

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

**June 13, 2011**

**1. CALL TO ORDER**

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 13<sup>th</sup> day of June 2011 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, Edward P. McAniff

**Absent:** None

**Also Present:** Diane Gabriel, General Manager; Debbie Hughey, Office Manager

**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 Ishkanian, and seconded by Director Cannata, the minutes of May 9, 2011 were approved as submitted.

**3. APPROVAL OF PAYROLL AND PAYABLES**

Upon MOTION by Director Arnold, and seconded by Director Ishkanian, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through June 13, 2011 as follows:

Accounts Payable (5/12/11)	\$7,127.61
Accounts Payable (5/18/11)	\$11,727.23
Accounts Payable (5/26/11)	\$8,493.82
Accounts Payable (6/9/11)	\$50,557.21
Payroll (5/19/11)	\$30,969.53
Payroll Related (5/19/11)	\$28,317.19

Payroll (6/2/11)	\$30,681.63
Payroll Related (6/2/11)	\$9,416.59

**TOTAL** **\$177,290.81**

**4. PUBLIC COMMENT**

No public comment.

**5. OLD BUSINESS**

**A. MONTECITO JOURNAL EDITORIAL AND LETTER TO THE EDITOR**

Manager Gabriel reminded the Board that the Montecito Journal printed an editorial by Jim Buckley, owner of the Montecito Journal in their April 14<sup>th</sup> issue. As a follow up to this editorial, Mr. Buckley printed a Letter to the Editor from Ken Warfield entitled “Montecito Deserves Better” in the May 12<sup>th</sup> addition of the Journal. A copy of this Letter to the Editor was enclosed in the agenda packets. The Board reviewed and discussed the letter. After some discussion the Board agreed that the letter should be placed in the District’s files and no response would be sent to the Montecito Journal.

**6. NEW BUSINESS**

**A. CERTIFICATES OF PARTICIPATION (COP’s) – STATUS REPORT AND DESIGNATION OF ADDITIONAL MISSION CRITICAL PROJECTS**

The General Manager handed out a list of the Capital Improvement Projects to the Board so that they could review the status of the mission critical capital improvement projects funded by the COP’s. In addition to the original 15 projects that were identified in 2007, the Board discussed adding additional projects to the “mission critical” project list, as there will be funds remaining once the initial mission critical projects have been completed. Some of the high priority new projects include Clarifier Refurbishment, Belt Filter Press Refurbishment, and the remodeling of existing lab/electrical control room.

After discussion, a MOTION was made by Director Ishkanian, and seconded by Director Cannata, that the Board approve the additional “mission critical” projects (New Projects FY 2011-2012) as identified in the handout titled “Capital Improvement Projects (CIP) COP Funded”. These new projects will be funded with the COP funds remaining after the original projects are completed. The new projects will be prioritized and completed in order of their importance. The MOTION passed unanimously.

ACTION: Staff

**B. PERSONNEL COMMITTEE REPORT**

Manager Gabriel informed the Board that the Personnel Committee (Directors Ishkanian and McAniff) met on May 31<sup>st</sup> to discuss a potential Cost of Living Adjustment (COLA) for staff in the upcoming fiscal year. Directors Ishkanian and McAniff shared with the Board that the Committee used the Riverside/LA Consumer Price Index (CPI) and proposed COLA's from similar Districts to assist in forming their recommendation. The Committee recommended to the Board that a 3% COLA be used in calculating the proposed budget for Fiscal Year 2011-12. Manager Gabriel reported that the proposed budget that the Board will be reviewing was prepared with a 3% COLA per the Personnel Committee's recommendation. The Board was in agreement with the recommendation of the Personnel Committee.

**C. FISCAL YEAR 2011-12 BUDGET – REPORT FROM FINANCE COMMITTEE**

Manager Gabriel presented the Board with a copy of the proposed Operations & Maintenance (O&M) Budget for Fiscal Year 2011-12 along with the estimated revenue projections. She informed the Board that the Finance Committee (Directors Arnold and Kerns) reviewed the proposed budget at their meeting on May 20<sup>th</sup>. The Finance Committee reviewed the details of the proposed O & M budget along with actual O&M expenses from FY 2010-2011. The Committee also reviewed the Fund Balances and Estimated Revenues FY 2011-2012. The Finance Committee recommended to the Board that the MSD Operations and Maintenance Proposed Budget FY 2011-12 and Fund Balances and Estimated Revenues FY 2011-12 be approved as presented.

