

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

**July 28, 2014**

**1. CALL TO ORDER**

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 28<sup>th</sup> day of July 2014 at 1042 Monte Cristo Lane, Montecito, California, at 1:15 p.m.

**ATTENDANCE**

**Present:** Directors Thomas Kern, Jeff Kerns, and Warner B. Owens

**Absent:** Directors Deirdre M. Cannata, Judith M. Ishkanian

**Also Present:** Diane M. Gabriel, General Manager, and Toni M. McDonald, District Administrator

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

The minutes from the prior Board meeting had been included in the agenda packet. President Kern noted a typographical error in the information items portion of the minutes.

Upon MOTION by Director Owens and second by Director Kerns, the minutes of July 14, 2014 were approved, as corrected, unanimously without abstention.

**3. APPROVAL OF PAYROLL AND PAYABLES**

Upon MOTION by Director Owens, and second by Director Kerns, the Board approved unanimously without abstention PAYROLL AND ACCOUNTS PAYABLE EXPENSES through July 28, 2014:

Accounts Payable Expenses	\$ 87,237.71
Payroll and Related Expenses	<u>88,553.50</u>
Total Expenses	<u>\$ 175,791.21</u>

**4. PUBLIC COMMENT**

No member of the public was present to address the Board on non-agenda items.

5. **OLD BUSINESS**

A. **PATRICK NESBITT, et al. v. MONTECITO WATER DISTRICT (SBSC 1415836)**

President Kern reviewed the Board's decision of the last meeting to forward the class action lawsuit information to District Counsel. District Counsel reviewed the document and prepared a memo that was included in the board packet. Director Kerns appreciated the clarification provided by legal counsel.

Upon MOTION by Director Kerns and second by Director Owens to accept the recommendation of District Counsel to do nothing and to remain in the class, the MOTION passed unanimously without abstention.

6. **NEW BUSINESS**

A. **NORTH AND SOUTH SIERRA VISTA PROPOSED ANNEXATION – RESOLUTION NO. 2014-889**

General Manager Gabriel reviewed the annexation documents for four properties on Sierra Vista Road. The resolution is the first step for these properties to gain LAFCO approval to be annexed to and then serviced by the District. The LAFCO application process cannot begin until the resolution is adopted. Upon annexation, these properties will need approval for a sewer main extension to Barker Pass Road and then pay for the extension and connection fees.

Upon MOTION by Director Kerns and second by Director Owens to adopt Resolution No. 2014-889, the MOTION passed unanimously on roll call vote:

AYES: Kern, Kerns, Owens  
NAYS: None  
ABSENT: Cannata, Ishkanian

ACTION: Staff

B. **OPERATIONS AND MAINTENANCE (O&M) BUDGET STATUS REPORT THROUGH JUNE 30, 2014**

General Manager Gabriel discussed the Operations and Maintenance expenditures through the end of Fiscal Year 2013-14. Actual year to date expenses through June 30, 2014 were \$911,787 less than the O&M annual budget.

C. **QUARTERLY INVESTMENT REPORT – JUNE 30, 2014**

Director Kerns discussed the change in investment accounts for the fourth quarter of Fiscal Year 2013-14.

**6. NEW BUSINESS**

**D. QUARTERLY INVESTMENT POLICY STATEMENT – JUNE 30, 2104**

Director Kerns summarized District Investment Policy 2013-883, which was adopted in October 2013, and read and signed the required Quarterly Certification Statement.

**E. CONFLICT OF INTEREST CODE BIENNIAL REVIEW (RESOLUTION NO. 2014-890)**

President Kern discussed the need to update the Conflict of Interest Code and District Legal Counsel's recommendation to adopt a revised resolution repealing Resolution No. 2000-780. President Kern also recommended that the Board direct staff to file the 2014 Local Agency Biennial Notice with the Clerk of the Board of Supervisors.

Upon MOTION by Director Kerns and second by Director Owens to adopt Resolution No. 2014-889, the MOTION passed unanimously on roll call vote:

AYES:	Kern, Kerns, Owens
NAYS:	None
ABSENT:	Cannata, Ishkanian
ACTION:	Staff

**F. INFORMATIONAL ITEMS**

- General Manager Gabriel discussed a presentation on recycled water which was made to the MWD Board of Directors and her continuing work with MWD on this topic.
- The CASA conference is in Monterey on August 20th through 22nd. The Board discussed attendance and recommended that staff contact Director Cannata to see if she will represent the District at the conference.
- The CSDA conference is in Palm Springs on September 29th through October 2nd. General Manager Gabriel reported that she and Operations Manager Alonzo will be attending and that Director Ishkanian has noted her interest to attend. Staff will follow up with other Directors before registration closes to learn who else wants to attend.
- General Manager Gabriel reported that a sale of obsolete District equipment at auction netted \$9,945.

**G. AGREEMENTS TO BE SIGNED**

None.

**7. OPERATIONS AND MAINTENANCE**

Directors reviewed the Operations and Maintenance information included in the agenda packet.

**6. ITEMS FOR THE NEXT AGENDA**

None

**7. ADJOURNMENT**

There being no other business, on MOTION to adjourn by Director Kerns and second by Director Owens, the MOTION carried unanimously without abstention and the meeting adjourned at 2:48 p.m.

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Thomas N. Kern, President

ABSENT

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Judith M. Ishkanian, Vice President

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Warner B. Owens, Secretary

ABSENT

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Jeff Kerns, Treasurer

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Deirdre M. Cannata, Director

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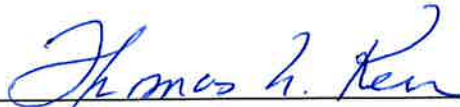
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Thomas N. Kern, President

ABSENT

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Judith M. Ishkanian, Vice President



Warner B. Owens, Secretary



Jeff Kerns, Treasurer

ABSENT

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Deirdre M. Cannata, Director