

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

October 31, 2019

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:17 p.m. on October 31, 2019 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

Present: Directors Tom Bollay, Thomas Kern, Jeff Kerns, and Woody Barrett

Absent: Director Dana Newquist

Also Present: Diane M. Gabriel, MSD General Manager/District Engineer
Toni M. McDonald, MSD District Administrator
Carrie Poytress, MSD Engineering Manager
Alex Alonzo, MSD Operations Manager
Karl H. Berger, MSD Special Legal Counsel
Nick Turner, MWD General Manager
Ken Coates, MWD Board Member
Floyd Wickes, MWD Board Member
Edwin Martin, Resident
Don Eversoll, Resident
Leon Bartholemew, Resident
Bob Short, Resident
Bob Hazard, *Montecito Journal*

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

The minutes of the September 12, 2019 meetings were included in the agenda packet. Director Barrett requested the minutes be amended to include "entire Cemetery" in agenda item 7C. After discussion, on MOTION by Director J. Kerns and second by Director T. Kerns, the Board approved unanimously without abstention the minutes of September 12, 2019 as amended.

4. APPROVAL OF PAYABLES

On Motion by Director T. Kern and second by Director J. Kerns, the Board approved unanimously without abstention these payroll and accounts payable expenses from September 12, 2019 through October 31, 2019:

Montecito Sanitary District
MINUTES – October 31, 2019

Accounts Payable Expenses	\$ 280,226.87
Capital Improvement Projects	136,942.21
Payroll and Related Expenses	<u>265,573.53</u>
Total Expenses	\$ 682,742.61

5. PUBLIC COMMENT

Edwin Martin and Bob Hazard addressed the Board. Mr. Hazard submitted a Public Records Act request for total cost estimates for the proposed Essential Services Building.

6. OLD BUSINESS

A. Montecito Water Reuse

Engineering Manager Carrie Poytress gave an update on the Recycled Water Pilot Project, stating the District continues to sample the product water and coordinate with IDE in optimizing the system. The District continues to give tours of the pilot to interested parties.

ACTION: None

7. NEW BUSINESS

A. Board Policies, Procedures, and Practices Manual - Approval of Revision

Mr. Karl H. Berger, Special Legal Counsel to the District presented proposed additions to the Board Policies, Procedures, and Practices Manual specific to Board Member conduct.

After discussion, ON MOTION by Director J. Kerns and second by Director T. Kern, the Board approved unanimously without abstention to table further discussion and action on the additions to the Board Policies, Procedures, and Practices Manual to a future Board meeting.

ACTION: None

B. Ad-Hoc Committee for Supervisor Williams Meetings – Report and Direction

President Bollay reported on the meeting he and Director Newquist attended with County Supervisor Das Williams on October 11th, regarding the value of a Community Services District in Montecito. President Bollay reported the Montecito Fire District (MFD) representatives stated the community would not receive any benefit from MFD consolidating with the two other Montecito Special Districts.

Mr. Bob Hazard stated that the meeting was his project with Supervisor Williams, and that it was not his intention to include the Montecito Fire District in the discussion, but that Summerland Sanitary should have been included.

The Board agreed to continue to have the Ad-Hoc Committee consisting of Directors Bollay and Newquist attend any future meetings with Supervisor Williams on this matter.

ACTION: Ad-Hoc Committee

C. Administration & Operations (A&O) Committee Meetings – Report

The A&O Committee reported on and distributed minutes from its September 19th, 26th, 30th, and October 22nd meetings.

The General Manager reported the joint meetings with MWD included status reports of the groundwater augmentation study, and the recycled water pilot project. The joint meetings also included discussion of the required CEQA report. The next joint meeting will be Tuesday November 5th at 10 a.m. at MSD.

All of the items discussed in the other A&O Committee meetings were to be discussed further in the Board's agenda in Items 7 D, E, F and G.

ACTION: None

D. Proposed Annexation 720 East Mountain Drive – Resolution No. 2019-918

An application for annexation was submitted to the District for annexation of 720 East Mountain Drive. The resolution is the first step for this property to gain LAFCO approval to be annexed to and then serviced by the District. The LAFCO application process cannot begin until the resolution is adopted. Upon annexation, this property will need approval for a sewer main extension to 720 East Mountain Drive and then pay for the extension and connection fees.

