

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

October 31, 2011

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 31st day of October 2011 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

Absent: None

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 Cannata, and seconded by Director Ishkanian, the minutes of September 26, 2011 were approved as submitted.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director Ishkanian, and seconded by Director Arnold, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through October 31, 2011 as follows:

Accounts Payable (10/05/11)	\$37,223.34
Accounts Payable (10/11/11)	\$ 3,820.28
Accounts Payable (10/21/11)	\$25,627.01
Accounts Payable (10/31/11)	\$15,735.22

(Continued)

Montecito Sanitary District
MINUTES – October 31, 2011

Payroll (10/06/11)	\$34,643.69
Payroll Related (10/06/11)	\$10,313.66

Payroll (10/20/11)	\$34,042.69
Payroll Related (10/20/11)	\$31,276.40

TOTAL **\$192,682.29**

4. PUBLIC COMMENT

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

5. OLD BUSINESS

**A. SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION (LAFCO) –
PROPOSED AMENDMENTS TO GOVERNMENT CODE SECTION 56133**

At their meeting on September 26th the Board briefly discussed the proposed amendments to Government Code Section 56133. The Board expressed their desire to know how such amendments would affect the District and directed the General Manager to contact Jeff Moorhouse, Special Districts Representative to LAFCO and invite him to attend the next Board meeting.

Manager Gabriel contacted Mr. Moorhouse but he was unable to attend the meeting. He sent copies of correspondence from other local special districts discussing their concerns and issues about the proposed amendments to Government Code Section 56133. The Board reviewed the letters forwarded by Mr. Moorhouse.

ACTION: None Required

6. NEW BUSINESS

**A. SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION (LAFCO) –
NOTICE OF HEARING – NOVEMBER 3, 2011**

On October 12, 2011, the District received a Notice of Hearing for the LAFCO meeting to be held in Santa Barbara on November 3, 2011. The LAFCO Agenda, which was included in the agenda packet, covered several topics, one of which is the continued discussion regarding proposed amendments to Government Code Section 56133. The Board discussed the letters that they

received and reviewed from Mr. Moorhouse (see Old Business Item 5A). The Board discussed who should attend the November 3rd LAFCO meeting. After some discussion it was decided that the General Manager, the Board President, and one other Director would attend.

ACTION: None Required

B. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) PARTICIPATION AND SURVEY

The District received a request from CSDA to complete a survey about how their communications with our District is working and how it could be improved. A survey for each Board member to fill out was enclosed in the agenda packet. The surveys were collected by staff to be mailed to CSDA immediately.

At their meeting on September 26th, the Board requested that the letter dated September 12, 2011 from CSDA requesting volunteers from the District to participate on their committees be reviewed at the October 31st Board meeting. It was decided that the Board will continue to participate in CSDA at a local level but will not be volunteering for State committee participation at this time.

ACTION: None Required

C. SANTA BARBARA COUNTY SPECIAL DISTRICTS ASSOCIATION (SBCSDA) – OCTOBER MEETING – REPORT FROM ATTENDEES

Directors Ishkanian and Arnold attended the October meeting of the SBCSDA on Monday evening October 24th. Director Ishkanian briefed the Board about the meeting they attended which centered on a discussion on LAFCO's budget and how much jurisdiction LAFCO should exercise over special districts.

ACTION: None Required

D. OPERATIONS AND MAINTENANCE (O&M) BUDGET STATUS REPORT – FIRST QUARTER – PERIOD ENDED SEPTEMBER 30, 2011

The Board O&M Budget Status Report which had been included in the agenda packets, detailed the first quarter of the current fiscal year (FY 2011-12) and shows that District expenses are approximately 25% of the budget which is on track with the budget for FY 2011-12.

ACTION: None Required

E. QUARTERLY INVESTMENT POLICY STATEMENT – SEPTEMBER 30, 2011

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 Arnold read and certified that the above statements were correct and the quarterly statement would be signed immediately following the Board meeting.

ACTION: Treasurer Arnold

F. INFORMATIONAL ITEMS

1. California Special Districts Association publication for September – October 2011
2. Future Board Meeting Items
 - a) Manager Gabriel reported that the Financial Audit Report from Bartlett, Pringle & Wolf is being prepared and will be ready for review at a future Board meeting in November or December.
 - b) Employee Handbook – Manager Gabriel reminded the Board that the original handbook was issued in 2007. There will be a reissuance of the handbook with updates by the end of the year.
3. Holiday Party – Save the Date – December 17, 2011
4. Montecito Beautification Day to be held on November 5th and District staff will be there. The General Manager invited the Board members to drop by.

G. AGREEMENT(S) TO BE SIGNED

No Agreements.

7. OPERATIONS AND MAINTENANCE

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

8. ITEMS FOR FUTURE AGENDAS

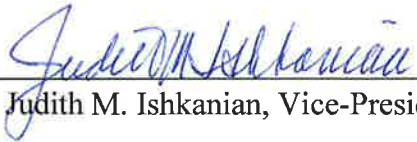
No items.

9. ADJOURNMENT

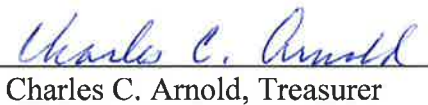
There being no further business to come before the Board, it was MOVED by Director Cannata, and seconded by Director Arnold, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 2:35 pm.

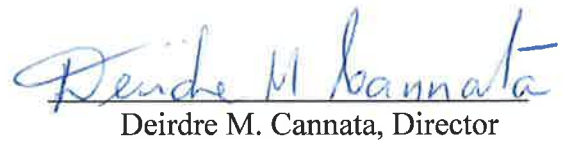


Jeff Kerns, President



Judith M. Ishkanian, Vice-President

Edward P. McAniff, Secretary

Charles C. Arnold, Treasurer

Deirdre M. Cannata, Director