

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

June 13, 2019

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on June 13, 2019 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

Present: Directors Tom Bollay, Jeff Kerns, Dana Newquist, Thomas Kern, and Woody Barrett (arrived at 1:22 p.m.)

Absent: None

Also Present: Diane M. Gabriel, MSD General Manager/District Engineer
Toni M. McDonald, MSD District Administrator
Carrie Poytress, MSD Engineering Manager
Alex Alonzo, MSD Operations Manager
Giana Magnoli, *Noozhawk*

2. PLEDGE OF ALLEGIANCE

**3. PUBLIC HEARING ON ORDINANCE NO. 15 – COMPENSATION OF DIRECTORS;
REPEAL OF ORDINANCE NO. 14**

President Bollay called the public hearing to order. No member of the public had contacted the District to make any statement about the proposal.

It was stated that public hearing regarding the proposed adoption of Ordinance No. 15, Establishing Directors' Compensation and Repealing Ordinance 14, had been noticed on the June 13, 2019 agenda as required by section 6489 of the Health and Safety Code and section 20200, et. seq. of the Water Code. Additionally, notice of this public hearing was published in the *Santa Barbara News Press* (May 30, 2019 and June 6, 2019.) Proofs of publication are in the District's files.

On MOTION by Director Newquist and second by Director Tom Kern, the Board voted to adopt Ordinance No. 15, Establishing Directors' Compensation and Repealing Ordinance 14, to be effective in 60 days with the following vote:

AYES: Directors Newquist, Kern, Bollay, Kerns
NAYS: None
ABSENT Director Barrett

President Bollay closed the hearing and resumed the regular Board meeting.

4. **PUBLIC COMMENT**

None

5. **OLD BUSINESS**

A. **Essential Services Building – District Counsel’s Findings – Correction of Typographical Error**

The Board received a memo from District Counsel correcting a typographical error in a citation in her memo of June 3, 2019.

On MOTION by Director Newquist and second by Director Kerns, the Board voted unanimously to accept the correction on the record of the June 7, 2019 action on Item 6.F (Exhibit B).

B. **Montecito Water Reuse**

President Bollay moved the discussion of Water Reuse to Agenda Item 6.A in order to discuss the Administration & Operations Joint Meeting with the Montecito Water District Strategic Planning Committee.

6. **NEW BUSINESS**

A. **Administration & Operations (A&O) Committee Meeting – Report**

The A&O Committee reported on its joint meeting with Montecito Water District on June 4th and distributed minutes. Director Bollay reported consultants from Larry Walker Associates presented an “Overview of NPDES Program, Ocean Outfall Diffuser/Dilution Characteristics, and Recycled Water Impacts” to the Committees.

The Committees received a status report from MWD General Manager Turner stating the Hydrogeological Study will be complete by year end 2019, and that the Rate and Customer Outreach studies for recycled water have been deferred until a project is more clearly defined.

The Committees also discussed the possibility of using the recycled water pilot project to irrigate a small area at the Santa Barbara Cemetery. This would determine the quality of recycled water that would keep the cemetery grass healthy, and demonstrate that high quality recycled water does not have to be mixed with potable water. Once the pilot project has enabled MSD to determine the treatment processes for the desired result, a larger treatment/storage facility could be designed and constructed. Given the desire of MSD to reduce the volume of treated wastewater discharged into the ocean, the proximity of the cemetery to MSD, and the California Water Code requiring cemeteries to use recycled water if available, the project could readily meet those needs. The MSD Finance Committee determined that \$400,000 per year of property tax allocation revenues could be designated for providing recycled water to the cemetery.

ACTION: A&O Committee

B. Finance Committee Meeting - Report

The Finance Committee reported on its meeting of June 5, 2019 and distributed minutes. Director Kern reported that although Director Barrett was late to the meeting, he (Director Kern) had reviewed the proposed FY2019-20 Budget reports in detail, and recommends the Board approve the FY2019-20 Operations & Maintenance Budget, the FY2019-20 Fund Balances and Estimated Revenues, and the FY2019-20 Capital Improvement Budget as presented.

ACTION: None

C. Fiscal Year 2019-20 Operations and Maintenance (O&M) Budget

Staff presented the proposed FY 2019-20 O&M Budget, the FY 2019-20 Salary Schedule, and the FY 2019-20 Fund Balances & Estimated Revenues.

After discussion, on MOTION by Director Newquist and second by Director Jeff Kerns, the Board approved unanimously the FY 2019-20 O&M Budget.

On MOTION by Director Jeff Kerns and second by Director Tom Kern, the Board approved unanimously the FY 2019-20 Salary Schedule.

On MOTION by Director Newquist and second by Director Jeff Kerns, the Board approved unanimously the FY 2019-20 Estimated Revenues.

ACTION: Staff

D. Capital Improvement Project Budget

General Manager Gabriel reviewed the Proposed Capital Improvement Project Budget, which included continuing projects from prior years and new projects beginning in FY 2019-20.

After discussion, on MOTION by Director Newquist and second by Director Tom Kern, the Board approved the FY 2019-20 Capital Improvement Project Budget as presented with the following vote:

AYES: Newquist, Kern, Bollay, Kerns

NAYS: Barrett

ACTION: Staff

E. Resolution No. 2019-916 – Setting the Date, Time, and Place for the Annual Sewer Service Charge Hearing to Collect Sewer Service Charges on the County Tax Roll

The Board reviewed Resolution No. 2019-916 setting the date, time, and place for the annual sewer service charge hearing to continue to collect sewer service charges by means of the County tax roll. The hearing will be held at 1:15 p.m. on July 11, 2019 at the Montecito Sanitary District office. Notice of the hearing will be published in the *Santa Barbara News Press* on June 27th and July 4th and will be mailed to owners of all properties connected to the District in the past fiscal year.

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On MOTION by Director Jeff Kerns and second by Director Newquist to adopt Resolution No. 2019-916, the MOTION passed with the following roll call vote:

AYES: Newquist, Kern, Bollay, Kerns, Barrett
NAYS: None
ABSENT: None

ACTION: Staff

F. Information Items

- SBCCSDA meetings

G. Agreements Signed

None

7. ENGINEERING, OPERATIONS AND MAINTENANCE

The Board reviewed the information in the Board packet.

8. ITEMS FOR FUTURE AGENDAS

The June 27, 2019 regularly scheduled Board meeting was cancelled.

Revising the Board Policies, Procedures, and Practices manual to include a teleconferencing policy was requested for a future agenda item.

9. ADJOURNMENT

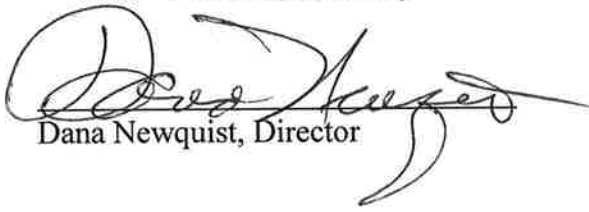
There being no other business, on MOTION to adjourn by Director Newquist and second by Director Tom Kern, the MOTION passed unanimously without abstention and the meeting adjourned at 3:21 p.m.



Thomas Bollay, President

Jeffrey Kerns, Vice President

Thomas Kern, Treasurer

Ellwood T. Barrett, Secretary

Dana Newquist, Director