

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

March 27, 2017

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT convened a regular meeting at 1:15 p.m. on March 27th 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
Carrie Poytress, MSD Engineering Manager

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of March 13, 2017 were included in the agenda packet.

Director Ishkanian and Director Williams noted amendments needed on items 6E and 6F. On MOTION by Director Ishkanian and second by Director Owens, the Board approved unanimously without abstention the minutes of March 13, 2017 with changes to the aforementioned items.

3. APPROVAL OF PAYROLL AND PAYABLES

On MOTION by Director Kern and second by Director Ishkanian, the Board approved unanimously without abstention these payroll and accounts payable expenses from February 13, 2017 through March 13, 2017:

Accounts Payable Expenses	\$ 35,234.66
Capital Improvement	9,807.98
Payroll Expenses	<u>80,610.89</u>
Total Expenses	\$ 125,653.53

4. PUBLIC COMMENT

None.

5. OLD BUSINESS

A. MONTECITO WATER REUSE

Director Owens reported on his attendance at the Montecito Water District Board meeting.

Engineer Poytress reported on her attendance at the 2017 WateReuse California Annual Conference in San Diego March 19-21.

ACTION: None

6. NEW BUSINESS

A. REFUNDING OF 2007 CERTIFICATES OF PARTICIPATION (COPs) – STATUS REPORT

District Administrator McDonald reported on the status of the refunding of the 2007 COPs. District Staff and the Finance Team (including Financial Advisors, Underwriters, and Bond Counsel) will be interviewed by Standard & Poor’s rating agency on April 3rd. At its next meeting (April 10th), the Board will be consider approving legal and financing documents, authorizing distribution of the Preliminary Official Statement, and delegating authority to the General Manager to sign the Bond Purchase Contract. The closing date is scheduled as May 3, 2017 and the 2007 certificates will be called on July 1, 2017.

Director Williams requested that the Board receive a timeline of COP refunding required activity at the next Board meeting.

ACTION: Staff

B. 2017 SEWER REFUNDING BONDS – AUTHORIZATION FOR THE USE OF AVAILABLE UNRESERVED CASH

At the Board’s March 13th meeting, the Finance Committee recommended the use of available unreserved cash up to \$1.5M to buy down the COP debt and shorten the term by seven years, from 2037 to 2030.

On MOTION by Director Kern and second by Director Kerns, the Board approved unanimously without abstention the use of up to \$1.5M of available unreserved cash for the refinancing of the 2007 COPs.

ACTION: Staff

C. LIFT STATION NO. 4 PUMP IMPELLERS – PURCHASE ORDER AUTHORIZATION TO XYLEM WATER SOLUTIONS

General Manager Gabriel reported that recent high flows through Lift Station No. 4 on Posilipo Road revealed that the three existing pumps are not conveying flows up to their design capacity. Although these 2008 pumps and motors are relatively new in their useful life, the pump impellers have become pitted and are not functioning efficiently.

Ms. Gabriel recommended the purchase and installation of three new high chrome impellers and wear rings. The pumps are manufactured by Flygt and distributed by Xylem Water Solutions USA in Compton, CA. Xylem Water Solutions has quoted \$15,017.80 (plus tax and freight) to supply and install the three new impellers. There are funds for this project in the FY 2016-17 Capital Improvement Budget Project No. 1 – Emergency Replacements.

On MOTION by Director Owens and second by Director Kern, the Board approved unanimously without abstention to authorize the General Manager to issue a Purchase Order in the amount of \$15,017.80 plus tax and freight to Xylem Water Solutions for three new pump impellers.

ACTION: Staff

D. INFORMATION ITEMS

- Director Ishkanian reminded the Board of the SBCCSDA dinner to be held March 27th at Glenn Annie Golf Course

E. AGREEMENTS SIGNED

None

7. OPERATIONS AND MAINTENANCE

The Board reviewed the information in the agenda packet.

8. ITEMS FOR THE NEXT AGENDA





The next meeting will be April 10, 2017. The Board will approve various documents for the 2007 COP refunding.

9. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Ishkanian and second by Director Kern, the MOTION passed unanimously without abstention and the meeting adjourned at 2:12 p.m.



Bob Williams, President


Judith Ishkanian, Vice President
Warner B. Owens, Secretary
Thomas N. Kern, Treasurer
Jeff Kerns, Director