

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

March 9, 2015

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT convened a regular meeting at 1:15 p.m. on March 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
Janet McGinnis, Legal Counsel

Bob Hazard – *Montecito Journal* and Resident
Vicki Hazard – Resident
Maurice Singer – Resident
Philip Bernstein – Resident
Leon Bartholomew – Resident
Fred Gluck – Resident

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of February 9, 2015 were included in the agenda packet.

On MOTION by Director Williams and second by Director Kern, the Board approved unanimously without abstention the minutes of February 9, 2015.

3. APPROVAL OF PAYROLL AND PAYABLES

On MOTION by Director Kern and second by Director Ishkanian, the Board approved unanimously without abstention these payroll and accounts payable expenses from February 10, 2015 through March 9, 2015:

Accounts Payable Expenses	\$ 68,839.94
Payroll and Related Expenses	<u>171,233.60</u>
Total Expenses	\$ 240,063.54

4. PUBLIC COMMENT

Mr. Fred Gluck reported for a group of individual Montecito residents whom initiated a study with PERC Water. For \$100,000 PERC Water is creating a thirty percent design study of a desalination plant on the Montecito Sanitary District property. Mr. Gluck stated that the group of residents funding the study are not advocating a desalination plant is a total solution to the water resource issues, but that it could be a viable alternative. He asked the Board to add this topic as an agenda item in the future to have more discussion.

Mr. Phil Bernstein stated that the completed study will be given to the Montecito Sanitary District and Montecito Water District boards of directors.

5. OLD BUSINESS

None

6. NEW BUSINESS

A. TREATMENT PLANT SITE PLAN STUDY UPDATE/ADMINISTRATION AND OPERATIONS COMMITTEE

General Manager Gabriel discussed a draft site plan that highlights the approximate dimensions of the two acres of land that the Water District has requested for the possible siting of a desalination facility.

Ms. Gabriel reported that she, Operations Manager Alonzo, and Maintenance Supervisor Larroude will attend a water reuse seminar later this month. Attendance should be informative and help staff obtain information that will be useful to determine the technology and space requirements for a direct potable reuse (DPR) facility, which was requested in the Water District's January 9, 2015 letter.

Ms. Gabriel suggested that the Board consider notifying property owners along Monte Cristo Lane about the Water District's request to site a desalination plant on the MSD treatment plant site. This notice and the details of the draft site plan will be discussed at the next Administration and Operations Committee meeting.

The Administration and Operations Committee agreed to meet March 23, 2015 at 1:15 p.m.

ACTION: Staff

B. FISCAL YEAR 2015-2016 SEWER SERVICE CHARGE REVENUE UPDATE/FINANCE COMMITTEE

District Administrator McDonald reported calendar year 2014 commercial and institutional water use information has been obtained from Montecito Water District (MWD). This information is used to calculate the FY 2015-16 sewer service charges for the District's commercial and

institutional customers. Ms. McDonald stated that the annual historic high potable water usage (over the course of the previous five years) is an important component of the commercial/institutional rate structure. As the high water use years fall out of the five year window there will show a sharp decrease in revenues from the commercial/institutional customers if the rates are not adjusted.

Ms. Gabriel stated that it is necessary to pursue a new rate study to look at the District's current rate structure to ensure revenues do not reflect a drastic decline due to reduced water usage by commercial/institutional customers.

The Finance Committee agreed to meet the week of March 23rd to discuss a sewer service charge rate study for a possible rate adjustment in FY 2016 - 17, and will be notified by staff of the date and time.

ACTION: Staff

C. COUNTY OF SANTA BARBARA LONG TERM SUPPLEMENTAL WATER SUPPLY ALTERNATIVES REPORT

General Manager Gabriel reported on the February 26th Regional Planning Partner meeting conducted by RMC, Santa Barbara County's consultants hired for \$500,000 to look at county-wide water supplies through year 2040. Some of the data presented by RMC was in direct conflict with the information provided to the District by MWD.

Specifically, the January 9, 2015 letter from MWD states that "MWD is not considering the use of the existing MSD treated effluent outfall for the brine conveyance." The RMC draft report indicates that MWD would use the MSD ocean outfall for brine disposal.

Ms. Gabriel reported that she has notified RMC of these discrepancies and requested that RMC speak directly to MWD General Manager Mosby for clarification.

ACTION: None

D. MONTECITO WATER DISTRICT – SPECIAL OPERATIONS COMMITTEE

Ms. Gabriel attended a Special Operations Committee meeting of MWD on March 5th and reported on the agenda item to discuss Proposition 1 and Other State Grants specific to the funding of wastewater recycling and desalination. Ms. Gabriel reported that MWD has put on hold its plans for "emergency desalination," as it has acquired enough water for two years. MWD would now like to discuss recycled water as a project going forward. The Carpinteria Water District and Carpinteria Sanitary District have successfully applied for a grant to fund a portion of a "Facilities Planning Study" for recycled water. MWD will discuss the possibility of applying for similar funding for a recycled water facilities planning study at its next Board meeting, March 17th.

ACTION: None

E. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

The Board met in closed session with legal counsel to discuss whether to initiate one litigation. The District has issued a notice to a property owner to remove obstructions in a sewer easement and requested compliance with a related license affecting the property. Gov. Code, § 54956.9(d)(2).

Upon returning to open session, Ms. Janet McGinnis, District Legal Counsel, reported that a unanimously passed motion had been made by Director Williams and seconded by Director Ishkanian authorizing her to reject the settlement offer from the property owner and to initiate litigation if compliance with the District's notice to remove the encroachment in the easement is not obtained by April 21, 2015.

ACTION: Staff, Legal Counsel

F. INFORMATIONAL ITEMS

- District Administrator McDonald reported on the California Special Districts Association (CSDA) Board Secretary/Clerk training she attended February 12-13 in San Diego.
- Director Ishkanian handed out a report she and Director Williams created highlighting their attendance at the CASA Winter Conference.
- Director Ishkanian reported that the SBCSDA meeting February 23rd featuring speaker Mike Brown, former CEO of County of Santa Barbara, was poorly attended. The next meeting will be March 23rd at Glen Annie Golf Course with Derek Carlson from MARBORG as the speaker.
- Director Ishkanian notified the Board that the CSDA Board of Directors has called for nominations for one vacant seat for the Coastal Network.

G. AGREEMENTS SIGNED

None

7. OPERATIONS AND MAINTENANCE

The Board reviewed the information in the agenda packet.

8. ITEMS FOR THE NEXT AGENDA

- 1) The Board requested that the District Administrator brief the Board on the Errors and Omissions Insurance for the District/ Board of Directors
- 2) The Board considered Mr. Gluck's request to create an agenda item to discuss the PERC study. After some discussion it was agreed that it would be premature to have this as an agenda item


without completed information from MWD and its consultant RBF regarding the feasibility of a seawater intake and an ocean outfall for brine disposal near the MSD site.

9. **ADJOURNMENT**

There being no other business, on MOTION to adjourn by Director Ishkanian and second by Director Kern, the MOTION passed unanimously without abstention and the meeting adjourned at 4:06 p.m.



Warner B. Owens, President


Judith Ishkanian, Vice President

Jeff Kerns, Secretary



Thomas N. Kern, Treasurer



Robert Williams, Director

