

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

March 14, 2016

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT convened a regular meeting at 1:15 p.m. on March 14, 2016 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
Alex Alonzo, MSD Operations Manager
Lynn Takaichi, Water Consultancy
Mike Viettone, Civil Engineer
Brian Larinan, Granite Construction
Ward Goodier, Granite Construction
Monica Babich, Montecito Association Board Member

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of February 8, 2016 were included in the agenda packet. Director Kern noted a word error that needed to be corrected.

On MOTION by Director Ishkanian and second by Director Williams, the Board approved unanimously without abstention the minutes of February 8, 2016 as amended by Director Kern.

3. APPROVAL OF PAYROLL AND PAYABLES

On MOTION by Director Kerns and second by Director Kern, the Board approved unanimously without abstention the payroll and accounts payable expenses from February 8, 2016 through March 14, 2016:

Accounts Payable Expenses	\$ 178,887.17
Capital Improvement	548,908.29
Payroll Expenses	<u>151,040.08</u>
Total Expenses	\$ 878,835.54

4. PUBLIC COMMENT

None.

5. OLD BUSINESS

A. MONTECITO WATER REUSE

Monica Babich from Montecito Association reported that she had attended the Finance Committee meeting of the Montecito Water District (MWD) and that it had noted that a line item for recycled water would be included in the Cost of Services Study being done by MWD.

ACTION: None

6. NEW BUSINESS

A. PLANT PAVING PROJECT – AWARD OF CONTRCT – GRANITE CONSTRUCTION

General Manager Gabriel reported that on December 16, 2013 the Board authorized staff to begin advertising the Plant Paving Project for bids. This project is one of the approved Capital Improvement Projects for FY 2015–16 and addresses critical paving needs of the treatment plant site by placing new asphalt in the area by the belt press conveyor and by removing and replacing deteriorated asphalt in areas most in need. This CIP budget item of \$175,000 provides approximately 11,000 square feet of paving.

Ms. Gabriel explained that bids were received on February 23, 2016 as follows:

Granite Construction	\$154,499
Shaw Construction	\$165,486
Peter Lapidus Construction	\$169,204
Schock Contracting Corporation	\$214,630

The lowest bid was Granite Construction for \$154,499 and found to be responsive and responsible.

Ms. Gabriel reported that Peter Lapidus of Peter Lapidus Construction had informally indicated to her that he may protest the award of the contract to Granite Construction. The deadline for protest had passed without a formal protest letter.

Upon MOTION by Director Williams and second by Director Ishkanian, the Board approved unanimously without abstention an award of the contract to Granite Construction for the Plant Paving project, in the amount of \$154,499, and to authorize contract change order funding in the amount not to exceed \$20,500.

ACTION: Staff

B. FINANCE COMMITTEE - REPORT

Director Kern reported on the Finance Committee meeting of March 4th and the progress that had been made on the Wastewater Rate Study.

ACTION: None

C. COST OF SERVICES STUDY PRESENTATION – WATER CONSULTANCY

Lynn Takaichi of Water Consultancy presented an overview of the draft Wastewater Rate Study.

After discussion of the draft Director Kern reported the Finance Committee recommendation to move forward and formally consider the rate adjustments after meeting the requirements of Proposition 218.

Upon MOTION by Director Kern and second by Director Williams, the Board approved unanimously without abstention direction to staff to prepare a final version of the Wastewater Rate Study, to work with the Public Information Committee to provide the notice required by Proposition 218, and to prepare for a Rate Increase Hearing on May 9, 2016 at 1:15 p.m.

ACTION: Staff

**D. SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION (LAFCO)-
PROPOSED READOPTION OF EXISTING SPHERE OF INFLUENCE**

General Manager Gabriel reported on LAFCO correspondence about the Commission's consideration of reaffirming the District's Sphere of Influence without preparing a new Municipal Service Review (MSR).

Upon MOTION by Director Ishkanian and second by Director Kern, the Board approved unanimously without abstention direction to staff to convey its consent for LAFCO to reaffirm the District's Sphere of Influence without preparing a new MSR.

ACTION: Staff

E. INFORMATION ITEMS

- Director Ishkanian reported on the SBCCSDA meeting of February 22nd, which featured Montecito Fire Chief Chip Hickman and was well attended. The next SBCCSDA meeting will be March 28th at Glen Annie Golf Course and the featured speaker is Jeff Reinhardt, Public Affairs & Communications Manager of Las Virgenes Municipal Water District.

F. AGREEMENTS SIGNED

2024 Sandy Place Road - Guesthouse

7. OPERATIONS AND MAINTENANCE

The Board reviewed the information in the agenda packet.

8. ITEMS FOR THE NEXT AGENDA

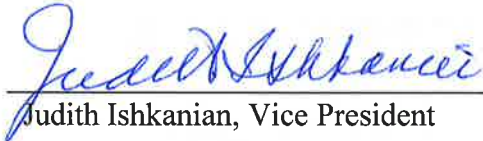
None

9. ADJOURNMENT

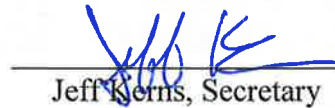
There being no other business, on MOTION to adjourn by Director Kern and second by Director Williams, the MOTION passed unanimously without abstention and the meeting adjourned at 3:00 p.m.



Warner B. Owens, President



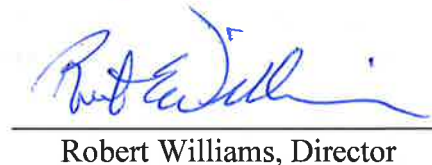
Judith Ishkanian, Vice President



Jeff Kerns, Secretary



Thomas N. Kern, Treasurer



Robert Williams, Director