

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

**April 30, 2012**

**1. CALL TO ORDER**

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 30<sup>th</sup> day of April 2012 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

**Item 6.A.** Phil & Ilze Landfried, Property Owners, 822 Chelham Way

**Item 6.B.** Jack Maxwell, Property Owner, 1168 Summit Road

**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 McAniff, and seconded by Director Ishkanian, the minutes of April 9, 2012 were approved as submitted.

**3. APPROVAL OF PAYROLL AND PAYABLES**

Upon MOTION by Director Ishkanian, and seconded by Director Arnold, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through March 12, 2012 as follows:

Accounts Payable (4/20/12)	\$33,207.15
Accounts Payable (4/30/12)	\$89,386.77

Continued on Page 2

Montecito Sanitary District  
MINUTES – April 30, 2012

Payroll (4/19/12)	\$34,958.05
Payroll Related (4/19/12)	\$11,145.08

**TOTAL** **\$168,697.05**

4. **PUBLIC COMMENT**

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

5. **OLD BUSINESS**

There was no old business.

6. **NEW BUSINESS**

A. **LETTER FROM PROPERTY OWNER – 822 CHELHAM WAY**

Manager Gabriel explained that on April 4<sup>th</sup> the District received a letter from Ilze and John Landfried, property owners, requesting a refund of the \$7,430 permit fees they paid on March 12, 2012 for a new guest suite and bathroom. A copy of the Landfried’s letter was enclosed in the agenda packets for the Board’s review.

President Kerns welcomed Mr. and Mrs. Landfried who were present at the meeting to formally present their request to the Board. The Landfrieds requested that the Board refund the fees they paid for their guest suite and bathroom. They did not feel that the District’s fees were appropriate given that the size of their addition is 346 square feet.

After some discussion by the Board, a MOTION was made by Director Arnold, and seconded by Director Ishkanian, that the Board’s interpretation and direction to staff related to the second paragraph of Section 8.2 of District Resolution No. 2010-861, Establishing Fee Schedules, Connection Fees for Property Improvements on Connected Properties, is that this project *did* result in at least one additional plumbing “fixture unit” “and” the project *did* result in an increase in bedrooms “and” the project *did not* increase the building area by more than 350 square feet; that the Landfrieds be reimbursed \$7,280 for the connection fees previously paid to the District and that the previously paid administrative fee in the amount of \$150 will not be refunded. The MOTION was unanimously approved.

ACTION: Staff

**B. LETTER FROM PROPERTY OWNER – 1168 SUMMIT ROAD**

Manager Gabriel explained that on April 5<sup>th</sup> the District received a letter from Jack Maxwell, property owner at 1163 Summit Road requesting a refund of the \$5,373 permit fees he paid on April 13, 2012 for two non-permitted residential units. A copy of Mr. Maxwell's letter was enclosed in the agenda packets for Board review.

President Kerns welcomed Mr. Maxwell who was present at the meeting to formally present his request to the Board. Mr. Maxwell requested that the Board refund the back sewer service charges and waive connection fees he paid for two, non-permitted residential units served by the District. Mr. Maxwell stated that during his over 9 years of ownership of the property he did not rent out these units, nor did the occupants prepare meals in the units. Thus he felt he should not be charged any more for annual sewer service.

After some discussion, a MOTION was made by Director Cannata, and seconded by Director McAniff, recommending that Mr. Maxwell be reimbursed for the back sewer service charges he had paid when obtaining his recent permits in the amount of \$2,760. The MOTION passed unanimously.

A second MOTION, made by Director Arnold, and seconded by Director McAniff, recommended that the connection fees, the administrative review and agreement fees remain as charged in the total amount of \$2,163. The MOTION passed unanimously.

ACTION: Staff

**C. SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION (LAFCO)  
PROPOSED BUDGET AND FEES**

Manager Gabriel reported that the District received two letters dated April 6<sup>th</sup> from LAFCO. One letter contained information regarding the proposed LAFCO Budget for FY 2012-2013 and the other letter concerned LAFCO's proposed schedule of processing fees. Both letters were included in the agenda packets for review by the Board. The Directors requested that staff request a copy of the LAFCO financial audit and if possible include it as an item at the next Board meeting.

