

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

October 29, 2018

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a special meeting at 1:15 p.m. on October 29, 2018 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

Present: Directors Judith Ishkanian, Robert Williams, Thomas Kern and Jeff Kerns

Absent: None

Also Present: Diane M. Gabriel, MSD General Manager/District Engineer
Toni M. McDonald, MSD District Administrator
Carrie Poytress, MSD Engineering Manager
Janet McGinnis, MSD Legal Counsel
Ken Coates, Resident
Woody Barrett, Resident
Bob Hazard, Montecito Journal
Andrew Juliano, Heal the Ocean
Dan Eidelson, Resident
Ashlee Mayfield, Resident
Cori Hayman, Resident
Ann Edmonston, Resident
Kaye Willette, Resident
Richard Nordlund, Resident
Tom Bollay, Resident
Dorinne Lee Johnson, Resident

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of the October 15, 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 October 15, 2018 as presented.

3. APPROVAL OF PAYABLES

On MOTION by Director Kern and second by Director Kerns, the Board approved unanimously these payroll and accounts payable expenses for October 15 to October 29, 2018:

Accounts Payable Expenses	\$ 54,263.08
Capital Improvement Project	34,411.25
Payroll and Related Expenses	<u>80,149.60</u>
Total Expenses	\$ 168,823.93

4. **PUBLIC COMMENT**

Mr. Bob Hazard from the Montecito Journal addressed the Board regarding the Notice of Board Vacancy, and distributed a letter to the Board members requesting information and clarification.

5. **OLD BUSINESS**

A. **Montecito Water Reuse**

Engineering Manager Poytress reported she had met with Taft Electric to analyze the District's electrical capacity for any proposed Montecito Water District recycled water options. She reported that the District's capacity appears to be sufficient for anything proposed by MWD at this time. She reported that the MWD Strategic Planning Committee will meet on November 5th at 9:30 a.m. to discuss the feasibility report prepared by its consultant Rob Morrow. District staff and A&O Committee members Bob Williams and Jeff Kerns plan to attend. On November 20th the report will be presented to the MWD Board at its regularly scheduled meeting.

ACTION: Staff

6. **NEW BUSINESS**

A. **A&O Committee Report**

Director Williams reported on the A&O Committee meeting of October 24th, and minutes were distributed. The Committee discussed the following:

- Water reuse
- Recycled water for onsite use
- Essential Services Building
- Capital Improvement Projects status

ACTION: None

B. **Essential Services Building Site Excavation and Rough Grading – Consideration of Award of Contract – Toro Enterprises**

General Manager Gabriel reminded the Board that at the September 17, 2018 meeting, the Board authorized staff to advertise for bids for the site excavation and rough grading for the proposed Essential Services Building and return to the Board for consideration of the award of contract.

On October 23, 2018 three bids were received:

Toro Enterprises	\$119,500
Lash Construction	\$219,000
Schock Contracting	\$289,249

The low bid from Toro Enterprises was deemed a responsive and responsible bid. Toro Enterprises has the necessary experience and qualifications to complete the work.

General Manager Gabriel reiterated the A&O Committee's recommendation that there is a need for site excavation and rough grading on this site regardless what is built on the site.

After discussion, and upon recommendation of staff and the A&O Committee, on MOTION by Director Williams and second by Director Kern the Board approved unanimously without abstention to authorize the award of a contract for the site excavation and rough grading for the proposed Essential Services Building project to Toro Enterprises in the low bid amount of \$119,500 and to authorize a contract change order allowance of \$20,000.

ACTION: Staff

C. Essential Services Building Plan Review – Professional Services – Stantec Consulting Services, Inc.

General Manager Gabriel reported that in keeping with past practice and prudent oversight, District staff is recommending that a third party perform a thorough plan check and code compliance review of the project plans and specifications on the Essential Services Building plans.

Staff has negotiated a time and materials fee of \$25,000 with Stantec Consulting Services, Inc to perform the required services. Stantec's services will consist of a complete review of the plans and specifications for electrical, mechanical, plumbing, structural, and architectural regulation and code compliance.

After discussion, and upon recommendation of staff and the A&O Committee, on MOTION by Director Williams and second by Director Kern the Board approved unanimously without abstention to authorize a professional services contract in the amount of \$25,000 with Stantec Consulting Services, Inc. for plan check services for the Essential Services Building.