Following discussion and review by the Board, a MOTION was made by Director Cannata, and seconded by Director McAniff, that the Board approve the MSD Operations and Maintenance Proposed Budget FY 2011-12 and the Fund Balances and Estimated Revenues FY 2011-2012 as presented by the Finance Committee. The MOTION passed unanimously.

ACTION: Staff

**D. RESOLUTION NO. 2011-867 – SETTING THE DATE, TIME AND PLACE FOR THE ANNUAL SEWER SERVICE CHARGE HEARING TO COLLECT SEWER SERVICE CHARGES ON THE COUNTY TAX ROLL**

Manager Gabriel reminded the Board that in order to continue the practice of collecting sewer service charges on the County's tax roll a public hearing must be held to allow for public comments. Pursuant to Health & Safety Code, Section 6520.5, the Board is required to adopt a resolution setting the date, time and place for the hearing.

Resolution No. 2011-867, (draft included in agenda packets) set August 8, 2011 as the date for the hearing. Notice of the hearing will be published twice in the Santa Barbara News Press one week

apart. A separate notice will be mailed to property owners who have taken out a new sewer connection permit during the 2010 - 2011 Fiscal Year. Holding the public hearing on August 8, 2011 will enable staff to electronically submit Fiscal Year 2011- 2012 sewer service charge information to the County by their August 10, 2011 deadline.

A MOTION was made by Director Ishkanian, and seconded by Director Arnold, to adopt Resolution No. 2011-867, Setting the Date for the Hearing and Giving Notice thereof of Election to Collect Sewer Service Charges on the County Tax Roll. The MOTION passed by the following roll-call vote:

AYES:	Arnold, Cannata, Ishkanian, Kerns, McAniff
NAYS:	None
ABSENT:	None
ABSTAIN:	None
ACTION:	Board Officers, Manager Gabriel and Staff

**E. INFORMATIONAL ITEMS**

1. Director Ishkanian attended the Board of the California Special Districts Association (CSDA) Monthly Chapter Dinner Meeting held on Monday, May 23, 2011. There was a presentation of compensation surveys by Kathryn McKey, Grand Jury Foreperson.
2. Santa Barbara Chapter CSDA Monthly Chapter Dinner Meeting, Monday, June 27<sup>th</sup> at 6:00 to be held at Marriott Santa Ynez Valley. President Kerns stated he would be attending. Staff will make his reservation.
3. CSDA 2011 Summer/Fall Education Catalog
4. CASA's Annual Conference will be held August 11-13 in San Diego. A MOTION was made by Director Arnold, and seconded by Director Kerns, that any Director interested in attending the Conference August 11-13 in San Diego is encouraged to do so. The MOTION passed unanimously. Director Ishkanian will attend the Conference on August 11<sup>th</sup> & 12<sup>th</sup>. Director Cannata will attend on August 12<sup>th</sup> and 13<sup>th</sup>. Staff will register and make reservations for Directors Cannata and Ishkanian.

**F. AGREEMENT(S) TO BE SIGNED**

No agreements to be signed.

**7. OPERATIONS AND MAINTENANCE**

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

8. ITEMS FOR FUTURE AGENDAS

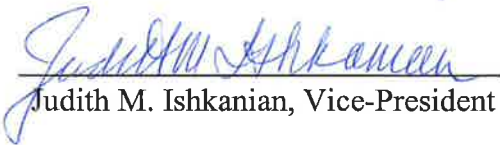
None

9. ADJOURNMENT

There being no further business to come before the Board, it was MOVED by Director Cannata, and seconded by Director McAniff, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 3:10 pm.



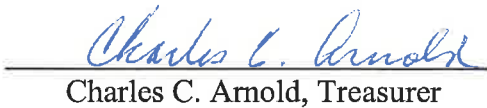
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Jeff Kerns, President



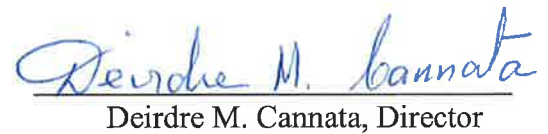
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Judith M. Ishkanian, Vice-President



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Edward P. McAniff, Secretary



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Charles C. Arnold, Treasurer



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Deirdre M. Cannata, Director