

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

April 29, 2013

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 29th day of April 2013 at 1042 Monte Cristo Lane, Montecito, California at 1:15 p.m.

ATTENDANCE

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

Absent: None

Also Present: Diane M. Gabriel, P.E., General Manager; Debbie Hughey, Office Manager

Also Present: Montecito Fire District Fire Chief Chip Hickman

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 Owens and seconded by Director Kern, the minutes of the meeting of March 25, 2013 were approved as submitted.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director Kerns, which was seconded by Director Kern, the Board unanimously approved these PAYROLL AND ACCOUNTS PAYABLE EXPENSES through April 29, 2013:

Accounts Payable (4/3/13)	\$45,132.27
Accounts Payable (4/10/13)	\$24,865.01
Accounts Payable (4/29/13)	\$44,761.69
Payroll (4/4/13)	\$36,979.22
Payroll Related (4/4/13)	\$31,755.92

(Continued on Next Page)

Montecito Sanitary District
MINUTES – April 29, 2013

Payroll (4/18/13)	\$34,749.54
Payroll Related (4/18/13)	\$12,587.87

TOTAL **\$230,831.52**

4. PUBLIC COMMENT

No member of the public addressed the Board on non-agenda items. Montecito Fire District Chief Hickman stated he was attending just to observe how MSD ran its Board meetings.

5. OLD BUSINESS

No Old Business

6. NEW BUSINESS

A. 2013 SEWER CLEANING MACHINE COMBINATION UNIT – AWARD OF CONTRACT – MUNICIPAL MAINTENANCE & EQUIPMENT (MME)

The General Manager reported that as part of the Fiscal Year 2012-2013 budget process the Board approved additional mission critical projects/expenditures to be funded by the COP proceeds. One of these is the purchase of a new Sewer Cleaning Machine which is Project #25. The District's Collection staff researched the various options and met with numerous vendors, participated in demonstrations, and visited and discussed sewer cleaning operations with other agencies. A specification for the Sewer Cleaning Combination Unit was prepared and on February 25, 2013 the Board approved advertising for bids.

On April 17, 2013 the District received two bids as follows:

Municipal Maintenance & Equipment	\$341,228.24
Haaker Equipment	\$367,315.56

MME's low bid was a responsive and responsible bid and comes within the District's COP budget for this project of \$350,000.

After discussion, a MOTION was made by Director Cannata and seconded by Director Owens, that the Board award a contract in the amount of \$341,228.24 to Municipal Maintenance & Equipment. The MOTION passed unanimously.

ACTION: Staff

B. ORDINANCE NO. 11 – DIRECTORS’ COMPENSATION

A copy of Ordinance No. 11 was included in the agenda packets. The Board reviewed the Ordinance and discussed whether to revise the Board compensation.

After discussion, a MOTION was made by Director Kerns and seconded by Director Cannata, that no changes be made to the Board’s current compensation schedule. The MOTION passed unanimously.

ACTION: None

C. TREATMENT PLANT BELT FILTER PRESS REFURBISHMENT – PURCHASE ORDER AUTHORIZATION – SIEMENS WATER TECHNOLOGIES CORPORATION

Manager Gabriel reported that the District’s belt filter press has been in operation since April 1999. The current COP funded “mission critical” Capital Projects list includes \$400,000 for Belt Filter Press Refurbishment (Project #17.) Various options for the full replacement of the belt press were investigated, but staff decided it was in the District's best interest to request Siemens Water Technologies Corporation, the belt press manufacturer, to fully refurbish in situ the existing belt press, which will allow minimal down time for the essential process of dewatering the biosolids.

District operations staff and Siemens technicians have thoroughly inspected the belt press and developed a scope of work, which includes all new rolls on the belt press, new bearings, new belts, new hydraulic unit, new controls and numerous other ancillary items. Siemens has given a reasonable and justified quote of \$215,642 for the specified work. All parts and labor will be provided by Siemens and will be performed on site by Siemens trained and certified technicians.

After discussion, a MOTION was made by Director Kerns and seconded by Director Owens, that the Board authorize the General Manager to issue a purchase order to Siemens in the amount of \$215,642 to refurbish the belt filter press. The MOTION passed unanimously.

ACTION: General Manager

D. MAINTENANCE / MECHANICS TRUCK – PURCHASE ORDER AUTHORIZATION – VISTA FORD OF OXNARD

Manager Gabriel reminded the Board that the purchase of a new 2013 Maintenance / Mechanics Truck is on the Board approved COP funded Capital Projects list (Project # 27.) The budget includes \$50,000 for this purchase. The vehicle will be used primarily by the Collections crew and will replace the 1998 Dodge Ram.

