

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

October 11, 2010

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 11th day of October 2010 at 1042 Monte Cristo Lane, Montecito, California, at 1:15 p.m.

ATTENDANCE

Present: Directors Charles C. Arnold, Deirdre M. Cannata, Judith M. Ishkanian, Jeff Kerns

Absent Edward P. McAniff

Also Present: Diane Gabriel, General Manager; Debbie Hughey, Office Manager
Mark Manion, Legal Counsel; Grant Hoag, CDM

Item 6.A. Jim Skidmore

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 Arnold, the minutes of September 13, 2010 were approved as submitted.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director Arnold, and seconded by Director Kerns, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through October 11, 2010 as follows:

Accounts Payable (9/27/10)	\$34,793.83
Accounts Payable (10/7/10)	\$ 493.64
Accounts Payable (10/11/10)	\$57,083.80

Payroll (9/23/10)	\$30,703.06
Payroll Related (9/23/10)	\$25,501.68
Payroll (10/7/10)	\$31,456.76
Payroll Related (9/9/10)	\$ 8,826.81
TOTAL	<u>\$188,859.58</u>

4. **PUBLIC FORUM**

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

5. **OLD BUSINESS**

A. **SYCAMORE CANYON ROAD SEWER MAIN EMERGENCY REPAIR – NOTICE OF COMPLETION – TIERRA CONTRACTING**

At a Special Meeting on August 30, 2010 the Board voted to approve Resolution 2010-860 authorizing the General Manager to contract for emergency sewer main repairs to an existing 8” VCP sewer main in Sycamore Canyon Road near Stoddard Lane. The work was successfully performed August 31st through September 3rd by Tierra Contracting. Final paving was performed on September 8, 2010.

At the September 13, 2010 Board Meeting, the Board recommended that this item be reagendaized to the October 11th meeting so that the final costs for time and materials work would be available from Tierra Contracting. The final cost to replace approximately 300 feet of 8” sewer main in Sycamore Canyon Road (State Highway 192) is \$89,582.54. This amount is within the purchase order amount of \$100,000 that was issued by the General Manager on August 30, 2010.

After discussion, a MOTION was made by Director Kerns, and seconded by Director Cannata, that the Board approve the cost of \$89, 582.54, accept the project as complete and direct staff to prepare a Notice of Completion for the project. The MOTION passed unanimously.

6. **NEW BUSINESS**

A. **SEWER CONNECTION FEES – RESOLUTION NO. 2010-861 AMENDING SECTION VIII OF RESOLUTION 2004-816 AND REPEALING ALL PRIOR ACTIONS RELATED TO ESTABLISHING FEE SCHEDULES**

The General Manager reminded the Board that at their meeting on March 29, 2010, the Board authorized the hiring of CDM Consulting to perform a sewer connection fee analysis. Currently the sewer connection permit fee for a single family residence is \$3,250. This fee was last increased by

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the Board in 2004 at which time they voted to raise the single family connection fee from \$3,000 to \$3,250. Prior to 2004, there had not been an increase in the District's connection fees since 1990.

The Board was also reminded that at the May 10, 2010 Board meeting, Mr. Grant Hoag with CDM Consulting presented the results of his "Montecito Sanitary District Updated Connection Fees." (a copy of this study has been available in the District office since the May 10th meeting). At that time the Board instructed the General Manager to move forward with drafting a resolution which incorporates the recommendations in the CDM report entitled "Montecito Sanitary District Updated Connection Fees." The Board also directed the General Manager to prepare a draft letter to all properties on septic with sewer available informing them of the Boards' upcoming consideration of an increase in the District's connection fees. The Board was informed that these letters were sent out in June and July and numerous inquiries regarding septic to sewer conversion have been addressed by District staff since that time.

Manager Gabriel welcomed Mark Manion, Legal Counsel and Grant Hoag, from CDM. Manager Gabriel informed the Board that Resolution 2010-861 has been prepared by District Staff, Grant Hoag and Mark Manion. Mr. Hoag presented the portion of the Resolution that addressed connection fees. Manager Gabriel presented the other areas. The Resolution includes an increase in the connection fee for a single family residence (equivalent resident unit – ERU) from \$3,250 to \$7,300 effective January 1, 2011. These increases are supported by the "Montecito Sanitary District Updated Connection Fees" report. The resolution also updates the fees charged for various other items including plan check fees, inspection fees and agreement processing fees. Mr. Hoag pointed out that with the update in fees, existing customers will not be subsidizing new growth or development.

