

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

July 14, 2014

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 14th day of July 2014 at 1042 Monte Cristo Lane, Montecito, California, at 1:15 p.m.

ATTENDANCE

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

Absent: None

Also Present: Diane M. Gabriel, General Manager, and Toni M. McDonald, District Administrator

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes from the prior Board meeting were included in the agenda packets for Board review. President Kern noted a typographical error in the minutes regarding the Fiscal Year Budget report (Item 6B). Upon MOTION by Director Owens and second by Director Kerns, the minutes of June 9, 2014 were approved, as corrected, unanimously without abstention.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director Ishkanian, and second by Director Owens, the Board approved unanimously without abstention PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through July 14, 2014 of:

Accounts Payable Expenses	\$ 161,474.59
Payroll and Related Expenses	<u>218,269.32</u>
Total Expenses	<u>\$ 379,743.91</u>

4. PUBLIC COMMENT

No member of the public was present to address the Board on non-agenda items.

5. **OLD BUSINESS**

No old business.

6. **NEW BUSINESS**

A. **ANNUAL SEWER SERVICE CHARGE HEARING TO COLLECT SEWER SERVICE CHARGES ON THE COUNTY TAX ROLL – RESOLUTION NO. 2014-887**

President Kern announced that this was the time and place for the annual hearing and decision whether the District's sewer service charges for fiscal year 2014-15 should be placed on the County Tax Roll for collection as provided by Ordinance 6, dated July 2, 1970.

No member of the public attended the hearing.

President Kern asked the District Administrator if the District had received any written or oral objections or protests by the owners of a majority of the parcels described in the report. Ms. McDonald reported that no written or oral inquiries or protests had been received.

President Kern reported that a letter sent in June to all properties applying for a new sewer connection during the last fiscal year (2013-14) told these property owners of the District policy to collect the annual sewer service charges by means of the County Tax Roll and the annual hearing date. The Notice of Hearing had been published in the *Santa Barbara News-Press* on June 29th and July 5th and a Service Charge Report (listed under Assessor Parcel Numbers – APN) has been and remains available for inspection to learn the service charge for a property in fiscal year 2014-15.

President Kern called for the adoption of Resolution No. 2014-887 directing the filing with the County Auditor of the Report of Sewer Service Charges for Fiscal Year 2014-15 which shall be placed on and collected by means of the County Tax Roll.

Upon MOTION by Director Cannata and second by Director Owens to adopt Resolution No. 2014-887, the MOTION passed unanimously on roll call vote:

AYES: Cannata, Ishkanian, Kern, Kerns, Owens

NAYS: None

ABSENT: None

ACTION: Staff

President Kern closed the Hearing and returned to open session for the regular meeting of the Board.

6. NEW BUSINESS

B. BOARD TRAVEL POLICY

The Board reviewed the Board Travel Policy and the District's Expense and Reimbursement Policy and decided against revision of these policies at this time.

ACTION: None

C. EMPLOYEE HANDBOOK REVISIONS

General Manager Gabriel and District Administrator McDonald discussed revisions to the employee handbook presented to and recommended by the Personnel Committee.

Most revisions respond to regulatory changes, such as PEPRA or ACA, and some current policies have been clarified. All revisions had been reviewed by Melissa Fassett, District employment counsel. If accepted by the Board, the revised 2014 Employee Handbook will be presented to and reviewed with all District Staff.

On MOTION by Director Ishkanian and second by Director Owens to accept the Employee Handbook Revisions, the MOTION passed unanimously without abstention.

ACTION: Staff

D. SEWER MAIN REHABILITATION (SLIP-LINING) – AUTHORIZATION TO ADVERTISE FOR BIDS

General Manager Gabriel discussed the current Sewer Main Rehabilitation project to slip-line approximately 30,000 feet of sewer pipe. The project will focus on easement locations where District access is limited, creating restrictions in cleaning and maintenance. The project has been budgeted in the 2014-15 COP budget as COP Project No. 7 with an estimated cost of \$900,000. General Manager Gabriel recommended that the Board authorize advertising the Sewer Main Rehabilitation Project for bids, and direct staff to return for authorization to award a contract at the appropriate time.

On MOTION by Director Cannata and second by Director Ishkanian to authorize the advertisement for bids for the Sewer Main Rehabilitation Project, the MOTION passed unanimously without abstention.

