

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

December 13, 2010

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 13th day of December 2010 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 Arnold, and seconded by Director Cannata, the minutes of November 8, 2010 were approved as submitted.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director Kerns, and seconded by Director Cannata, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through December 13, 2010 as follows:

Accounts Payable (11/17/10)	\$36,435.78
Accounts Payable (12/02/10)	\$34,192.81
Accounts Payable (12/13/10)	\$30,609.24
Payroll (11/18/10)	\$33,006.20
Payroll Related (11/18/10)	\$26,177.43

Montecito Sanitary District
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Payroll (12/02/10)	\$32,773.50	
Payroll Related (12/02/10)	\$ 8,944.65	
TOTAL		<u>\$202,139.61</u>

4. PUBLIC FORUM

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

5. OLD BUSINESS

A. FINANCIAL AUDIT REPORT – FISCAL YEAR 2009-2010

Staff distributed the final version of the 2009-2010 fiscal year Financial Statements to the Board.

A MOTION was made by Director McAniff, and seconded by Director Kerns, that the Board accept the Independent Auditor’s Report for Fiscal Year 2009-10 and direct staff to distribute copies as required. The MOTION passed unanimously.

ACTION: Manager Gabriel and Staff

6. NEW BUSINESS

A. REQUEST FROM PROPERTY OWNER – 645 TABOR LANE

Manager Gabriel reported that the District received an email from the owner of 645 Tabor Lane requesting that they be allowed to pay the sewer connection fees prior to paying the amount owed the District for the sewer main extension that was constructed in late 2006 to serve Tabor Lane properties.

After discussing the pros and cons of this issue a MOTION was made by Director Arnold, and seconded by Director Cannata, that a letter be written to the property owner denying the request. The MOTION passed unanimously.

ACTION: Manager Gabriel

B. NOTICE OF COMPLETION – LABORATORY BUILDING SITE EXCAVATION AND ROUGH GRADING

Manager Gabriel reminded the Board that they voted to award a contract in the amount of \$33,093.96 to Lash Construction for the Building Site Excavation and Rough Grading for the new Laboratory building at their Board meeting on July 26, 2010. At that time the Board also authorized \$10,000 in contract change order funding for the project for a total not to exceed contract of \$43,093.96. The change order work consisted of the construction of storm drainage structures. This site work was completed on September 27, 2010. A final job inspection and walkthrough was conducted on November 23, 2010. The work performed was completed within the COP funding amount that was established by the Board for this “mission critical” project.

After discussion, a MOTION was made by Director Arnold, and seconded by Director McAniff, that the Board accept the project as completed by Lash Construction in the amount of \$43,093.96 and direct staff to issue a Notice of Completion. The MOTION passed unanimously.

ACTION: Staff

C. NOTICE OF COMPLETION – LIFT STATION NO. 4 – SECURITY AND AESTHETIC ENHANCEMENTS

The General Manager reported that on April 26, 2010 the Board voted to authorize issuance of a purchase order in the amount of \$30,000 to Lash Construction for the construction and installation of new fencing and aesthetic screening of the District’s Lift Station No. 4. The Board was shown photos of the concrete planters that Lash constructed and installed to screen the station. A final inspection of Lash’s work was performed on December 8, 2010. The owners of the neighboring condos have expressed their satisfaction and appreciation to the District for this project. There were no construction change orders issued and the work was completed for \$29,926 which was under the \$30,000 purchase order amount. The work performed was paid for using the COP funding that was established by the Board for the “mission critical” Lift Station No. 4 Refurbishment Project which was completed in February 2009.

President Ishkanian and the Directors commended Mike McCaleb, Associate Engineer, for all his hard work and diligence in seeing that this project was completed.

After discussion, a MOTION was made by Director Cannata, and seconded by Director Kerns that the Board vote to accept the Lift Station No. 4 Security and Aesthetic Enhancements Project as complete and that staff be directed to issue the Notice of Completion. The MOTION passed unanimously.

ACTION: Staff

D. CALIFORNIA STATE LANDS COMMISSION LEASE FOR OCEAN OUTFALL – NOTICE OF EXEMPTION

Manager Gabriel reminded the Board that the District's ocean outfall pipeline was constructed in the early 1960's. At the time of construction, the District was required to enter into a lease with the California State Lands Commission because they have authority over the land seaward of the mean high tide line and extending out to the end of the District's ocean outfall pipeline which is approximately 1500 feet long. The lease, which was a 49-year lease, has now expired. The General Manager worked closely with the staff of the State Lands Commission to apply for and comply with all requirements necessary to enter into a new lease. The new lease is for 25 years. The lease document has been reviewed by both the General Manager and the District's legal counsel, Mr. Mark Manion, and allows the District to maintain the outfall pipelines in its current location. On September 23, 2010, the District issued the State Lands Commission a check in the amount of \$3,025 to cover the cost associated with the processing of the new lease. At this time, there are no plans for the State Lands Commission to charge the District any additional fees throughout the 25-year life of the lease. The lease allows the District to perform regular and routine maintenance activities without notifying the State Lands Commission; however, catastrophic damage, structural modifications or failure of the pipeline do require notification.

Enclosed in the agenda packet was a copy of Resolution 2010-865. This resolution, among other things, approves the lease and authorizes the Board President to execute the lease on behalf of the District. Further, in connection with the District's approval and execution of the new lease it is necessary for the Board to follow the requirements of the California Environmental Quality Act (CEQA) and file a Notice of Exemption. A copy of the Notice of Exemption form was also enclosed in the agenda packet.

