

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

**November 13, 2017**

**1. CALL TO ORDER**

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on November 13, 2017 at 1042 Monte Cristo Lane, Montecito, California.

**ATTENDANCE**

**Present:** Directors Thomas Kern, Jeff Kerns, Judith Ishkanian, and Warner Owens

**Absent:** Director Bob Williams

**Also Present:** Diane M. Gabriel, MSD General Manager/District Engineer  
Toni M. McDonald, MSD District Administrator  
Carrie Poytress, MSD Engineering Manager  
Alex Alonzo, MSD Operations Manager

Nick Turner, General Manager Montecito Water District  
Dick Shaikewitz, Director Montecito Water District  
Floyd Wicks, Director Montecito Water District  
Hillary Hauser, Heal the Ocean  
Becky Twohey, Heal the Ocean

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

The minutes of October 9, 2017 were included in the agenda packet. Director Ishkanian noted an inaccurate date given for the SBCCSDA meeting and requested its correction. On MOTION by Director Kern and second by Director Owens, the Board approved the amended minutes of October 9, 2017 with the following votes:

Ayes: Kern, Ishkanian, Owens, Kerns  
Absent: Williams

**3. APPROVAL OF PAYROLL AND PAYABLES**

On MOTION by Director Kerns and second by Director Owens, the Board approved these payroll and accounts payable expenses from October 9, 2017 through November 13, 2017 with the following vote:

Ayes: Kern, Ishkanian, Owens, Kerns  
Absent: Williams

Accounts Payable Expenses	\$ 175,490.79
Capital Improvement Projects	116,187.64
Payroll and Related Expenses	<u>243,673.64</u>
Total Expenses	\$ 535,352.07

4. **PUBLIC COMMENT**

None

5. **OLD BUSINESS**

A. **Montecito Water Reuse**

Engineering Manager Poytress reported that MSD hosted the monthly meeting of the Sanitary Agency Managers Association (SAMA). The guest speaker was Jeff Dinsmore of the Division of Drinking Water, who spoke about the types, uses, options, and source controls for recycled water.

Dick Shaikewitz of Montecito Water District requested a joint meeting of the MWD and MSD board of directors to discuss issues affecting both Districts, such as recycled water and desalination.

Director Ishkanian said that any meeting would need to follow Brown Act requirements and be publicly noticed.

Nick Turner of MWD said that due to MWD's recent staff and Board changes and new Urban Water Management Plan, it would be prudent to hold a joint board meeting to discuss MWD's direction. MWD expects to hear from the state about a grant for a feasibility study for recycled water use. He said that on October 24, 2017, MWD had approved going forward with its own desalination facility.

Floyd Wicks of MWD spoke about the newly formed MWD strategic planning committee under its Urban Water Management Plan.

Hillary Hauser of Heal the Ocean spoke about past efforts to get the districts together and that MWD had not participated. She opined that MWD's desalination consultant was not focusing on basic requirements of a desalination plant – the ins and outs of the water – and that MWD should focus on the wheels of the car, not its tinted windows, and she suggested that the two boards meet to discuss recycled water.

General Manager Gabriel asked for the Board's response to the idea of a joint board meeting about water reuse, and suggested this could wait for MWD to start its recycled water feasibility study. The Board might direct MSD staff to work closely with MWD staff on the feasibility report and later hold a joint meeting to discuss recycled water use.

Director Kerns said he was in favor of a joint meeting.

Director Kern said that he was concerned about the efficacy of a joint meeting, given the size of the boards, and that he supported improved communications. He observed that MSD staff would need to attend a joint meeting.

Director Ishkanian said that MSD might help MWD by defining MSD's role in desalination and recycled water projects. She observed that MSD's mission statement identifies its duties as collecting, treating, and disposing of wastewater, protecting public health and safety, and preserving the natural environment. She said she would support a joint meeting once there is a tangible movement towards recycled water use.

