

**MINUTES OF THE REGULAR MEETING  
Of the  
BOARD OF DIRECTORS  
For the  
MONTECITO SANITARY DISTRICT**

**October 14, 2013**

**A. CALL TO ORDER**

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 14th day of October 2013 at 1042 Monte Cristo Lane, Montecito, California, at 1:15 p.m.

**ATTENDANCE**

**Present:** Directors Judith M. Ishkanian, Deirdre M. Cannata, Thomas Kern, Jeff Kerns, and Warner B. Owens

**Absent:**

**Also Present:** Diane M. Gabriel, General Manager; Toni M. McDonald, District Administrator

**B. APPROVAL OF MINUTES OF THE LAST MEETING**

The minutes of the prior Board meeting were included in the agenda packets. On MOTION by Director Kerns and second by Director Cannata, the minutes of September 23, 2013 were approved.

**C. APPROVAL OF PAYROLL AND PAYABLES**

On MOTION by Director Kerns and second by Director Owens, the Board approved these PAYROLL AND ACCOUNTS PAYABLE EXPENSES from September 24, 2013 through October 14, 2013:

Accounts Payable Expenses	\$ 64,810.38
Payroll and Related Expenses	64,233.15
Total Expenses	<u>\$ 129,043.53</u>

4. **PUBLIC COMMENT**

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

5. **OLD BUSINESS**

No old business.

6. **NEW BUSINESS (A – I)**

A. **DISINFECTION SYSTEM CHEMICAL ANALYZERS – PURCHASE ORDER AUTHORIZATION – SEIMENS WATER TECHNOLOGIES**

The General Manager reported on the need to replace four chlorine analyzers as part of the COP funded Capital Improvement Project No. 29. The current analyzers were manufactured by Seimens Water Technologies and installed in 1999. Project No. 29 is budgeted for \$50,000. Seimens has given the District a quote of \$33,667 plus tax and shipping to purchase four new analyzers.

After discussion, on MOTION by Director Kerns and second by Director Owens to authorize the General Manager to issue a purchase order to Seimens in the amount of \$33,667 plus tax and shipping for the purchase of four new analyzers, the MOTION passed unanimously.

ACTION: General Manager

B. **SEWER MAIN REHABILITATION (SLIP LINING) – ENGINEERING DESIGN SERVICES – CONTRACT WITH PHOENIX CIVIL ENGINEERING, INC**

The General Manager reported that approximately 29,000 feet of pipeline have been identified as needing rehabilitation. Mr. Jon Turner, Phoenix Civil Engineering, has submitted a proposal to develop bid documents, including plans, specifications, and cost estimates, for sewer rehabilitation to be performed on 29,000 feet of sewer main in various locations throughout the District. This proposal is for design work performed on a time and materials basis, not to exceed \$41,660. The design work should be completed close to the end of fiscal year 2013-2014.

After discussion, on MOTION made by Director Owens and second by Director Kern to authorize the execution an agreement with Phoenix Civil Engineering in an amount not to exceed \$41,660 for the design of sewer rehabilitation on 29,000 feet of sewer main in various locations, the MOTION passed unanimously.

ACTION: General Manager

**C. FISCAL YEAR 2013 – 2014 CAPITAL IMPROVEMENT PROJECTS - CERTIFICATES OF PARTICIPATION (COPs) STATUS REPORT – THROUGH OCTOBER 11, 2013**

The General Manager reported on the status of the mission critical capital improvement projects funded by the COPs.

**D. OPERATIONS AND MAINTENANCE (O&M) BUDGET STATUS REPORT THROUGH SEPTEMBER 30, 2013**

Staff reviewed fiscal year to date expenditures and revenues. Total expenditures total \$717,833, or fifteen percent of the annual budget. Total revenues to date total \$86,000. Revenues trend based on the collection of sewer service charges on the County of Santa Barbara tax rolls and the County's subsequent distribution.

The O&M Budget Status Report shows the portion of the debt payment which is a payment of interest expense. This reporting will change to include reporting of the amount of the annual debt payment which is repayment of principal.

**E. QUARTERLY INVESTMENT REPORT – SEPTEMBER 30, 2013**

Director Kern reported on the change in investment accounts for the first quarter FY 2013-14 ending September 30, 2013. The total change in cash and investments was a decrease of \$1,111,000.

This will be an ongoing quarterly report given by the Treasurer, or more often as needed.

**F. QUARTERLY INVESTMENT POLICY STATEMENT – SEPTEMBER 30, 2013**

The Board was informed that the District must make quarterly statements certifying that: (1) the investments made on behalf of the District by LAIF and the Santa Barbara County Treasurer's office complied with District 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; and (3) the District is able to meet its pool's expenditure requirements for the next six months.

After Treasurer Kern certified that the three statements were correct, the Quarterly Certification Statement was signed immediately following the meeting.

**G. RESOLUTION NO. 2013-883 – MONTECITO SANITARY DISTRICT INVESTMENT POLICY**

Director Kern reported that District Investment Policy as stated in Resolution No. 2000-779 needed updating to reflect current government code requirements and language. The revised investment policy is set forth in Resolution No. 2013-883, which replaces Resolution No. 2000-779. This resolution has been reviewed by Director Kern, District staff, and District legal counsel.

President Ishkanian called for the adoption of Resolution No. 2013-883, which replaces Resolution No. 2000-779.

Upon MOTION by Director Kerns and second by Director Cannata to adopt Resolution No. 2013-882 with a correction to section 7, replacing the term “designated official” with “Treasurer”, the MOTION passed with the following roll call vote:

AYES: Cannata, Ishkanian, Kern, Kerns, Owens

NAYS: None

ABSENT: None

ACTION: Staff

**H. INFORMATIONAL ITEMS**

Directors Owens and Cannata will attend a Goleta Sanitary District open house on October 19, 2013.

The General Manager reported on a Beautification Day event on November 2nd. The District will be represented by staff and the CCTV van. Board members are encouraged to attend.

The General Manager also reported that MSD's holiday party will be held at Café Stella on December 14, 2013

**I. AGREEMENTS SIGNED**

- 722 Via Manana for a new Cabana
- 750 Riven Rock Road for a new Guesthouse
- 1345 Virginia Road for a new attached Guest Suite
- 830 Riven Rock Road for an existing Guesthouse
- 341 Hot Springs Road for a new Guesthouse

**7. OPERATIONS AND MAINTENANCE**

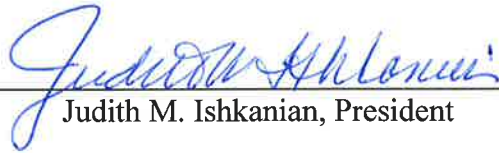
The Board reviewed the information provided in the agenda packets.

8. ITEMS FOR THE NEXT AGENDA

No items were requested or suggested by the Directors for the next meeting agenda.


9. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Cannata and second by Director Kerns, the MOTION carried and the meeting adjourned at 2:29 p.m.

  
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Judith M. Ishkanian, President

Absent   
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Jeff Kerns, Vice President

  
\_\_\_\_\_  
Deirdre M. Cannata, Secretary

  
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Thomas Kern, Treasurer

  
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Warner B. Owens, Director