After discussion, ON MOTION by Director J. Kerns and second by Director T. Kern to adopt Resolution No. 2019-918, the MOTION passed unanimously on roll call vote:

AYES: Directors Kern, Bollay, Kerns, and Barrett

NAYS: None

ABSENT: Director Newquist

ACTION: Staff

E. Recycled Water Project – Designation of Funds and Grant Funding

President Bollay reported that at its meeting on October 10th, the Finance Committee again discussed designating property tax revenue to fund a recycled water project. At its meeting on October 22nd, the A&O Committee considered a letter from the Santa Barbara Cemetery and agreed to recommend the Board initially designate two fiscal years (FY 2018-19 and FY 2019-20) of property tax revenue for a Recycled Water Project to serve the Santa Barbara Cemetery. President Bollay further stated the A&O Committee also agreed to recommend the Board support the efforts of District staff and consultants in applying for grants to fund the project.

After discussion, ON MOTION by Director J. Kerns and second by Director T. Kern, the Board approved unanimously without abstention to initially designate two fiscal years of property tax revenue, in the amount of \$1,190,000 to a Recycled Water Project to serve the Cemetery and directed staff and consultants to apply for grants to fund the project.

ACTION: Staff

F. Coastal Development Plan (CDP) Preparation – Authorization of Purchase Order – Dudek

The Director of County of Santa Barbara Planning and Development sent the District a letter dated September 26, 2019 informing the District that it would need to secure a Coastal Development Plan for the proposed Essential Services Building.

Consequently, the A&O Committee recommended the Board consider authorizing a purchase order to Dudek for time and materials not to exceed \$160,000 for planning, permitting, and environmental services for CDP preparation and processing. Dudek’s services will include the hiring of sub-consultants as needed for specialized services such as community outreach, mechanical, structural and electrical engineering etc. If it is determined that legal counsel is necessary, such services would not be provided under the purchase order with Dudek.

After discussion, ON MOTION by Director J. Kerns and second by Director T. Kern, the Board approved unanimously without abstention to issue a purchase order to Dudek for time and materials not to exceed \$160,000 for planning, permitting, environmental, community outreach, and services regarding the CDP preparation and processing.

ACTION: Staff

G. Septic to Sewer Connection Fee Installment Payment Program - Adoption

The Board considered a recommendation from the A&O Committee regarding the adoption of a Septic to Sewer Connection Fee Installment Payment Program, allowing property owners converting from septic to sewer to pay connection fees over a period of time.

ON MOTION by Director J. Kerns and second by Director T. Kern, the Board approved unanimously without abstention the adoption of a Septic to Sewer Connection Fee Installment Payment Program.

ACTION: Staff

H. Finance Committee Meeting - Report

The Finance Committee reported on and distributed minutes from its meeting on October 10th.

ACTION: None

I. Quarterly Financial Reports for Quarter Ended September 30, 2019

Treasurer Kern reviewed financial reports for the quarter ending September 30, 2019. The Operations and Maintenance Budget Status report reflects the District is on track to with the budget for the first quarter for the fiscal year.

ACTION: None

J. Quarterly Investment Policy Statement – September 30, 2019

Treasurer Kern certified the statement required by District investment policy for the quarter ending September 30, 2019.

ACTION: Staff

K. Information Items

None

L. Agreements Signed

808 Hot Springs Rd – Termination of Agreement for Auxiliary Structure
680 Olive Road – Agreement for existing Guesthouse

8. OPERATIONS AND MAINTENANCE

The Board reviewed the information in the Board packet.

9. ITEMS FOR FUTURE AGENDAS

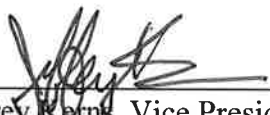
- Additions to Board Policies, Procedures, and Practices Manual

10. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director T. Kern and second by Director J. Kerns, the MOTION passed unanimously without abstention and the meeting adjourned at 3:58 p.m.



Thomas Bollay, President



Jeffrey Kerns, Vice President



Ellwood T. Barrett, Secretary



Thomas Kern, Treasurer

ABSENT

Dana Newquist, Director

