

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

September 24, 2012

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 24th day of September 2012 at 1042 Monte Cristo Lane, Montecito, California, at 1:15 p.m.

ATTENDANCE

Present: Directors Charles C. Arnold, Deirdre M. Cannata, Judith M. Ishkanian and Jeff Kerns, Edward P. McAniff

Absent: None

Also Present: General Manager Diane M. Gabriel; Debbie Hughey, Office Manager

Public Forum: Tom Kern, Montecito Resident / Property Owner

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes from the prior Board meeting were included in the agenda packets for Board review.

Upon MOTION by Director Cannata, and seconded by Director Ishkanian, the minutes of August 27, 2012 were approved as submitted.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director Arnold, and seconded by Director McAniff, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through September 24, 2012 as follows:

Accounts Payable (9/10/12)	\$82,272.01
Accounts Payable (9/19/12)	\$37,430.00
Payroll (9/6/12)	\$31,890.83
Payroll Related (9/6/12)	\$10,634.97

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Payroll (9/20/12)	\$31,644.27
Payroll Related (9/20/12)	\$29,034.69

TOTAL **\$222,906.77**

4. PUBLIC COMMENT

No member of the public was present to address the Board on non-agenda items.

5. OLD BUSINESS

No old business

6. NEW BUSINESS

A. SOUTH JAMESON LANE MANHOLE REPLACEMENT – RESOLUTION NO. 2012-876 – EMERGENCY PURCHASE ORDER – TIERRA CONTRACTING

Manager Gabriel reported that during a recent routine manhole inspection, the District’s Collections Crew identified a severely deteriorated sewer manhole on the 21” inch diameter trunk main sewer in South Jameson Lane near Danielson Road. This manhole replacement is a priority because the District relies on it for heavy volume conveyance and rain events are potentially imminent.

Therefore, immediate replacement of this manhole was required and justified the waiver of formal bidding. Staff contacted and requested a proposal for replacement from Tierra Contracting because they have performed well in the past with similar District emergency work. A proposal in the not-to-exceed time and materials amount of \$40,500 was received for the replacement. The Board was informed that the Tierra crews are ready to begin as soon as the County approves the road closure and traffic control/detour plan. Sufficient funds are available in the COP Capital Improvement Project budget.

After discussion, a MOTION was made by Director Cannata, and seconded by Director Ishkanian, that the Board adopt Resolution No. 2012-876 and authorize the General Manager to issue a Purchase Order for the emergency replacement of the trunk main manhole in South Jameson Lane for the time and materials not-to-exceed amount of \$40,500. The MOTION passed with the following roll call vote:

AYES:	Arnold, Cannata, Ishkanian, Kerns, McAniff
NAYS:	None
ABSENT:	None
ACTION:	General Manager

B. SELLING OF DISTRICT VEHICLE – 1999 FORD CCTV VAN AND EQUIPMENT

The General Manager stated that the District's 1999 Ford CCTV van is no longer needed and requested that the Board consider various sale options, including:

- An auction to highest bidder contract with CHP Enterprises of Torrance, CA
- List for sale on Craig's List starting at \$30,000
- List for sale on Ebay with a "buy now" price of \$30,000

After some discussion, the Board requested that the General Manager start the disposal process by contacting CHP Enterprises to determine an appropriate value and proceed with auctioning the vehicle.

C. COUNTY TREASURER'S REPORT

Manager Gabriel asked the Board if they had any comments regarding the Treasurer's Report to the Board of Supervisors (August 21, 2012 Meeting) and the Treasury Oversight Committee for the Quarter Ended June 30, 2012. The Office Manager pointed out that the chart on page 12 plotted the interest for the County Treasurer's Pool (.72%); LAIF (.36%); Federal Funds (.25%); and 3 month T-bill (.08%).

D. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) – 2013 COMMITTEE & EXPERT TEAM PARTICIPATION

The District received a letter and response form from Neil McCormick, CSDA Executive Director, and Dewey Ausmus, CSDA President, on September 11, 2012 seeking volunteers for one or more committees and expert teams. After some discussion the Board stated that they will continue their participation at a local level and are not considering participation on CSDA state-wide committees at this time.

E. CALPERS – CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2012 (PEPRA)

The Office Manager reported that recently enacted legislation, AB 340 – California Public Employees' Pension Reform Act of 2012 (PEPRA), will impact the District. The effects these reforms will have on both existing members of the CalPERS pension plan and new employees (any employee hired by the District on or after January 1, 2013) are summarized below:

Reforms Affecting New Employees:

Employee Contribution Rate cannot be less than 50/50 Sharing of Normal Costs

There will be a “cap” on the annual salary that counts towards final compensation because the District contributes to social security.

Increase Retirement Age to 2% @ 62

No purchase of Airtime (additional retirement service credit).

Final compensation is the highest average annual final compensation during a consecutive 36-month period.

Limit post-retirement public employment to no more than 960 hours per year (120 days per year) and requires a 180-day “sit-out period” before retiree may return to work.

Reforms Affecting Current Members of CalPERS:

Law encourages “equal sharing of normal cost” but not required.

Beginning January 1, 2018 employer “may choose to impose” 50/50 of normal costs of 8% (this is a “standard” or “goal,” not a requirement.)

No purchase of Airtime (additional retirement service credit)

Limit Post-Retirement public employment to no more than 960 hours per year (120 days per year) and requires a 180-day “sit-out period” before retiree may return to work.

F. SANTA BARBARA COUNTY 2012-2013 PROPERTY TAX APPORTIONMENT / ALLOCATION FACTORS & ESTIMATED REVENUE SUMMARY

The General Manager asked the Board if they had any questions about the September 17, 2012 letter and spreadsheets from the Office of the Auditor-Controller regarding 2012-2013 Property Tax Allocations and discussion ensued. The letter and spreadsheets reviewed by the Board reported an overall net increase in the countywide property taxes for the current year of 1.03% and shows total estimated allocated revenue for 2012-2013 to be \$443,323.

G. INFORMATIONAL ITEMS

Director Ishkanian presented verbally and handed out a written report to each Board member regarding the Santa Barbara Chapter CSDA Meeting, held August 27th at the Marriott in Buellton.

7. **OPERATIONS AND MAINTENANCE**

The Board reviewed the Operations and Maintenance information included in the agenda packets.

8. **FUTURE AGENDA ITEMS**

None

9. **ADJOURNMENT**

There being no further business to come before the Board, it was MOVED by Director Cannata, and seconded by Director McAniff, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 2:12 pm.



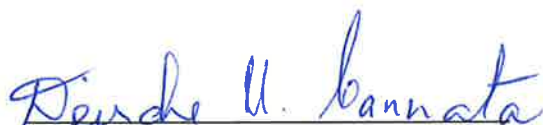
Jeff Kerns, President



Judith M. Ishkanian, Vice-President



Edward P. McAniff, Treasurer



Deirdre M. Cannata, Secretary



Charles C. Arnold, Director