

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

August 28, 2017

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on August 28, 2017 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

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

Also Present: Diane M. Gabriel, MSD General Manager/District Engineer
Toni M. McDonald, MSD District Administrator
Carrie Poytress, MSD Engineering Manager
Alex Alonzo, MSD Operations Manager

Bryce Ross, Miramar Acquisition Co., LLC
Christopher Jacobs

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of July 31, 2017 were included in the agenda packet. After review, on MOTION by Director Owens and second by Director Kern, the Board approved the minutes of July 31, 2017 as presented with the following vote:

Ayes: Kern, Owens, Williams, Kerns
Abstention: Ishkanian

3. APPROVAL OF PAYROLL AND PAYABLES

On MOTION by Director Owens and second by Director Ishkanian, the Board approved unanimously without abstention these payroll and accounts payable expenses from July 31, 2017 through August 28, 2017:

Accounts Payable Expenses	\$ 124,492.17
Capital Improvement Projects	328,209.59
Payroll and Related Expenses	<u>161,735.88</u>
Total Expenses	\$ 614,437.64

4. PUBLIC COMMENT

None

5. OLD BUSINESS

A. Montecito Water Reuse

The Board briefly discussed the ACWA Region 5 “Recycled Water & Water Reuse Tour and Program” scheduled for September 17 and 18 in Goleta.

ACTION: None

6. NEW BUSINESS

A. Administration and Operations (A&O) Committee Meeting Report

Director Kerns reported on the A&O committee meeting of August 16th and minutes were distributed, reflecting the Committee’s review and discussion of an extension of the Olive Road sewer main to Tollis Avenue.

Director Kerns reported the Committee’s recommendation to extend the Olive Road sewer main an additional 622 feet to Tollis Avenue, as the owner of 1948 and 1952 Tollis wants to connect and has offered \$197,750 towards the extension.

ACTION: None

B. Additional Capital Project Funding FY 2017/18 – Sewer Main Extensions

General Manager Gabriel reminded the Board of its approval on July 31, 2017 of an additional change order of \$142,151 for the Sierra Vista Sewer Main Extension contract with Tierra Contracting in order to extend the main 362 feet from East Valley Road to Olive Road. Ms. Gabriel advised that the estimated cost to extend further the Olive Road sewer main to Tollis Avenue would be approximately \$400,000.

After Board review and discussion, and upon A&O Committee recommendation, on MOTION by Director Kerns and second by Director Owens, the Board approved unanimously without abstention to change the scope of Capital Project No. 9 for FY 17/18 to include the additional extension to Tollis Avenue and to increase expenditures \$400,000 over and above the original FY 17/18 CIP budget.

ACTION: Staff

C. Miramar Sewer Force Main – Dedication Agreement for Sewer Facilities – Miramar Acquisition Co., LLC

General Manager Gabriel reported that the design of the sewer force main pipeline system to serve the new Miramar resort has been completed by Phoenix Civil Engineering under contract with the District using developer funds.

She discussed the developer's use of Lash Construction for utility and grading work since the start of onsite construction, its proposal for Lash to construct the new force main system in South Jameson Lane, and that Lash will complete other utility and street improvement work in that right of way. In its July 20, 2017 meeting, the A&O Committee and staff reviewed the proposal for a Dedication Agreement with Miramar Acquisition Co., LLC. This approach was then presented on July 31, 2017 to the Board.

The Dedication Agreement requires construction of the new force main system in compliance with all applicable laws, including prevailing wage, and pursuant to Phoenix Civil Engineering's plans and specifications dated August 2, 2017. The developer will pay Lash Construction directly and the District will manage and inspect the project using developer funds. After work is completed to District satisfaction, the pipeline will be dedicated to the District for ownership and all future maintenance.

The agreement has been reviewed and edited by special legal counsel to the District, Karl Berger with Hensley Law Group. Mr. Berger has approved as to form the required performance bond. Funds for the inspection and construction management have been deposited by the developer into the District's Miramar account at Montecito Bank and Trust.

On MOTION by Director Ishkanian and second by Director Kern the Board approved the execution of the Dedication Agreement for Sewer Facilities with the Miramar Acquisition Co., LLC.

