

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

**January 30, 2019**

**1. CALL TO ORDER**

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on January 30, 2019 at 1042 Monte Cristo Lane, Montecito, California.

**ATTENDANCE**

**Present:** Directors Tom Bollay, Woody Barrett, Jeff Kerns, Dana Newquist, and Thomas Kern (Director Kern arrived at 2:15 p.m., Agenda Item 6F)

**Absent:** None

**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  
Janet McGinnis, MSD Legal Counsel  
Peter Hayden, Miramar Acquisition Co.  
Alison Thompson, Heal the Ocean  
Keith Berry, Resident  
Nick Turner, Montecito Water District  
Brian Goebel, Montecito Water District  
Bob Hazard, *Montecito Journal*  
Gina Magnoli, *Noozhawk*

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

The minutes of the January 10, 2019 meeting were included in the agenda packet. On MOTION by Director Newquist and second by Director Kerns, the Board approved unanimously without abstention the minutes of January 10, 2019.

**3. APPROVAL OF PAYABLES**

General Manager Gabriel and District Administrator McDonald discussed particular items and responded to directors' questions.

On MOTION by Director Kerns and second by Director Newquist, the Board approved unanimously without abstention these payroll and accounts payable expenses from January 10, 2019 through January 30, 2019:

Accounts Payable Expenses	\$ 113,985.95
Capital Improvement Projects	339,469.32
Payroll and Related Expenses	<u>180,618.32</u>
Total Expenses	\$ 634,073.59

4. **PUBLIC COMMENT**

Bob Hazard addressed the Board.

5. **OLD BUSINESS**

A. **Montecito Water Reuse**

General Manager Gabriel stated that the Montecito Water District Board meeting on January 22<sup>nd</sup> had included an agenda item on its Recycled Water Implementation Plan. The meeting was attended by Director Kerns and Engineering Manager Poytress, who both reported on their attendance.

MWD General Manager Turner said that four proposals for additional studies will be returned to the MWD Board in February or March, that a joint meeting of the MWD Strategic Planning Committee and MSD's A&O Committee would be scheduled before that time, and that he will contact MSD staff to set a date for the joint meeting.

MWD Director Brian Goebel reported that the MWD Board considers the recycled water project to be a collaborative effort of the two districts.

ACTION: MWD

6. **NEW BUSINESS**

A. **Miramar Sewer Lift Station – Cushman Contracting – Notice of Completion**

General Manager Gabriel reported that the Santa Barbara County Conditions of Approval for the Rosewood Miramar Resort required the developer to fund the construction of the necessary sewer infrastructure serving the resort. To efficiently complete this developer-funded essential infrastructure project, Miramar Acquisition Co., LLC and the District negotiated a detailed agreement that spelled out their responsibilities and commitments, which was approved and executed by the Board on October 9, 2017.

Ms. Gabriel reported that the construction contract for the Miramar Lift Station had been awarded to Cushman Contracting by the MSD Board at its meeting on October 9, 2017 in the low bid amount of \$4,219,000, with a contract change order allowance of \$421,900.

During the course of the project six contract change orders were issued, totaling \$188,664. The change order work was for additional dewatering, rebar, piping, pipe supports, architectural modifications, and miscellaneous items. With the addition of the change order work the final contract price totaled \$4,407,664.

The work on the lift station is finished to District satisfaction, and staff recommended that the Board accept the project as complete.

Upon MOTION by Director Newquist and second by Director Barrett, the Board approved unanimously without abstention to accept the Miramar Lift Station as complete in the final contract amount of \$4,407,664 and directed District staff to file a Notice of Completion for the project.

Peter Hayden, Senior Vice President of Engineering at Caruso, spoke about the project and the collaboration that was necessary to make this project a success.

ACTION: Staff

**B. Miramar Sewer Force Main – Dedication Agreement – Notice of Acceptance**

General Manager Gabriel reported that the construction of the force mains leaving the Miramar Lift Station were installed under a Dedication Agreement with Miramar Acquisition Co., LLC dated August 22, 2017. Miramar constructed the force mains under contract with Lash Construction and MSD inspected and managed the project. Lash has completed the work and Miramar is ready to dedicate the project to the District, making it a District asset.

On MOTION by Director Newquist and second by Director Kerns, the Board approved unanimously without abstention to accept the dedication of the Miramar Sewer Force Main project and to direct staff to issue a Notice of Acceptance.

ACTION: Staff

**C. Essential Services Building Site Excavation and Rough Grading – Toro Enterprises – Notice of Completion**

General Manager Gabriel reported that in its October 29, 2018 meeting, the Board had awarded a contract for the proposed Essential Services Building site excavation and rough grading project to Toro Enterprises in the low bid amount of \$119,500, and authorized a contract change order allowance of \$20,000.

Toro Enterprises has completed all rough grading work to the satisfaction of the District. One contract change order was issued for \$19,918 to load and haul unsuitable soil material. With the addition of the change order work, the final contract price was \$139,418.

