

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

**July 31, 2017**

**1. CALL TO ORDER**

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on July 31, 2017 at 1042 Monte Cristo Lane, Montecito, California.

**ATTENDANCE**

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

**Absent:** Director Judith M. Ishkanian

**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

Bryce Ross, Miramar Acquisition Co., LLC

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

The minutes of July 10, 2017 were included in the agenda packet. After review, on MOTION by Director Owens and second by Director Kern, the Board approved the minutes of July 10, 2017 as presented with the following vote:

Ayes: Kern, Owens, Williams

Abstention: Kerns

**3. APPROVAL OF PAYROLL AND PAYABLES**

On MOTION by Director Owens and second by Director Kerns, the Board approved unanimously without abstention these payroll and accounts payable expenses from July 10, 2017 through July 31, 2017:

Accounts Payable Expenses	\$ 260,112.01
Capital Improvement Projects	42,273.87
Payroll and Related Expenses	<u>83,293.02</u>
 Total Expenses	 \$ 385,678.90

**4. PUBLIC COMMENT**

Bryce Ross from Miramar Acquisition Co., LLC discussed the status of the Miramar Rosewood Resort construction.

**5. OLD BUSINESS**

**A. Montecito Water Reuse**

The Board discussed the July 27<sup>th</sup> article in the Montecito Journal about Montecito water supply.

ACTION: None

**6. NEW BUSINESS**

**A. Fiscal Year 2016-17 Capital Improvement Projects Status Report Through June 30, 2017**

General Manager Gabriel reviewed these capital improvement projects completed in the fiscal year ending June 30, 2017:

- Replacement of sodium hypochlorite pumps
- Purchasing of manhole frames and covers
- Raising manholes to grade
- Plant paving project
- Replacement of RAS/WAS pumps

ACTION: None

**B. Operations and Maintenance (O&M) Budget Status Report Through June 30, 2017**

District Administrator McDonald reviewed and answered questions about the unaudited O&M budget status report for the fiscal year ending June 30, 2017.

ACTION: None

**C. Quarterly Investment Report – June 30, 2017**

District Administrator McDonald discussed the change in investment accounts for the fourth quarter of FY 2016-17.

ACTION: None

**D. Quarterly Investment Policy Statement – June 30, 2017**

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

**E. Miramar Lift Station – Authorization to Advertise for Bids**

General Manager Gabriel reported the design of the sewer lift station and force main for the Miramar project is complete. The \$3,700,000 estimated construction cost for the lift station is to be paid by the developer.

On MOTION by Director Kerns and second by Director Owens, the Board approved unanimously without abstention to authorize staff to advertise this project for bids and to return to the Board for consideration of the award of the contract.

ACTION: Staff

**F. North Sierra Vista Sewer Main Extension – Request for Additional Contract Change Order Funding – Tierra Contracting**

General Manager Gabriel reported on the status of the North Sierra Vista Sewer Main Extension. The project should be completed within two weeks.

A septic system failure on a private property has exposed a need to extend the mainline in Olive Road. Given the excellent work and unit price bid by Tierra Contracting for the North Sierra Vista contract, staff and the A&O Committee recommended that the Board authorize additional change order funding for the contract with Tierra Contracting to allow this sewer main extension.

On MOTION by Director Kerns and second by Director Owens, the Board approved authorizing additional funding in the amount of \$142,151 to the Tierra Contracting North Sierra Vista contract, and directed staff to inform the three Olive Road property owners of their proportionate share of the costs. If at least two owners willing participate and reimburse the District within thirty days of completion of the work, staff will add the Olive Road sewer main extension to the Tierra Contracting North Sierra Vista contract.

ACTION: Staff

**G. Administration and Operations (A&O) Committee Meeting Report**

Director Kerns reported on the A&O Committee meeting of July 20, 2017, which included discussion on recycled water, the Essential Services building, the Miramar force main construction, proposed revisions to Resolution No. 2010-861; Establishing Fee Schedules, and the Tierra Contracting work on the Sierra Vista mainline extension. Minutes from the meeting were provided to all Board members.

**H. Information Items**

Directors Owens and Kerns reported on the SBCSDA dinner meeting of July 24, 2017.

**I. Agreements Signed**

None

**7. ENGINEERING, OPERATIONS AND MAINTENANCE**

The Board reviewed the information in the agenda packet.

**8. ITEMS FOR NEXT AGENDA**

Items for upcoming agendas will include the Miramar Sewer Force Main dedication agreement, the Miramar Lift Station award of contract, and authority to increase the R. Burke purchase order for manhole grading on Highway 192.

8. **ADJOURNMENT**

There being no other business, on MOTION to adjourn by Director Kerns and second by Director Owens, the MOTION passed unanimously without abstention and the meeting adjourned at 2:58 p.m.



Robert Williams, President

ABSENT

Judith Ishkanian, Vice President



Warner Owens, Secretary



Thomas N. Kern, Treasurer



Jeff Kerns, Director