ACTION: Staff

D. Construction Management Miramar Force Main Professional Services Contract – Phoenix Civil Engineering

General Manager Gabriel reported that the District will need a professional services contract for the construction management and inspection of the Miramar sewer force main. Staff has negotiated a time and materials fee of \$174,172 with Phoenix Civil Engineering for these services. Staff expects significant extra services may be needed, because Lash Construction may use horizontal directional drilling instead of conventional trenching. Ms. Gabriel recommended extra services authorization of \$60,000, for a total contract of \$234,172, which amount has been deposited already by the developer into the District's Miramar fund at Montecito Bank & Trust.

On MOTION by Director Kerns and second by Director Ishkanian the Board approved the execution of a professional services contract with Phoenix Civil Engineering in the total contract amount of \$234,172, for the construction management and inspection of the Miramar sewer force main project.

ACTION: Staff

E. Portable Compressor – Purchase Order Authorization – Quinn Power Systems

Operations Manager Alonzo reported the FY17-18 CIP budget included \$27,000 for the purchase of a portable air compressor (Project No. 11). This compressor will be used at the treatment plant, lift stations, and for manhole raising.

The District's membership with the National Joint Powers Alliance (NJPA) allows it to use NJPA bid pricing. Quinn Power Systems in Oxnard has quoted \$26,995.54, consistent with NJPA pricing.

On MOTION by Director Kerns and second by Director Owens, the Board approved unanimously without abstention the purchase of the portable diesel powered air compressor and authorized the General Manager to issue a purchase order to Quinn Power Systems in the amount of \$26,955.54.

ACTION: Staff

F. Purchase of Manhole Frames and Covers – Purchase Order Authorization – Famcon Pipe and Supply

Operations Manager Alonzo reported that Birnam Wood HOA will be grinding down its roadway pavement and doing a complete asphalt overlay, which requires the District to replace fifty-nine manholes within the development. Famcon Pipe & Supply has quoted \$27,799.50 plus tax and shipping for eighty manhole frames and covers, allowing for inventory replacements.

The District's approved FY17-18 CIP budget for manhole raising, repair, and replacement (Project No. 2) is \$150,000.

On MOTION by Director Kern and second by Director Owens, the Board approved unanimously without abstention the purchase of eighty manhole frames and covers and authorized the General Manager to issue a purchase order to Famcon Pipe and Supply in the amount of \$27,799.50 plus tax and shipping.

ACTION: Staff

G. Electric Cars – Purchase Order Authorization – Power Machinery Center

Operations Manager Alonzo reported the two electric carts purchased in 2004 and 2007 need to be replaced. District membership in the US Communities Government Purchasing Alliance allows it to use the Alliance's bid pricing for these items. Power Machinery Center in Oxnard has quoted \$22,543.90 for two Carryall 500E vehicles, consistent with the Alliance's pricing. The District's approved budget for this purchase is \$25,000.

After discussion, on MOTION by Director Kerns and second by Director Ishkanian, the Board approved unanimously without abstention the purchase of the two electric utility carts and authorized the General Manager to issue a purchase order to Power Machinery Center in the amount of \$22,543.90.

ACTION: Staff

H. Information Items

- Directors Williams attended the CASA conference August 22-24 in San Diego and gave a brief report that he may discuss in more detail later.
- Director Ishkanian reminded the Board of the SBCCSDA evening meeting on July 28th. Directors Owens, Williams, Ishkanian, and Kerns and Engineering Manager Poytress plan to attend.
- The Board discussed further the ACWA Region 5 Recycled Water & Reuse Tour and Program, and designated Director Williams to attend on Monday, September 18th.

I. Agreements Signed

1920 Boundary Drive – Sewer service agreement for gym
1074 Cold Springs Road – Termination agreement for auxiliary structure
107 Olive Mill Lane – Sewer service agreement for pool cabana

7. ENGINEERING, OPERATIONS AND MAINTENANCE

The Board reviewed the information in the agenda packet.

8. ITEMS FOR NEXT AGENDA

The regularly scheduled meeting of September 11, 2017 is cancelled.

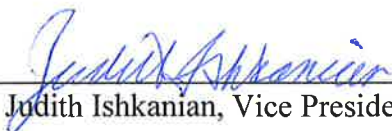
The next regularly scheduled meeting will be September 25, 2017 and the award of contract for the Miramar Lift Station is on the agenda.

9. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Ishkanian and second by Director Kern, the MOTION passed unanimously without abstention and the meeting adjourned at 3:02 p.m.



Robert Williams, President



Judith Ishkanian, Vice President



Warner Owens, Secretary



Thomas N. Kern, Treasurer



Jeff Kerns, Director

