

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

October 13, 2014

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT convened a regular meeting at 1:15 p.m. on October 13, 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
Alex Alonzo, Operations Manager
David Boyd, MERRAG Volunteer
Robert Williams
David Strauss

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of September 8, 2014 were included in the agenda packet.

On MOTION by Director Cannata and second by Director Ishkanian, the minutes were approved unanimously without abstention.

3. APPROVAL OF PAYROLL AND PAYABLES

On MOTION by Director Ishkanian and second by Director Owens, the Board approved unanimously without abstention these payroll and accounts payable expenses from September 11, 2014 through October 8, 2014:

Accounts Payable Expenses	\$ 88,269.55
Payroll and Related Expenses	<u>180,232.91</u>
Total Expenses	\$ 268,502.38

4. PUBLIC COMMENT

David Strauss of 735 Ashley Road addressed the Board and asked if there were any immediate plans to begin recycled water processing. General Manager Gabriel responded that the District had worked with the Montecito Water District on two reports about recycled water, but has not received further direction from the Water District. She suggested that Mr. Strauss's further questions be directed to the Water District Board. Mr. Strauss asked if the Board had taken a position on Proposition 1 and President Kern responded that it has not declared a position. Mr. Strauss thanked the Board.

5. OLD BUSINESS

None

6. NEW BUSINESS

A. MONTECITO EMERGENCY RESPONSE AND RECOVERY ACTION GROUP (MERRAG)

Director Owens introduced David Boyd, a volunteer at MERRAG. Mr. Boyd discussed the mission of MERRAG: training, response, and support.

ACTION: None

B. ADMINISTRATION & OPERATIONS COMMITTEE REPORT

The A & O Committee reported that it had met September 24th and October 8th in closed session. They will continue to meet in closed session in November, and hope to meet with legal counsel and the full board in closed session in December.

ACTION: A & O Committee

C. MONTECITO WATER DISTRICT UNAUTHORIZED DISCHARGE

The General Manager and Operations Manager reported on an unauthorized discharge of 71,000 gallons potable water from Montecito Water District into the District sewer system. Ms. Gabriel has sent a letter of October 7th notifying the Water District that the financial repercussion of this discharge will be its responsibility. Operations Manager Alonzo will meet with Water District staff to conduct a field study and to create possible cooperative solutions.

ACTION: Staff

D. SEWER REHABILITATION – AUTHORIZATION TO ADVERTISE FOR BIDS

The General Manager reported on the construction plans and specifications for the rehabilitation of approximately 6.5 miles of sewer main in various locations throughout the District. A map of the locations was provided. The project has been budgeted in the 2014-15 COP budget as COP Project No. 7 with an estimated cost of \$1.1 million. General Manager Gabriel recommended that the Board authorize advertising the Sewer Main Rehabilitation Project for bids and direct staff to return for authorization to award a contract at the appropriate time.

On MOTION by Director Owens and second by Director Ishkanian to authorize the advertisement for bids for the Sewer Main Rehabilitation Project, the MOTION passed unanimously without abstention.

ACTION: Staff

E. FISCAL YEAR 2014-2015 CAPITAL IMPROVEMENT PROJECT – CERTIFICATES OF PARTICIPATION (COPS) STATUS REPORT THROUGH SEPTEMBER 30, 2014

General Manager Gabriel reviewed the status of the Certificates of Participation (COPs) projects.

ACTION: None

F. OPERATIONS AND MAINTENANCE (O&M) BUDGET STATUS REPORT THROUGH SEPTEMBER 30, 2014

General Manager Gabriel and District Administrator McDonald reviewed and answered questions about the O&M budget Status report for the first quarter of FY 2014-15.

ACTION: None

G. QUARTERLY INVESTMENT REPORT – SEPTEMBER 30, 2014

Director Kerns discussed the change in investment accounts for the first quarter of Fiscal Year 2014-15.

ACTION: None

H. QUARTERLY INVESTMENT POLICY STATEMENT – SEPTEMBER 30, 2014

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

ACTION: None

I. INFORMATION ITEMS

- President Kern, Director Ishkanian, the General Manager and the Operations Manager reported on California Special Districts Association (CSDA) Annual Conference which was held September 30th – October 2nd in Palm Springs.
- District Administrator McDonald updated the appointment of the three Board of Directors
- General Manager Gabriel reported on Montecito Beautification Day – November 8th at the Upper Village
- District Administrator McDonald handed out the SB County Financial Highlights for FYE 6/30/14

J. AGREEMENTS TO BE SIGNED

None.

7. OPERATIONS AND MAINTENANCE

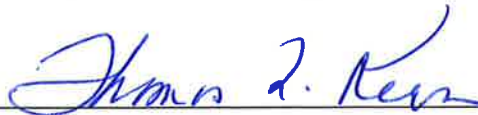
The Board reviewed the information in the agenda packet.

8. ITEMS FOR THE NEXT AGENDA

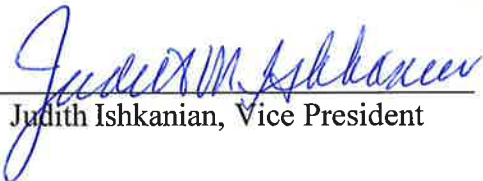
- Oath of Office for Appointed Directors

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 3:00 p.m.



Thomas N. Kern, President



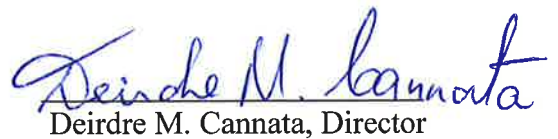
Judith Ishkanian, Vice President



Warner B. Owens, Secretary



Jeff Kerns, Treasurer



Deirdre M. Cannata, Director