General Manager Gabriel asked the Board if it was interested, at this time, to meet with the MWD board in a public setting to find common ground or to discuss a particular topic, such as recycled water after certain information is prepared. She noted that the MWD Urban Management Plan was not prepared in coordination with MSD staff and that MSD staff has asked if the recycled water use of 200 acre feet by 2020 cited in the Plan includes recycled water from MSD, and was told that it does not.

Director Ishkanian asked Engineering Manager Poytress about the state grant to MWD for a recycled water feasibility study. Ms. Poytress opined that if the grant is awarded and when the consultant is selected may be a good time for MSD and MWD staff to meet with MWD's consultant to discuss recycled water. Director Ishkanian said that a joint board meeting should occur after thorough investigation by the districts' staff.

Mr. Shaikewitz stated his view that it is crucial for both boards to get together early, at an announced meeting, to receive comment from the boards' directors and the public.

Director Ishkanian observed that agenda items 5A and 6A had been joined in the previous discussion, and therefore the Board would take up New Business, Item 6A.

ACTION: None

## 6. NEW BUSINESS

### A. Montecito Water District's Proposal for a Desalination Plant on Montecito Sanitary District Property and Use of the Existing Ocean Outfall Pipeline

General Manager Gabriel reported on a special meeting of MWD on October 24, 2017, which included a presentation by Clean Energy Capital about a Montecito desalination plant. She understood that MSD is identified as a possible site for this desalination facility, and its ocean outfall pipeline would be used for brine discharge.

Ms. Gabriel distributed fact sheets regarding using MSD's site for a desalination facility and its outfall and asked for direction on moving forward with MWD on these matters.

After further discussion, Director Ishkanian noted that MSD wants to help the MWD, that MSD's strength and resources are in providing a source for recycled water, and that MWD should take off the table any consideration of a desalination plant on MSD property or its use of MSD's outfall.

Director Kern said that he hoped the fact sheet would be given to the MWD consultant so it may understand the hurdles in siting a desalination plant on MSD's site and using its outfall.

Mr. Turner said there has been no proposal to use MSD's site or outfall except a discussion in a 2014 report, which will be used for the current proposed desalination project. However, when asked by Ms. Gabriel if MSD is being considered as a possible site, Mr. Turner said it has been discussed internally and that MSD is definitely considered an option, because MWD has the duty to explore all options.

Director Kerns opined that all options should remain open until MWD makes a formal proposal to use the MSD site or outfall.

Mr. Turner said that MWD and its consultant would provide information about site location to the P3s before MWD issues a Request for Proposal (RFP).

Mr. Shaikewitz opined that as there is no proposal from MWD to use MSD's site or outfall for desalination, any board action would be a violation of the Brown Act.

After further discussion, on MOTION by Director Kerns and second by Director Owens, the Board directed staff to schedule an Administration & Operations (A&O) meeting for further discussion and to return with recommendations on these topics, with the following vote:

Ayes: Kern, Kerns, Owens  
Nos: Ishkanian  
Absent: Williams

ACTION: Staff

**B. Miramar Sewer Lift Station – Permanent and Temporary Power – Agreements with Southern California Edison (SCE)**

General Manager Gabriel reported that standard agreements needed to be signed for the Miramar Lift Station, because MSD must be SCE's customer, for temporary and permanent power.

On MOTION by Director Kern and second by Director Owens, the Board authorized the General Manager to sign standard SCE agreements on behalf of the District, with the following vote:

Ayes: Kern, Ishkanian, Owens, Kerns  
Absent: Williams

ACTION: Staff

**C. Administration and Operations (A&O) Committee - Report**

Director Kerns reported on the A&O Committee meeting of October 20<sup>th</sup> and minutes were distributed. The Committee discussed its tour of Lift Station #1 and:

- Status of Miramar Lift Station Project
- Status of Essential Services Building Project
- Sewer System Computer Modeling Project

- Olive Road Sewer Extension
- SAMA meeting on recycled water use
- MWD Stategic Planning Committee of October 19<sup>th</sup> regarding Montecito Desalination

ACTION: None

**D. Wastewater Collection System Computer Modeling – Professional Services Contract – Water Systems Consulting LLC**

The A&O Committee’s report included discussion of entering a professional services contract with Water Systems Consulting LLC for a wastewater collection system computer model, which was included in the FY2016-17 budget as a special project.

