

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

June 11, 2012

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 11th day of June 2012 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

Absent: Edward P. McAniff

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

Public Forum: David Strauss, Montecito Resident/Property Owner, Ashley Road

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 May 14, 2012 were approved as submitted.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director Ishkanian, and seconded by Director Arnold, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through June 11, 2012 as follows:

| | |
|----------------------------|-------------|
| Accounts Payable (5/25/12) | \$18,362.03 |
| Accounts Payable (6/11/12) | \$48,653.02 |
| Payroll (5/17/12) | \$35,303.25 |
| Payroll Related (5/17/12) | \$32,326.85 |
| Payroll (5/31/12) | \$37,279.01 |
| Payroll Related (5/31/12) | \$12,323.20 |

TOTAL

\$184,247.36

4. PUBLIC COMMENT

President Kerns welcomed Mr. David Strauss to the meeting. Mr. Strauss explained that he attended the meeting in order to thank the Board for holding annual sewer service charges at the same rate for Fiscal Year 2012-13. No other member of the public was present to address the Board on non-agenda items.

5. OLD BUSINESS

No Old Business.

6. NEW BUSINESS

A. PERSONNEL COMMITTEE REPORT

Manager Gabriel informed the Board that she and the Personnel Committee (Directors Arnold and Ishkanian) met on May 29th. Directors Arnold and Ishkanian reported that they used the Riverside/LA Consumer Price Index (CPI) to assist in their consideration for a potential cost of living adjustment (COLA) for District staff. The Personnel Committee recommended to the Board that a 2% COLA be used in calculating the proposed fiscal year 2012-2013 Operations and Maintenance budget. President Kerns thanked the Committee for meeting with the General Manager.

ACTION: None

B. FISCAL YEAR 2012-2013 PROPOSED BUDGET – REPORT FROM FINANCE COMMITTEE

Manager Gabriel informed the Board that the Finance Committee (Directors Cannata and McAniff) met on June 6th. The Committee reviewed the details of the proposed (FY 2012-13) Operations and Maintenance (O & M) budget along with actual O&M expenses for FY 2011-12. A spreadsheet showing this information was enclosed for the Board's review in the agenda packet. The Finance Committee also reviewed the current fund balances and the revenue projections for next fiscal year. This information was also enclosed in the agenda packet for the Board's review.

Director McAniff was unable to attend the Board meeting but he prepared a Memo with his input concerning the Finance Committee Meeting. This Memo was handed out to each Board member. The Finance Committee recommended to the Board that the MSD Operations and Maintenance Proposed FY 2012-13 Budget and Fund Balances and Estimated Revenues FY 2012-13 be approved as presented.

After discussion, a MOTION was made by Director Arnold, and seconded by Director Ishkanian, that the Board approve the MSD Operations and Maintenance Proposed FY 2012-13 Budget and Fund Balances and Estimated Revenues FY 2012-13 as presented. The MOTION passed unanimously.

ACTION: Staff

C. CERTIFICATES OF PARTICIPATION (COP) – STATUS REPORT AND DESIGNATION OF ADDITIONAL MISSION CRITICAL PROJECTS

Manager Gabriel reported that at the Finance Committee Meeting (June 6th) they also reviewed the status of the “mission critical” improvement projects funded by the COPs. A spreadsheet showing the completed, on-going and proposed projects was enclosed in the agenda packet for the Board’s review. In addition to the original 15 projects identified in 2007, and the 9 additional projects added in 2011-12, the Board was asked to consider adding three new projects to the “mission critical” project list for Fiscal Year 2012- 2013. These projects include a Sewer Cleaning Machine, Influent Pump Station Retrofit and Maintenance/Mechanics Truck.

After discussion, a MOTION was made by Director Arnold, and seconded by Director Ishkanian, that the Board approve the additional “mission critical” projects as well as the new budget amounts for existing and on-going projects (New Projects FY 2012-2013) as identified in the handout titled “Capital Improvement Projects (CIP) FY 2012-2013. The MOTION passed unanimously.

ACTION: Staff

D. RESOLUTION NO. 2012-873 – SETTING THE DATE, TIME AND PLACE FOR THE ANNUAL SEWER SERVICE CHARGE HEARING TO COLLECT SEWER SERVICE CHARGES ON THE COUNTY TAX ROLL

Manager Gabriel reminded that the Board that in order to continue the practice of collecting sewer service charges on the County’s tax roll a public hearing must be held to allow for public comments. Pursuant to Health & Safety Code, Section 6520.5, the Board is required to adopt a resolution setting the date, time and place for the hearing.

Resolution No. 2012-873, which was enclosed for the Board’s review in the agenda packet, sets July 30, 2012 as the date for the hearing. Notice of the hearing will be published in the *Santa Barbara News-Press* on July 8th and July 15th. A separate notice will be mailed on July 10th to property owners who have taken out a new sewer connection permit during the 2011 - 2012 Fiscal Year. Holding the public hearing on July 30, 2012 will enable staff to electronically submit Fiscal Year 2012- 2013 sewer service charge information to the County to meet their August 10th deadline.

A MOTION was made by Director Cannata, and seconded by Director Ishkanian, that Resolution No. 2000-779 remain unchanged. The MOTION passed by the following roll-call vote:

| | |
|----------|-----------------------------------|
| AYES: | Arnold, Cannata, Ishkanian, Kerns |
| NAYS: | None |
| ABSENT: | McAniff |
| ABSTAIN: | None |
| ACTION: | None Required |

E. INFORMATIONAL ITEMS

1. President Kerns and Director Ishkanian attended the Annual Chapter meeting for the Santa Barbara County Chapter of California Special Districts Meeting held in Buellton on May 21, 2012. Notes taken by Director Ishkanian regarding the meeting were handed out to each of the Board members.
2. A copy of the County Survey Map for the Montecito Sanitary District (requested by Board members at their meeting on May 14, 2012) was enclosed in the agenda packets for the Board's review.
3. The Notice for Santa Barbara Chapter California Special Districts Association Monthly Chapter Conference to be held on June 25, 2012 at Glen Annie Golf Club was enclosed in the agenda packets for the Board's review.
4. Directors Ishkanian and Kerns will attend this meeting.
5. Directors Cannata and Ishkanian stated that they would like to attend the 2012 CASA Annual Conference on August 8-11th held in Monterey. Staff will make reservations for the Directors.

F. AGREEMENT TO BE SIGNED

Residential Sewer Service Agreement – 605 Hot Springs Road – Pool Cabana

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 Arnold, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 2:42 pm.





Jeff Kerns, President


Judith M. Ishkanian, Vice-President

A B S E N T

Edward P. McAniff, Treasurer


Deirdre M. Cannata, Secretary
Charles C. Arnold, Director