

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

**November 26, 2018**

**1. CALL TO ORDER**

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on November 26, 2018 at 1042 Monte Cristo Lane, Montecito, California.

**ATTENDANCE**

**Present:** Directors Judith Ishkanian, Robert Williams, Thomas Kern, Jeff Kerns and Tom Bollay

**Absent:** None

**Also Present:** Diane M. Gabriel, MSD General Manager/District Engineer  
Toni M. McDonald, MSD District Administrator  
Carrie Poytress, MSD Engineering Manager  
Melissa Fassett, MSD Legal Counsel  
Tracey Solomon, CPA, Bartlett, Pringle & Wolf LLC  
Woody Barrett, Resident  
Andrew Juliano, Heal the Ocean

**2. APPROVAL OF MINUTES OF THE LAST MEETING**

The minutes of the November 12 and 14, 2018 meetings were included in the agenda packet.

On MOTION by Director Williams and second by Director Kern, the Board approved the minutes of November 12, 2018 as presented with Director Bollay abstaining.

On MOTION by Director Kern and second by Director Kerns, the Board approved the minutes of November 14, 2018 as presented with Director Bollay abstaining.

**3. APPROVAL OF PAYABLES**

On MOTION by Director Kerns and second by Director Williams, the Board approved unanimously these payroll and accounts payable expenses for November 12 to November 26, 2018:

Accounts Payable Expenses	\$ 52,068.06
Capital Improvement Projects	88,911.00
Payroll and Related Expenses	<u>83,395.50</u>
Total Expenses	\$ 224,374.56

**4. PUBLIC COMMENT**

None

**5. OLD BUSINESS**

**A. Montecito Water Reuse**

Engineering Manager Carrie Poytress reported on her attendance at the Montecito Water District (MWD) Board meeting on November 20<sup>th</sup> with A&O Committee member Jeff Kerns.

Staff will continue to meet with MWD staff and its consultant to provide input and collaborate on the water reuse study.

ACTION: Staff

**6. NEW BUSINESS**

**A. Personnel Committee Meeting - Report**

Director Ishkanian reported on the Personnel Committee meeting of November 13, 2018 and distributed minutes of the meeting. The Committee reviewed the current Organizational Chart, procedures for the General Manager/District Engineer performance review, and agreed to recommend the Board approve the 2019 Employee Handbook.

**B. 2019 Employee Handbook**

Staff reported on revisions to the 2019 Employee Handbook, as reviewed by the District's legal counsel on personnel matters, Melissa Fassett. After discussion and on the recommendation of the Personnel Committee, on MOTION by Director Kern and second by Director Kerns, the Board approved unanimously without abstention the 2019 Employee Handbook and directed staff to distribute the 2019 Employee Handbook to all staff.

ACTION: Staff

**C. Finance Committee Meeting - Report**

Director Kern reported on the Finance Committee meeting of November 19, 2018 and distributed minutes of the meeting. The Committee reviewed the initial draft of the Financial Audit Report for Fiscal Year 2017-18, and instructed staff to make necessary edits before its presentation to the Board. The Committee also discussed procedures for educating the new Board members on the financial position of the District.

**D. Financial Audit Report – Fiscal Year 2017-18**

Tracey Solomon, CPA, of Bartlett, Pringle & Wolf presented the draft Fiscal Year 2017-18 audit. Ms. Solomon reported that the audit went well, District records are in order, and she had the complete cooperation of management. Ms. Solomon summarized the Independent Auditors' report that the financial statements were free of material misstatement and fairly presented the District's financial position as of June 30, 2018.

Ms. Solomon reported there were no audit adjustments needed for Fiscal Year 2017-18 and explained the new GASB75 requirement for Other Post-Employment Benefits (OPEB) reporting and how that requirement is reflected in the financial statements.

Upon MOTION by Director Kerns and second by Director Williams to approve the draft Financial Audit Report for Fiscal Year 2017-18 and to direct Bartlett Pringle & Wolf to prepare the final report for distribution at the December 10<sup>th</sup> Board meeting, the MOTION passed unanimously without abstention.

ACTION: Bartlett Pringle & Wolf / Staff

**E. Closed Session – Public Employee Performance Evaluation**

The Board met in closed session with District legal counsel on personnel matters, Melissa Fassett of Price Postel & Parma LLP, to conduct the performance evaluation of the General Manager/District Engineer. Gov. Code, §54957 (b).

Upon returning to open session, Director Ishkanian stated there was no reportable action taken.

**F. Information Items**

Director Ishkanian reported the next CSDA Meeting will be November 26<sup>th</sup> at Vandenberg Village.

**G. Agreements signed**

None

**7. ENGINEERING, OPERATIONS AND MAINTENANCE**


The Board reviewed the information in the agenda packet.


**8. ITEMS FOR NEXT AGENDA**


The next regularly scheduled Board meeting is December 10, 2018.

**9. ADJOURNMENT**

There being no other business, on MOTION to adjourn by Director Williams and second by Director Bollay, the MOTION passed unanimously without abstention and the meeting adjourned at 3:07 p.m.

  
Jeffrey Kerns, Secretary

  
Thomas N. Kern, Treasurer

  
Thomas Bollay, Director