ACTION: Staff

**D. RESOLUTION NO. 2012-872 – RESOLUTION OF THE GOVERNING BOARD OF THE MONTECITO SANITARY DISTRICT APPROVING MEMBERSHIP IN THE ACWA JOINT POWERS INSURANCE AUTHORITY, CONSENTING TO JOIN THE HEALTH BENEFITS PROGRAM OF THE ACWA JOINT POWERS INSURANCE AUTHORITY, RATIFYING THE ACTION OF THE ACWA HEALTH BENEFITS AUTHORITY BOARD OF DIRECTORS TO TERMINATE THE HEALTH BENEFITS AUTHORITY JOINT POWERS AGREEMENT, AND AUTHORIZING AND DIRECTING THE MONTECITO SANITARY DISTRICT TO EXECUTE ALL NECESSARY DOCUMENTS**

General Manager Gabriel explained that the governing body of the District’s health benefits agency, ACWA Health Benefits Authority (HBA), sent two letters, dated March 6<sup>th</sup> and April 1<sup>st</sup>, notifying the District of their plans to initiate proceedings to transition its operations and programs to ACWA Joint Powers Insurance Authority. This process is being undertaken to reduce overall costs and improve operations. Any “potential cost savings” would be passed on to participating member agencies. In order to make this transition ACWA HBA will need concurrence from 75% of their members which requires a resolution stating that the District consents to joining the Employees Benefits Program of the ACWA Joint Powers Insurance Authority. A copy of the letters and the proposed resolution was included in the agenda packet for the Board’s review.

After discussion, a MOTION was made by Director Ishkanian, and seconded by Director Arnold, that Resolution No. 2012-872 be adopted and executed. The MOTION passed by the following roll call vote:

AYES:	Arnold, Cannata, Ishkanian Kerns, McAniff
NAYS:	None
ABSENT:	None
ABSTAIN:	None
ACTION:	President, Secretary, and Staff

**E. DISTRICT GOVERNING BOARD OF DIRECTORS ELECTIONS – NOVEMBER 6, 2012**

Manager Gabriel reported to the Board that Directors Arnold, Kerns and McAniff current terms of office will expire at the end of this year. If re-elected their term will run from December 7, 2012 through December 2, 2016. Directors Cannata and Ishkanian current terms of office will expire on December 5, 2014.

On March 23<sup>rd</sup> the District received a letter and election forms from the County Elections Office. The letter and forms (Informational Sheet, Request for Election Services, Resolution Concerning Candidate’s Statement) were enclosed in the agenda packets for the Board’s review. The forms will be completed by District staff, signed by the Board Secretary and the General Manager and returned to the County by June 28, 2012.

As stated in the letter from the County, the candidate filing period runs from July 16, 2012 through August 10, 2012. Any Director intending to run for election in order to continue service on the MSD Board of Directors must appear at the Elections Office during the candidate filing period to pick up and file the necessary documents. The County Elections Office is at 4440 Calle Real.

ACTION: Board Secretary, Staff

**F. RESOLUTION NO. 2002-794 – RESOLUTION OF THE GOVERNING BOARD OF THE MONTECITO SANITARY DISTRICT CONCERNING CANDIDATE’S STATEMENT**

Manager Gabriel explained that the District’s current Resolution No. 2002-794 regarding Candidates’ Statements specifies that the cost of printing, handling and mailing of the statement shall be paid by the candidate and that the statement itself is limited to 200 words. A copy of the Resolution, in its approved form, was requested by the County to be included along with the completed election forms.

After discussion, a MOTION was made by Director Cannata, and seconded by Director Ishkanian, that Resolution 2002-794, concerning candidates’ statements, remain unchanged and directed staff to forward a copy of the Resolution to the County along with the completed election forms.. The MOTION passed unanimously.

ACTION: Staff

**G. INFORMATIONAL ITEMS**

There were no informational items.

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

There were no agreement 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**

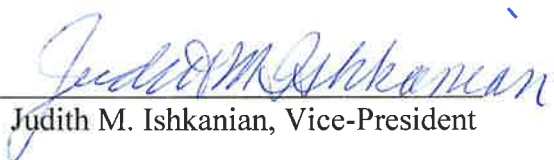
1. Bid No. 100-12 Proposal and Contract for 2012 Sewer Main Rehabilitation Project Bid Protest.
2. LAFCO Audit.

9. **ADJOURNMENT**

There being no further business to come before the Board, it was **MOVED** by Director Arnold, and seconded by Director Ishkanian, that the meeting be adjourned. The **MOTION** carried, and the meeting adjourned at 2:45 pm.



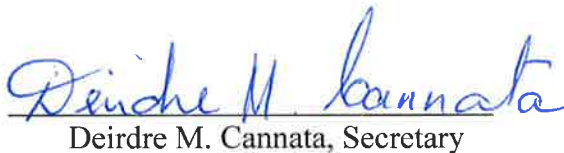
\_\_\_\_\_  
Jeff Kerns, President



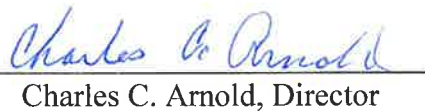
\_\_\_\_\_  
Judith M. Ishkanian, Vice-President



\_\_\_\_\_  
Edward P. McAniff, Treasurer



\_\_\_\_\_  
Deirdre M. Cannata, Secretary



\_\_\_\_\_  
Charles C. Arnold, Director