

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

**March 13, 2017**

**1. CALL TO ORDER**

The Governing Board of the MONTECITO SANITARY DISTRICT convened a regular meeting at 1:15 p.m. on March 13th 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  
Carrie Poytress, MSD Engineering Manager  
Donna Senaur, Montecito Resident

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

The minutes of February 13, 2017 were included in the agenda packet.

On MOTION by Director Kern and second by Director Kerns, the Board approved unanimously without abstention the minutes of February 13, 2017.

**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 13, 2017 through March 13, 2017:

Accounts Payable Expenses	\$ 132,330.95
Capital Improvement	109,342.43
Payroll Expenses	<u>162,523.95</u>
 Total Expenses	 \$ 404,197.33

**4. PUBLIC COMMENT**

None.

**5. OLD BUSINESS**

**A. MONTECITO WATER REUSE**

Director Ishkanian and Engineer Poytress spoke about AB574, which defines four levels of potable reuse based on treatment: (1) potable reuse through groundwater augmentation; (2) potable reuse through reservoir augmentation; (3) potable reuse through raw water augmentation; and (4) potable reuse through treated water augmentation.

Engineer Poytress reported on the recent Montecito Water District meeting, and MWD's intent for its Urban Water Management plan to be ready for MWD Board review in April 2017.

ACTION: None

**6. NEW BUSINESS**

**A. FINANCE COMMITTEE REPORT**

Director Kern reported on the Finance Committee meetings of February 13, March 3, and March 10 regarding the refunding of the 2007 Certificates of Participation (COPs).

The Committee agreed to engage Saul Rosenbaum of Prager & Co. as the underwriters on the refunding team. The Committee also reviewed and approved the five year historic and five year projected District revenue and expenditure report required for the Preliminary Official Statement. At these meetings, the Committee discussed the feasibility of buying down a portion of the debt and shortening the term from ending in 2037 to ending in 2030. Jim Fabian of Fieldman Rolapp provided revised analysis with this option, and the Committee agreed that this would achieve the greatest long term savings.

Director Kern noted the key dates related to refunding are the Board meetings of March 27th and April 10th: the Board will be asked to approve releasing \$1.3M to \$1.5M of available unrestricted cash to buy down the COP debt to shorten the debt service by seven years (from 2037 to 2030) in March and in April, it will be asked to approve documents for the refunding, a Resolution authorizing refunding, and the distribution of the Preliminary Official Statement.

ACTION: None

**B. DEBT MANAGEMENT POLICY**

SB1029 requires an agency issuing debt to adopt local debt policies. The Board reviewed a proposed Debt Management Policy with SB1029's required provisions.

On MOTION by Director Kern and second by Director Ishkanian, the Board approved unanimously without abstention the District's Debt Management Policy as presented.

ACTION: Staff

**C. SIERRA VISTA SEWER MAIN EXTENSION PROJECT**

Engineer Poytress reported on the bids received for the Sierra Vista Sewer Main Extension Project and that the lowest bid was from Tierra Contracting.

General Manager Gabriel reminded the Board of the process for potentially completing this mainline extension. The four properties involved will receive letters explaining their portion of the expense and will be given the option to pay upon completion of the project or to defer payment (plus accrued interest) until when the property asks for connection. The property owners' decisions are needed by April 14th. At its May 8th meeting, staff will report the properties' decisions and the Board will consider whether or not to award the contract.

ACTION: Staff

**D. FACILITIES STORM REPORT**

Operations Manager Alonzo spoke of the recent rain storms' effect on the facilities and staff's identification of four ways to improve future rain response:

- Identify properties with ponds draining excess water to the sewer.
- Divert wastewater in other parallel lines to avoid overflows in areas close to spill level.
- Lift Station No. 4 needs three new pump impellers to increase its efficiency.
- Channel Drive entrance to the treatment plant needs to be resurfaced and a swale constructed to avoid pooling.

ACTION: None

**E. CSDA LEGISLATIVE DAYS**

Director Ishkanian requested to attend the CSDA Legislative Days in Sacramento to represent the District. She is the past president of the local CSDA chapter. After discussion, Director Ishkanian withdrew her request.

**F. INFORMATION ITEMS**

Director Ishkanian reported on the February 27th meeting of the SBCCSDA with County Emergency Services and that the next meeting (March 27th at Glen Annie) will feature a guest speaker representing the County Air Pollution Control District.

ACTION: None

**G. AGREEMENTS SIGNED**

665 Buena Vista Avenue – Garage with Bathroom  
145 Tiburon Bay Lane – Cabana and Barn  
735 Ashley Road - Cabana

**7. OPERATIONS AND MAINTENANCE**

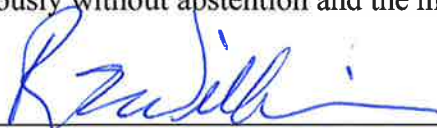
The Board reviewed the information in the agenda packet.

**8. ITEMS FOR THE NEXT AGENDA**


The next meeting is March 27, 2017. The Finance Committee will report on progress of refunding of the Certificates of Participation (COPs) and will recommend use of cash to buy down some COP debt. The Board will consider approving the purchase of new impellers for Lift Station No. 4.

**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 3:10 p.m.



Bob Williams, President

  
Judith Ishkanian, Vice President

Warner B. Owens, Secretary



Thomas N. Kern, Treasurer



Jeff Kerns, Director

