

**MINUTES OF THE REGULAR MEETING  
of the  
BOARD OF DIRECTORS  
of the  
MONTECITO SANITARY DISTRICT**

**February 9, 2015**

**1. CALL TO ORDER**

The Governing Board of the MONTECITO SANITARY DISTRICT convened a regular meeting at 1:15 p.m. on February 9, 2015 at 1042 Monte Cristo Lane, Montecito, California.

**ATTENDANCE**

**Present:** Directors Thomas Kern, Jeff Kerns, Judith M. Ishkanian, Warner B. Owens, and Bob Williams

**Also Present:** Diane M. Gabriel, MSD General Manager/District Engineer  
Toni M. McDonald, MSD District Administrator  
Alex Alonzo, MSD Operations Manager  
Carole Rollins, MSD Laboratory/Pretreatment Manager  
Ricardo Larroude, MSD Collections Supervisor  
Daniel Jacquez, MSD Chief Plant Operator

Bob Hazard – *Montecito Journal* and Resident

**2. APPROVAL OF MINUTES OF THE LAST MEETING**

The minutes of January 12, 2015 were included in the agenda packet.

On MOTION by Director Kern and second by Director Williams, the Board approved unanimously without abstention the minutes of January 12, 2015.

**3. APPROVAL OF PAYROLL AND PAYABLES**

On MOTION by Director Kern and second by Director Kerns, the Board approved unanimously without abstention these payroll and accounts payable expenses from January 12, 2015 through February 9, 2015:

|                              |                   |
|------------------------------|-------------------|
| Accounts Payable Expenses    | \$ 116,850.90     |
| Payroll and Related Expenses | <u>178,598.24</u> |
| Total Expenses               | \$ 295,449.14     |

**4. PUBLIC COMMENT**

Bob Hazard reported on a meeting that he had with the Montecito Water District and their proposed rate increase. He reported that this discussion led into further discussions about water independence for Montecito and some proposed solutions such as desalination and recycled water. Mr. Hazard also mentioned that the Montecito Association is planning on forming a “Water Committee” to serve as an advisory committee to Montecito constituents concerning water issues.

**5. OLD BUSINESS**

None

**6. NEW BUSINESS**

**A. ANNUAL REPORT TO THE REGIONAL WATER QUALITY CONTROL BOARD**

The National Pollution Discharge Elimination System (NPDES) annual report was included in the agenda packet as Exhibit A. General Manager Gabriel introduced Laboratory and Pretreatment Manager Carole Rollins, who went over the report in detail. Ms. Rollins answered questions from the Board regarding some of the graphs. Ms. Rollins also discussed the July 2014 Benthic Sediment Study performed by Aquatic Bioassay Consulting Labs (ABC Labs). The NPDES permit requires this Benthic Sediment study to be performed once during each five year permit cycle to assess the impact of treated wastewater effluent on the ocean environment. Samples were taken at four offshore locations in the vicinity of the MSD outfall. After examining the physical, chemical, and biological characteristics of the sediment samples, ABC Labs concluded there were no adverse effects from the outfall.

Operations Manager Alex Alonzo introduced Rico Larroude, Collections Supervisor, who presented an overview of the Collection System Maintenance 2014 accomplishments and goals for 2015.

ACTION: None

**B. OCEAN OUTFALL – ANNUAL INSPECTION**

Laboratory and Pretreatment Manager Rollins presented a summary of the Ocean Outfall Pipeline Exterior inspection that was completed by Hughes Commercial Diving on October 28, 2014. This inspection identified no defects or issues with the outfall pipeline and confirmed that all ten diffusers were functioning properly.

ACTION: None

**C. CONTINUING DISCLOSURE ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2014**

The Continuing Disclosure Annual Report for Fiscal Year Ending June 30, 2014 was included in the agenda packet as Exhibit B. District Administrator McDonald explained this report is a required reporting component of the District's Certificate of Participation (COP) bond obligation. Ms. McDonald reported the Continuing Disclosure Annual Report summarizes Fiscal Year 2013-14 financial information and operating data. This report will be provided to the Electronic Municipal Market Access (EMMA) along with the Audited Financial Statements for Fiscal Year 2013-14, in compliance with Rule 15c2-12 of the Securities Exchange Act of 1934.

ACTION: Staff

**D. ADMINISTRATION AND OPERATIONS (A&O) COMMITTEE REPORT**

General Manager Gabriel reported on recent A&O Committee member and staff site visits.

On January 22<sup>nd</sup> Directors Owens and Kerns accompanied General Manager Gabriel and other MSD staff to West Basin Municipal Water District. In Redondo Beach they visited the Desalination Demonstration Facility and in El Segundo they visited the Recycled Water Facility. Director Owens remarked that he was able to drink recycled water at West Basin.

On February 5<sup>th</sup> Directors Owens and Kerns accompanied General Manager Gabriel and other MSD staff to the Santa Paula Wastewater Treatment Facility, which is run by PERC Water.

On January 26<sup>th</sup> Director Owens and General Manager Gabriel met with Montecito Water District (MWD) Board President Bierig and General Manager Mosby at the MWD.

On February 4<sup>th</sup> Director Owens and General Manager Gabriel met again at MWD with Ms. Bierig, Mr. Mosby, Fred Gluck, and Phil Bernstein.

General Manager Gabriel announced the Committee's tentative schedule for completion of the site plan study and their goal to present findings to the Board in late April.

ACTION: Staff

**E. INFORMATION ITEMS**

- Directors Ishkanian and Williams reported on the California Association of Sanitation Agencies (CASA) 2015 Winter Conference and that they will create a written summary for the Board.
- District Administrator McDonald reported on the California Sanitation Risk Management Authority (CSRMA) seminar at the CASA 2015 Winter Conference and that the Board will need anti-harassment training on a biannual basis.

- Board Members returned completed Form 700 to District Administrator to file with the County Elections Division.
- Director Ishkanian reported on the SBCSDA meeting in January and that the next meeting is February 23rd and the speaker is Mike Brown, former CEO of County of Santa Barbara.
- The 2014 Annual Financial Report of CSRMA was distributed.

**F. AGREEMENTS SIGNED**

584 Freehaven Drive – Existing Guesthouse

**7. OPERATIONS AND MAINTENANCE**

The Board reviewed the information in the agenda packet.

**8. ITEMS FOR THE NEXT AGENDA**

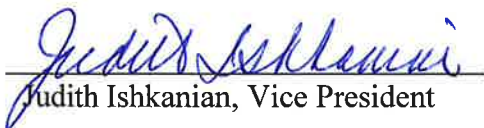
Ongoing recycle/desalination discussion

**9. ADJOURNMENT**

There being no other business, on MOTION to adjourn by Director Williams and second by Director Ishkanian, the MOTION passed unanimously without abstention and the meeting adjourned at 3:00 p.m.



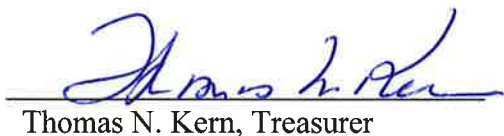
Warner B. Owens, President



Judith Ishkanian, Vice President



Jeff Kerns, Secretary



Thomas N. Kern, Treasurer



Robert Williams, Director