

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

December 12, 2011

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 12th day of December 2011 at 1042 Monte Cristo Lane, Montecito, California, at 1:15 p.m.

ATTENDANCE

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

Absent: Judith M. Ishkanian

Also Present: Diane Gabriel, General Manager; Debbie Hughey, Office Manager
Connor Kerns, Santa Barbara High School student observing for a Political
Science class

Item 6.A. Melissa J. Fassett, HR Legal Counsel, with Price, Postel & Parma

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 Arnold, and seconded by Director Cannata, the minutes of November 14, 2011 were approved as submitted.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director Cannata, and seconded by Director McAniff, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through December 12, 2011 as follows:

Accounts Payable (11/23/11)	\$23,685.18
Accounts Payable (12/12/11)	\$46,038.87
Payroll (11/17/11)	\$35,517.77
Payroll Related (11/17/11)	\$31,444.15

CONTINUED

Payroll (12/01/11)	\$34,477.71
Payroll Related (12/01/11)	\$ 9,974.29

TOTAL **\$181,137.97**

4. PUBLIC COMMENT

No member of the public was present to address the Board on non-agenda items.

5. OLD BUSINESS

A. FINANCIAL AUDIT REPORT – FISCAL YEAR 2010-2011

The General Manager reminded the Board that on November 14th, the auditors, Ms. Danna McGrew and Tracey Solomon, with Bartlett, Pringle and Wolf, presented the draft report which was reviewed by the Board. At that time the Board voted to accept the Fiscal Year 2010-2011 Financial Audit Report with minor changes and corrections as indicated by the auditors. Staff distributed a final version of the 2010-2011 fiscal year Financial Statements to each of the Board members.

Staff will distribute bound copies to the following agencies: ACWA; Bank of New York; CSRMA; Dun & Bradstreet; Fieldman, Rolapp & Associates; Local Agency Investment Fund (LAIF), Price, Postel & Parma; Santa Barbara County Auditor-Controller; Standard & Poor's; and the State Controller's office.

ACTION: Staff

6. NEW BUSINESS

A. APPROVAL AND AUTHORIZATION TO ISSUE UPDATED EMPLOYEE HANDBOOK

Manager Gabriel introduced Melissa J. Fassett, District's HR Legal Counsel with Price, Postal and Parma. The Board was informed that on November 13, 2006 the Board voted to approve an Employee Handbook for the District. The handbook was prepared for the District by the consulting firm of Strategic HR Services and also reviewed and edited by Ms. Fassett. The handbook included the District's existing policies, Board approved policies and practices and policies required by law at that time.

A new and updated version of the employee handbook was drafted by the General Manager, the Office Manager and Ms. Fassett. Ms. Fassett briefed the Board on the content and updates that have been made to the handbook.

After some discussion, a MOTION was made by Director McAniff, and seconded by Director Arnold, that the Board approve the handbook. The Office Manager is directed to provide every employee with a copy, conduct training on the handbook, and ensure that each employee sign an “Acknowledgement of Receipt” of the handbook. The handbook will become effective on January 1, 2012 and will supersede all previously approved policies, practices, procedures, manuals and memoranda regarding the terms and conditions of employment. The MOTION passed unanimously.

ACTION: Staff

B. CCTV VAN – AUTHORIZATION TO ADVERTISE FOR BIDS

The General Manager reported that as part of the Fiscal Year 2011-2012 budget process the Board approved additional mission critical projects/expenditures to be funded by the COP proceeds. One of these projects was the procurement of a new CCTV Van including a new camera, computer hardware and software installed in a new van. The District’s Collection System Manager and Collection System Lead have been researching the options that are available. They have met with numerous vendors, participated in demonstrations, visited and discussed CCTV operations with other agencies. A specification, for the CCTV van and various appurtenances, has been prepared such that the District can be assured they will receive the equipment that meets the needs of the Collection Crew. The current COP budget for this project is \$150,000.

After the General Manager briefed the Board on some of the specifics of the van specifications, a MOTION was made by Director Arnold, and seconded by Director McAniff, authorizing staff to advertise the project for bids. Once the bids are received staff will return to the Board for authorization to award a contract. The MOTION passed unanimously.

