

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

July 25, 2016

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on July 25, 2016 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

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

Absent: None

Also Present: Diane M. Gabriel, MSD General Manager/District Engineer
Toni M. McDonald, MSD District Administrator

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of June 13, 2016 were included in the agenda packet. Director Kern pointed out a typographical error in the minutes.

On MOTION by Director Williams and second by Director Ishkanian, the Board approved unanimously without abstention the minutes of June 13, 2016 as amended.

3. APPROVAL OF PAYROLL AND PAYABLES

On MOTION by Director Kerns and second by Director Kern, the Board approved unanimously without abstention these payroll and accounts payable expenses from June 14, 2016 through July 25, 2016:

Accounts Payable Expenses	\$ 184,898.50
Capital Improvement Projects	627,050.83
Payroll and Related Expenses	<u>287,888.29</u>
Total Expenses	\$ 1,099,837.62

4. PUBLIC COMMENT

None

At this time President Owens requested a change in the order of the published agenda, and moved items 6.F and 6.E to the beginning of the meeting.

6. NEW BUSINESS

F. Administration and Operations (A&O) Committee Meeting Report

Director Kerns reported on the A&O Committee Meeting of July 18th. At this meeting the committee discussed the request from staff to authorize additional change order funding for the Granite Construction contract in the amount of \$250,000 for further paving in the treatment plant. Director Kerns stated that after reviewing the previous work done by Granite, the A&O Committee recommends the Board authorize the additional work at the unit price that was included in Granite Construction's February 2016 bid.

E. Plant Paving Project – Granite Construction – Request for Additional Funding

The District's Capital Improvement Budget for FY 2016-17 includes \$250,000 for paving repairs. The Board further discussed the additional work and the recommendation of the A&O Committee.

On MOTION by Director Williams and second by Director Ishkanian to authorize additional contract change order funding in the amount of \$250,000, the MOTION passed unanimously without abstention.

ACTION: Staff

5. OLD BUSINESS

A. Montecito Water Reuse

General Manager Gabriel and Director Owens had nothing to report from the Montecito Water District Ad Hoc Committee on Recycled Water meeting on July 13th, which they attended. No action items were discussed or assigned.

B. Fiscal Year 2016-17 Approved Operations and Maintenance Budget

The June 13, 2016 Approved Operations and Maintenance Budget for Fiscal Year 2016-2017 was in the agenda packet. The Board was informed that it will receive quarterly status reports.

C. Fiscal Year 2016-17 Approved Capital Program Budget

The June 13, 2016 Approved Capital Program Budget for Fiscal Year 2016-2017 was in the agenda packet. Many of these projects will come before the Board for authorization to advertise for bids, for consideration of award of contract, and for issuance of a notice of completion. The Board was informed that it will receive quarterly status reports.

D. Fiscal Year 2016-17 Approved Revenue Projections

The June 13, 2016 Approved Revenue Projections for Fiscal Year 2016-2017 were included with the agenda packet. The Board was informed that it will receive quarterly reports of revenues.

6. **NEW BUSINESS**

A. **Annual Sewer Service Charge Hearing to Collect Sewer Service Charges on the County Tax Roll – Resolution No. 2016-899**

President Owens announced that it was the time and place for the annual hearing and decision whether the District's sewer service charges for fiscal year 2016-17 should be placed on the county tax roll for collection as allowed under Ordinance 6.

No members of the public were present.

President Owens 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. The District Administrator responded that none had been received.

President Owens reported that a letter sent in June 2016 to all properties applying for a new sewer connection during the past fiscal year had informed 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 11th and June 18th and a Service Charge Report (listed by Assessor Parcel Numbers) has been and remains available for inspection to advise an interested person of the service charge for a property in fiscal year 2016-17.

District Administrator McDonald verified that the Affidavit of Mailing of the Notices of the Hearing to new customers had been signed by Board Secretary Kerns and that a Statement of the Secretary certifying that the service charge report was in order was ready to be signed.

President Owens called for the adoption of Resolution No. 2016-899 directing the filing with the County Auditor of the Report of Sewer Service Charges for Fiscal Year 2016-17, which shall be placed on and collected by means of the county tax roll.

Upon MOTION by Director Kerns and second by Director Williams to adopt Resolution No. 2016-899, the MOTION passed on the following roll call vote:

AYES: Kern, Williams, Owens, Kerns, Ishkanian

NAYS: None

ABSENT: None

ACTION: Staff

President Owens closed the hearing and resumed business pursuant to the agenda.

