

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

January 28, 2013

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 28th day of January 2013 at 1042 Monte Cristo Lane, Montecito, California, at 1:15 p.m.

ATTENDANCE

Present: Directors Deirdre M. Cannata, Judith M. Ishkanian, Tom Kern and Jeff Kerns

Absent: None

Also Present: General Manager Diane M. Gabriel

Public Forum: Warner Owens, Montecito Resident / Property Owner; Bob Williams, Montecito Resident / Property Owner; Jack Overall, Montecito Resident / Property Owner

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes from the prior Board meeting were included in the agenda packet for Board review.

Upon MOTION by Director Cannata, and seconded by Director Kern, the minutes of January 14, 2013 were approved with one change in the statement regarding the approval of minutes of the last meeting.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director Ishkanian, and seconded by Director Cannata, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through January 28, 2013 as follows:

Accounts Payable (01/23/13)	\$34,469.93
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Payroll (01/24/13)	\$31,568.91
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Payroll Related (01/24/13)	\$42,547.34
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TOTAL

\$108,586.18

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. **CALTRANS PROPOSED 101 FREEWAY PROJECT**

At the request of the Board, Mr. Jack Overall, representing 101 In Motion, gave a brief presentation regarding the proposed 101 Freeway project. Some of the Caltrans proposed construction is adjacent to District property and buildings and the District should be made aware of the potential construction related impacts.

Following Mr. Overall presentation and some follow up questions and discussion, a MOTION was made by Director Ishkanian, and seconded by Director Cannata, that the General Manager outline the District's concerns in a letter, for President Kerns' signature, to Supervisor Salud Carbajal with copy to Supervisor Janet Wolf; Mayor Helene Schneider; Tim Gubbins, Caltrans Director and Jim Kemp, Executive Director of SBCAG. The MOTION passed unanimously.

ACTION: General Manager Gabriel, President Kerns

B. **SANTA BARBARA COUNTY CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) MONTHLY CHAPTER MEETING**

At the January 14, 2013 Board Meeting, Directors Ishkanian and Kerns indicated that they would be attending the local chapter meeting of the CSDA held January 28th in Buellton. The annual general elections will be held. The agenda and the slate of officers were enclosed in the agenda packet as *Exhibit A*. Each district will have one vote, by secret ballot, at the meeting. President Kerns will be the person authorized to vote on behalf of the District at this meeting.

Following discussion, a MOTION was made by Director Kern and seconded by Director Cannata, that the Board direct President Kerns to vote for the slate of officers as proposed in Exhibit A. The MOTION passed unanimously.

ACTION: President Kerns

**C. SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION (LAFCO)
PUBLIC NOTICE AND ANNOUNCEMENT**

The Board reviewed a letter, dated January 14, 2013 from Bob Braitman, Executive Officer of the Santa Barbara County LAFCO. A copy of the letter was included in the Board packet as *Exhibit B*. The letter states that the current LAFCO Board Public Member and Alternate Public Member previously appointed to complete the unexpired terms of their predecessors would like to be considered to complete four year terms of office extending until March 1, 2017.

The letter also informs the District that the LAFCO Board will be considering the appointment of current Public Member Bob Short and Alternate Public Member Roger Welt at their Thursday, February 7, 2013 meeting. After some discussion the Board agreed that there was no action necessary for them to take on this matter.

**D. OPERATIONS & MAINTENANCE (O&M) BUDGET STATUS REPORT – SECOND
QUARTER – PERIOD ENDED DECEMBER 31, 2012**

The O&M Budget Status Report (*Exhibit C*) through the second quarter of the current fiscal year (FY 2012-13) was included in the Board packet. General Manager Gabriel reviewed the current year to date expenses and revenue balances with the Board and answered questions on year-to-date O&M expenditures of the District. The report shows that the total expenses budgeted for the fiscal year are \$3,706,200 and the actual expenses to date (through December) have been \$1,389,389. Overall, approximately 38% of the total Operations & Maintenance budget for this fiscal year has been spent. The District made a debt service payment of \$306,638.75 in December 2012.

The revenues year-to-date are approximately \$2,980,268.86. The revenue sources include property taxes, sewer service charges, connection fees and other administrative fees for processing agreements and performing inspections.

Following the presentation and some brief discussion and questions, the Board thanked Manager Gabriel for the report stating that the District continues to be doing well financially.

E. CERTIFICATES OF PARTICIPATION (COPs) – STATUS REPORT

The General Manager reviewed with the Board the status of the twenty seven mission critical capital improvement projects funded by the COP proceeds.

Following some questions and discussion, the Board thanked Manager Gabriel for the report.

F. BOARD VACANCY

At its meeting on January 14, 2013 the Board accepted the resignation of Director Edward P. McAniff. The Board has set its meeting of February 25, 2013 as the date and time to conduct an “Appointment Hearing” to fill the vacant Director position. A notice announcing the vacancy and the February 25th Appointment Hearing was placed on the District’s website and posted locally in four locations. A list of questions that could be asked during the interview process was enclosed in the Board agenda packet as *Exhibit D*. Board members had reviewed this list prior to the meeting and agreed to have General Manager Gabriel work up a final list of questions based on input that they would be providing her by email.

G. INFORMATIONAL ITEMS

President Jeff Kerns provided the Board with a briefing on the CASA Conference which he attended January 16th thru 18th.

7. OPERATIONS AND MAINTENANCE

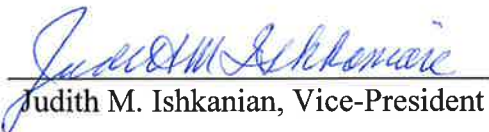
The Board reviewed the Operations and Maintenance information included in the agenda packets.

8. ADJOURNMENT

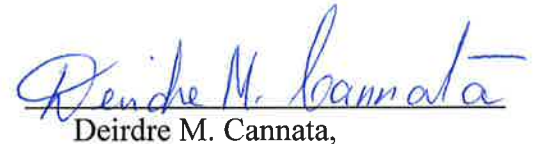
There being no further business to come before the Board, it was MOVED by Director Cannata, and seconded by Director Ishkanian, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 3:15 pm.



Jeff Kerns, President



Judith M. Ishkanian, Vice-President



Deirdre M. Cannata,



Tom Kern, Director