

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

April 14, 2014

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT convened a regular meeting at 1:15 p.m. on April 14, 2014 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

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

Absent: No one

Also Present: Diane M. Gabriel, General Manager
Toni M. McDonald, District Administrator

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of March 10, 2014 were in the agenda packet. Director Owens noted his name was recorded incorrectly as Director Warner on Page 1, Item 4 A. On MOTION by Director Owens and second by Director Kerns the minutes were amended to make the noted name correction and were approved unanimously without abstention.

3. APPROVAL OF PAYROLL AND PAYABLES

On MOTION by Director Owens and second by Director Ishkanian, the Board approved unanimously without abstention the following PAYROLL AND ACCOUNTS PAYABLE EXPENSES from February 10, 2014 through April 14, 2014:

Accounts Payable Expenses	\$ 224,050.14
Payroll and Related Expenses	<u>284,399.20</u>
Total Expenses	\$ 508,449.34

4. PUBLIC COMMENT

No member of the public addressed the Board on non-agenda items.

5. OLD BUSINESS

A. ELECTIONS INFORMATION

President Kern discussed the Notice of Elective Offices to be Filled in the Montecito Sanitary District, which was in the agenda packet. This notice needs to be signed by the Board Secretary and the General Manager.

Director Cannata announced that she will not seek re-election.

ACTION: Staff and Board Secretary

B. TREATMENT PLANT BELT PRESS REFURBISHMENT – SEIMENS WATER TECHNOLOGIES CORPORATION – NOTICE OF COMPLETION

General Manager Gabriel reported the Notice of Completion on Seimens's refurbishment of the belt press, which had been accepted by the Board on March 10, 2014 without inclusion of the \$13,876.08 sales tax; the correct total cost for the project is \$229,518.08.

Upon MOTION by Director Ishkanian and second by Director Owens to accept Seimens's work to refurbish the belt press in the amended amount of \$229,518.08 and to issue a notice of completion for the project, the MOTION passed unanimously without abstention.

ACTION: Staff

6. NEW BUSINESS

A. LIFT STATION NO. 2 AND NO. 4 GENERATOR REPLACEMENTS – QUINN POWER SYSTEMS – NOTICE OF COMPLETION

General Manager Gabriel reported on the completion of the Generator Replacements for lift stations Nos. 2 and 4. On September 23, 2013 the Board had authorized two purchase orders to Quinn Power Systems for \$38,711.50 plus tax and \$40,412.44 plus tax for two new generators. Both generators have been installed and tested and staff has been trained in their operation. Both generators are ready for acceptance by the District.

Upon MOTION by Director Cannata and second by Director Ishkanian for the Board to accept Quinn Power System's work to replace the generators at Lift Stations No. 2 in the amount of \$41,430.80 and No. 4 in the amount of \$43,321.43 and to issue a Notice of Completion for the project, the MOTION passed unanimously without abstention.

ACTION: Staff

B. LIFT STATION NO. 4 – RESPONSE TO UNION PACIFIC RAILROAD (UPRR)

The A&O Committee reported on its review of the issue the District is dealing with specific to UPRR's claim that Lift Station No. 4 is on their property.

Upon MOTION by Director Ishkanian and second by Director Cannata for the Board to authorize the expenditure of up to \$5,000 for District legal counsel, Janet McGinnis, to determine a legal strategy and recommend an appropriate response to UPRR, the MOTION passed unanimously without abstention.

ACTION: Staff

C. EXTERIOR COVERED WALKWAY – EJS CONSTRUCTION INC – CONSTRUCTION CONTRACT CHANGE ORDER AUTHORIZATION

The A&O Committee and General Manager Gabriel reported the successful completion of the exterior covered walkway by EJS Construction. The General Manager has identified additional work which could be added to the EJS contract by contract change order: the construction of a covered carport/walkway between the maintenance building and the laboratory building. EJS has agreed to use the unit prices in its low bid on the covered walkway and has given the District a quote of \$78,488. There is \$90,000 in the FY 2013-14 O&M budget for this carport construction.

