

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

**July 9, 2012**

**1. CALL TO ORDER**

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 9<sup>th</sup> day of July 2012 at 1042 Monte Cristo Lane, Montecito, California, at 1:15 p.m.

**ATTENDANCE**

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

**Absent:** Director Charles C. Arnold

**Also Present:** Janet K. McGinnis, District Legal Counsel; Diane Gabriel, General Manager; Debbie Hughey, Office Manager

**Public Forum:** Tom Kern, Montecito Resident/Property Owner

**Public Forum 6.A.:** Dave Arthur, RePipe-CA; Terry Henry and Timothy C. Earl, Insituform; and Jon Turner, Phoenix Civil Engineering, Inc.

**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 Ishkanian, the minutes of June 11, 2012 were approved as submitted.

**3. APPROVAL OF PAYROLL AND PAYABLES**

Upon MOTION by Director Ishkanian, and seconded by Director McAniff, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through July 9, 2012 as follows:

Fiscal Year 2011-12	
Accounts Payable (6/20/12)	\$21,216.99
Accounts Payable (6/27/12)	\$22,014.06
Accounts Payable (6/30/12)	\$15,895.05
Accounts Payable (7/9/12)	\$9,189.52

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Montecito Sanitary District  
**MINUTES – July 9, 2012**

Fiscal Year 2012-13	
Accounts Payable (7/10/12)	\$59,810.26
Payroll (6/14/12)	\$34,550.08
Payroll Related (6/14/12)	\$11,150.71
Payroll (6/28/12)	\$36,450.68
Payroll Related (6/28/12)	\$11,340.28
<b>TOTAL</b>	<b><u>\$221,617.63</u></b>

**4. PUBLIC COMMENT**

President Kerns welcomed the visitors to the District and asked them to introduce themselves. Three of the visitors were in attendance for Item 6.A. and one was attending as a member of the public to observe the Board meeting.

**5. OLD BUSINESS**

No Old Business.

**6. NEW BUSINESS**

**A. 2012 SEWER MAIN REHABILITATION PROJECT – AWARD OF CONTRACT**

Manager Gabriel briefly summarized this item which was discussed at the regularly scheduled Board meeting on May 14<sup>th</sup> when the Board rejected RePipe's bid as non-responsive and accepted Insituform's bid as responsive and authorized the award and execution of a contract with Insituform (see May 14<sup>th</sup> Board minutes for specific details).

After the May 14<sup>th</sup> Board meeting the District heard from RePipe stating that its bid was a responsive bid. After discussions with legal counsel, Insituform and RePipe, it was agreed that this item would be reheard at the July 9<sup>th</sup> Board meeting to either ratify or revoke the Board decisions related to accepting Insituform's bid.

President Kerns recognized representatives from RePipe (Dave Arthurs, General Manager and Vice-President); Insituform (Timothy C. Earl, legal counsel for Insituform and Terry Henry with Insituform); and Jon Turner from Civil Phoenix Engineering who has been retained by the District for construction management administration services for the project. Each representative detailed his interests and presented information and comments about why the Board should find that a particular contractor was an eligible bidder and had submitted the lowest and a complete bid and then answered questions from Board members.

After much discussion a MOTION was made by Director Ishkanian, and seconded by Director McAniff, that the Board reject the RePipe bid under Provision A2.16 of the bid proposal specifications because it is an incomplete and non-responsive bid and to award the contract to Insituform which submitted a complete bid and is an eligible bidder. The MOTION passed unanimously.

A second MOTION was made by Director Ishkanian, and seconded by Director McAniff, that the Board authorize the General Manager to issue change orders in an amount not to exceed \$68,000. The MOTION passed unanimously.

ACTION: General Manager

**B. RIVEN ROCK ROAD – SEWER MAIN EXTENSION – AWARD OF CONTRACT – TIERRA CONTRACTING**

Manager Gabriel reminded the Board that on April 9, 2012 they authorized staff to begin advertising the Riven Rock Sewer Main Extension project for bids. This project would make sanitary sewer service available to nine properties and involves the construction of approximately 940 feet of 8 inch PVC sewer main in Riven Rock Road.

Bids for the project were received by the District on May 30<sup>th</sup>. The bid results were as follows:

Tierra Contracting	\$310,990
Lash Construction	\$482,740
Blois Construction	\$487,250
Shaw Excavation	\$985,450

Staff has confirmed that the bid from Tierra is a responsive and responsible bid and Tierra has successfully completed other similar projects for the District in the past.

District staff informed the property owners of the bid results and informed each property owner of their specific proportionate share of the total project costs. Each property owner was requested to provide the District either with their signed commitment to financially participate in the funding of the project or to provide the District with their signed statement of deferment.

As of July 9<sup>th</sup> the District had received six signed agreements indicating the property owner's willingness to pay the District their proportionate share of the total project costs within 30 days of the completion of construction. The project costs including the design, construction, management and inspection, total \$340,491. Given the commitments from six of the nine property owners, the District can expect payment of \$219,355 within 30 days of the completion of construction. The District has budgeted \$300,000 in COP funds for Sewer Main Extension Projects. Additionally, there is over \$295,000 in contingency funds in the COP Capital Improvement budget. This funding makes it financially feasible for the District to award the contract to Tierra.

