



# Montecito Sanitary District

1042 Monte Cristo Lane     *A Public Service Agency*  
Santa Barbara, CA 93108

Phone: (805) 969-4200  
[www.montsan.org](http://www.montsan.org)

## **BOARD PACKET**

For the special Board Meeting of

**Thursday, June 17, 2021**

1. Agenda ..... [www.montsan.org/2021-06-17-board-of-directors-special-meeting](http://www.montsan.org/2021-06-17-board-of-directors-special-meeting)
2. EXHIBIT A – Board Policies & Procedures Manual Page 2 .....2
3. EXHIBIT B – Resolution 2021-931 Purchasing Policies.....3
4. EXHIBIT C - Draft Proposed Budget for Fiscal Year 2021-22 .....6
5. EXHIBIT D - Draft Proposed Capital Improvements Budget for FY2021-22.....8

# 1. Role of the Board of Directors

1. The District's policies, mission, goals, and programs are established by a majority of the Board of Directors at public meetings.
2. All District powers are exercised by its Board of Directors. (Health & Safety Code, § 6481.)
3. The Board will not direct management as to how to implement policy, but it shall hold management responsible if the policies of the District are not implemented.
4. The Board appoints the General Manager of the District, defines the General Manager's responsibilities, and delegates Board authority and power to the General Manager to carry out the responsibilities.
5. The General Manager is responsible for all of the following:
  - a. The implementation of the policies established by the Board for District operation.
  - b. The appointment, supervision, discipline, and dismissal of District employees, consistent with the employee relations system established by the Board.
  - c. The supervision of District facilities and services.
  - d. The supervision of District finances.
  - e. Coordinate with the President of the Board to agendize meetings.
6. The General Manager shall recommend in public meetings of the Board the programs to implement District policy.
7. On or before July 1st of each year the Board adopts the District's annual budget.
8. The Board approves the District's organizational structure and employment positions.
9. The Board appoints the District's legal counsel and financial auditor annually.
10. The Board approves the Accounts Payable register as an agenda item at regular Board meetings.
11. The Board approves all contracts and individual purchases greater than \$10,000 with a majority vote in a regular, special, or emergency public meeting.
12. Directors shall uphold the constitutions of the United States and the state of California. Directors shall comply with applicable laws regulating their conduct, including state laws concerning conflicts of interest, financial disclosure, open meetings, and confidential information.

**RESOLUTION NO. 2021-931**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MONTECITO SANITARY DISTRICT  
ADOPTING RULES AND REGULATIONS FOR THE  
PURCHASING OF SUPPLIES AND EQUIPMENT, SPECIAL SERVICES  
AND CONTRACTORS FOR PUBLIC IMPROVEMENT PROJECTS**

PURSUANT to the provisions of California Government Code sections 54201 *et seq.* and California Public Contract Code sections 20800 *et seq.*, the following shall constitute the Rules and Regulations of the Montecito Sanitary District (“District”) governing the policies and procedures for purchasing of supplies and equipment, special services and contractors for public improvement projects by the District.

1. As used in these Rules and Regulations, the following definitions shall apply:

A. “Supplies and equipment” means equipment, materials, goods, parts, miscellaneous commodities and other supplies which are not included as part of a contract for a public improvement project or for special services.

B. “Public improvement projects” shall have the same definition as “district projects” set forth in California Public Contract Code section 20801.

C. “Special services” means those services provided to the District by independent consultants including, without limitation, engineers, architects, certified public accountants, environmental consultants, land use planners, attorneys and other similar services which are incidental to the operation of the District.

2. Every purchase of supplies and equipment, special services and contractors for public improvement projects by the District shall be made pursuant to these Rules and Regulations.

3. Except as provided in these Rules and Regulations, no supplies and equipment, special services or contractors for public improvement projects may be contracted without the approval of the Board of Directors of the District.

4. All supplies and equipment, special services and public improvement projects included in the District’s final budget are considered approved by the Board of Directors, and the General Manager or designee (“General Manager”) is authorized to contract for such expenditures as provided in these Rules and Regulations.

5. The following contracts may be entered into by the General Manager without the necessity of calling for bids:

A. Supplies and equipment in an amount up to \$15,000.

B. Contractors for public improvement projects in an amount up to \$15,000.

C. Special services in an amount up to \$15,000.

6. Supplies and Equipment. Whenever the expenditure required for the purchase of supplies and equipment exceeds \$15,000, the District may, in the General Manager's discretion, procure bids for the purchase of supplies and equipment by any one of the following methods:

(A) By publication of a notice inviting bids at least once in a newspaper of general circulation in the Montecito area. Such notice shall state the time and place for the opening of bids and shall state the specifications for the supplies and equipment to be purchased. Said publication must be made at least ten (10) days prior to the time set for the opening of bids.

