

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

June 24, 2013

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 24th day of June 2013 at 1042 Monte Cristo Lane, Montecito, California at 1:15 p.m.

ATTENDANCE

Present: Directors Deirdre M. Cannata, Judith M. Ishkanian, Tom Kern, Jeff Kerns, and Warner Owens

Absent: None

Also Present: Diane M. Gabriel, P.E., General Manager, and Linda L. Leary, Temporary Office Manager

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes from the prior Board meeting were included in the agenda packet.

Upon MOTION by Director Kern, which was seconded by Director Owens, the minutes of the meeting of June 10, 2013 were approved with minor corrections.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director Kerns, which was seconded by Director Cannata, the Board unanimously approved these PAYROLL AND ACCOUNTS PAYABLE EXPENSES through June 24, 2013:

Accounts Payable (6/13/13)	\$6,896.70
Accounts Payable (6/24/13)	\$28,169.39
Payroll (6/13/13)	\$40,474.32
Payroll Related (6/13/13)	\$12,015.73
TOTAL	<u>\$87,556.14</u>

4. **PUBLIC COMMENT**

No member of the public addressed the Board on non-agenda items.

5. **OLD BUSINESS**

No Old Business

6. **NEW BUSINESS**

A. **FY 2013-2014–PROPOSED OPERATIONS AND MAINTENANCE BUDGET-APPROVAL**

Manager Gabriel reported that when the Finance Committee (Directors Kern and Owens) had met May 29th, it had reviewed the detailed spreadsheet of the proposed Operations and Maintenance (O&M) FY 2013-2014 Budget and actual O&M expenses for FY 2012-13 and a spreadsheet showing current fund balances and revenue projections for the next fiscal year. These spreadsheets were enclosed in the agenda packet.

Manager Gabriel reminded that during the Board meeting of June 10th the Finance Committee had recommended that the proposed Operations and Maintenance Budget for FY 2013-14 and Fund Balances and Estimated Revenues for FY 2013-14 be approved as presented. However, because only three Board members were in attendance, the Board decided to postpone taking action on the proposed Operations and Maintenance Budget for FY 2013-14 and Fund Balances and Estimated Revenues for FY 2013-14 and put this action on the agenda of the June 24th Board meeting.

Following some discussion, including answering of questions, a MOTION was made by Director Kerns and seconded by Director Owens to approve the proposed MSD Operations & Maintenance Budget, as well as the Fund Balances and Estimated Revenues for FY 2013-14 as presented. The MOTION passed unanimously.

ACTION: Staff

B. **CERTIFICATES OF PARTICIPATION (COPs) – APPROVAL OF ADDITIONAL MISSION CRITICAL PROJECTS AND PROJECT FUNDING AMOUNTS**

Manager Gabriel reported that during the May 29th meeting of the Finance Committee (Directors Kern and Owens) the status of the District's mission critical projects funded by the COPs was reviewed. In the June 10th Board meeting the Finance Committee had recommended approval of the proposed projects and funding specified in the COP Funded Capital Improvement Projects FY 2013 – 2014 spreadsheet. Due to absences, the Board continued this item to its June 24th agenda for final approval. The spreadsheet showing completed COP projects, dollars spent to date, and proposed projects and funding levels for FY 2013-14 was enclosed in the agenda packet.

Following the discussion, a MOTION was made by Director Kerns and seconded by Director Owens to approve the COP projects and funding as specified for FY 2013-14. The MOTION passed unanimously.

ACTION: Staff

C. EXTERIOR COVERED WALKWAY – AUTHORIZATION TO ADVERTISE FOR BIDS

Manager Gabriel stated that remodeling the old laboratory / electrical control room is one of the mission critical capital projects approved for COPs funding. Construction of the interior remodel work nears completion. To comply with OSHA regulations, the entrance to the existing restroom was relocated. The new door to the restroom is now an exterior door on the west side of the main building. Plans have been prepared for the construction of an all - weather covered walkway leading from the Board room and front office area to the new restroom door. Plans of the proposed walkway and landscaping were enclosed in the agenda packet. Manager Gabriel asked that the Board consider authorizing staff to advertise the project for bids.