The Board was informed that if the contract were to be awarded the District would make regular monthly progress payments to Tierra from the COP funds. Thirty days after construction is complete the District would be reimbursed \$219,355 from the property owners and the District would reimburse the COP funds by that amount. The District (COP funds) would carry the cost of \$121,136 for the three properties electing to defer payment. Each of the properties deferring payment would be required to reimburse the District their proportionate share of the project costs, plus interest, before they could connect to the sanitary sewer system in the future.

After discussion, a MOTION was made by Director Cannata, and seconded by Director McAniff, that the Board award the contract to Tierra Contracting in the amount of \$310,990 and authorize the General Manager to issue change orders in an amount not to exceed \$31,000. The MOTION passed unanimously.

ACTION: Manager Gabriel

**C. CIMA DEL MUNDO ROAD SEWER MAIN EXTENSION – DEDICATION AGREEMENT FOR SEWER FACILITIES WITH MR. GEORGE JOSEPH – NOTICE OF COMPLETION**

Manager Gabriel reported that at their meeting on November 14, 2011 the Board voted to authorize the execution of a “Dedication Agreement for Sewer Facilities for the Cima Del Mundo Road Sewer Main Extension” with Mr. George Joseph. Mr. Joseph, the current owner of 907 and 915 Cima Del Mundo Road desired to have his properties connected to the District’s sanitary sewer system. In order for his two lots to be connected to the sewer system, it was necessary to construct approximately 735 feet of 8” PVC sewer main. The District’s “Dedication Agreement” called for Mr. Joseph to design the sewer main extension in accordance with District standards, to obtain all permits and bonds, grant all necessary easements, construct the sewer and dedicate the sewer to the District.

The construction of the sewer main is complete and District staff has inspected the installation and confirmed that the owner has met the requirements of the agreement. In accordance with Section 14 of the “Dedication Agreement” the District will hold 10% of the construction cost amount of \$165,620 for a one year period as a warranty/guarantee of the work.

After discussion, a MOTION was made by Director Ishkanian, and seconded by Director Cannata, that the Board accept the sewer facilities and authorize staff to provide the owner with a Notice of Completion and the District’s acceptance. The MOTION passed unanimously.

ACTION: Staff

**D. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) – 2012 BOARD ELECTIONS**

The District received ballot information on CSDA's upcoming 2012 board elections. Seven candidates are running and MSD is entitled to one vote. The completed ballot must be received in Sacramento by August 3, 2012. The candidates are listed below:

- Manuel Aranda, Jr./San Bernardino Valley Water Conservation District
- Elaine Freeman/Board Member, Rancho Simi Recreation and Park District
- R.J. Kelly/Castaic Lake Water Agency
- John DeMonaco, Board of Directors, Chino Valley Independent Fire District
- Al Morrissette/CSDA Membership Committee, Education Committee and the Ad hoc LAFCO Committee
- Hugh Rafferty, Board Member, Santa Maria Public Airport District

A MOTION was made by Director Cannata, and seconded by Director McAniff, that President Kerns conduct additional research into the candidates after which the ballot will be completed and signed. The MOTION passed unanimously.

ACTION:        President Kerns

**E. OFFICEHOLDER AND CANDIDATE CAMPAIGN STATEMENT – FORM 470**

Office Manager Debbie Hughey informed the Board that a completed Form 470 has been received from four Directors. Upon receipt of the fifth and last Director's form, all will be delivered to the County by the July 31<sup>st</sup> deadline.

**F. INFORMATIONAL ITEMS**

1. FY 2012-2013 MSD Operations and Maintenance Budget Board Approved June 11, 2012 was handed out to each Board member.
2. FY 2012-2013 Fund Balances and Estimated Revenues Board Approved June 11, 2012 was handed out to each Board member.
3. California Special District publication, May-June 2012
4. Directors Ishkanian and Kerns reported on their attendance at the Annual Chapter meeting for the Santa Barbara County Chapter of California Special Districts Meeting held in Goleta on June 25<sup>th</sup>. A copy of the agenda and notes taken by Director Ishkanian were passed out to each Board member.

**7. OPERATIONS AND MAINTENANCE**

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

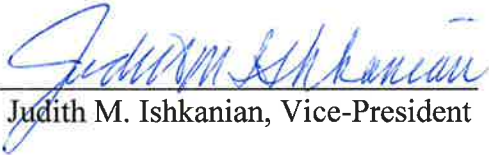
8. ADJOURNMENT

There being no further business to come before the Board, it was MOVED by Director Cannata, and seconded by Director Ishkanian, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 2:42 pm.



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Jeff Kerns, President



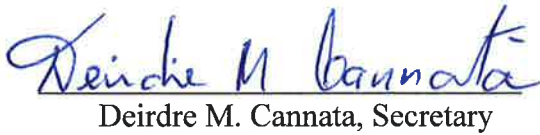
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Judith M. Ishkanian, Vice-President



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Edward P. McAniff, Treasurer



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Deirdre M. Cannata, Secretary

A B S E N T

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Charles C. Arnold, Director