

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

**November 8, 2010**

**1. CALL TO ORDER**

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 8<sup>th</sup> day of November 2010 at 1042 Monte Cristo Lane, Montecito, California, at 1:15 p.m.

**ATTENDANCE**

**Present:** Directors Charles C. Arnold, Deirdre M. Cannata, Judith M. Ishkanian, Jeff Kerns; Edward P. McAniff

**Also Present:** Diane Gabriel, General Manager; Debbie Hughey, Office Manager

**Item 6.A.** Danna McGrew and Tracey Solomon, Bartlett, Pringle & Wolf

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

The minutes from the prior Board meeting were included in the agenda packets for Board review. Upon MOTION by Director Cannata, and seconded by Director Kerns, the minutes of October 25, 2010 were approved as submitted.

**3. APPROVAL OF PAYROLL AND PAYABLES**

Upon MOTION by Director Kerns, and seconded by Director McAniff, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through November 8, 2010 as follows:

Accounts Payable (11/8/10)	\$41,250.34
Payroll (11/4/10)	\$30,882.45
Payroll Related (11/4/10)	\$ 8,344.81

**TOTAL**

**\$80,477.60**

4. **PUBLIC FORUM**

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

5. **OLD BUSINESS**

No Old Business

6. **NEW BUSINESS**

A. **FINANCIAL AUDIT REPORT – FISCAL YEAR 2009-2010**

Manager Gabriel introduced Ms. Danna McGrew and Tracey Solomon, CPA's with Bartlett, Pringle and Wolf, LLP Certified Public Accountants and Consultants (BPW). Ms. McGrew and Ms. Solomon attended the meeting to review the June 30, 2010 and 2009 Draft Financial Statements with the Board. A copy was provided to each Director.

Ms. McGrew began the presentation by informing the Board that the audit went well and that the auditors received full cooperation from management and there were no disagreements regarding accounting and auditing issues. She summarized the Independent Auditors' Report by stating that the financial statements were free of material misstatement and that the statements present fairly, in all material respects, the financial position of Montecito Sanitary District, as of June 30, 2010 and 2009, and the changes in its financial position and its cash flows, in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts. Ms. McGrew also presented the Management's Discussion and Analysis portion of the report, covering pages 2 through 9, which consisted of an overview of the district's transactions (net assets, revenues, operating expenses, COP's). Ms. McGrew reviewed, in general, the remainder of the report with the Board and answered all questions to their satisfaction. She then turned over the presentation to Ms. Solomon who explained specific details relating to the assets, liabilities, revenues and expenses.

Ms. McGrew then reviewed the Management Letter. This letter is written to suggest possible improvements but does not specifically affect the Audit. Ms. McGrew noted that District staff had addressed all the issues of concern related to last year's Management Letter. The current letter suggested two recommendations regarding internal control and these concerns are already being addressed by staff. Both Ms. McGrew and Ms. Solomon thanked the District staff for their full cooperation and availability during the Audit.

President Ishkanian stated had much the Board appreciated their diligent work and thanked them for their report. The Board requested a few extra days to review the Draft. A bound, final report will be presented at the next Board meeting for action.

ACTION: To be placed on December 13, 2010 Board Agenda

**B. BOARD ELECTIONS**

Manager Gabriel reported that the Santa Barbara County Board of Supervisors met on October 26, 2010. The Supervisors Agenda Letter noted that on August 6, 2010, the number of candidates for the Special District Board of Directors did not exceed the number of offices to be filled and, in lieu of the November 2, 2010 elections, appointed Directors Cannata and Ishkanian for a four-year term expiring in 2014 and Directors McAniff and Kerns for a two-year term expiring in 2012. The Board of Supervisors acted on and passed this action on October 26, 2010.

ACTION: None Required

**C. UPDATE ON CURRENT STAFFING OF THE DISTRICT**

The General Manager gave the Directors a copy of the current organizational chart and briefed the Board on the current staffing of the District. She noted there was a retirement this past July, another retirement in November and an employee currently out on Workers' Compensation. Manager Gabriel announced the addition of Alex Alonzo to the District's staff as Collection System Supervisor.

ACTION: None Required

**D. INFORMATIONAL ITEMS**

1. Santa Barbara CSDA Annual Chapter Dinner – Friday, November 19, 2010  
The following Directors indicated they would be attending: Arnold, Cannata and Ishkanian.
2. Report from Director Kerns - Attendance at the Santa Barbara County Special District's Association Meeting on October 25<sup>th</sup>  
Director Kerns reported that the featured guest speaker, Mr. Joe Centeno, retiring county Supervisor for the 5<sup>th</sup> District did not attend. Speaking in his absence was Mr. Doug Pike, Engineer with MNS Engineers.
3. Keven Thomson Retirement Luncheon – Rescheduled for Wednesday, November 17<sup>th</sup>  
The following Directors indicated that they would be attending: Arnold, Cannata, Ishkanian and Kerns.

**E. AGREEMENT(S) TO BE SIGNED**

No Agreements to be signed

**7. OPERATIONS AND MAINTENANCE**

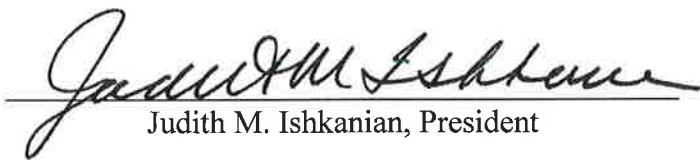
The Board reviewed the Operations and Maintenance information included in their agenda packets.

**8. ITEMS FOR THE NEXT AGENDA**


December 13, 2010 – the Board will conduct their organizational meeting.

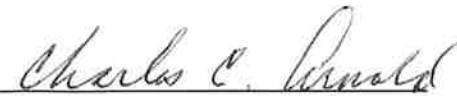
**9. ADJOURNMENT**


There being no further business to come before the Board, it was MOVED by Director Arnold, and seconded by Director Kerns, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 2:30 pm.

  
Judith M. Ishkanian, President

  
Jeff Kerns, Vice-President

  
Edward P. McAniff, Treasurer

  
Charles C. Arnold, Secretary

  
Deirdre M. Cannata, Director