

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

June 27, 2011

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 27th day of June 2011 at 1042 Monte Cristo Lane, Montecito, California, at 1:15 p.m.

ATTENDANCE

Present: Directors Charles C. Arnold, Deirdre M. Cannata, Judith M. Ishkanian, Jeff Kerns, Edward P. McAniff

Absent: None

Also Present: Diane Gabriel, General Manager; Debbie Hughey, Office Manager

Public Forum: David Strauss, Montecito Resident, Ashley Road

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes from the prior Board meeting were included in the agenda packets for Board review. Upon MOTION by Director Cannata, and seconded by Director Ishkanian, the minutes of June 13, 2011 were approved as submitted.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director Ishkanian, and seconded by Director McAniff, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through June 27, 2011 as follows:

Accounts Payable (6/16/11)	\$20,478.12
Accounts Payable (6/27/11)	\$33,851.30
Payroll (6/16/11)	\$35,064.60
Payroll Related (6/16/11)	\$10,180.09
TOTAL	<u>\$99,574.11</u>

4. PUBLIC COMMENT

President Kerns welcomed Mr. David Strauss to the meeting. Mr. Strauss explained that he had three key points he wanted to make known to the Board. President Kern thanked Mr. Strauss for his suggestions and summarized Mr. Strauss' three points for the record. The first concern is the District's choice of financial advisors. The second point was that any increases in fees would have a trickledown effect. The third point was that any capital improvements should be taken out of the District's existing revenues. No other member of the public was present to address the Board on non-agenda items.

5. OLD BUSINESS

A. DESIGNATION OF ADDITIONAL MISSION CRITICAL PROJECTS

The General Manager reminded the Board that at their meeting on June 13th, they reviewed the status of the "mission critical" capital improvement projects funded by the COP's. The initial "mission critical" projects will be completed with the available funding and there will be funds remaining to complete additional projects. At the June 13th meeting the Board approved a list "Capital Improvement project (CIP) COP Funded" of additional "mission critical" projects and agreed that these additional projects should be undertaken in order of priority. A list of the "mission critical" projects was included in the agenda packet. The list identified the initial "mission critical" projects with their completed costs. Also listed were the additional projects in order of their priority with their estimated cost to complete.

ACTION: None Required

6. NEW BUSINESS

A. SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION (LAFCO) BUDGET AND FEES

Manager Gabriel stated that included in the agenda packet for Board review, were two letters from LAFCO both dated June 3, 2011. One concerned the Proposed LAFCO Fee Schedule and the second letter was the LAFCO Budget for FY 2011-2012.

After review and consideration, a MOTION was made by Director Ishkanian, and seconded by Director Cannata, that the Board authorize Manager Gabriel to draft a letter to Jeff Moorhouse, the Special District LAFCO representative, requesting specific information and detail regarding the budget revenue projections and fee schedule which will be emailed to the Directors for suggestions and further review. The MOTION passed unanimously.

ACTION: Staff

B. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) – 2011 BOARD ELECTIONS

The General Manager informed the Board that the District received ballot information on CSDA's upcoming 2011 board elections. This information, included in the agenda packets, listed three candidates and explained that the District is entitled to one vote. The completed ballot must be received in Sacramento by August 5, 2011. The candidates are:

- Jim Acosta, Incumbent, Saticoy Sanitary District
- John Fox, Goleta Sanitary District
- RJ Kelly, Castaic Lake Water Agency

After some discussion a MOTION was made by Director Cannata and seconded by Director Ishkanian that the Board cast their vote for Jim Acosta as Region 5 Board of Director's representative and that the ballot be signed by Manager Gabriel. The MOTION was approved unanimously.

ACTION: Manager Gabriel

C. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) – PROPOSED 2011 BYLAWS AMENDMENTS

Manager Gabriel stated that the District received a letter from CSDA requesting review of the proposed 2011 CSDA Bylaws Amendments. A copy of the letter and proposed Bylaws were enclosed as part of the agenda packet. As stated in their letter, the main reason for the proposed change to the Bylaws is to require all newly formed chapters to have one hundred percent of their member agencies as dues paying members of CSDA.

The results of the Bylaws ballot will be announced on the CSDA website (www.csda.net) and if approved, take effect on August 1, 2011.

The Board considered whether the proposed Bylaws amendments should be adopted. The Board President or General Manager is required to sign the ballot.

After discussion, a MOTION was made by Director Arnold, and seconded by Director McAniff, that the Board cast their vote to not accept the Bylaw amendments and that the ballot will be signed by President Kerns and mailed to CSDA. The MOTION passed unanimously.

ACTION: President Kerns and Staff

D. SANTA BARBARA COUNTY CIVIL GRAND JURY REPORT – REVIEW AND RESPONSE

Manager Gabriel informed the Board that on June 16th the District received a packet of information from the Santa Barbara County Grand Jury. The packet included documentation of the Grand Jury's investigation into salaries and benefits offered by local government agencies within the county. Additionally, they had written a letter directing various agencies to respond to their report entitled "**Local Government Post Employment Benefits in Santa Barbara County – Complicated and Costly**". They have directed the District to respond to each applicable finding and recommendation in their report in writing by September 8, 2011. The District's responses will be posted on the Grand Jury website and may be included in other official published reports.

After some discussion a MOTION was made by Director Cannata, and seconded by Director Ishkanian that the Personnel Committee be directed to meet and develop a draft response which will be brought back to the Board for their approval before a formal response is sent to the Santa Barbara County Grand Jury. The MOTION passed unanimously.

ACTION: Personnel Committee

E. INFORMATIONAL ITEMS

Each Board member was provided with a copy of the following spreadsheets:

1. Board Approved MSD Operations and Maintenance Budget FY 2011-2012
2. Fund Balances and Estimated Revenues for FY 2011-2012 Board Approved June 13, 2011

F. AGREEMENT(S) TO BE SIGNED

No agreements to be signed.

7. OPERATIONS AND MAINTENANCE

The Board reviewed the Operations and Maintenance information included in their agenda packets.

8. ITEMS FOR FUTURE AGENDAS

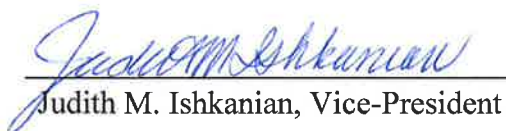
None

9. ADJOURNMENT

There being no further business to come before the Board, it was MOVED by Director Arnold, and seconded by Director Ishkanian, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 2:45 pm.



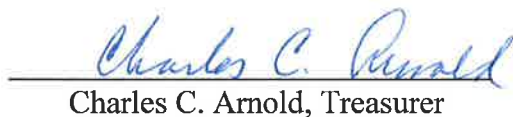
Jeff Kerns, President



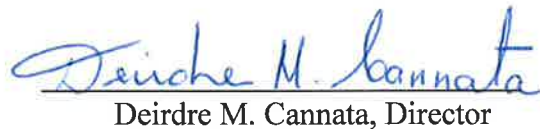
Judith M. Ishkanian, Vice-President



Edward P. McAniff, Secretary



Charles C. Arnold, Treasurer



Deirdre M. Cannata, Director