(i) In addition to publication, the General Manager may notify prospective bidders by letter or telephone that bids are being called for.

(ii) At the time and place fixed for the opening of bids, the bids shall be publicly opened and read, the bids tabulated, and the contract presented to the District Board for consideration at the next scheduled meeting.

(B) In lieu of publication, the General Manager may submit specifications to at least three prospective bidders and request that bids be submitted at a fixed time and place. The General Manager shall open the bids at the time and place set for the same and present them to the District Board for consideration at the next scheduled meeting.

(C) The General Manager may purchase supplies and equipment in connection with any official state, federal or county bid.

(D) Notwithstanding anything to the contrary in this section, the Board of Directors reserves the right to reject any and all bids and authorize the General Manager to purchase necessary supplies and equipment on the open market.

(E) If, in the judgment of the General Manager, supplies and equipment are needed in order to make emergency repairs, construction or maintenance, which emergency will not allow the normal procedure for purchase to be followed, the General Manager may purchase all necessary supplies and equipment on the open market without complying with the competitive bidding requirements specified herein. The General Manager shall make a complete report of the circumstances constituting the emergency to the Board of Directors at its next regularly scheduled meeting following the purchase of said supplies and equipment.

(F) All supplies and equipment purchased in excess of \$15,000 shall be pursuant to a contract approved by the Board of Directors.

7. Public Improvement Projects. Whenever the expenditure required for the purchase of contractors for public improvement projects exceeds \$15,000, such purchases shall be awarded

to the lowest responsible bidder in accordance with the competitive bid procedures set out in Public Contract Code sections 20803 through 20806. All contractors for public improvement projects purchased in excess of \$15,000 shall be pursuant to a contract approved by the Board of Directors.

8. Special Services. Whenever the expenditure required for the purchase of special services exceeds \$15,000, the District may, in its discretion, direct the purchase of such special services pursuant to the issuance of a request for proposals or qualifications. All special services purchased in excess of \$15,000 shall be pursuant to a contract approved by the Board of Directors.

9. This Resolution No. 2021-931 repeals and supersedes Montecito Sanitary District Resolution No. 2020-298 dated November 12, 2021, and becomes effective immediately.

PASSED AND ADOPTED this 8th day of April, 2021, by the following vote:

AYES: Directors Barrett, Eversoll, Fuller, Newquist, and Johnson

NOES: None

ABSENT: None

DocuSigned by:  
*Dorinne Lee Johnson*  
5FC702E281BD4FD  
Dorinne Lee Johnson, President

ATTEST:  
DocuSigned by:  
*Dana Newquist*  
EF99A9D4BB6448C  
Dana Newquist, Secretary