Staff has selected and negotiated a scope of services and fee with Water Systems Consulting. Its time and materials not-to-exceed fee of \$69,860 is for professional services to develop and calibrate a wastewater collection system computer model. The proposed contract includes \$7,000 extra services funding for work elements not currently identified or described in the scope of services, bringing the total amount of the contract to \$76,860.

On recommendation of staff and the A&O Committee, on MOTION by Director Kerns and second by Director Kern, the Board approved the execution of a professional services contract with Water Systems Consulting for the District’s Wastewater Collection System Computer Modeling for time and materials not to exceed \$69,860 with extra services funding of \$7,000, for a total contract of \$76,860, with the following vote:

Ayes: Kern, Ishkanian, Owens, Kerns  
Absent: Williams

ACTION: Staff

**E. Finance Committee - Report**

Director Kern reported on the Finance Committee meeting of November 9<sup>th</sup>, and minutes were distributed. At its meeting the Committee reviewed the draft audit for FY2016-17 prepared by Bartlett, Pringle, and Wolf (BPW) and made necessary and appropriate edits to the draft that are included in the final audit presentation scheduled for the Board’s December 11<sup>th</sup> meeting. The Committee discussed fiscal impacts of proposed revisions to certain benefits for employees hired after December 31, 2017, already reviewed by the Personnel Committee, which the Committee found were fiscally prudent. It directed staff to further explore options to the health benefits provisions. Finally, revisions to the 2018 Employee Handbook will be forwarded for approval at a future Board meeting.

ACTION: Staff

**F. Information Items**

- Staff reported on MSD participation in Montecito Beautification Day on November 4th.
- Directors reported on the October 23rd SBCCSDA meeting at Carpinteria Sanitary District.
- The District office will be closed Friday, November 24<sup>th</sup>, the day after Thanksgiving.

- The annual Holiday Party will be December 16<sup>th</sup>, from 6 – 9 p.m. at Harry’s Cafe, 3313 State Street.

**G. Agreements Signed**

- 521 Santa Rosa Lane: termination of Sewer Service Agreement for a workshop conversion to ADU
- 1355 Oak Creek Canyon Road: Sewer Service Agreement for a new guesthouse
- 635 Oak Spring Road: Sewer Service Agreement for an existing barn
- 745 Fuera Lane: termination of Sewer Service Agreement for auxiliary structure converted to ADU
- 705 Park Lane: License Agreement for easement encroachment
- 707 Park Lane: License Agreement for easement encroachment
- 707 Park Lane: Sewer Service Agreement for new pool cabana
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**7. ENGINEERING, OPERATIONS AND MAINTENANCE**

The Board reviewed the information in the agenda packet.

**8. ITEMS FOR NEXT AGENDA**


The next regularly scheduled Board meeting will be December 11, 2017.

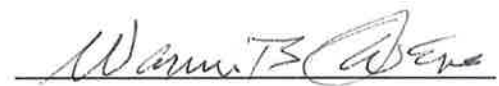
**9. ADJOURNMENT**

There being no other business, on MOTION to adjourn by Director Kern and second by Director Kerns, the MOTION passed unanimously without abstention and the meeting adjourned at 4:12 p.m.

ABSENT

Robert Williams, President

  
Judith Ishkanian, Vice President

  
Warner Owens, Secretary

  
Thomas N. Kern, Treasurer

  
Jeff Kerns, Director