ACTION: Staff

6. NEW BUSINESS

E. RESOLUTION NO. 2014-888 – ADOPTING THE 2013 COUNTYWIDE INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) PLAN

General Manager Gabriel discussed Resolution No. 2014-888 adopting the Countywide IRWM Plan. Although the District has not contributed any funds and is no longer a participant in the Plan, the County mandates that all partnering districts adopt a resolution each year supporting the IRWM Plan. The Board reviewed the summary of projects proposed by the IRWM Plan, because some of the projects may indirectly affect the District.

On MOTION by Director Kerns and second by Director Cannata to adopt Resolution No. 2014-888, the MOTION passed unanimously on roll call vote:

AYES: Cannata, Ishkanian, Kern, Kerns, Owens
NAYS: None
ABSENT: None

ACTION: Staff

F. OFFICEHOLDER AND CANDIDATE CAMPAIGN STATEMENT - SHORT FORM 470

District Administrator McDonald reported that July is when each director must file an annual Campaign Statement for the current calendar year with the County Elections Office.

Section 84200 of the Government Code (Political Reform Act of 1974) requires disclosure of contributions received and expenditures made by any officeholder or candidate for public office if **all** of the following statements are true:

- The officeholder normally receives \$200 or more per month in salary;
- The officeholder does not anticipate receiving and/or spending \$1,000 or more for political purposes in the calendar year (exceeding the \$1,000 limit triggers other requirements);
- The officeholder does not have a controlled committee as defined by the FPPC (having such a committee triggers other requirements).

Form 470 was distributed to each director for signature. The original completed form for each director was returned to the District Administrator and will be mailed before July 31st to the County Elections Office and copies of what is filed will be maintained in District files.

ACTION: Staff

6. NEW BUSINESS

G. CSDA – 2014 BOARD ELECTIONS

The Board discussed the three candidates seeking a seat on the CSDA Board. Director Ishkanian reported on what she had heard from all three of the candidates regarding their background and ability to serve on the Board. Director Ishkanian expressed her opinion that the incumbent, Vincent Ferrante, appeared to be the most qualified. Director Cannata agreed. The Board agreed unanimously to cast the District's vote for Vincent Ferrante and to return a signed ballot to CSDA.

ACTION: Staff

H. CLASS ACTION LAWSUIT AGAINST MONTECTIO WATER DISTRICT

The agenda packet included the “Notice of Pendency of Class Action” against the Montecito Water District. After some discussion it was decided that the Board should consult with legal counsel, Janet McGinnis, on the matter. This item will be continued to the next the Board meeting.

ACTION: Staff

I. INFORMATIONAL ITEMS

- General Manager Gabriel briefed the Board on her current activities working with the Montecito Water District to develop a report on the potential for a recycled water project. A preliminary report will be presented at the MWD Board meeting on July 15th.
- The District Administrator distributed the 2014-15 final approved budgets.
- The CASA conference is in Monterey August 20th through 22nd. Staff will send our agenda information when it is available. President Kern may attend.
- Director Ishkanian reported on the June 23rd SBCCSDA meeting and announced that she will cannot attend the next meeting, which is in Goleta on July 28th.
- The LAFCO final budget for 2014-15 was distributed.

J. AGREEMENTS TO BE SIGNED

None.

7. **OPERATIONS AND MAINTENANCE**

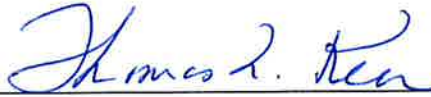
Directors reviewed the Operations and Maintenance information included in the agenda packets.

8. **ITEMS FOR THE NEXT AGENDA**

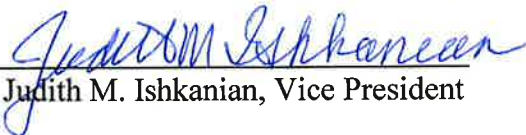
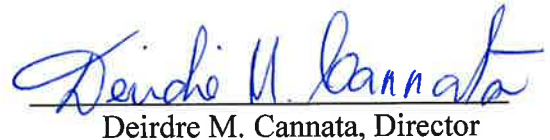
Further discussion on class action litigation against Montecito Water District and whether the District should elect to opt out of the plaintiff class.

9. **ADJOURNMENT**

There being no other business, on MOTION to adjourn by Director Cannata and second by Director Kerns, the MOTION carried unanimously without abstention and the meeting adjourned at 3:15 p.m.



Thomas N. Kern, President


Judith M. Ishkanian, Vice President
Warner B. Owens, Secretary
Jeff Kerns, Treasurer
Deirdre M. Cannata, Director