

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

January 29, 2018

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on January 29, 2018 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

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

Absent: None

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

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of the November 13, 2017 and January 11, 2018 meetings were included in the agenda packet. Director Kern noted some typographical errors in each of the minutes. On MOTION by Director Ishkanian and second by Director Owens, the Board approved unanimously the amended minutes of November 13, 2017 and January 11, 2018.

3. APPROVAL OF PAYABLES & EMERGENCY PURCHASE ORDERS/CONTRACTS

On MOTION by Director Kerns and second by Director Ishkanian, the Board approved unanimously these payroll and accounts payable expenses, along with these emergency purchase orders from November 14, 2017 through January 29, 2018:

Accounts Payable Expenses	\$ 353,888.40
Capital Improvement Projects	123,656.58
Payroll and Related Expenses	<u>429,147.85</u>

Total Expenses	\$ 966,692.83
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Emergency Purchase Orders/Contracts	
Phoenix Civil Engineering	300,000.00
Blois Construction	800,000.00
National Plant Services	800,000.00
Taft Electric Company	<u>32,478.00</u>

\$1,932,478.00

4. **PUBLIC COMMENT**

None

5. **OLD BUSINESS**

A. **Montecito Water Reuse**

No updates were made on Montecito Water Reuse. The Board unanimously agreed not to proceed with scheduling a joint meeting with the Operations Committees of the Sanitary District and the Water District until current emergency operations are resolved and operations return to normal.

6. **NEW BUSINESS**

A. **Status report on Thomas Fire Mudslide Incident**

General Manager Gabriel reported on the status of District facilities following the Thomas Fire Mudslide Incident. The four lift stations experienced mud intrusion, and all are fully operational. Ms. Gabriel described the tremendous mutual aid and assistance to our crew by City of Santa Barbara Wastewater Division, Carpinteria Sanitary, and Goleta Sanitary to inspect manholes for mud and debris and to assess damages to the Collection System. She reported that the District was fortunate to immediately engage Phoenix Civil Engineering to oversee the emergency recovery operations, including directing National Plant in providing CCTV inspections, cleaning, and vacuuming of the sewer mains and Blois Construction in repairing the District manholes and sewer mains, and providing updated daily maps of the District's sewer system and the ongoing work underway in specific areas. District staff continues to inspect, assess, and repair damages to the Collection System and the effects of the repopulation of Montecito and residents' disposal of mud and debris in the sewer system.

ACTION: Staff

B. **Disposal of District Equipment**

General Manager Gabriel reported District staff had identified the following equipment that is no longer needed by the District, which is fully depreciated and ready for disposal through public auction:

- 2002 Dodge Dakota Pickup Truck
- 1993 Grimmer Schmidt Air Compressor
- 2007 Club Car Electric Cart

The District has previously disposed of equipment through The Auction Company, a public auction company. The Auction Company will contract for the disposal of the listed identified equipment under the same arrangements as in the past: the District will receive the auction price less ten percent and the cost of transport to auction.

After discussion, on MOTION by Director Ishkanian and second by Director Owens, the Board approved unanimously the disposal of the listed identified equipment using The Auction Company.

ACTION: Staff

C. Resolution No. 2018-907 – Inventory of District Lands and Air Space

The Government Code requires the District to conduct an annual inventory of all District lands and air space to determine whether any exceeds District needs. This year, no excess land or air space was identified; related proposed Resolution No. 2018-907 was included in the agenda packet.

After discussion and on MOTION made by Director Owens and second by Director Kern, Resolution No. 2018-907 was adopted and executed. The MOTION passed with this roll call vote:

AYES: Kern, Williams, Owens, Kerns, Ishkanian
NAYS: None
ABSENT: None
ABSTAIN: None

ACTION: None

D. Resolution No. 2018-908 – Approving District Holidays for 2018

Each year the Board adopts a resolution approving the next year's legal holidays. Proposed Resolution No. 2018-908, included in the agenda packet, sets these 2018 holidays:

1. January 1st - New Year's Day
2. Third Monday in February - Presidents' Day
3. Last Monday in May - Memorial Day
4. July 4th - Independence Day
5. First Monday in September - Labor Day
6. Fourth Thursday in November - Thanksgiving Day
7. December 25th - Christmas Day

- If a holiday falls on a Sunday, the Monday following is the observed Holiday and the District office is closed on that Monday.
- If a holiday falls on a Saturday, the preceding Friday is the observed Holiday and the District office is closed on that Friday.

After discussion and on MOTION made by Director Owens and second by Director Kerns, Resolution No. 2018-908 was adopted and executed. The MOTION passed by this roll call vote:

AYES: Kern, Williams, Owens, Kerns, Ishkanian
NAYS: None
ABSENT: None
ABSTAIN: None

ACTION: None

E. Resolution No. 2018-909 – Designating Applicant’s Agent – CalOES Form 130

District Administrator McDonald reported that CalOES requires a Board Resolution designating agents authorized to represent the District in any FEMA or CalOES public assistance claims. Resolution No. 2018-909 has been written in conformity with CalOES Form 130 requirements and names the General Manager and District Administrator as authorized agents. Once approved, Resolution No. 2018-909 will be submitted to CalOES.

