

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

July 13, 2015

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on July 13, 2015 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

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

Absent: Director Jeff Kerns

Also Present: Diane M. Gabriel, MSD General Manager/District Engineer
Toni M. McDonald, MSD District Administrator
Alex Alonzo, MSD Operations Manager

Charles Newman, Director, Montecito Water District
Sandra Owens, Resident

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of June 8, 2015 were included in the agenda packet.

On MOTION by Director Williams and second by Director Ishkanian, the Board approved unanimously without abstention the minutes of June 8, 2015.

3. APPROVAL OF PAYROLL AND PAYABLES

On MOTION by Director Kern and second by Director Williams, the Board approved unanimously without abstention these payroll and accounts payable expenses from June 9, 2015 through July 13, 2015:

Accounts Payable Expenses	\$ 245,763.01
Payroll and Related Expenses	<u>215,687.75</u>
Total Expenses	\$ 461,450.76

4. PUBLIC COMMENT

Mr. Charles Newman introduced himself as the newest director on the governing board of the Montecito Water District, and stated he looks forward to learning more about the Montecito Sanitary District.

5. OLD BUSINESS

A. Fiscal Year 2015-16 Approved Operations and Maintenance Budget

The June 8, 2015 approved Operations and Maintenance Budget for Fiscal Year 2015-2016 was included with the agenda packet and reviewed. The Board was informed that it will receive quarterly status reports.

B. Fiscal Year 2015-16 Approved Capital Program Budget

The June 8, 2015 approved Capital Program Budget for Fiscal Year 2015-2016 was included with the agenda packet and reviewed. Many of these projects will come before the Board for authorization to advertise for bids, for consideration of award of contract, and for issuance of a notice of completion. The Board was informed that it will receive quarterly status reports.

C. Fiscal Year 2015-16 Approved Revenue Projections

The June 8, 2015 approved revenue projections for Fiscal Year 2015-2016 were included with the agenda packet and reviewed. The Board was informed that it will receive quarterly reports of revenues.

6. NEW BUSINESS

A. Annual Sewer Service Charge Hearing to Collect Sewer Service Charges on the County Tax Roll – Resolution No. 2015-894

President Owens announced that it was the time and place for the annual hearing and decision whether the District's sewer service charges for fiscal year 2015-16 should be placed on the county tax roll for collection as allowed under Ordinance 6.

No member of the public asked to speak at this hearing.

President Owens asked the District Administrator if the District had received any written or oral objections or protests by the owners of a majority of the parcels described in the report and learned that none had been received.

President Owens reported that a letter sent in June to all properties applying for a new sewer connection during the past fiscal year had informed these property owners of the District policy to collect the annual sewer service charges by means of the county tax roll and the annual hearing date. The Notice of Hearing had been published in the *Santa Barbara News-Press* on June 15th and June 22nd and a Service Charge Report (listed under Assessor Parcel Numbers – APN) has been and remains available for inspection to advise an interested person of the service charge for a property in fiscal year 2015-16.

District Administrator McDonald verified that the Affidavit of Mailing of the Notices of the Hearing to new customers had been signed by Board Secretary Kerns and that a Statement of the Secretary certifying that the service charge report was in order was ready to be signed.

President Owens called for the adoption of Resolution No. 2015-894 directing the filing with the County Auditor of the Report of Sewer Service Charges for Fiscal Year 2015-16 which shall be placed on and collected by means of the county tax roll.

Upon MOTION by Director Williams and second by Director Ishkanian to adopt Resolution No. 2015-894, the MOTION passed on the following roll call vote:

AYES: Kern, Williams, Owens, Ishkanian

NAYS: None

ABSENT: Kerns

ACTION: Staff

President Owens closed the hearing and resumed business pursuant to the agenda.

B. Public Information Committee Meeting Report

The Public Information Committee reported on its meeting of June 15th with Sheri Benninghoven of SAE Communications. Director Williams explained the meeting's purpose was to determine how the District might educate the public about its position on recycled water and that Ms. Benninghoven had outlined a long range plan that may be unnecessary at this time.

Director Ishkanian reported that an August 24th workshop with Earle Hartling of Sanitation Districts of Los Angeles County would be an opportunity for the Board to become better informed about recycled water and to obtain information to disseminate to the public.

Director Williams suggested monitoring the public's perception of the District before deciding what to do. He and Director Ishkanian discussed using District newsletters for education.

In response to Director Williams's inquiry about the status of the Dudek Groundwater Study, General Manager Gabriel reported that Dudek is rewriting its initial report to include information about Montecito.

General Manager Gabriel asked if the Montecito Association Water Committee should be invited to attend the August 24th Recycled Water Workshop with Earle Hartling. The Board agreed that this invitation would be appropriate.

C. Administration and Operations (A&O) Committee Meeting Report

President Owens reported on the joint A&O meeting of July 1st with the Montecito Water District Operations Committee and complimented District staff on their tour which had started the meeting. He wants joint meetings to occur more frequently, because they have unrealized potential.

General Manager Gabriel reported that MWD representatives had asked about recycling water opportunities but did not disclose MWD's recent inquiries of the City of Santa Barbara about using city recycled water and did not disclose RBF Consulting's proposed use of an "existing outfall" for a proposed desalination project. RBF and MWD have never specified which existing outfall is of interest in their study.

D. Finance Committee Request for Meeting

The Committee requested direction whether to add tertiary treatment to the scope of services for Water Consultancy's assessment of "Costs of Services."

Director Williams opined that it is timely to analyze rate effects of tertiary treatment. The Board agreed to add this element to the scope of the study; therefore, the rate study shall include the costs of current treatment and current treatment with added tertiary treatment. The Finance Committee will meet before the next Board meeting to develop more information about the cost of the study to present to the Board for approval.

E. Information Items

- Directors reported on the SBCSDA June 22nd dinner meeting, and thanked all board members who attended.
- Director Ishkanian reported that the July 27th SBCSDA meeting will be at Alan Hancock College.
- Director Owens reported that he had sat through the Montecito Water District's board interviews and election and opined that the entire process was open and done very well.
- Information about the CASA Conference in San Diego on August 19 - 21 was distributed. Directors Williams and Owens expressed interest in attending.
- Information about candidates for the CSDA 2015 Board was distributed. Director Ishkanian will report on these candidates at the July 27th meeting.

F. Agreements to be Signed

590 Freehaven Drive – private pumping station and force main building sewer

7. OPERATIONS AND MAINTENANCE

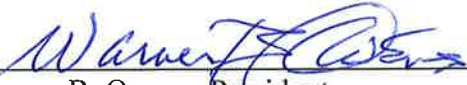
The Board reviewed the information in the agenda packet.

8. ITEMS FOR THE NEXT AGENDA


- Ordinance No. 14 – Compensation of Directors as approved June 8, 2015
- Quarterly review of FY2014-15 fourth quarter
- Finance Committee Meeting Report
- CSDA election information

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 3:00 p.m.




Warner B. Owens, President




Judith Ishkanian, Vice President



Jeff Kerns, Secretary



Thomas N. Kern, Treasurer



Robert Williams, Director