ACTION: Staff

D. Recycled Water for Onsite Use – United Rentals – Purchase Order Authorization

General Manager Gabriel reported the need to purchase a storage tank for the Recycled Water for Onsite Use Pilot project. After contacting multiple tank vendors and researching available storage tanks, staff decided on a 21,000 gallon tank with a welded steel, full height divider with adequate storage for both pre-treatment and post-treatment water. The 35 foot long by 8 foot wide by 12.5 foot tall, open top tank from United Rentals is economical, has a reduced footprint, requires no structural tie-downs, and will meet the project's needs. General Manager Gabriel commended Engineering Manager Poytress for tracking down this economical solution.

After discussion, and upon recommendation of staff and the A&O Committee, on MOTION by Director Williams and second by Director Kerns the Board approved unanimously without abstention to authorize the General Manager to issue a purchase order for \$13,285.58 (including tax and delivery) to United Rentals for a 21,000 gallon tank for the Recycled Water Pilot project.

ACTION: Staff

E. Fiscal Year 2018-19 Capital Improvement Projects Status Report

General Manager Gabriel reviewed the status of the Capital Improvement projects approved for Fiscal Year 2018-19.

ACTION: None

F. Operations and Maintenance (O&M) Budget Status Report

District Administrator McDonald reviewed and answered questions about the unaudited O&M budget status report through September 30, 2018.

ACTION: None

G. Quarterly Investment Report

District Administrator McDonald discussed the change in investment accounts for the first quarter of FY 2018-19.

ACTION: None

H. Quarterly Investment Policy Statement – September 30, 2018

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

ACTION: None

I. Board Vacancy – Resignation of Director Owens – Appointment Hearing Date – Request for Extension

Director Ishkanian reported no formal action was taken during the Board meeting of October 15th to fill the vacancy resulting from Director Owens resignation from the Board. Therefore the Board of Directors needed to take formal action at this meeting in order to fill the vacancy and adjust the dates and times for a special board meeting to interview applicants and make an appointment to fill the vacant position. Legal Counsel McGinnis notified the Board that the Notice of Vacancy could be reposted on October 30th, with applications due to the District by November 13th, and a special Board meeting on November 14th to select someone to fill the vacancy.

A MOTION was made by Director Kerns and second by Director Williams to direct staff to post the Notice of Vacancy on October 30th, to receive applications until November 13th at 4 p.m., and to hold a Special Meeting of the Board on November 14th to interview applicants and fill the vacancy.

Cori Hayman, Ken Coates, and Ashlee Mayfield addressed the Board and encouraged its members to consider moving the appointment date to December 10th.

Bob Hazard questioned whether either of the incumbents would apply for the vacant position if they lost the election. MSD Legal Counsel advised Mr. Hazard that sitting board members are ineligible to apply.

Director Kern spoke of the emails received from Christie Glanville and 8 others urging the Board to postpone the appointment until after the winners of the upcoming election are sworn in.

After further discussion, the MOTION passed unanimously without abstention.

J. Closed Session Conference with Legal Counsel – Anticipated Litigation

The Board met in closed session with legal counsel to discuss the District's significant exposure to a lawsuit from lawyers representing the Committee for Montecito Water Security, supporting Coates, Goebel, Hayman for Montecito Water District and Barrett and Newquist for Montecito Sanitary District, demanding specific District actions to address an alleged illegal campaign mass mailing and related disclosure violation under the Political Reform Act. Gov. Code, § 54956.9(d)(2). The Committee for Montecito Water Security challenges a District notice that was published once in the *Santa Barbara News Press* on October 14, 2018 for \$536.37 and was issued as a press release to other media.

Upon returning to open session, District Legal Counsel stated that she had been directed by the Board to return for another closed session on November 12th after completing investigation and research for a response.

ACTION: Legal Counsel

K. Information Items

Director Ishkanian reported the next Santa Barbara Chapter meeting of CSDA will be November 22nd at Vandenburg Village.

L. Agreements Signed

None

7. ENGINEERING, OPERATIONS AND MAINTENANCE

The Board reviewed the information in the agenda packet.

8. ITEMS FOR NEXT AGENDA

The next scheduled Board meeting is November 12, 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 4:10 p.m.

Montecito Sanitary District
MINUTES – October 29, 2018




Judith Ishkanian, President



Robert Williams Jr., Vice President



Jeffrey Kerns, Secretary



Thomas N. Kern, Treasurer