Plant's new sample pumps for the filtered water have been installed. The

Reclamation Plant will be put back online the beginning of April 2024 due to turbidity issues in the month of March 2024.

All unconditional waivers for the Influent Pump Station Rehabilitation Project have been received. The final release of retention is being processed for payment, formally closing out the project.

Installation of the new laser flow meter for the influent line postponement continues until the higher storm-related flows recede. It will be calibrated once installed.

Construction of the Biosolids and Energy (BESP) Phase 1 project continues. Current construction activities include the construction of new underground electrical duct banks and the installation of new conduits in the Power and Maintenance Building to feed Digester #4 and the Combined Heat and Power unit.

The Reclamation Plant and the final effluent Chlorine Contact Chamber have been cleaned by the operations staff. The maintenance staff continue to work on the preventative maintenance and projects around the Plant.

## **GENERAL AND ADMINISTRATIVE ITEMS**

### **Financial Report**

The District account balances as of April 1, 2024, shown below, are approximations to the nearest dollar and indicate the overall funds available to the District at this time.

Operating Checking Accounts:	\$ 618,607
Investment Accounts:	<u>\$ 35,271,332</u>
Total District Funds:	\$ 35,889,939

The following transactions are reported herein for the period 03/19/24 – 04/01/24

Regular, Overtime, Cash-outs, and Net Payroll:	\$ 133,227
Claims:	\$ 265,464
Total Expenditures:	\$ 398,691
Total Deposits:	\$ 1,923,155

Transfers of funds:

LAIF to Community West Bank Operational (CWB):	\$ - 0 -
CWB Operational to CWB Money Market:	\$ 1,000,000
CWB Money Market to CWB Operational:	\$ - 0 -
CWB Operational to CA-Class Investment Account	\$ - 0 -
CA-Class Investment Account to CWB Operational	\$ - 0 -

The District's investments comply with the District's Investment Policy adopted per

Resolution No. 16-606. The District has adequate funds to meet the next six months of normal operating expenses.

**Local Agency Investment Fund (LAIF)**

LAIF Monthly Statement – Previously submitted.  
LAIF Quarterly Report – Previously submitted.  
PMIA/LAIF Performance – Previously submitted.  
PMIA Effective Yield – Previously submitted.

**CA-Class Investment Account**

CA-Class Investment Account – Previously submitted.

**Community West Bank (CWB)**

CWB Money Market and ICS Accounts – Previously submitted.

**Deferred Compensation Accounts**

CalPERS 457 Deferred Compensation Plan – Previously submitted.  
Lincoln 457 Deferred Compensation Plan – Previously submitted.

**Personnel Update**

A verbal update will be provided at the meeting.

**Annual Planning Meeting Date to be determined**

The annual planning meeting date was originally scheduled for March 20, 2024, then moved to March 27, 2024, then moved to April 2, 2024. Unfortunately, not all Board members are available on April 2, 2024, so we are looking to confirm a Wednesday, April 10, 2024 meeting date.

**DISTRICT  
CORRESPONDENCE**  
**Board Meeting of April 1, 2024**



- | <b><u>Date:</u></b> | <b><u>Correspondence Sent To:</u></b>  |
|---------------------|--|
| 1. 03/20/2024       | Catherine Salzgeber<br><b>Subject:</b> Sewer Service Availability<br>Proposed Connection of One Existing Single-Family Residence<br>A.P.N. 065-250-046 at 1449 Anderson Lane, Santa Barbara, CA  |
| 2. 03/20/2024       | Terrance & Ann Cedar Trust<br><b>Subject:</b> Sewer Service Availability<br>Proposed Connection of Eight Multi-Family Residences<br>A.P.N. 065-250-033 at 1185 Anderson Lane, Santa Barbara, CA  |
| 3. 03/21/2024       | Steve Welton<br>Susanne Elledge Planning & Permitting Services, Inc.<br><b>Subject:</b> Sewer Service Availability<br>Proposed Sewer Service Connection for a proposed project of 360 multi-family residential apartments in 3 and 4-story building with parking, landscaping, drainage improvements, and residential amenities.<br>A.P.N. 067-230-026, A.P.N. 059-140-004 at 149 N. San Antonio Rd.,<br>A.P.N. 059-140-005 at 4678 Calle Real, A.P.N. 059-140-006,<br>Santa Barbara, CA |

- | <b><u>Date:</u></b> | <b><u>Correspondence Received From:</u></b>   |
|---------------------|---|
| 1. 03/19/2024       | Community West Bank<br>Martin E. Plourd, CEO and Director of Community West Bank<br><b>Subject:</b> Community West Bank Merger with Central Valley Community<br>Final on April 1, 2024.   |
| 2. 03/19/2024       | Betsy M. Schaffer, CPA, CPFO<br>Auditor-Controller<br>Office of the Auditor-Controller<br>County of Santa Barbara<br><b>Subject:</b> Fiscal Year (FY) 2023-2024 Property Tax Administration Fees<br>(SB 2557)                                   |
| 3. 03/19/2024       | Betsy M. Schaffer, CPA, CPFO<br>Auditor-Controller<br>Office of the Auditor-Controller<br>County of Santa Barbara<br>Board of Supervisors Agenda Letter<br><b>Subject:</b> Property Tax Administrative Cost Recovery for FY 2023-24<br>(SB2557) |

***Hard Copies of the Correspondence are available at the District's Office for review***