

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

**September 8, 2014**

**1. CALL TO ORDER**

The Governing Board of the MONTECITO SANITARY DISTRICT convened a regular meeting at 1:15 p.m. on September 8, 2014 at 1042 Monte Cristo Lane, Montecito, California.

**ATTENDANCE**

**Present:** Directors Thomas Kern, Jeff Kerns, Judith M. Ishkanian, Warner B. Owens, and Deirdre M. Cannata

**Also Present:** Diane M. Gabriel, General Manager  
Toni M. McDonald, District Administrator  
Janet McGinnis, Legal Counsel  
Gene Sinsler, Director of Montecito Fire District

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

The minutes of July 28, 2014 were included in the agenda packet.

On MOTION by Director Kerns and second by Director Owens, the minutes were approved unanimously without abstention.

**3. APPROVAL OF PAYROLL AND PAYABLES**

On MOTION by Director Owens and second by Director Ishkanian, the Board approved unanimously without abstention these payroll and accounts payable expenses from July 28, 2014 through September 5, 2014:

Accounts Payable Expenses	\$ 162,526.43
Payroll and Related Expenses	<u>220,123.91</u>
Total Expenses	\$ 382,650.34

**4. PUBLIC COMMENT**

No member of the public addressed the Board.

**5. OLD BUSINESS**

**A. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION**

The Board met in closed session with legal counsel to discuss the District's significant exposure to a lawsuit because of a controversy arising from Union Pacific Railroad's demand that the District remove a facility or enter a lease for its site. Gov. Code, § 54956.9(d)(2).

Upon returning to open session, Ms. Janet McGinnis, District Legal Counsel, reported that a unanimously passed motion had been made by Director Ishkanian and seconded by Director Cannata to refer questions of offering a proposed counter-lease and terms of such a lease to the Administrative and Operations Committee and General Manager Gabriel. After the Committee and Ms. Gabriel have been able to work with Ms. McGinnis in noticed closed session(s), it was directed to return to the Board with recommendations to be presented in closed session.

ACTION: Staff, Administrative and Operations Committee, Legal Counsel

**B. NORTH AND SOUTH SIERRA VISTA PROPOSED ANNEXATION – NOTICE OF EXEMPTION**

The Board reviewed the Notice of Exemption (**Exhibit A**) for the environmental determination of the North and South Sierra Vista Annexation. The properties served by the annexation are 300 and 330 North Sierra Vista and 100 South Sierra Vista. On MOTION by Director Kerns and second by Director Owens, the MOTION passed unanimously without abstention to approve the Notice of Exemption and directed staff to file it with the County Clerk and submit it to LAFCO to be included in the annexation application package.

ACTION: Staff

**6. NEW BUSINESS**

**A. ADMINISTRATIVE & OPERATIONS COMMITTEE REPORT**

General Manager Gabriel reported on the A&O Committee meeting regarding the request from Montecito Water District to study the feasibility of a desalination plant on MSD property. Additionally, Ms. Gabriel reported that she had made site visits to MSD property with the firm of RBF, which concluded that MSD lacks available empty space for a desalination facility. Ms. Gabriel has requested meeting notes from RBF and any information that it will provide to the Board of Montecito Water District which concerns MSD.

ACTION: None

**B. INFORMATION ITEMS**

Director Ishkanian reported the Tracey Solomon from Bartlett, Pringle, and Wolfe would be nominated by MSD as outstanding accountant for the SBCCSDA annual awards. She also reported that Jeff Moorehouse is creating a power point presentation on special districts as an educational tool for SBCCSDA.

District Administrator McDonald reported that there is no need this year for an election for open positions on the Board of Directors, as only three candidates filed for the three open positions. The unopposed candidates will be appointed by the County of Santa Barbara Board of Supervisors at its meeting on September 16, 2014.

**C. AGREEMENTS TO BE SIGNED**

None.

**7. OPERATIONS AND MAINTENANCE**

The Board reviewed the information in the agenda packet.

**8. ITEMS FOR THE NEXT AGENDA**

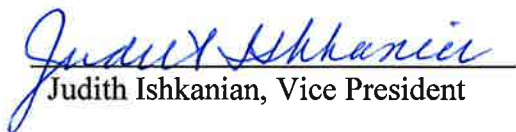
- MERRAG presentation

**9. ADJOURNMENT**

There being no other business, on MOTION to adjourn by Director Cannata and second by Director Ishkanian, the MOTION passed unanimously without abstention and the meeting adjourned at 2:57 p.m.



Thomas N. Kern, President



Judith Ishkanian, Vice President



Warner B. Owens, Secretary



Jeff Kerns, Treasurer



Deirdre Cannata, Director

