

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

**April 9, 2018**

**1. CALL TO ORDER**

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on April 9, 2018 at 1042 Monte Cristo Lane, Montecito, California.

**ATTENDANCE**

**Present:** Directors Judith Ishkanian, Bob Williams, Thomas Kern, Jeff Kerns and Warner Owens

**Absent:** None

**Also Present:** Diane M. Gabriel, MSD General Manager/District Engineer  
Toni M. McDonald, MSD District Administrator  
Alex Alonzo, MSD Operations Manager  
Carrie Poytress, MSD Engineering Manager  
Ricardo Larroude, MSD Collections & Maintenance Supervisor  
Daniel Jacquez, MSD Chief Plant Operator  
Barbara Gilner, MSD Consultant  
Keith Berry, Resident  
Ken Coates, Resident

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

The minutes of the March 12, 2018 meeting were included in the agenda packet.

On MOTION by Director Williams and second by Director Kern, the Board approved unanimously the minutes of March 12, 2018.

**3. APPROVAL OF PAYABLES**

On MOTION by Director Owens and second by Director Kerns, the Board approved unanimously these payroll and accounts payable expenses for March 12 to April 9, 2018:

Accounts Payable Expenses	\$ 126,901.42
Capital Improvement Projects	13,785.91
Payroll and Related Expenses	<u>172,016.64</u>
Total Expenses	\$ 317,803.97

4. **PUBLIC COMMENT**

None

5. **OLD BUSINESS**

None

6. **NEW BUSINESS**

A. **Presentation to California Water Environment Association (CWEA)**

General Manager Gabriel and Operations Manager Alonzo presented “Montecito Sanitary District’s Response to the Thomas Fire 1/9 Debris Flow Event,” which had been presented at the Tri-Counties CWEA Workshop in Ojai on April 5, 2018.

ACTION: None

B. **Status Report FEMA/Insurance Claims**

District Administrator McDonald reported on the FEMA and insurance disaster claims. Staff continues to work with FEMA and insurance representatives to document the disaster recovery expenses.

On January 29, 2018, the Board approved contracts in the amount of \$1,932,478 for disaster recovery work. To date, the District has paid invoices totaling approximately \$268,000. Outstanding invoices are approximately \$1,462,000.

The District received an invoice from Goleta Sanitary District for \$12,368.47 for mutual aid reimbursement for GSD staff and equipment provided from January 13th thru 19th. This amount will be included in the District’s request for FEMA reimbursement.

A post-incident mutual aid agreement, documenting the verbal agreement between the two districts and providing terms for mutual aid going forward, will be presented to the GSD Board later this month, and will be brought back to the District’s Board for approval in May.

On MOTION by Director Williams and second by Director Owens, the Board approved unanimously the payment to Goleta Sanitary District for mutual aid in the amount of \$12,368.47.

Barbara Gilner, a consultant helping the District with its FEMA claim, reported that she and staff are ever sensitive to the unique FEMA compliance issues and that the District’s claim is subject to review or audit by the Office of the Inspector General (OIG), which could occur years from now. Ms. Gilner and staff have been ensuring that the District has a detailed and accurate record of everything that happened during the disaster recovery to fully support the District’s claim and assist the District and OIG if there should be an audit.

ACTION: Staff

**C. Disposal of District Records Exceeding Retention Period**

District Administrator McDonald advised that inactive records exceeding District and federally mandated retention periods have been prepared for destruction. These records include accounts payable ledgers, cancelled checks, vendor records, bank statements, petty cash records, purchase orders, general correspondence, bank deposit slips, payroll records, and expired insurance policies.

On MOTION by Director Kerns and second by Director Williams, the Board approved unanimously to destroy the aforementioned inactive records.

ACTION: Staff

**D. North Sierra Vista Sewer Main Extension – Romero Canyon Sewer Main Extension – Tierra Contracting – Notice of Completion**

At its meeting on May 8, 2017, the Board awarded the North Sierra Vista Sewer Main Extension contract to Tierra Contracting. The bid from Tierra Contracting was \$208,940. In addition, the Board authorized \$20,000 in construction contract change order funds for a total of \$228,940 in funding.

On July 31, 2017, the Board authorized additional contract change order funding for the Tierra contract of \$142,151. At its September 25, 2017 meeting, on the recommendation of staff and the A&O Committee, the Board increased the contract change order allowance by \$47,849. These increases in funding allowed the General Manager to issue a contract change order to Tierra for the construction of the Lower Romero Canyon Road Sewer Main Extension. The total funding authorized by the Board was \$418,940.

The sewer main extension construction on North Sierra Vista and Lower Romero Canyon has been completed and is ready for acceptance by the District.

On MOTION by Director Kerns and second by Director Owens, the Board approved unanimously to accept the North Sierra Vista Sewer Main Extension (which included the Lower Romero Sewer Main Extension) as complete and to approve issuance of a Notice of Completion for a total final price of \$ 374,634.

ACTION: Staff

**E. Fiscal Year 2017-18 Capital Improvement Projects Status Report**

General Manager Gabriel reviewed the status of the Capital Improvement projects approved for Fiscal Year 2017-18. The District has completed four capital projects and two projects were delayed because of the recent disasters.

ACTION: None

**F. Operations and Maintenance (O&M) Budget Status Report Through March 31, 2018**

District Administrator McDonald reviewed and answered questions about the unaudited O&M budget status report through March 31, 2018. To date, O&M expenses are well below projected budget, and are expected to remain below budget for the fiscal year.

ACTION: None

**G. Quarterly Investment Report – March 31, 2018**

District Administrator McDonald discussed the change in investment accounts for the second quarter of FY 2017-18.

ACTION: None

**H. Quarterly Investment Policy Statement – March 31, 2018**

Director Kern summarized District Investment Policy 2013-883 (adopted October 2013) and read and signed the Quarterly Certification Statement.

ACTION: None

**I. Information Items**

- District Administrator McDonald reported the annual budget process has begun. The Personnel Committee will meet April 17<sup>th</sup> and the Finance Committee will meet May 24<sup>th</sup>. The proposed FY 2018-19 budget will be presented at the Board's June 11, 2018 meeting.
- Director Ishkanian reported that the next SBCCSDA meeting is April 23rd at Glen Annie Golf Club, and the speaker is Ray Stokes of CCWA.
- Director Ishkanian reported on the most recent LAFCO meeting.

**J. Agreements Signed**

- 302 Ennisbrook Drive – Sewer Service Agreement for a new pool cabana
- 667 Cold Springs Road – Termination of Sewer Service Agreement for ADU conversion
- 1741 Glen Oaks Drive – Sewer Service Agreement for a new guesthouse
- 171 Butterfly Lane – Sewer Service Agreement for an existing pool cabana
- 1415 School House Road- Termination of Sewer Service Agreement for ADU conversion

**7. ENGINEERING, OPERATIONS AND MAINTENANCE**


The Board reviewed the information in the agenda packet.

**8. ITEMS FOR NEXT AGENDA**

The next regularly scheduled meeting is May 14, 2018.

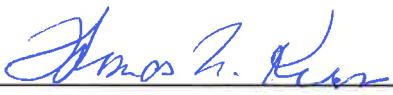
9. **ADJOURNMENT**


There being no other business, on MOTION to adjourn by Director Williams and second by Director Kern, the MOTION passed unanimously without abstention and the meeting adjourned at 3:10 p.m.

  
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Judith Ishkanian, President

  
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Robert Williams Jr., Vice President

  
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Jeffrey Kerns, Secretary

  
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Thomas N. Kern, Treasurer

  
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Warner Owens, Secretary Pro Tem