

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

**July 27, 2015**

**1. CALL TO ORDER**

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on July 27, 2015 at 1042 Monte Cristo Lane, Montecito, California.

**ATTENDANCE**

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

**Absent:** None

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

**2. PUBLIC HEARING**

A public hearing regarding the proposed adoption of Ordinance No. 14, Establishing Directors' Compensation, was placed on today's agenda as required by the Health and Safety Code section 6489, and pursuant to Water Code sections 20200 et. Seq. Notice of this public hearing was published twice in the News Press – July 13, 2015 and July 20, 2015. Proofs of the publication are available for public review and are kept in the District's files.

President Owens called the public hearing to order. No member of the public was present for the hearing, nor did anyone contact the office to make a statement, pro or con, on the proposed adoption of the new ordinance establishing the Directors' compensation.

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

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

The minutes of July 13, 2015 were included in the agenda packet.

On MOTION by Director Williams and second by Director Kern, the Board approved the minutes of July 13, 2015 as follows:

AYES: Kern, Williams, Owens, Ishkanian

ABSTAIN: Kerns

**4. APPROVAL OF PAYROLL AND PAYABLES**

On MOTION by Director Ishkanian and second by Director Kerns, the Board approved unanimously without abstention these payroll and accounts payable expenses from July 13, 2015 through July 27, 2015:

Accounts Payable Expenses	\$ 38,302.25
Payroll and Related Expenses	<u>72,333.97</u>
Total Expenses	\$ 110,636.22

5. **PUBLIC COMMENT**

None

6. **OLD BUSINESS**

A. **Repeal of Ordinance No. 11 and Adoption of Ordinance No. 14 – Compensation of Directors**

General Manager Gabriel reported a 5% increase in Directors' compensation was approved by the Board of Directors at the May 11, 2015 regular meeting.

Following discussion, President Owens called for the adoption of Ordinance No. 14 Establishing Directors' Compensation, effective sixty days from adoption. Upon MOTION by Director Williams and second by Director Kern to adopt Ordinance No. 14, the MOTION passed on the following roll call vote:

AYES: Kern, Williams, Owens, Kerns, Ishkanian

NAYS: None

ABSENT: None

ACTION: Staff

7. **NEW BUSINESS**

A. **FINANCE COMMITTEE MEETING REPORT**

Director Kern and Director Williams reported on the Finance Committee meeting of July 22, 2015. Water Consultancy of Ventura has been selected to study the District's Cost of Services. Their approximately \$40,000 proposal includes the optional rate-payer cost of treating to tertiary standards as requested by the Board. Water Consultancy will finish the study prior to the end of calendar year 2015, allowing time for Proposition 218 hearings to be held in spring of 2016, and any modified rates to be implemented in Fiscal Year 2016-17.

The Water Consultancy contract will be presented to the Board for approval at the next Board meeting.

ACTION: None

B. **Fiscal Year 2014-15 Capital Improvement Projects – Certificates of Participation (COPs) Status Report through June 30, 2015**

Director Kern reported on the status of the COP funds as of the end of the fiscal year 2014-15.

ACTION: None

**C. Operations and Maintenance (O&M) Budget Status Report through June 30, 2015**

Director Kern reported on the year to date O&M expenditures as of the end of fiscal year 2014-15.

ACTION: None

**D. Quarterly Investment Report-June 30, 2015**

Director Kern discussed the changes in the investment accounts for the quarter ending June 30, 2105.

ACTION: None

**E. Quarterly Investment Policy Statement – June 30, 2015**

Director Kern, as Treasurer, certified the statement required by District investment policy for the quarter ended June 30, 2105.

ACTION: None

**F. CSDA Directors 2015 Election**

Director Ishkanian reported on the 3 candidates vying for the CSDA Board vacancy. Director Ishkanian recommended Robert Blair be chosen as the District's candidate. On MOTION by Director Kerns and second by Director Williams to vote for Robert Blair, the MOTION passed unanimously without abstention. Director Kerns signed ballot for District.

ACTION: Staff

**G. Information Items**

- Director Ishkanian reported on the upcoming July 27th dinner meeting at Alan Hancock College. Directors Ishkanian and Williams will be attending along with staff members Alex Alonzo and Rico Larroude. Director Ishkanian and General Manager Gabriel discussed the possibility of preparing an article for publication on the District's current intern, Gio Goggia. Director Ishkanian also spoke about the upcoming workshop with Earle Hartling on recycled water. She will confirm the August 24<sup>th</sup> date with Mr. Hartling and work with District staff in organizing the workshop.
- Director Williams reported on the Montecito Water Committee meeting and questions to MWD Board President regarding Montecito Water District desal negotiations with Santa Barbara City.
- Director Owens and Director Kerns reported on the Montecito Water District meetings of July 16<sup>th</sup>. The Water District discussed a proposal from Earth Water for deep fracture water, and PERC presented a proposal for a desal/recycled water facility study.
- Directors Williams and Owens will be attending the CASA Conference in San Diego on August 19 – 21.

**8. OPERATIONS AND MAINTENANCE**

The Board reviewed the information in the agenda packet.

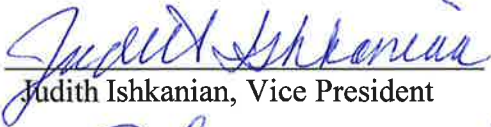
**9. ITEMS FOR THE NEXT AGENDA**

Water Consultancy contract will be presented for Board approval.

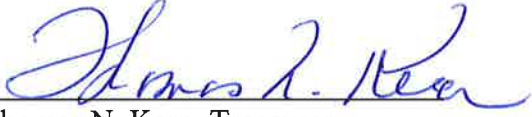
**10. ADJOURNMENT**


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 2:55 p.m.

  
Warner B. Owens, President

  
Judith Ishkanian, Vice President

  
Jeff Kerns, Secretary

  
Thomas N. Kern, Treasurer

  
Robert Williams, Director