**DRAFT PROPOSED BUDGET FOR FISCAL YEAR 2021-22**

		BASED ON ACTUAL EXPENSES THROUGH 4/30/2021						
A/C No	DESCRIPTION	FY2020-21 Approved Budget	Actual Expense	Balance Remaining	Projected Year End	Proposed 2021-22	Comments	
6100	Regular Salaries	2,053,829	1,473,338	580,491	1,768,006	1,939,000	Calculated on fully staffed including a 1.6% COLA	(114,829.00)
6105	Board Salaries	30,000	22,375	7,625	26,850	32,000	Including Increase to \$220 per meeting	2,000.00
6108	Auto Allowance - GM	3,600	1,197	2,403	1,436	3,600		-
6270	Standby Pay	33,000	26,595	6,405	31,914	33,000		-
6300	Overtime	20,000	11,006	8,994	13,207	30,000		10,000.00
6400	CalPERS Contribution	500,000	309,187	190,813	371,024	500,000		-
6500	FICA / Social Security Contribution	126,000	88,553	37,447	106,264	125,000		(1,000.00)
6510	Medicare Contribution	30,000	27,824	2,176	33,389	29,000		(1,000.00)
6520	Unemployment Tax - SUI	4,000	4,748	(748)	5,698	3,000		(1,000.00)
6600	Group Medical Insurance	360,000	246,602	113,398	295,922	367,200	calculated at assumed 2% increase	7,200.00
6605	Retirement Medical Benefits	12,000	8,555	3,445	10,266	25,000	Includes Active Retiree OPEB	13,000.00
6610	Life Insurance	7,000	4,520	2,480	5,424	7,140	calculated at assumed 2% increase	140.00
6615	Short / Long Term Disability	25,000	18,049	6,951	21,659	25,500	calculated at assumed 2% increase	500.00
6620	Worker's Compensation	50,000	37,118	12,882	37,118	50,000		-
6640	Dental Insurance	20,000	12,510	7,490	15,012	20,400	calculated at assumed 2% increase	400.00
6650	Uniform Allowance	7,000	6,743	257	9,000	7,000		-
7090	Pooled Liability Insurance	60,000	38,790	21,210	40,000	60,000		-
7091	Property Insurance	13,000	14,523	(1,523)	17,428	15,000		2,000.00
7093	Crime Policy	1,000	770	230	770	1,000		-
7094	Public Entity Physical Damage	9,000	7,830	1,170	7,830	10,000		1,000.00
7110	New Employee Physicals/Expenses	2,500	2,172	328	2,500	2,500		-
7121	Property Maintenance						Pre-COVID Fiscal year 2019-20 Budget was 45,000	
		30,000	32,880	(2,880)	40,000	45,000	landscaping & Big Green Cleaning Services, prior budget \$60,000	15,000.00
7122	Vehicle Maintenance	13,000	23,071	(10,071)	25,000	13,000	Over due to Vehicle Damage from Burglary	-
7126	Coll - Equipment Rental	1,000	66	934	66	1,000	varies depending on renting tools for collections in the field	-
7127	Coll - Safety Equipment	8,000	211	7,789	500	8,000		-
7129	Lift Station Parts	25,000	15,325	9,675	20,000	25,000	Fiscal year 2019-20 Budget was 30,000	-
7133	VacCon Equipment / Repairs	15,000	10,678	4,322	15,000	15,000		-
7134	CCTV Equipment / Repairs	10,000	12,636	(2,636)	15,000	15,000	Aging equipment	5,000.00
7135	Private Lateral Replacement Incentive	50,000	22,961	27,039	30,000	50,000	A lot of Lateral Replacement Rebates Pending	-
7136	Miscellaneous Collection Tools/Supplies	8,000	14,673	(6,673)	17,000	8,000	Budget over due to stolen tools from burglary not covered by insurance	-
7138	Jetter Truck Equipment / Repairs	0	0	-	0	10,000	New Acct FY21-22 / Please estimate annual costs	10,000.00
7150	Mechanical Maintenance	5,000	2,147	2,853	3,000	5,000		-
7200	General Operating Supplies	8,000	7,493	507	10,000	10,000	spent \$10k last 2 fiscal years.	2,000.00
7201	Drinking, Bottled Water	1,750	852	898	1,750	2,000		250.00
7202	Gloves	5,000	3,382	1,618	5,000	6,000		1,000.00
7205	Community & Employee Goodwill						Fiscal year 2019-20 Budget was 6,000	
		3,000	1,419	1,581	2,000	4,000	Montecito Beautification Day & New GM	1,000.00
7220	Mailing / Shipping Expenses	3,000	1,407	1,593	2,500	5,000		2,000.00
7430	Memberships	40,000	39,655	345	42,000	45,000		5,000.00
7440	Miscellaneous Expenses	2,500	0	2,500	0	2,500		-
7450	Office Expenses	10,000	10,912	(912)	14,000	15,000	Fiscal year 2019-20 Budget was 15,000	5,000.00
7452	Scanning & Shredding	0	0	-	0	10,000	New Acct FY21-22 / Annual Project proposed between \$5,000 - \$10,000	10,000.00
7454	Books / Subscriptions / Study Guides	1,000	521	479	1,000	1,000		-
7456	Computer Hardware/Software/Licensing	30,000	13,191	16,809	25,000	30,000		-
7461	Prof Services - Legal	30,000	45,216	(15,216)	90,000	35,000	per Finance Committee recommendation	5,000.00
7462	Prof Services - Accounting	40,000	27,378	12,622	35,000	40,000		-
7463	Prof Services - Engineering	25,000	57,104	(32,104)	100,000	50,000	Engineering /Design should go here instead of Special Projects	25,000.00
7464	Prof Services - Computer	60,000	41,328	18,672	50,000	60,000		-
7466	Prof Services - Human Resources						Melissa Fasset with Price Postel Parma & Paychex payroll services	9,000.00
		6,000	25,257	(19,257)	30,000	15,000		
7500	Customer Relations Expense	50,000	24,341	25,659	25,000	10,000	Fiscal year 2019-20 Budget was 5,000	(40,000.00)

