

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

February 13, 2012

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 13th day of February 2012 at 1042 Monte Cristo Lane, Montecito, California, at 1:15 p.m.

ATTENDANCE

Present: Directors Charles C. Arnold, Judith M. Ishkanian, Edward P. McAniff

Absent: Jeff Kerns

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

Item 6.B. David Strauss, Property Owner

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 McAniff, the minutes of January 30, 2012 were approved as submitted. Director Cannata abstained as she was absent from the January 30th meeting.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director McAniff, and seconded by Director Cannata, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through February 13, 2012 as follows:

Accounts Payable (2/13/12)	\$89,254.43
Payroll (2/9/12)	\$38,471.81
Payroll Related (2/9/12)	\$33,835.04

TOTAL

\$161,561.28

4. **PUBLIC COMMENT**

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

5. **OLD BUSINESS**

A. **ADMINISTRATION AND OPERATIONS (A&O) COMMITTEE REPORT**

Manager Gabriel stated that the A&O Committee set Friday, February 24th as the date for interviews with prospective legal counsel. The General Manager informed the Board that four out of five candidates have responded to the District letter requesting interviews which was mailed out and signed by President Kerns. Once the interviews have been conducted, the A&O Committee will return to the full Board with their recommendation.

ACTION: A&O Committee

6. **NEW BUSINESS**

A. **2011 ANNUAL REPORT TO THE REGIONAL WATER QUALITY CONTROL BOARD**

The General Manager reported that the District's NPDES (National Pollution Discharge Elimination System) Permit from the State Regional Water Quality Control Board (RWQCB) requires the submittal of an annual report containing specific data and test results. The report was submitted electronically to the RWQCB, in time to meet the February 1, 2012 submittal deadline. A copy of the report was enclosed in the agenda packet to be reviewed by the Board.

Manager Gabriel explained that Brett Walker, Operations and Maintenance Manager was present at the Board meeting to point out highlights of the report that the Board should be aware of and to address any questions or concerns specific to the wastewater treatment portion of the report. Alex Alonzo, Collections System Manager was also present to answer questions regarding the collection system portion of the report.

Mr. Walker pointed out some specifics of the report and answered general questions from the Board. The Board thanked Mr. Walker for his continued hard work in producing such a good report.

Mr. Alonzo briefed the Board on the Collection System Maintenance section of the report. He emphasized that his crew will continue to pursue their short and long term goals mentioned in the report. The Board thanked Mr. Alonzo for being proactive and also expressed appreciation again for his report on the Collection System Maintenance Plan for 2012 that he presented at the January 30th Board meeting.

ACTION: None

B. ANNUAL SEWER SERVICE CHARGES – REQUEST FOR RELIEF

This agenda item was taken out of order.

Manager Gabriel informed the Board that on January 30th the District received a letter from Mr. and Mrs. David Strauss, property owners of 735 Ashley Road, requesting relief from the District's current rate of \$1,080 and to pay sewer service charges at the old 2010-11 rate of \$960 (in accordance with District Resolution 2009-851). Mr. Strauss' letter included copies of his Cox Cable, Southern California Edison and Gas Company bills which verified that he was being billed under the California Alternative Rates for Energy (CARE) system which offers a discount program for qualified individuals. A copy of Mr. Strauss' letter was enclosed in the agenda packet.

The Board heard from Mr. Strauss, who was in attendance at the meeting, regarding his request for relief. After some discussion, a MOTION was made by Director Arnold, and seconded by Director Cannata, to hold Mr. and Mrs. David Strauss' rates at the current rate of \$1,080 for as long as they continue to qualify for the CARE program and they are the owners of the property. The MOTION passed unanimously.

ACTION: Staff

C. 2012 CCTV VAN AND EQUIPMENT – AWARD OF CONTRACT – ELXSI – CUES

Manager Gabriel reminded the Board that at their meeting on December 12, 2011 they authorized staff to begin advertising the 2012 CCTV Van and Equipment purchase for bids. A new CCTV Van is one of the mission critical projects/expenditures approved by the Board in the Fiscal Year 2011 – 2012 Capital Improvement Budget to be funded by the COP proceeds.

On Wednesday February 8, 2012 the following two bids were received:

ELXSI - CUES	\$ 170,245.00
Municipal Maintenance Equipment	\$ 176,920.65

The FY 2011-12 Capital Improvement Budget (COP Funded) includes \$150,000 for the CCTV Van and Equipment. The van cost is larger than the budgeted amount, however, there is \$35,478 in contingency funds available in the COP budget.

After discussion, a MOTION was made by Director McAniff, and seconded by Director Arnold, that the Board award the low bidder ELXSI-CUES the contract in the amount of \$170,245 and authorize \$20,245 of contingency funds from the COP budget to be transferred to the account for the CCTV Van project. The MOTION passed unanimously.

ACTION: Staff

D. TOLLIS AVENUE SEWER MAIN EXTENSION – REIMBURSEMENT FOR CONSTRUCTION OF FACILITIES

This agenda item was taken out of order.

Manager Gabriel related that on April 21, 2006 the District executed an agreement with Peter Kavoian for the construction of a sewer main extension in Tollis Avenue. In accordance with the “Dedication Agreement for Sewer Facilities for the Tollis Avenue Sewer Main Extension” the construction was completed and 400 feet of 8” PVC sewer main was accepted by the District on April 28, 2008. In accordance with Section 14 of the Dedication Agreement, Mr. Kavoian was to provide the District with a “complete cost accounting” such that these costs could be reviewed by the Board for appropriateness and potential reimbursement of 20%. Mr. Kavoian wrote a letter dated January 25th informing the District that he did not think he could seek reimbursement until such time as his neighbors connected to the sewer. Two of his neighbors have recently connected, and Mr. Kavoian has now presented the District with the “cost accounting” and a request for reimbursement. The cost of the project for Mr. Kavoian was \$196,412.50 less the \$25,000 expense for his lateral or \$171,412.50. A 20% reimbursement of \$171,412.50 is \$34,282.50 which is the amount the District will reimburse to Mr. Kavoian.

After discussion, a MOTION was made by Director Cannata, and seconded by Director McAniff, that Mr. Kavoian be reimbursed \$34,282.50 in accordance with the Dedication Agreement between the District and Mr. Kavoian. The MOTION passed unanimously.

ACTION: Staff

E. INFORMATIONAL ITEMS

1. No Informational Items

F. AGREEMENT(S) TO BE SIGNED

Residential Sewer Service Agreement - 2200 Sycamore Canyon Road - Guest Suite above the Garage.

7. OPERATIONS AND MAINTENANCE

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

8. ITEMS FOR FUTURE AGENDAS

No future agenda items.

9. ADJOURNMENT

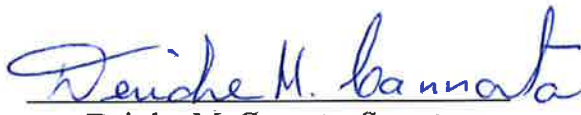
There being no further business to come before the Board, it was MOVED by Director Arnold, and seconded by Director McAniff, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 2:30 pm.

A B S E N T

Jeff Kerns, President


Judith M. Ishkanian, Vice-President


Edward P. McAniff, Treasurer


Deirdre M. Cannata, Secretary


Charles C. Arnold, Director