Upon MOTION by Director Owens and second by Director Ishkanian for the Board to authorize the General Manager to issue a contract change order to EJS Construction in the amount of \$78,488 for the construction of a covered carport/walkway between the maintenance building and the lab, the MOTION passed unanimously without abstention.

Upon MOTION by Director Kerns and second by Director Ishkanian for the Board to grant authority to the General Manager to issue change orders of up to \$2,000 to EJS Construction for the construction of a covered carport/walkway between the maintenance building and the lab, the MOTION passed unanimously without abstention.

ACTION: Staff

D. DISPOSAL OF DISTRICT EQUIPMENT

General Manager Gabriel discussed fourteen pieces of District equipment, which have been reviewed by the A&O Committee and deemed unused or unneeded. Thirteen of these items will be sent to The Auction Company for a public auction. As recommended by the A&O Committee, disposal of the articulating manlift will occur differently: it will be sold to Cushman Construction as full satisfaction of Cushman's outstanding repair costs invoice.

Upon MOTION by Director Ishkanian and second by Director Cannata for the Board to authorize the General Manager to dispose of the equipment as recommended by the A&O Committee, the MOTION passed unanimously without abstention.

ACTION: Staff

E. ORDINANCE NO. 11 – DIRECTORS’ COMPENSATION

The Board reviewed Ordinance No. 11 regarding the Directors’ compensation.

Upon MOTION by Director Cannata and second by Director Owens to accept the Ordinance as currently stated without change, the MOTION passed unanimously without abstention.

F. FISCAL YEAR 2013-14 CAPITAL IMPROVEMENT PROJECT – CERTIFICATES OF PARTICIPATION (COPS) STATUS REPORT THROUGH MARCH 31, 2014

General Manager Gabriel reviewed the status of the Certificates of Participation (COPs) projects. Recent completions include the Belt Press Refurbishment and Belt Press Conveyor, with final payments for these projects to be made in April 2014.

G. OPERATIONS AND MAINTENANCE (O&M) BUDGET STATUS REPORT THROUGH MARCH 31, 2014

General Manager Gabriel and District Administrator McDonald discussed the Operations and Maintenance expenditures through March 31, 2014. Expenses to date are at fifty-eight percent of budget. Work on the next fiscal year’s budget will begin soon with the projection of end of year expenses.

H. QUARTERLY INVESTMENT REPORT – MARCH 31, 2014

District Administrator McDonald discussed the change in investment accounts for the third quarter of Fiscal Year 2013-2014. There is a net decrease in the balance of the funds, because income from property tax will not be reflected until the end of next quarter.

I. QUARTERLY INVESTMENT POLICY STATEMENT – MARCH 31, 2014

Director Kerns summarized District Investment Policy 2013-883, which was adopted in October 2013, and read and signed the required Quarterly Certification Statement.

J. INFORMATION ITEMS

Director Ishkanian reported on the SBCCSDA meeting of March 24, 2014 and discussed the CSDA Board of Directors' call for nominations for Seat C which are due May 23, 2014.

K. AGREEMENTS SIGNED

None was signed.

7. OPERATIONS AND MAINTENANCE

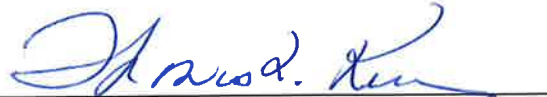
The Board reviewed the information in the agenda packet.

8. ITEMS FOR THE NEXT AGENDA

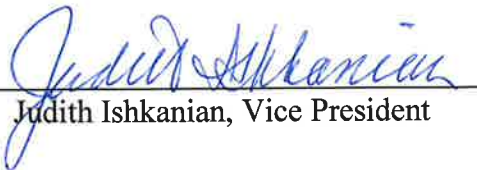
None was identified.

9. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Cannata and second by Director Owens the MOTION passed unanimously without abstention and the meeting adjourned at 2:52 p.m.



Thomas N. Kern, President



Judith Ishkanian, Vice President



Warner B. Owens, Secretary



Jeff Kerns, Treasurer



Deirdre M. Cannata, Director