**DRAFT PROPOSED BUDGET FOR FISCAL YEAR 2021-22**

BASED ON ACTUAL EXPENSES THROUGH 4/30/2021								
A/C No	DESCRIPTION	FY2020-21 Approved Budget	Actual Expense	Balance Remaining	Projected Year End	Proposed 2021-22	Comments	
7506	Administrative Fees	22,000	19,135	2,865	25,000	30,000	Fiscal year 2019-20 Budget was 25,000 APCD Lift station generator permit fees increase (newly permitted) WWTP Combination permit	8,000.00
7508	Collection/Treatment Fines	0	0	-	0	10,000	\$0 for past 5 years; \$8,000 in FY15-16 for private residence backups RWQCB fines and insurance deductible	10,000.00
7510	Contracted Services/Labor	120,000	66,963	53,037	100,000	110,000	Docuproducts; Taft; gate co.; Underground Svc Alert; HVAC co.; Boyd	(10,000.00)
7530	Notices / Ads for Publication	2,000	2,422	(422)	3,000	3,000		1,000.00
7610	Furniture & Fixtures	10,000	0	10,000	500	10,000	Fiscal year 2019-20 Budget was 10,000	-
7641	NPDES Permit Requirements - Lab	20,000	10,738	9,262	12,000	15,000	ERA \$1,592 can come out of Lab budget instead of here. Every 5 year will be more expensive: expected in FY22-23 Benthic study was \$30,500 in FY18-19	(5,000.00)
7645	NPDES Permit Requirements - Operations	27,000	35,023	(8,023)	35,023	30,000		3,000.00
7650	Election Expenses	5,000	6,762	(1,762)	6,762	0		(5,000.00)
7651	Analyzer Chemicals	5,000	4,419	581	5,000	5,000		-
7652	Biosolids Disposal	50,000	41,630	8,370	55,000	55,000	projected cost increase by Engel & Gray	5,000.00
7653	Chemicals for Plant	200,000	133,380	66,620	200,000	215,000	projected 8% cost increase by Univar	15,000.00
7654	Generator Servicing - Plant	10,000	2,056	7,944	3,000	10,000		-
7655	Hazardous Materials Disposal	1,000	424	576	600	2,000	waste oil & lots of chemicals to dispose	1,000.00
7656	Plant Equipment Rental	10,000	7,579	2,421	8,000	5,000	depending on forklift replacement	(5,000.00)
7657	Plant Maintenance Materials	50,000	39,820	10,180	50,000	75,000	Fiscal year 2019-20 Budget was 75,000	25,000.00
7658	Plant Maintenance Projects	5,000	0	5,000	0	5,000		-
7659	Plant Safety Expenses	5,000	1,860	3,140	3,000	5,000		-
7661	Polymer	10,000	1,988	8,012	4,000	10,000		-
7662	Small Tools/ Equipment - Plant	4,000	3,689	311	4,000	4,000		-
7670	Special Projects	100,000	101,740	(1,740)	101,740	100,000	-studies/designs before a CIP project charged here -still need work on the CDP and emergency permitting (not in CIP) -non-capital projects here -sewer model will be charged here	-
7700	Laboratory Consumables & Small Equipm	28,000	15,583	12,417	18,700	28,000		-
7702	Laboratory Equipment Maintenance	10,000	4,130	5,870	4,956	10,000		-
7703	Contract Laboratory Analyses	6,000	8,886	(2,886)	10,663	6,000		-
7722	Board Training/Conf. Registration	1,000	0	1,000	0	1,000		-
7723	Board Meetings/Travel Expenses	1,000	0	1,000	0	1,000		-
7724	Staff Training/Conf. Registration	3,000	997	2,003	2,000	5,000	Fiscal year 2019-20 Budget was 15,000	2,000.00
7725	Staff Travel Expenses	1,000	0	1,000	0	5,000	Fiscal year 2019-20 Budget was 15,000	4,000.00
7726	Staff Certifications/Licenses	10,000	3,119	6,881	5,000	8,000		(2,000.00)
7727	OSHA Required Training	7,000	2,190	4,810	3,000	5,000		(2,000.00)
7728	Safety Boot Allowance	4,000	2,836	1,164	3,500	4,000		-
7731	Local Meeting Expenses	1,000	60	940	60	1,000	Fiscal year 2019-20 Budget was 2,500	-
7740	Fuel and Oil	30,000	14,845	15,155	20,000	25,000	never met \$20,000 but McCormix planning a 5% increase	(5,000.00)
7761	Water	12,000	8,871	3,129	11,000	15,000	MWD rate increase per hydrant truck fill	3,000.00
7762	Natural Gas	3,000	2,176	824	3,000	3,000		-
7763	Electricity	160,000	121,009	38,991	160,000	175,000	HVAC on admin will increase electricity Electrical rehab project, aeration basin blowers may cause a decrease also SCE rate Increase	15,000.00
7766	Trash & Recycling Service	13,000	8,627	4,373	11,000	14,500		1,500.00
7767	Telephone - Local & Long Distance	10,000	7,753	2,247	10,000	15,000	New lines with RingCentral / Frontier Increase in fees	5,000.00
7768	Telephone - Cellular	12,000	9,050	2,950	12,000	12,000		-
		<b>4,815,179</b>	<b>3,486,869</b>	<b>1,328,310</b>	<b>4,311,036</b>	<b>4,853,340</b>		38,161.00