President Ishkanian welcomed Mr. Skidmore (representing a property owner) and he was given an opportunity to ask questions and make comments regarding the proposed fee schedule. It was clarified for him that current District policy does not mandate connection to the sewer system so he is not required to pay connection fees.

President Ishkanian called for the adoption of Resolution No. 2010-861 which would amend Section VIII of Resolution 2004-816 and repeal all prior Board actions related to establishing fee schedules. That MOTION was made by Director Arnold and seconded by Director Cannata. The MOTION passed with the following roll call vote:

AYES:	Arnold, Cannata, Ishkanian, Kerns,
NAYS:	None
ABSENT:	McAniff

B. LIFT STATION NO. 1 – PURCHASE OF NEW PUMPS – PURCHASE ORDER WITH ITT FLYGT PRODUCTS – ADDITIONAL FUNDING REQUEST

At their meeting on March 29, 2010, the Board voted to authorize the General Manager to issue a purchase order in the amount of \$69,589, plus shipping and taxes, to ITT Water & Wastewater U.S.A. Flygt Products for the purchase of three new pumps and control equipment. The new pumps were delivered to the District on July 12th and 26th. The electrical control panel was shipped on July 27th but was damaged during shipment. This electrical control panel will now be designed to better meet the needs of the District. An additional \$6500 in funding was requested to modify the new electrical control panels for Lift Station No. 1.

After discussion, a MOTION was made by Director Kerns, and seconded by Director Arnold, that the Board authorize an additional \$6,500 in additional funding to complete the project. The MOTION passed unanimously.

ACTION: Staff

C. DESIGN SERVICES FOR LABORATORY PROJECT – CONTRACT WITH ARCHITECTS WEST – REQUEST FOR EXTRA SERVICES FUNDING

At their meeting on April 12, 2010 the Board authorized an agreement with Architects West for the final design of the new testing laboratory building. District staff negotiated a time and materials not to exceed fee of \$48,925 with Architects West for the final design of the lab building. Their fee was to cover their design costs as well as the design services of their sub-consultants. There were no extra services dollars authorized as part of the contract.

The testing laboratory building project is currently being advertised for bids following the Board's authorization on August 30, 2010. During the review of the contract plans and specifications by prospective bidders it became evident to District staff that revisions and additional design work was necessary to ensure that the HVAC system in the building will function in a manner that would best serve the District. Specifically the addition of a built in dehumidification system and the individualized operation of a vent hood over the autoclave have been determined to be necessary. To design these additional features the architect will need the additional services of his mechanical and electrical engineering sub-consultants. A time and materials not to exceed fee of \$3,825 for these extra design services has been negotiated for these extra services.

A MOTION was made by Director Arnold, and seconded by Director Kerns, that the Board authorize a revision to the contract with Architects West to include extra services in the amount of \$3,825. The MOTION was approved unanimously.

D. **INFORMATIONAL ITEMS**

1. None

E. **AGREEMENT(S) SIGNED BY BOARD OFFICERS**

1. 1340 Mountain Drive – Residential Sewer Service Agreement for New Pool Cabana and Guesthouse
2. 55 Hot Spring Road – Residential Sewer Service Agreement for New Pool Cabana

7. **OPERATIONS AND MAINTENANCE**

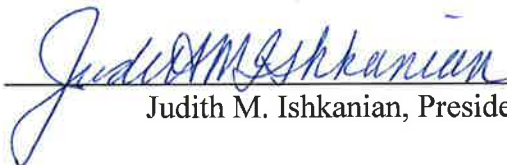
The Board reviewed the Operations and Maintenance information included in their agenda packets.

8. **ITEMS FOR THE NEXT AGENDA**

None

9. **ADJOURNMENT**

There being no further business to come before the Board, it was MOVED by Director Arnold, and seconded by Director Cannata, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 3:00 pm.



Judith M. Ishkanian, President




Jeff Kerns, Vice-President

A B S E N T

Edward P. McAniff, Treasurer



Charles C. Arnold, Secretary



Deirdre M. Cannata, Director