After some discussion, a MOTION was made by Director Cannata, and seconded by Director Arnold, that Resolution 2010-865 Accepting State Lands Commission Lease PRC 2689.9 for Ocean Outfall be approved; that the Board make the findings for the exemption directing the General Manager to file a Notice of Exemption with the County Clerk; and that the Board approve the 25-year lease agreement with the California State Lands Commission authorizing the Board President to execute two original copies of the lease agreement once they are received by the District from the State Lands Commission. The MOTION passed unanimously.

E. RESOLUTION NO. 2010-862 – RETIREMENT OF KEVEN THOMSON

Manager Gabriel related to the Board Keven Thomson's retirement effective November 23, 2010. Mr. Thomson has been employed by the District for 20 years.

A MOTION was made by Director Kerns, and seconded by Director Arnold, that the Board, in recognition of Mr. Thomson's longevity and dedication of service to the District, adopt Resolution

No. 2010-862, Honoring Mr. Keven Thomson Upon His Retirement from the District. The MOTION passed by the following roll-call vote:

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

F. RESOLUTION NO. 2010-863 – INVENTORY OF DISTRICT LANDS AND AIR SPACE

The General Manager explained that 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 this District's ownership. A copy of proposed Resolution No. 2010-863 was enclosed in the agenda packet for review.

After discussion, a MOTION was made by Director Arnold and seconded by Director McAniff, that Resolution No. 2010-863 be adopted and executed. The MOTION passed by the following roll call vote:

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

G. RESOLUTION NO. 2010-864 – APPROVING DISTRICT HOLIDAYS FOR 2011

Manager Gabriel explained that each year the Board must adopt a resolution appointing the legal holidays approved for the subsequent year. Proposed Resolution No. 2010-864, enclosed in the agenda packet for review, sets the approved holidays for 2011 exactly as they have been approved for the last several years. The holidays stipulated in the resolution are as follows:

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.

If at any time any regular meeting of the Governing Board of this District falls on a holiday, or a day observed as a holiday, such regular meetings shall be held on the next business day.

Following discussion, a MOTION was made by Director Kerns, and seconded by Director Cannata, to adopt and execute Resolution No. 2010-864. The MOTION passed by the following roll call vote:

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

H. INFORMATIONAL ITEMS

1. CASA Mid Year Conference January 12 - 14, 2011
2. Holiday Party to be held at Eladio's Restaurant (28 W. Cabrillo) on Friday, December 17th at 6:00.

I. AGREEMENT(S) TO BE SIGNED

1. 590 Meadow Wood Lane – Residential Sewer Service Agreement for New Pool Cabana
2. 1504 East Mountain Drive – Residential Sewer Service Agreement for New Pool Cabana

ORGANIZATIONAL MEETING

President Ishkanian Announced:

"Directors Cannata and Ishkanian have been appointed to four-year terms and Directors Kerns and McAniff have been appointed to two-year terms as members of the Governing Board of the Montecito Sanitary District. Each has taken the Oath of Office, the originals of which are on file with the County Clerk, and copies are on file at the District office. Certificates of Appointment were also issued by the County Clerk." (Elections Code 10553)

"Pursuant to law, this is the time and place for the meeting to organize the members as a Governing Board."

Following discussion and upon a MOTION by Director Cannata, and seconded by Director McAniff, Director Kerns was nominated for the office of Board President. This MOTION passed by unanimous vote. Director Kerns accepted and thanked the Board for his nomination.

A MOTION was made by Director Ishkanian, and seconded by Director McAniff, that Diane Gabriel continue as General Manager/District Engineer. The MOTION passed by unanimous vote.

A MOTION was made by Director Cannata, and seconded by Director Ishkanian, that Price, Postel and Parma continue as the District's legal counsel. The MOTION passed by unanimous vote.

Newly elected President, Jeff Kerns, requested that the remaining Appointments for Officers (Vice-President, Secretary and Treasurer), Board Committees (Finance, Administration & Operations, Personnel and Public Information) and designating the dates, time and place for holding regular meetings, be considered at the next Board meeting.

Until the next Board Meeting the Committees and officers will remain as follows:

Secretary – Chuck Arnold
Treasurer – Ed McAniff
Finance Committee – Directors Arnold and McAniff
Administration & Operations Committee – Directors Kerns and McAniff
Personnel Committee – Directors Arnold and Ishkanian
Public Information Committee – Directors Cannata and Ishkanian

7. OPERATIONS AND MAINTENANCE

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

8. ITEMS FOR THE NEXT AGENDA

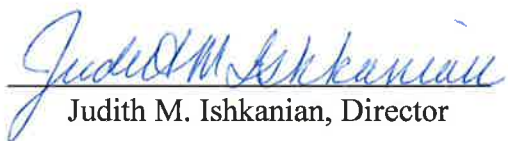
Appointments for Officers, Board Committees

9. ADJOURNMENT

There being no further business to come before the Board, it was MOVED by Director Ishkanian, and seconded by Director McAniff, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 2:47 pm.



Jeff Kerns, President



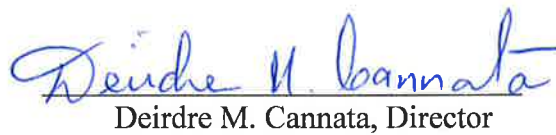
Judith M. Ishkanian, Director



Edward P. McAniff, Treasurer



Charles C. Arnold, Secretary



Deirdre M. Cannata, Director