100.8%

## DRAFT PROPOSED FY 2021-2022 Capital Improvement Project Budget

Annual Projects			
No.	Description	Estimated Project Cost	Estimated FY21-22 Cost
1	<b>Scheduled and Emergency Replacements</b>	\$ -	\$ 100,000
2	<b>Manhole Raising/ Repair/ Replacement</b>	\$ -	\$ 400,000
	A. Highway 192 Lower and Raise 60 Manholes- Caltrans	\$ 150,000	←
	A1. Highway 192 Lower and Raise 60 Manholes- Caltrans: Inspection	\$ 30,000	←
	B. N. Jameson Raise 14 Manholes- County	\$ 25,200	←
	C. Fernald Point Lower and Raise 2 Manholes- County	\$ 5,000	←
	D. Private road manhole raising/repair/replace	\$ 30,000	←
3	<b>Sewer Main Repair / Replacement/ Lining</b>	\$ -	\$ 175,000
	A. Trunk mainline, Manholes, and sewer lining rehab project- design only	\$ 50,000	←
	B. Brooktree Road Sewer Main Replacement	\$ 28,000	←
		<b>\$ 318,200</b>	<b>\$ 675,000</b>

New Projects FY2021-22			
No.	Description	Estimated Project Cost	Estimated FY21-22 Cost
	†Electrical Rehabilitation Project (including: AB blower project, VFD's)	\$ 840,000	\$ 840,000
	Skimmer troughs need to be replaced	\$ 90,000	\$ 55,000
	Digester Blowers replacement	\$ 33,000	\$ 33,000
	Roof for Admin, Operations, and Board room building	\$ 65,000	\$ 65,000
	Maintenance Gate controller with new keypads	\$ 13,500	\$ 13,500
	Main Gate replacement with motorized gate and keypads	\$ 24,000	\$ 24,000
	HVAC system for admin, board room, and maintenance building	\$ 40,000	\$ 40,000
	Forklift purchase	\$ 35,000	\$ 35,000
	Channel Drive Lift Station - wet well access hatch and force main replacement design	\$ 50,000	\$ 50,000
<b>† Update to Electrical Rehab project for 20% increase upon recommendation.</b>		<b>\$ 1,190,500</b>	<b>\$ 1,155,500</b>

Sewer Main Extension Projects*			
No.	Description	Estimated Project Cost	Estimated FY21-22 Cost
9	Caltrans HOV- Posilipo gravity main and force main relocation- design	\$ 177,900	\$ 177,900
9	Caltrans HOV- Posilipo gravity main and force main relocation- construction	\$ 1,000,000	\$ 500,000
9	*Lilac and Oak Grove Sewer Main Extension Construction	\$ 2,323,137	\$ 2,323,137
9	*Ashley Road Pump Station Design	\$ 150,000	\$ 150,000
9	*Ashley Road & E. Mountain Pipeline Design Costs	\$ 100,000	\$ 100,000
9	*Ashley Road and E. Mountain Extension Construction	\$ 2,500,000	\$ 1,250,000
<b>*These projects are not yet Board-approved, and are expected to recoup construction costs from homeowners.</b>		<b>\$ 6,251,037</b>	<b>\$ 4,501,037</b>

Recycled Water Fund			
No.	Description	Estimated Project Cost	Estimated FY21-22 Cost
	Enhanced Recycled Water Feasibility Study (assume 50-50 share?)	\$ 1,190,000	\$ 75,000

Total for FY 2021-2022

\$ 6,406,537