On MOTION by Director Kerns and second by Director Newquist, the Board approved unanimously without abstention to accept the rough grading for the proposed Essential Services Building project as complete in the final contract amount of \$139,418 and directed staff to file a Notice of Completion for the project.

ACTION: Staff

**D. Riven Rock Sewer Main Extension Surveying Services – Benner & Carpenter Inc. – Purchase Order Authorization**

Director Bollay stepped down and recused himself for this agenda item due to a conflict of interest as a homeowner in Riven Rock.

The Board discussed authorizing the General Manager to issue a purchase order for a professional land survey/topo of the Riven Rock area for a possible sewer main extension to

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potentially serve up to thirty-one properties currently served by septic systems. Staff negotiated a time and materials professional services contract with Benner & Carpenter, Inc. for a professional land survey/topo for \$33,000.

On MOTION by Director Newquist and second by Director Barrett, the Board approved authorizing the General Manager to issue a purchase order to Benner & Carpenter, Inc. in the amount of \$33,000 with the following vote:

Ayes: Directors Newquist, Kerns, and Barrett

ACTION: Staff

**E. Public Information Committee Meeting – Report**

Director Bollay reported on the Public Information Committee meeting of January 22, 2019 and minutes were distributed. The Committee discussed the proposed Essential Services Building and earlier successful public outreach for the project, the District's website, the use of other media for public outreach, and video recording staff presentations at public meetings.

Director Newquist stated that he had been in touch with Kelly Mahan Herrick from *Montecito Journal* to discuss the opportunity for a Special District presence in that publication.

ACTION: None

At this point in the meeting, Director Kern arrived and joined the Board.

**F. Finance Committee Meeting- Report**

Director Kern reported on the Finance Committee meeting of January 17, 2019 and minutes were distributed. The Committee reviewed and discussed the Annual Continuing Disclosure Report, the Quarterly Financial Statements and Reports, the District reserve funds held in the state Local Agency Investment Fund (LAIF), and educating new board members about District finances.

ACTION: None

**G. Continuing Disclosure Annual Report for Fiscal Year Ending June 30, 2018**

District Administrator McDonald reported that a requirement of the 2017 Sewer Refunding Bonds and Disclosure Agreement is the filing of a Continuing Disclosure Annual Report. This report is a summary of operations and a copy of the District's audited financial statements. Ms. McDonald reviewed the report with the Board.

On MOTION by Director Kerns and second by Director Kern, the Board approved unanimously without abstention to accept the Continuing Disclosure Annual report for the year ending June 30, 2018 as presented and directed staff to file the report as required.

ACTION: Staff

**H. Operations and Maintenance (O&M) Budget Status and Revenue Reports through December 31, 2018**

District Administrator McDonald reported on the Budget Status and Revenue reports through December 31, 2018. Expenses for the first six months are less than fifty percent of the annual budget, and revenues include the first allocation of annual sewer service charges collected through the County property tax bills.

ACTION: None

**I. Quarterly Investment Report – December 31, 2018**

District Administrator McDonald reviewed the cash and investment activity for the quarter ending December 31, 2018.

ACTION: None

**J. Fiscal Year 2018-19 Capital Improvement Projects Status Report**

General Manager Gabriel reported on the financial status of the approved Capital Improvement Projects through December 3, 2018.

ACTION: None

**K. Quarterly Investment Policy Statement – December 31, 2018**

Director Kern summarized District Investment Policy 2013-883 (adopted October 2013) and read and signed the Quarterly Certification Statement.

ACTION: None

**L. Information Items**

- CSDA Training – Board Member Best Practices, March 7th, 9 am to 1 pm at Goleta Sanitary District – all Board Members have been registered
- LAFCO letter of January 10, 2019 re: LAFCO special district member vacancy

**M. Agreements Signed**

1821 Fernald Point Lane – Pump Variance Agreement

**7. ENGINEERING, OPERATIONS AND MAINTENANCE**

The Board reviewed the information in the agenda packet.

**8. ITEMS FOR NEXT AGENDA**

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The next regularly scheduled Board meeting will be February 14, 2019, and will include the required AB1234 Ethics training for the Board of Directors.

9. **ADJOURNMENT**

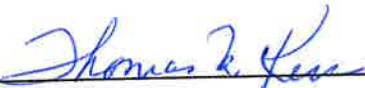
There being no other business, on MOTION to adjourn by Director Newquist and second by Director Kern, the MOTION passed unanimously without abstention and the meeting adjourned at 4:00 p.m.



Thomas Bolly, President



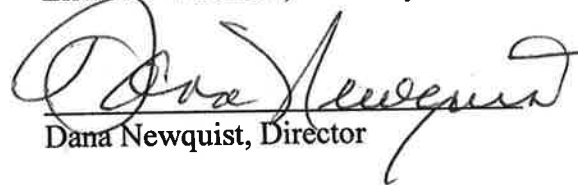
Jeffrey Kerns, Vice President



Thomas Kern, Treasurer



Ellwood T. Barrett, Secretary



Dana Newquist, Director