Following some discussion, including answering questions, a MOTION was made by Director Owens and seconded by Director Kern to authorize staff to proceed with advertising for bids for construction of the proposed new walkway as a covered and uncovered walkway. The MOTION passed unanimously.

ACTION: Staff

D. ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY (ACWA JPIA) - JPIA BOARD OF DIRECTORS - MEMBER/ALTERNATE

Manager Gabriel explained that the District had received a June 7th memo from ACWA JPIA calling for President and Vice President candidate nominations to the ACWA JPIA Board of Directors. If any MSD Director wishes to be nominated or knows of anyone to be nominated, these nominations must be received in the ACWA office by Tuesday, September 3, 2013. The ACWA JPIA letter and form for the Resolution to nominate and support a candidate for ACWA President or Vice President were included in the agenda packet.

After a brief discussion, the Board agreed that it has no nominations to make at this time.

ACTION: None

E. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) – 2013 BOARD ELECTIONS

Manager Gabriel reported that the District had received ballot information on CSDA's upcoming 2013 board elections. MSD is entitled to one vote in its Region 5. The ballot information and

candidate statement were enclosed in the agenda packet. The completed ballot must be received in Sacramento by August 2, 2013. The only candidate listed on the ballot is Kathy Tiegs, who is with the Cucamonga Valley Water District. She has been on the CSDA Board since 2011. Ms. Tiegs is the only candidate to submit a candidate statement.

Manager Gabriel advised that the Board should consider whether to support Ms. Tiegs for service on the CSDA Board as a representative for Region 5, Seat B for the next two years.

Following a brief discussion, a MOTION was made by Director Kerns and seconded by Director Cannata to cast the District's vote in favor of electing Ms. Tiegs to the CSDA Board of Directors on behalf of Region 5, Seat B. The MOTION passed unanimously.

ACTION: President Ishkanian and Staff

F. INFORMATIONAL ITEMS

- LAFCO budget for FY 2013-2014 adopted by the LAFCO Commission on June 7, 2013. The Board had few comments and directed no staff action.
- Montecito Fire Protection District letter of June 18, 2013 from Ms. Geri Ventura requesting documents about pension and health care reform. The Board directed Manager Gabriel to respond in writing and to set up a joint Finance Committee meeting of the two special districts, if appropriate.
- SAVE THE DATE card for California Association of Sanitation Agencies (CASA) 58th Annual Conference from Wednesday, August 21 – Saturday, August 24, 2013 in San Diego. The Board authorized up to three directors to attend and Directors Cannata, Ishkanian, and Owens expressed interest. They will confirm their interest soon.

G. AGREEMENT TO BE SIGNED

Residential Sewer Service Agreement for new auxiliary structure (cabana) – 310 Malaga Drive

7. OPERATIONS AND MAINTENANCE

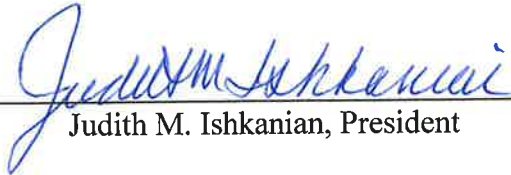
The Board reviewed the Operations and Maintenance information included in the agenda packet.

8. ITEM(S) FOR THE NEXT AGENDA

- Manager Gabriel hopes to introduce the new Office Manager at the next Board meeting.
- The annual Sewer Service Charge Hearing will occur at the next meeting and at least four directors must attend.

9. ADJOURNMENT

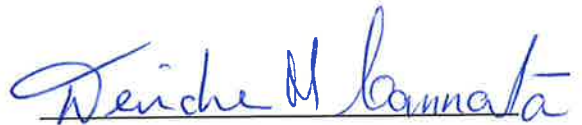
There being no further business to come before the Board, it was MOVED by Director Cannata and seconded by Director Kerns that the meeting be adjourned. The MOTION carried and the meeting adjourned at 2:55 p.m.



Judith M. Ishkanian, President



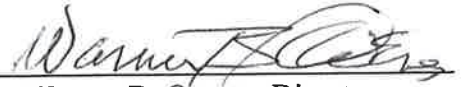
Jeff Kerns, Vice-President



Deirdre M. Cannata, Secretary



Tom Kern, Treasurer



Warner B. Owens, Director