ACTION: Staff

C. TESTING LABORATORY BUILDING – NOTICE OF COMPLETION – SBS CORPORATION

Manager Gabriel reminded the Board that at their meeting on October 25, 2010, they voted to award a contract for the construction of the new Testing Laboratory Building in the amount of \$752,886.75. At the time of award the Board also authorized a contract change order allowance of \$75,000. During the course of the project construction, there were six project change orders issued for a total amount of \$63,453.51. The most significant change order costs were associated with the construction of a red tile screening feature added to the roof for aesthetic purposes (given that the railroad cut down several trees), construction of four quick acting dampener actuators on the ventilation system and the installation of various conduits, junction boxes, electrical wiring and circuit breaker, which were not shown on the construction drawings, but were necessary for the proper functioning of the lab. The completed construction contract amount is \$816,340.26

(\$752,886.75 + \$63,453.51). This amount is within the COP funding that was budgeted for this mission critical project during FY 2010-11 and FY 2011-12.

After discussion, a MOTION was made by Director Cannata, and seconded by Director Arnold, that the Board accept the project as complete and direct staff to prepare a Notice of Completion for the project. The MOTION passed unanimously.

ACTION: Staff

D. RESOLUTION NO. 2011-870 – INVENTORY OF DISTRICT LANDS AND AIR SPACE

Government code requires the District to conduct an inventory of all District lands and air space annually to determine whether or not there are any in excess of the District's needs. To date there are no such excess lands or air space under the District's ownership. A copy of proposed Resolution No 2011-870 was included in the agenda packets.

After discussion, a MOTION was made by Director Cannata, and seconded by Director McAniff, that Resolution No. 2011-870 be adopted and executed. The MOTION passed by the following roll call vote:

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

E. RESOLUTION NO. 2011-871 – APPROVING DISTRICT HOLIDAYS FOR 2012

Each year the Board is required to adopt a resolution appointing the legal holidays approved for the following year. Proposed Resolution No. 2011-871 (included in the agenda packet for review) sets the approved holidays for 2012 exactly as they have been approved for the last several years. The holidays stipulated in the resolution are listed below.

1. January 1st - New Year's Day
2. Third Monday in February - President's Day
3. Last Monday in May - Memorial Day
4. July 4th - Independence Day
5. First Monday in September - Labor Day
6. Fourth Thursday in November - Thanksgiving Day
7. December 25th - Christmas Day

- If a holiday falls on a Sunday, the following Monday is the observed District holiday. The District office will be closed on that Monday.

- If a holiday falls on a Saturday, the preceding Friday is the observed District holiday. The District office will be closed on that Friday.

Following discussion, a MOTION was made by Director McAniff, and seconded by Director Arnold, that Resolution No. 2011-871 be adopted and executed. The MOTION passed by the following roll call vote:

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

F. INFORMATIONAL ITEMS

1. Holiday Party scheduled for Saturday, December 17th at 6:00 p.m. at Holdren's.
2. California Association of Sanitation Agencies (CASA) Mid Year Conference on January 18-20, 2012 held at Palm Desert. Director McAniff and President Kerns agreed to check their calendars to determine their availability to attend.

G. AGREEMENT(S) TO BE SIGNED

No Agreements.

7. ORGANIZATIONAL MEETING

President Kerns stated that before the January 9th meeting he will be talking to the Directors to determine any changes they may want to make as officers on the Board or serving on the Board committees.

8. OPERATIONS AND MAINTENANCE

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

9. ITEMS FOR FUTURE AGENDAS

Report on December 13th inspection by California Regional Water Quality Control Board and EPA Inspector.

9. ADJOURNMENT

There being no further business to come before the Board, it was MOVED by Director Cannata, and seconded by Director McAniff, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 2:20 pm.



Jeff Kerns, President

A B S E N T

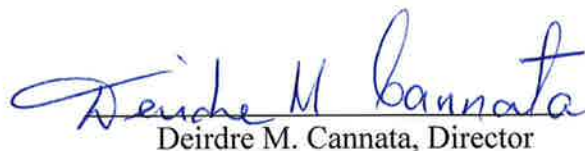
Judith M. Ishkanian, Vice-President



Edward P. McAniff, Secretary



Charles C. Arnold, Treasurer



Deirdre M. Cannata, Director