

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

June 8, 2015

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT convened a regular meeting at 1:15 p.m. on June 8, 2015 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
Janet K. McGinnis, MSD Legal Counsel

Dick Shaikewitz – Montecito Water District Board President
Sandra Owens - Resident

2. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL- PERFORMANCE REVIEW AND COMPENSATION EVALUATION OF (UNREPRESENTED) GENERAL MANAGER/DISTRICT ENGINEER

The Board met in closed session with legal counsel to discuss the performance review and compensation evaluation of the General Manager/District Engineer. Gov. Code, §§54957 (b) (1)); 54957.6; 54954.5(e)(f).

Upon returning to open session, Ms. Janet McGinnis, District Legal Counsel, reported that the Board had taken unanimous action to increase the compensation package for Ms. Gabriel and had given her a thorough performance evaluation, which they discussed with her. The Board further authorized the Finance Committee to modify FY15-16 budget numbers accordingly, as may be needed, and approved a salary survey to be conducted by the Personnel Committee with the assistance of legal counsel to ensure proper compensation for Ms. Gabriel's unique position as General Manager and District Engineer.

ACTION: Staff

3. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of May 11, 2015 were included in the agenda packet.

On MOTION by Director Ishkanian and second by Director Kern, the Board approved unanimously without abstention the minutes of May 11, 2015.

4. APPROVAL OF PAYROLL AND PAYABLES

On MOTION by Director Williams and second by Director Kerns, the Board approved unanimously without abstention these payroll and accounts payable expenses from May 12, 2015 through June 8, 2015:

| | |
|------------------------------|-------------------|
| Accounts Payable Expenses | \$ 73,915.47 |
| Payroll and Related Expenses | <u>174,196.45</u> |
| Total Expenses | \$ 248,111.92 |

4. PUBLIC COMMENT

None

5. OLD BUSINESS

None

6. NEW BUSINESS

A. FISCAL YEAR 2015-2016 PROPOSED OPERATIONS AND MAINTENANCE BUDGET-REPORT FROM THE FINANCE COMMITTEE

Director Kern reported that the Finance Committee had met with staff on June 1, 2015 to review the proposed O&M Budget for 2015-2016 (Exhibit A). He explained that the budget is prepared in three parts: O&M; Estimated Revenue and Funding; and Capital Improvements. Director Kern then reviewed the FY15-16 O&M Budget. The total FY15-16 O&M and Debt Service Budget is \$5,391,000.

After discussion and questions, on MOTION by Director Kerns and second by Director Ishkanian to approve the Fiscal Year 2015-2016 Operations and Maintenance Budget as presented, the MOTION passed unanimously without abstention.

ACTION: Staff

Director Kern reviewed Exhibit B – Fund Balances and Estimated Revenues for FY 15-16.

On MOTION by Director Kerns and second by Director Ishkanian to approve the Fiscal Year 2015-2016 Estimated Revenue Projections as presented, the MOTION passed unanimously without abstention.

ACTION: Staff

B. FISCAL YEAR 2015-2016 PROPOSED CAPITAL PROGRAM BUDGET – REPORT FROM FINANCE COMMITTEE

Director Kern presented the FY15-16 Proposed Capital Program Budget (Exhibit B) which was approved by the Finance Committee at its June 1st meeting. General Manager Gabriel detailed all fourteen projects identified in the FY15-16 Capital Improvement Budget and explained that the Certificate of Participation (COP) funds would be exhausted at the completion of the current sewer rehabilitation project, and further capital improvements will be funded from the Capital Replacement Fund. The total FY15-16 Capital Improvement Budget is \$2,630,000.

On MOTION by Director Ishkanian and second by Director Kern to approve the Fiscal Year 2015-2016 Capital Improvement Budget as presented, the MOTION passed unanimously without abstention.

ACTION: Staff

C. RESOLUTION NO. 2015-893 – 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. 2015-893 which sets 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 pm on July 13th, 2015 at the Montecito Sanitary District office located at 1042 Monte Cristo Lane in Santa Barbara. Notice of the hearing will be published in the Santa Barbara News Press on June 15th and June 22nd.

Upon MOTION by Director Williams and second by Director Kern to adopt Resolution No. 2015-893, the MOTION passed with the following roll call vote:

AYES: Kern, Williams, Owens, Kerns, Ishkanian
NAYS: None
ABSENT: None

ACTION: Staff

D. INFORMATION ITEMS

- Director Ishkanian reported there was no SBCSDA dinner meeting in May due to the holiday. The next SBCSDA meeting is at Glenn Annie Golf Course on June 22nd and will feature David Chang of Vector Control. Director Ishkanian reported the SBCSDA Board meeting in May discussed the dissolution of Santa Rita District and AB3 regarding Isla Vista becoming a special district.
- Director Owens reported on the Montecito Water District Board of Directors meeting on June 2, 2015. One agenda item and discussion concerned the formation of a Citizens Advisory Committee on desalination, which will be continued. The Engineering Manager reported that results of the study of a non-invasive intake for a desal facility are forthcoming. The MWD Board will visit the Santa Paul Wastewater Treatment facility later this month and its Engineering Manager is requesting a contract with Dudek for \$15,000 for grant writing and finding possible funding sources.

E. AGREEMENTS SIGNED

331 Ennisbrook Drive – Garage with second story hobby room

7. OPERATIONS AND MAINTENANCE

The Board reviewed the information in the agenda packet.


8. ITEMS FOR THE NEXT AGENDA

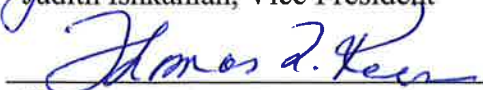
- Report from Public Information Committee
- ELAP accreditation presentation
- MWD response to Director Owens letter dated May 11, 2015

9. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Ishkanian and second by Director Williams, the MOTION passed unanimously without abstention and the meeting adjourned at 3:35 p.m.


Warner B. Owens, President


Judith Ishkanian, Vice President


Thomas N. Kern, Treasurer


Jeff Kerns, Secretary


Robert Williams, Director