B. **Annual Service Charges – Request for Relief**

District Administrator McDonald reported on the four written requests for relief received by the District. These four requests were reviewed by the A&O Committee at its July 18th meeting. The A&O Committee recommended to approve one request from 1126 Oriole Road, reject one from 821 Chelham Road due to inadequate documentation, and reject two additional requests received from renters on Hosmer Lane. The A&O Committee has directed staff to write a letter to the

Santa Barbara County Housing Authority regarding the low income properties on Hosmer Lane, requesting some remediation of the allocation of the annual sewer service charges to the renters. The Board listened to each of the recommendations, and after discussion decided the following:

On MOTION by Director Williams and second by Director Kern to approve the request for relief for 1126 Oriole Road, the MOTION passed unanimously without abstention. Annual sewer service charges will remain at \$1,080 as long as the current owner owns the property.

On MOTION by Director Williams and second by Director Kerns to reject the request for relief for 821 Chelham Road, the MOTION passed unanimously without abstention.

On MOTION by Director Williams and second by Director Kerns to reject the request for relief for 1495 Hosmer Lane, the MOTION passed unanimously without abstention.

On MOTION by Director Williams and second by Director Kerns to reject the request for relief for 1471 Hosmer Lane, the MOTION passed unanimously without abstention.

ACTION: Staff

C. Notice of Completion – Truck Mounted High Pressure Sewer Cleaner – Sewer Equipment Company of America

General Manager Gabriel reported that the new small jetter has been received and the project is complete. The small jetter will be presented to the Board at the end of the meeting.

On MOTION by Director Kerns and second by Director Ishkanian to accept as complete the Truck Mounted High Pressure Sewer Cleaner (small jetter) and direct staff to issue a Notice of Completion in the amount of \$177,699.98, the MOTION passed unanimously without abstention.

ACTION: Staff

D. Disposal of District Equipment

General Manager Gabriel reported that the 2003 VacCon is no longer needed with the acceptance of the small jetter, and it may be disposed. At its last meeting the A&O Committee discussed the District's history with prior auction services of The Auction Company and that the District will receive the auction price less ten percent and the cost of transport to auction. The Committee recommended the Board approve using The Auction Company to dispose of the 2003 VacCon.

On MOTION by Director Ishkanian and second by Director Williams to dispose of the 2003 VacCon using The Auction Company, the MOTION passed unanimously without abstention.

ACTION: Staff

G. Information Items

- Director Ishkanian reported that the SBCSDA June 27nd dinner meeting was a great success with thirty-five attendees. The SBCSDA July 25th meeting will be at the Santa Maria Airport.

- Director Ishkanian reported the CSDA conference will be October 10-13 in San Diego. President Owens stated he would be interested in attending. Staff will register him for this conference.
- Director Williams stated he would be interested in attending the CASA conference in Monterey in August. Staff will register him for this conference.
- Nominees for Coastal Network Seat B of the CSDA were presented to the Board. The Board agreed to vote for Jeff Hodge to fill the position. The voting card was signed by Board Secretary Kerns.

H. Agreements Signed

1781 Glen Oaks Drive – Private Pump Station Agreement
703 Park Lane – Sewer Service Agreement (Garage/Guesthouse)
130 Tiburon Bay Lane – Sewer Service Agreement (Garage/Car Barn)
1880 East Valley Road – Sewer Service Agreement (Pool Cabana)
275 Bonnie Lane – Sewer Service Agreement (Cabana)

Pursuant to standard procedure, after the meeting President Owens and Secretary Kerns will notarize and sign these agreements for filing with the Santa Barbara County Clerk Recorder.

7. OPERATIONS AND MAINTENANCE

The Board reviewed the information in the agenda packet.

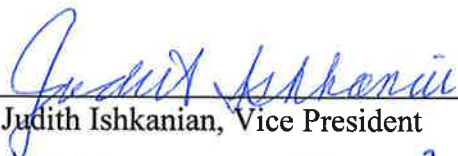
8. ITEMS FOR THE NEXT AGENDA

9. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Kerns and second by Director Kern, the MOTION passed unanimously without abstention and the meeting adjourned at 2:30 p.m.




Warner B. Owens, President



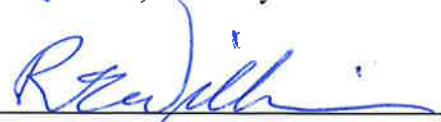
Judith Ishkanian, Vice President



Jeff Kerns, Secretary



Thomas N. Kern, Treasurer



Robert Williams, Director