After discussion and on MOTION made by Director Owens and second by Director Kerns, Resolution No. 2018-909 was adopted and executed. The MOTION passed by this roll call vote:

AYES:	Kern, Williams, Owens, Kerns, Ishkanian
NAYS:	None
ABSENT:	None
ABSTAIN:	None

ACTION: Staff

F. Financial Audit Report – Fiscal Year 2016-2017

The financial statements for Fiscal Year 2016-2017, as prepared by Bartlett, Pringle, & Wolf, were included in the Board packet. The financial statements had previously been reviewed by the Finance Committee. Treasurer Kern noted all necessary corrections and edits had been included in the final statements as presented.

On MOTION by Director Kern and second by Director Owens, the Board approved unanimously to receive and file the 2016-2017 Fiscal Year Financial statement reports.

ACTION: Staff

G. Operations and Maintenance (O&M) Budget Status Through December 31, 2017

District Administrator McDonald reviewed and answered questions about the unaudited O&M budget status report through December 31, 2017.

ACTION: None

H. Quarterly Investment Report – December 31, 2017

District Administrator McDonald discussed the change in investment accounts for the second quarter of FY 2017-18.

ACTION: None

I. Quarterly Investment Policy Statement – December 31, 2017

Director Kern summarized District Investment Policy 2013-883, which was adopted in October 2013, and read and signed the required Quarterly Certification Statement.

ACTION: None

J. Annual Organizational Decisions

President Williams called for the election of the Board President. Director Ishkanian was nominated. On MOTION by Director Owens and second by Director Kerns, the Board elected unanimously without abstention Director Ishkanian as President.

President Ishkanian then announced: “Pursuant to law, this is the time and place for the annual meeting to organize the members of the Governing Board.”

Director Williams was nominated as Vice President. On MOTION by Director Kerns and second by Director Owens, the Board elected unanimously without abstention Director Williams as Vice President.

Director Kerns was nominated as Secretary. On MOTION by Director Williams and second by Director Owens, the Board elected unanimously without abstention Director Kerns as Secretary.

Director Owens was nominated as Secretary Pro Tem. On MOTION by Director Kern and second by Director Williams, the Board elected unanimously without abstention Director Owens as Secretary Pro Tem.

Director Kern was nominated as Treasurer. On MOTION by Director Williams and second by Director Owens, the Board elected unanimously without abstention Director Kern as Treasurer.

On MOTION by Director Williams, and second by Director Owens, the Board approved unanimously without abstention the appointment of Diane Gabriel as General Manager/District Engineer.

On MOTION by Director Kern and second by Director Williams, the Board approved unanimously without abstention the appointment of Janet McGinnis as Legal Counsel.

The Board approved unanimously without abstention the appointment of the following slate:

Director Kern and Director Kerns to the Finance Committee.

Director Williams and Director Owens to the Administrative and Operations (A&O) Committee.

Director Ishkanian and Director Owens to the Personnel Committee.

Director Williams and Director Kerns to the Public Information Committee.

The Board approved unanimously without abstention that the Regular Meeting of the Governing Board of the Montecito Sanitary District will be the second and last Mondays of each month, beginning at 1:15 p.m. in the Montecito Sanitary District Board Room at 1042 Monte Cristo Lane.

President Ishkanian then announced: “The organization procedures are complete. An updated Statement of Facts shall be filed with the Secretary of State and the Santa Barbara County Clerk. The Board will now continue with the regular meeting as set forth in today’s agenda.”

ACTION: Staff

K. Information Items

- Director Williams reported his attendance at the CASA Winter Conference January 24th-26th
- The Board authorized Director Owens to be the District representative for LAFCO election March 26th
- Director Owens reported his attendance at the November SBCCSDA meeting

L. Agreements Signed

- 1415 Wyant Road: license agreement for encroachment
- 796 Park Lane West: sewer service agreement new pool cabana and garage with gym
- 137 Butterfly Lane: sewer service agreement for new pool cabana
- 1564 Ramona Lane: sewer service agreement for new pool cabana

7. ENGINEERING, OPERATIONS AND MAINTENANCE

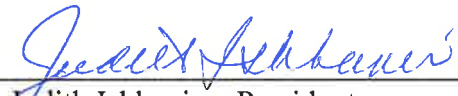
The Board reviewed the information in the agenda packet.


8. ITEMS FOR NEXT AGENDA

The next regularly scheduled Board meeting will be February 26, 2018.

9. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Kern and second by Director Kerns, the MOTION passed unanimously without abstention and the meeting adjourned at 12:08 p.m.


Judith Ishkanian, President


Robert Williams Jr., Vice President


Jeffrey Kerns, Secretary


Thomas N. Kern, Treasurer


Warner Owens, Secretary Pro Tem