

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

**June 13, 2016**

**1. CALL TO ORDER**

The Governing Board of the MONTECITO SANITARY DISTRICT convened a regular meeting at 1:15 p.m. on June 13, 2016 at 1042 Monte Cristo Lane, Montecito, California.

**ATTENDANCE**

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

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

**2. APPROVAL OF MINUTES OF THE LAST MEETING**

The minutes of May 9, 2016 were included in the agenda packet.

On MOTION by Director Williams and second by Director Ishkanian, the Board approved unanimously without abstention the minutes of May 9, 2016.

**3. APPROVAL OF PAYROLL AND PAYABLES**

On MOTION by Director Kerns and second by Director Kern, the Board approved unanimously without abstention the payroll and accounts payable expenses from May 10, 2016 through June 13, 2016:

|                           |                   |
|---------------------------|-------------------|
| Accounts Payable Expenses | \$ 175,840.48     |
| Capital Improvement       | 4,095.77          |
| Payroll Expenses          | <u>226,877.49</u> |
| Total Expenses            | \$ 406,653.80     |

**4. PUBLIC COMMENT**

None

**5. OLD BUSINESS**

**A. MONTECITO WATER REUSE**

Director Williams asked if there was any further information from the Santa Barbara Cemetery regarding the decision to stop irrigating the grounds and was told there was none.

General Manager Gabriel reported the Montecito Water District has formed an ad-hoc committee to explore recycled water and this topic was discussed further under Agenda item 6-G (A & O Committee meeting report.) On June 22<sup>nd</sup> Charles Newman, Nick Turner, and Edward Lyons of the Montecito Water District will tour the Sanitary District's facilities.

General Manager Gabriel reported on attending the June 12<sup>th</sup> Miller-McCune Center for a presentation, "And Not a Drop to Drink – The Fresh Water Crisis."

Director Kern reported talking with the groundskeeper at La Cumbre Country Club regarding its use of recycled water.

**6. NEW BUSINESS**

**A. FISCAL YEAR 2016-2017 PROPOSED OPERATIONS AND MAINTENANCE BUDGET**

General Manager Gabriel presented the proposed Operations and Maintenance Budget for Fiscal Year 2016-2017 (Exhibit A). The total proposed Fiscal Year 2016-17 O&M and Debt Service Budget is \$5,551,527. She also presented the Fund Balance and Estimated Revenues for Fiscal Year 2016-2017 (Exhibit B). The Finance Committee approved both the proposed O&M Budget and Fund Balance and Estimated Revenues at its June 2<sup>nd</sup> meeting.

After discussion and questions, on MOTION by Director Kern and second by Director Williams to approve the Fiscal Year 2016-2017 Operations and Maintenance Budget and Fiscal Year 2016-2017 Fund Balance and Estimated Revenues as presented, the MOTION passed unanimously without abstention.

ACTION: Staff

**B. FISCAL YEAR 2016-2017 PROPOSED CAPITAL PROGRAM BUDGET**

General Manager Gabriel presented the Fiscal Year 2016-2017 Proposed Capital Program Budget (Exhibit C) which was approved by the Finance Committee at its June 2<sup>nd</sup> meeting.

All available Certificate of Participation (COP) funds have been exhausted; only the required reserves remain. All capital projects beginning in Fiscal Year 2016-2017 will be funded from the Capital Replacement Fund currently held by the County.

General Manager Gabriel explained that all capital projects are in one of three categories:

(1) Annual projects; (2) capital projects initiated in the prior year; and (3) new capital projects. The total proposed Fiscal Year 2016-17 Capital Program budget is \$2,250,000.

After discussion and questions, on MOTION by Director Ishkanian and second by Director Kern to approve the Fiscal Year 2016-2017 Capital Improvement Budget as presented, the MOTION passed unanimously without abstention.

