

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

October 9, 2017

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on October 9, 2017 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

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

Absent: None

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

Bryce Ross, Miramar Acquisition Co., LLC

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of September 25, 2017 were included in the agenda packet. After review, on MOTION by Director Kern and second by Director Kerns, the Board approved the minutes of September 25, 2017 as presented with the following vote:

Ayes: Kern, Williams, Kerns

Abstention: Ishkanian, Owens

3. APPROVAL OF PAYROLL AND PAYABLES

On MOTION by Director Kerns and second by Director Owens, the Board approved unanimously without abstention these payroll and accounts payable expenses from September 25, 2017 through October 9, 2017:

Accounts Payable Expenses	\$ 106,785.16
Capital Improvement Projects	48,361.26
Payroll and Related Expenses	<u>167,940.61</u>
Total Expenses	\$ 323,087.03

4. PUBLIC COMMENT

None

5. OLD BUSINESS

A. Montecito Water Reuse

No new information was discussed regarding recycled water.

ACTION: None

6. NEW BUSINESS

A. Agreement Between Miramar Acquisition Co., LLC and Montecito Sanitary District

General Manager Gabriel stated staff has worked closely with Special Legal Counsel to the District, Karl Berger, to create an agreement between the Miramar and the District that clearly states the parties' responsibilities regarding the construction of the necessary sewer infrastructure ("Facilities") to serve the proposed development. The District is responsible for the construction and construction administration of the Facilities and the Miramar is responsible for funding. The Miramar will grant the District a non-exclusive easement for the Facilities and the District will own, operate, and maintain the Facilities. The agreement had been executed by the Miramar Acquisition Co., LLC before the meeting.

Staff and the A&O Committee recommended executing the agreement.

On MOTION by Director Owens and second by Director Kern, the Board approved unanimously without abstention the District's execution of the agreement between Miramar Acquisition Co., LLC and the Montecito Sanitary District.

ACTION: Staff

B. Miramar Lift Station – Award of Contract – Cushman Contracting

General Manager Gabriel reminded the Board that at its meeting on July 31, 2017 it had authorized advertising for bids to construct the Miramar Sewer Lift Station and to return for consideration of the award of contract.

On September 14, 2017, two bids were received:

Cushman Contracting	\$4,219,000
Lash Construction	\$4,430,100

The low bid from Cushman is a responsive and responsible bid. Cushman has the necessary experience and qualifications to complete the work, and has successfully completed similar projects for the District.

As of Friday, October 6th, Miramar had deposited adequate funds in the Miramar account at Montecito Bank and Trust to allow the award of this \$4,219,000 contract and a contract change order allowance of \$421,900.

A&O Committee recommended the District Board vote to award the Miramar Sewer Lift Station project to Cushman Contracting.

On MOTION by Director Ishkanian and second by Director Kern, the Board approved unanimously without abstention execution of a contract for the Miramar Sewer Lift Station project to Cushman Contracting in the low bid amount of \$4,219,000 and the authorization of a contract change order allowance of \$421,900.

ACTION: Staff

- C. **Miramar Sewer Lift Station – Construction Phase Services – Phoenix Civil Engineering**
General Manager Gabriel stated that the District will be responsible for construction observation, materials testing and construction management tasks for the construction of the Miramar Lift Station. The District will also need design services during construction from the design engineer of record, Jon Turner, PE. Staff has successfully negotiated a scope of work and a time and materials fee of \$405,094 to have Phoenix Civil Engineering provide these construction phase services.

On MOTION by Director Kern and second by Director Ishkanian, the Board approved unanimously without abstention the execution of a professional services contract with Phoenix Civil Engineering in the amount of \$405,094 and extra services funding in the amount of \$20,255.

- D. **Sewer Connection Fees – Resolution No. 2017-906 Amending Section VIII of Resolution No. 2010-861 and Repealing All Prior Board Actions Related to Establishing Fee Schedules**

At its meeting on July 20, 2017, the Administration & Operations (A&O) Committee reviewed the current fee schedule as provided in Resolution No. 2010-861. Currently the sewer connection permit fee for a single family residence is \$7,300. This last fee increase was approved by the Board in 2010, effective January 1, 2011, based on a Wastewater Connection Fee Update Study provided by CDM Consulting.

At its July 20th meeting the A&O Committee voted to recommend Resolution No. 2017-906 be brought to the Board for approval in October 2017 with implementation January 1, 2018. At the Committee's direction, on August 1st staff sent a letter to property owners currently on septic with sewer available notifying them of the proposed increase in connection fees. These actions were reported to the Board at its July 31st meeting.

Resolution No. 2017-906 includes an increase in the connection fee for a single family residence from \$7,300 to \$8,400 based on the Los Angeles Construction Cost Indexes as reported on the *Engineering News-Record*, pursuant to Resolution No. 2010-861, Section VIII. 9. Resolution No. 2017-906 also updates District fees charged for other District services, including plan check, inspection, and agreement processing fees.

Upon MOTION by Director Owens and second by Director Kerns to adopt Resolution No. 2017-906, the MOTION passed with the following roll call vote:

AYES: Kern, Owens, Williams, Ishkanian, Kerns

NAYS: None

ABSENT: None

ACTION: Staff

E. Personnel Committee – Report

The Personnel Committee reported on its meeting on October 6, 2017 and minutes were distributed. At its meeting the Committee discussed revisions to the Employee Handbook for 2018 that will be brought to the Board for approval at the December Board meeting.

ACTION: Staff

F. Fiscal Year 2017-18 Capital Improvement Projects Status Report Through September 30, 2017

Operations Manager Alex Alonzo and General Manager Gabriel reviewed the status of the Capital Improvement projects approved for Fiscal Year 2017-18

ACTION: None

G. Operations and Maintenance (O&M) Budget Status Report Through September 30, 2017

District Administrator McDonald reviewed the unaudited O&M budget status report for the first quarter ending September 30, 2017.

ACTION: None

H. Quarterly Investment Report – September 30, 2017

District Administrator McDonald discussed the change in investment accounts for the first quarter of FY 2017-18.

ACTION: None

I. Quarterly Investment Policy Statement – September 30, 2107

Director Kern summarized District Investment Policy 2013-883, which was adopted in October 2013, and read and signed the required Quarterly Certification Statement.

ACTION: None

J. Information Items

- Directors Owens and Iskanian reported on the CSDA conference of September 25-27.
- The next monthly SBCCSDA meeting will be October 23rd at Carpinteria Sanitary District
- The Board was reminded of the District Holiday Party on Saturday December 16th at Harry's Café from 6 to 9 p.m.

7. **ENGINEERING, OPERATIONS AND MAINTENANCE**


The Board reviewed the information in the agenda packet.

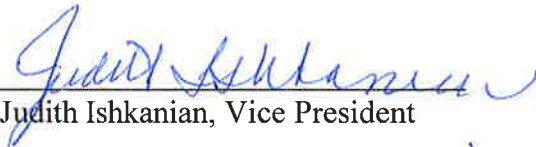
8. **ITEMS FOR NEXT AGENDA**

The next regularly scheduled Board meeting will be November 13, 2017.


9. **ADJOURNMENT**

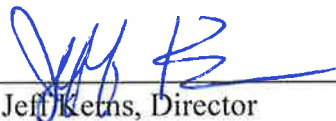
There being no other business, on MOTION to adjourn by Director Owens and second by Director Kerns, the MOTION passed unanimously without abstention and the meeting adjourned at 3:13 p.m.


Robert Williams, President


Judith Ishkanian, Vice President


Warner Owens, Secretary


Thomas N. Kern, Treasurer


Jeff Kerns, Director