Each year the state of California advertises and receives bids on various vehicles. Other public agencies “piggy back” on the bids given to the state for fleet vehicle purchases. Included in the

state's recent vehicle bid is a 2013 Ford F- 350, 1-ton, extra cab, diesel truck. The low bid to the state for this vehicle was from Downtown Ford Sales of Sacramento in the amount of \$44,373.96. Delivery to the District would take eight to twelve weeks. Vista Ford of Oxnard has the identical vehicle in stock and has given the District a quote for \$44,347.07. This quote is lower than Downtown Ford Sales's bid and includes immediate delivery.

After discussion, a MOTION was made by Director Owens and seconded by Director Cannata, that the Board authorize the General Manager to issue a purchase order to Vista Ford of Oxnard in the amount of \$44,347.70 for the purchase of a 2013 Ford F-350, 1-ton, extra cab, diesel truck. The MOTION passed unanimously.

ACTION: General Manager

E. QUARTERLY INVESTMENT POLICY STATEMENT – MARCH 31, 2013

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

Treasurer Kern certified that the above three statements were correct and the quarterly statement was signed immediately following the Board meeting.

F. AUTHORIZED SIGNATURES FOR TRANSACTIONS WITH BANK OF NEW YORK

Debbie Hughey, Office Manager, informed the Board that an updated signature authorization form needed to be completed designating specific persons who are allowed to initiate and perform various transactions such as giving verbal authorizations, and/or exchange of information, on behalf of the District for the Bank of New York. A copy of the authorization form for Bank of New York was enclosed in the agenda packet for the Board's review. The form was signed immediately following the meeting.

G. PROPOSED LOCAL AGENCY FORMATION COMMISSION (LAFCO) BUDGET FOR FY 2013-2014

Manager Gabriel reported that the District received a letter dated April 6th from LAFCO regarding the proposed LAFCO Budget for FY 2013-2014. On April 23rd the District received an email from Craig Geyer, Director on the Board of Santa Barbara County Chapter of California Special District Association (SBCCSDA). This email and its attachment describe the FIN numbers for the proposed LAFCO budget and were enclosed in the agenda packets for the Board's review.

After Board discussion, a MOTION was made by Director Owens and seconded by Director Kern, that the letter, signed by the Board President, be sent to Jeff Moorhouse, Special Districts Representative to the LAFCO Board, with copies to the LAFCO Board and Bob Braitman, addressing Board concerns about the proposed increase in revenues and state that the District is not in favor of any increase which would cause increased annexation fees. The MOTION passed unanimously.

ACTION: General Manager

H. INFORMATIONAL ITEMS

- President Ishkanian reported on her attendance at the Santa Barbara County California Special Districts Association (SBCCSDA) meeting on Monday, March 25, 2013 in Buellton.
- Director Kerns and President Ishkanian reported on their attendance at the SBCCSDA meeting held Monday, April 22, 2013 in Goleta.
- A copy of the Final Continuing Disclosure Annual Report for Fiscal Year Ending June 30, 2012 was provided to the Board.

7. OPERATIONS AND MAINTENANCE

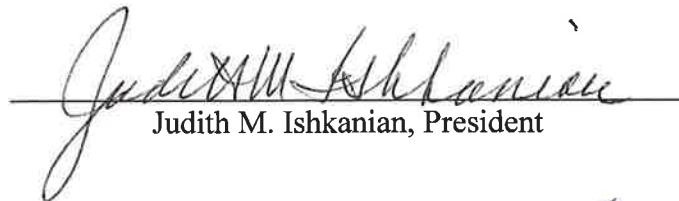
The Board reviewed the Operations and Maintenance information included in the agenda packet.

8. ITEMS FOR THE NEXT AGENDA

- Copy of LAFCO letter mailed to Jeff Moorhouse, LAFCO Special Districts Representative


9. ADJOURNMENT

There being no further business to come before the Board, on MOTION by Director Kerns and seconded by Director Cannata that the meeting be adjourned, the MOTION carried and the meeting adjourned at 2:30 p.m.


Judith M. Ishkanian, President


Jeff Kerns, Vice-President


Deirdre M. Cannata, Secretary


Tom Kern, Treasurer


Warner B. Owens, Director