

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

April 11, 2011

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 11th day of April 2011 at 1042 Monte Cristo Lane, Montecito, California, at 1:15 p.m.

ATTENDANCE

Present: Directors Charles C. Arnold, Deirdre M. Cannata, Judith M. Ishkanian, Jeff Kerns; Edward P. McAniff

Also Present: Diane Gabriel, General Manager; Debbie Hughey, Office Manager

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 March 14, 2011 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 April 11, 2011 as follows:

Accounts Payable (3/28/11)	\$16,879.13
Accounts Payable (4/11/11)	\$41,918.07
Payroll (3/24/11)	\$31,566.69
Payroll Related	\$27,785.89
Payroll (4/07/11)	\$31,666.46
Payroll Related (4/07/11)	\$3,447.35

TOTAL

\$153,263.59

4. **PUBLIC COMMENT**

No public comment.

5. **OLD BUSINESS**

A. **LETTER FROM PROPERTY OWNER – 1775 GLEN OAKS DRIVE**

Manager Gabriel reported that at their meeting on February 14, 2011, the Board considered an appeal from the owners of 1775 Glen Oaks Drive regarding the sewer connections fees that they had paid for an auxiliary structure on their property. At the February 14th meeting the Board denied the request to waive the connection fees. The owners were informed by Staff of the denial which prompted them to attend the March 14, 2011 Board meeting and address the Board during the Public Comment period. At that time the owners requested that the Board rehear their appeal so they could provide additional information that had not been part of their original request. The Board directed staff to place the second appeal on the agenda for the next scheduled Board meeting which was April 11, 2011.

The owners submitted their specific request in a letter dated April 4, 2011 which was enclosed in the agenda packet. Additionally, the owners met with the General Manager and signed the required Sewer Service Agreement that requires that the auxiliary structure not contain cooking facilities and that the structure not be used as a second residential dwelling unit on the property.

After much discussion, a MOTION was made by Director Arnold, and seconded by Director Cannata, that staff be directed to reduce the connection fees paid for the auxiliary structure to the 2010 rates and to collect prior unpaid annual sewer charges for the non-permitted second residential dwelling which was used as a rental unit and is now being converted to an auxiliary structure.

The MOTION passed with four yes votes and one opposed.

ACTION: Manager Gabriel and Staff

6. **NEW BUSINESS**

A. **MONTECITO JOURNAL ARTICLE**

The Board received a copy in their agenda packet of a front-page article, printed in the March 31st issue of the Montecito Journal, regarding the excellent work of the District's Collection System Maintenance Manager and Crew in their March 31 – April 7, 2011 issue. The Board reviewed a draft of a letter to the Editor thanking him for helping to educate the community about the services the District provides. The letter also included a response to a "Letter to the

Editor” from Edo McGowan titled “Disease in the Sand”. The Board approved of the content of the draft letter and agreed that it would be signed by all the Directors.

B. COUNTY TREASURER’S REPORT

The Board reviewed Treasurer’s Investment Pool, Fiscal Year 2010-2011 Second quarter (October-December 2010) Report (agendized on February 15, 2010 at the County Board of Supervisors meeting). Staff pointed out that Chart 5 on Page 15 showed the quarterly performance of LAIF, the Treasurer’s Pool and Federal Funds. The State Pool (LAIF) had a quarterly interest yield of 0.47%, the County’s Treasurer Pool had a quarterly interest yield of 0.84%, and the Federal Funds quarterly interest yield was 0.25%. The Report also included the latest Investment Policy Statement that the County uses to manage their investment pool. The Board commented on the difference between interest earned by the County verses LAIF and agreed to keep District funds in their current investment pools.

C. RESOLUTION NO. 2000-779 – INVESTMENT POLICY – ANNUAL REVIEW

The General Manager informed the Board that the District is required to annually review the current Investment Policy (Resolution No. 2000-779). A copy of this Resolution was included in the agenda packets. Any changes considered necessary by the Board require the adoption of a new Resolution.

After discussion it was agreed that no change was needed to the District’s investment policy. A MOTION was made by Director Arnold, and seconded by Director Cannata, that Resolution No. 2000-779 be approved. The MOTION passed by the following roll-call vote:

AYES:	Arnold, Cannata, Ishkanian, Kerns, McAniff
NAYS:	None
ABSENT:	None
ABSTAIN:	None

ACTION: None Required

D. ORDINANCE NO. 11 – DIRECTORS’ COMPENSATION

A copy of Ordinance No. 11 was included in the agenda packets. The Board reviewed the Ordinance and discussed whether or not their compensation should be revised.

After discussion, a MOTION was made by Director Arnold, and seconded by Director Cannata, that no changes be made to the Board’s current compensation schedule. The MOTION passed unanimously.

ACTION: None Required

E. OPERATIONS AND MAINTENANCE (O&M) BUDGET STATUS REPORT – THIRD QUARTER – PERIOD ENDED MARCH 31, 2011

The Budget Status Report for the third quarter of the current fiscal year was included in the agenda packet for Board review. Revenues received and/or collected to date total \$2,693,998.89. Expense totals to date are \$2,428,796.10.

F. QUARTERLY INVESTMENT POLICY STATEMENT – MARCH 31, 2011

The Board was informed by the General Manager that the District is required to make quarterly statements certifying that: (1) the investments made on behalf of the District by LAIF and the Santa Barbara County Treasurer's office were made in accordance with the District's current Investment Policy; (2) a complete and timely record of all investment transactions is maintained in the District office from reports supplied by LAIF and the Santa Barbara County Treasurer's office; and (3) the Montecito Sanitary District is able to meet its pool's expenditure requirements for the next six months.

Treasurer Arnold certified that the above three statements were correct and the quarterly statement would be signed immediately following the Board meeting.

ACTION: Treasurer Arnold and Staff

G. INFORMATIONAL ITEMS

1. Director Ishkanian attended the California Special Districts Association (CSDA) Monthly Chapter Dinner Meeting held on Monday, March 28, 2011. She reported that the speaker, Supervisor Gray, did not attend. Jeff Moorhouse, LAFCO representative, reported that, for the first time, a review of the LAFCO Executive Director's performance and compensation would be conducted.

H. AGREEMENT(S) TO BE SIGNED

1. Sewer Service Agreement for new Cabana - 1625 East Valley Road
2. Sewer Service Agreement for new Guesthouse and Pool Cabana – 1782 Jelinda Drive
3. Sewer Service Agreement for existing Detached Auxiliary Unit – 1775 Glen Oaks Drive

7. **OPERATIONS AND MAINTENANCE**

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

8. **ITEMS FOR FUTURE AGENDAS**




None

9. **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 2:35 pm.



Jeff Kerns, President


Judith M. Ishkanian, Vice-President
Edward P. McAniff, Secretary
Charles C. Arnold, Treasurer
Deirdre M. Cannata, Director