ACTION: Staff

**C. RESOLUTION NO. 2016-898 – SETTING THE DATE, TIME AND PLACE FOR THE ANNUAL SEWER SERVICE CHARGE HEARING TO COLLECT SEWER SERVICE CHARGES ON THE COUNTY TAX ROLL**

The Board reviewed Resolution No. 2016-898 setting the date, time, and place for the annual sewer service charge hearing to collect sewer service charges on the county tax roll (Exhibit D.) The hearing will be held at 1:15 p.m. on July 25, 2016 at the Montecito Sanitary District office. Notice of the hearing will be published in the *Santa Barbara News Press* on July 11th and July 18th and will be mailed to Montecito properties connected to the District in the past fiscal year.

Upon MOTION by Director Williams and second by Director Kern to adopt Resolution No. 2016-898, the MOTION passed with the following roll call vote:

AYES: Kern, Williams, Owens, Kerns, Ishkanian

NAYS: None

ABSENT: None

ACTION: Staff

**D. PERSONNEL COMMITTEE MEETING REPORT**

Director Ishkanian reported on the Personnel Committee meeting held May 19, 2016.

The Committee reviewed changes to the Employee Handbook concerning new fraud policy language and on call/standby and call back pay. The Committee also recommended a cost of living allowance for FY2016-17 of 1.5 percent and approved the Salary Range Table with this increase.

The Committee also recommended a standardized performance review of the General Manager be performed on a regular basis, at least every other year, unless circumstances warrant more frequent review. The Committee will review the General Manager's performance by the end of 2016.

Director Ishkanian also reported the Personnel Committee will be documenting its duties.

The Board voted unanimously to accept the Personnel Committee recommendations.

**E. FINANCE COMMITTEE MEETING REPORT**

Director Kern reported on the Finance Committee Meeting of June 2nd. The Committee reviewed and approved the FY 2016-17 Proposed O&M Budget, Fund Balances and Estimated Revenues, and Capital Projects Budget presented earlier. The Committee also approved staff's recommendation to have Bartlett, Pringle & Wolf perform the FY 2015-16 annual financial audit. Director Kern also stated the Committee reviewed the Retiree Medical annual funding, and approved a reduction from \$30,000 to \$15,000.

**F. ADMINISTRATION AND OPERATIONS (A&O) COMMITTEE MEETING REPORT**

Director Kerns reported on the A&O Committee meeting of June 3rd. President Owens had received a letter from Charles Newman, a Board Member of the Montecito Water District, regarding a new MWD ad-hoc committee to explore recycled water. The Board reviewed a letter written in response by General Manager Gabriel to MWD General Manager Turner requesting further information.

Director Kerns also reported the A&O Committee discussed requests for relief from the Sewer Service Charge Increase that will go into effect July 1st. Everyone requesting relief has been asked to submit the request in writing. The A&O Committee will review all written requests. The Board will consider requests and A&O recommendations at its meeting on July 25th.

General Manager Gabriel reported she had been contacted by UCSB to participate in an effluent sampling study. The study would be tracking microbial source data and looking for the DNA marker HF183. General Manager Gabriel will do more research and report further at the next A&O Committee meeting.

**G. INFORMATION ITEMS**

- Operations Manager Alonzo reported on the filter media that was illegally discharged into the treatment plant last month. The dispersing of the media into the sewer system appears to be a deliberate act, but the District has been unable to track the source
- Director Ishkanian reported the next SBCCSDA meeting will be June 27th at Glen Annie, and will feature FBI Special Agent Frederick Simon, and its July meeting will be at the Santa Maria airport.
- Directors were given resumes of the three candidates for the CSDA Coastal Network seat. This will be discussed at the next Board meeting, because the District's vote is due by August 5th.

**H. AGREEMENTS SIGNED**

521 Santa Rosa Lane – Agreement for Workshop  
808 Hot Springs Road – Agreement for Pool Cabana  
1075 Cold Springs Road – Agreement for Cabana

7. OPERATIONS AND MAINTENANCE

The Board reviewed the information in the agenda packet.

8. ITEMS FOR THE UPCOMING AGENDAS

CSDA Coastal Network Ballot  
Annual Sewer Service Charge Hearing

9. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Kerns and second by Director Ishkanian, the MOTION passed unanimously without abstention and the meeting adjourned at 3:25 p.m.



Warner B. Owens, President



Judith Ishkanian, Vice President



Jeff Kerns, Secretary



Thomas N. Kern, Treasurer



Robert Williams, Director

