

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

January 30, 2020

1. CALL TO ORDER/ROLL CALL

The Governing Board of the Montecito Sanitary District convened a special meeting at 1:15 p.m. on January 30, 2020 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

Present: Directors Tom Bollay, Thomas Kern, Jeff Kerns, Dana Newquist, and Woody Barrett

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
Karl Berger, MSD Legal Counsel
Ken Coates, MWD Board Member/Resident/Water Security Team Member
Don Eversoll, Resident

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

None

4. APPROVAL OF MINUTES

The minutes of the January 15, 2020 meeting was included in the agenda packet. Director Barrett noted a typographical error. On MOTION by Director J. Kerns and second by Director T. Kern, the Board approved unanimously without abstention the minutes of January 15, 2020.

5. APPROVAL OF PAYABLES

On MOTION by Director T. Kern and second by Director J. Kerns, the Board approved unanimously without abstention these payroll and accounts payable expenses from January 16, 2020 through January 24, 2020:

Accounts Payable Expenses	\$ 73,149.43
Capital Improvement Projects	22,063.10
Recycled Water	8,614.32
Payroll and Related Expenses	<u>94,670.36</u>
Total Expenses	\$ 198,497.21

6. **NEW BUSINESS**

A. **Resolution No. 2020-921 – Honoring Mr. Perry Cabugos**

Operations Manager Alonzo reported Chief Maintenance Mechanic Perry Cabugos had been awarded the 2019 Mechanic Technician Person of the Year by the Tri-County Section of California Water Environmental Association (CWEA). District Resolution No. 2020-921 recognizes this achievement and the ongoing contributions Mr. Cabugos has made to the District.

After being read by President Bollay, the Board adopted Resolution No. 2020-921 with the following roll call vote:

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

B. **Resolution No. 2020-922 – Honoring Mr. Marc Ciarlo**

Operations Manager Alonzo reported Treatment Operator V Marc Ciarlo had been awarded the 2019 Treatment Plant Operator of the Year by the Tri-County Section of California Water Environmental Association (CWEA). District Resolution No. 2020-922 recognizes this achievement and the ongoing contributions Mr. Ciarlo has made to the District.

After being read by President Bollay, the Board adopted Resolution No. 2020-922 with the following roll call vote:

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

C. **Title 22 Recycled Water Project California Environmental Quality Act (CEQA) – Professional Services Contract – Stantec Consulting Services Inc. – Additional Extra Services Funding**

General Manager Gabriel reported that at its September 12, 2019 meeting the Board authorized the execution of a professional services contract with Stantec Consulting Services in a time and materials amount not to exceed \$34,000, with an extra services funding allowance in the contract in the amount of \$3,400 to cover the cost of unforeseen services.

Additional extra services funding in the amount of \$7,500 is necessary to cover the cost of consultant services to revise the analysis to include the grading for the recycled water facilities, prepare the Notice of Intent (NOI) and Notice of Determination (NOD), and assist the District with noticing in accordance with the CEQA Guidelines and County requirements.

After discussion, on MOTION by Director Kerns and second by Director Kern, the Board authorized Additional Extra Services funding in the amount of \$7,500 to Stantec Consulting Services.

ACTION: Staff

D. Finance Committee Meeting - Report

Director Kern reported on the Finance Committee meeting of January 27, 2020. The following items were reviewed and discussed at the meeting:

- Annual Continuing Disclosure Report
- Quarterly financial reports
- Reserve Policy

Staff reported the Committee had discussed increasing the Designated Reserve Fund invested in Local Agency Investment Fund (LAIF). The Committee recommended this reserve be increased to \$2,000,000, an increase of approximately \$300,000. This item will be included in the next Board agenda for Board consideration and possible action..

ACTION: Staff

E. Quarterly Financial Reports

District Administrator McDonald reviewed the Quarterly Financial Reports with the Board. Operating Expenses through December 31, 2020 are tracking to budget, and revenue received to date includes the first allocation of Annual Sewer Service Charges and Property Tax Revenue from the County.

ACTION: None

F. Quarterly Investment Policy Statement – December 31, 2019

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

ACTION: None

G. Continuing Disclosure Annual Report for Fiscal Year Ending June 30, 2019

District Administrator McDonald reported that a requirement of the 2017 Sewer Refunding Bonds and Disclosure Agreement is the filing of a Continuing Disclosure Annual Report. This report includes summary of operations and a copy of the District's audited financial statements. Ms. McDonald reviewed the report with the Board.

On MOTION by Director Newquist and second by Director Kern, the Board approved unanimously without abstention to accept the Continuing Disclosure Annual report for the year ending June 30, 2019 as presented and directed staff to file the report as required.

ACTION: Staff

H. Formation of Ad-Hoc Committee to Review Board Teleconferencing Policy

At its meeting on January 15, 2020 the Board discussed possibly forming an ad-hoc committee to review the Board Teleconferencing Policy.

On MOTION by Director Newquist and second by Director Barrett, the Board agreed to form an ad-hoc committee consisting of Directors Kerns and Barrett to review the Board Teleconferencing Policy as adopted July 25, 2019, and to return to the Board at the next meeting with any recommendations for revisions.

ACTION: Ad-Hoc Committee

I. Information Items

None

J. Agreements Signed

None

7. OPERATIONS AND MAINTENANCE

The Board reviewed the information in the Board packet.

8. ITEMS FOR FUTURE AGENDAS



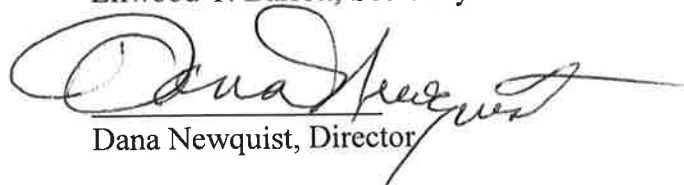
- The two regularly scheduled Board meetings in February will be cancelled.
- The next Board of Directors meeting will be Thursday March 12 at 1:15 p.m., will include the following:
 - ◆ Annual NPDES permit report
 - ◆ Increase in designated reserves
 - ◆ Ad hoc committee report on teleconferencing

9. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Newquist and second by Director T. Kern, the MOTION passed unanimously without abstention and the meeting adjourned at 2:50p.m.



Thomas Bollay, President


Jeffrey Kerns, Vice President
Ellwood T. Barrett, Secretary
Thomas Kern, Treasurer
Dana Newquist, Director