

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

October 31, 2016

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT convened a regular meeting at 1:15 p.m. on October 31, 2016 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

Present: Directors Thomas Kern, Judith M. Ishkanian, Warner B. Owens, Bob Williams, and Jeffrey Kerns

Absent: None

Also Present: Diane M. Gabriel, General Manager
Toni M. McDonald, District Administrator
Alex Alonzo, Operations Manager
Carrie Poytress, Engineering Manager
Carole Rollins, Laboratory & Pretreatment Manager
Ricardo Larroude, Collections/Maintenance Supervisor

Edo McGowan, Interested Non-resident
Charles Newman, Resident and Director, Montecito Water District
Sandie Owens, Resident
Nick Turner, General Manager, Montecito Water District

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of September 26, 2016 were included in the agenda packet.

On MOTION by Director Williams 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 Kern, the Board approved unanimously without abstention these payroll and accounts payable expenses from September 27, 2016 through October 31, 2016:

Accounts Payable Expenses	\$ 111,260.69
Payroll Expenses	232,474.00
Capital Improvement Expenses	<u>5,270.48</u>
Total Expenses	\$ 349,005.17

4. PUBLIC COMMENT

Edo McGowan stated his concern that antibiotic resistant material in the sewer outfalls of Montecito, Summerland, and Carpinteria Sanitary Districts could be digested by the sea lions in the rookery located south of Carpinteria and thereby return to the marine environment.

5. OLD BUSINESS

A. MONTECITO WATER REUSE

Edo McGowan spoke about bacteria/viruses in recycled water and possible drift in spraying distribution. He suggested considering using a subsurface drip system to eliminate the risk. General Manager Gabriel reminded the Board that distribution of recycled water would be decided by the Montecito Water District, not the Montecito Sanitary District.

6. NEW BUSINESS

A. MONTECITO SANITARY DISTRICT LEADERSHIP HAS NOT ENDORSED ANY MONTECITO WATER DISTRICT BOARD CANDIDATES

Charles Newman, current MWD Board member and a candidate for the Montecito Water District Board of Directors, addressed the Board. He spoke of his statement on October 20th in the Montecito Association Candidate Forum that he had the endorsement of the Montecito Sanitary District leadership. He said he used imprecise terminology when he spoke of his support from MSD “leadership” and that he regretted his comment.

General Manager Gabriel reiterated that the Montecito Sanitary District stands ready to work with whomever may be elected to the Board of the Montecito Water District.

B. SEWER SYSTEM MANAGEMENT PLAN

Operations Manager Alex Alonzo and Collections/Maintenance Supervisor Ricardo Larroude presented the Sewer System Management Plan (SSMP) for recertification. They discussed the improvements and efficiencies that have been made in the Collection and Lift Station procedures in the last 4 years due to staff, training, and new capital purchases (such as the Vac-Con and CCTV vans).

On MOTION by Director Williams and second by Director Kern to re-certify the SSMP, direct staff to post the updated SSMP on the District’s website as required, and to enter the required data in the SWRCB online database, the MOTION passed unanimously without abstention.

ACTION: Staff

C. FISCAL YEAR 2015-16 CAPITAL IMPROVEMENT PROJECT – CERTIFICATES OF PARTICIPATION (COPs) STATUS REPORT THROUGH SEPTEMBER 30, 2016

General Manager Gabriel reported on COP funds status as of September 30, 2016. Although there have been few capital purchases this fiscal year, many large projects begin soon. Granite Construction will repave the back parking lot starting later this month, Phoenix Civil Engineering is designing the DAFT replacement project, and the new Administration Building is in the preliminary planning stage.

ACTION: None

D. OPERATIONS AND MAINTENANCE (O&M) BUDGET STATUS REPORT THROUGH SEPTEMBER 30, 2016

District Administrator McDonald and Treasurer Tom Kern reported on the year to date O&M expenditures through September 30, 2016. Year to date expenses for the first quarter account for only 18% of annual budgeted expenses.

ACTION: None

E. QUARTERLY INVESTMENT REPORT – SEPTEMBER 30, 2016

District Administrator McDonald and Treasurer Tom Kern discussed investment account changes for the quarter ending September 30, 2016.

ACTION: None

F. QUARTERLY INVESTMENT POLICY STATEMENT – SEPTEMBER 30, 2016

Director Kern, District Treasurer, certified the required statement for the quarter ending September 30, 2016.

ACTION: None

G. ADMINISTRATION AND OPERATIONS (A&O) COMMITTEE MEETING SCHEDULED

General Manager discussed the agenda for the A&O Committee meeting scheduled for November 2nd at 9 a.m.

H. INFORMATION ITEMS

- General Manager introduced Carrie Poytress, the District's new Engineering Manager.
- Director Ishkanian reported on the October 26th SBCCSDA meeting at Glenn Annie. The next meeting will be November 18th in Buellton and will be the Holiday meeting with awards. Director Ishkanian also reported she had attended the LAFCO conference at Fess Parker, and will provide further details at the next Board meeting.
- Director Owens and District Administrator McDonald reported on their attendance at the CSDA Annual Conference in San Diego October 10-13.
- General Manager Gabriel reported the Montecito Beautification Day will be November 5th at 9 a.m. District staff will attend.

- The Board received invitations to the District holiday party December 17th at Stella Mare's.
- The A&O Committee will meet November 2nd at 9:00 a.m.
- The Finance Committee will meet November 7th at 10:00 a.m.
- The CASA Conference is January 18-20 in Palm Springs. Both Director Williams and Director Ishkanian are interested in attending.

I. AGREEMENTS SIGNED

1160 Fife Lane – Existing Pool Cabana
495 East Mountain Drive – New Pool Cabana
534 Hot Springs Road – New Pool Cabana
572 Stone Meadow Lane – New Pool Cabana
137 La Vereda Road – New Pool Cabana
650 Cowles Road – New Pool Cabana

7. OPERATIONS AND MAINTENANCE

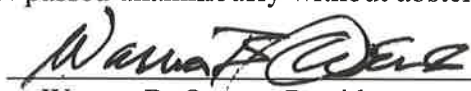
The Board reviewed the information in the agenda packet.


8. ITEMS FOR THE NEXT AGENDA

Bartlett, Pringle & Wolf will present the FY 2015-16 Financial Audit.

9. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Kerns and second by Director Kern, the MOTION passed unanimously without abstention and the meeting adjourned at 3:15 p.m.


Warner B. Owens, President


Judith Ishkanian, Vice President


Jeff Kerns, Secretary


Thomas N. Kern, Treasurer


Robert Williams, Director