

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

June 12, 2017

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT convened a regular meeting at 1:15 p.m. on June 12th at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

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

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

2. APPROVAL OF MINUTES OF THE LAST MEETING

The minutes of May 8, 2017 were included in the agenda packet.

Director Ishkanian noted her name was misspelled on item 6J.

On MOTION by Director Owens and second by Director Kern, the Board approved unanimously without abstention the minutes of May 8, 2017 with correction as noted above.

3. APPROVAL OF PAYROLL AND PAYABLES

On MOTION by Director Ishkanian and second by Director Kerns, the Board approved unanimously without abstention the following expenses from May 8, 2017 through June 12, 2017:

Accounts Payable Expenses	\$ 134,262.20
Capital Improvement Projects	6,235.74
Payroll Expenses	<u>241,401.33</u>
 Total Expenses	 \$ 381,899.27

4. PUBLIC COMMENT

None

5. OLD BUSINESS

A. MONTECITO WATER REUSE

Staff distributed to the Board a copy of Melinda Burn's article on recycled water in *The Voice* on June 9, 2017.

Director Owens noted that Heal the Ocean's annual report discussed recycled water use.

Director Ishkanian requested that status updates on District engineering projects be added as a continuing agenda item.

ACTION: Staff

6. NEW BUSINESS

A. NEW ADMINISTRATION BUILDING DESIGN-PROFESSIONAL SERVICES CONTRACT FOR DESIGN SERVICES-CEARNAL COLLECTIVE ARCHITECTS

MSD Engineering Manager Carrie Poytress presented concept level drawings and cost estimates for the proposed new administration building. Preliminary conceptual drawings had been reviewed by the A&O Committee at its meeting of April 4, 2017. The cost of the building is estimated to be approximately \$237 per square foot for the 5,664 square foot design based on the initial concept design.

Staff has negotiated a time and materials fee not to exceed \$285,300 with Cearnal Collective for design plans and specifications. This fee is reasonable and acceptable to staff and Cearnal's proposed schedule of nine months is a timeframe that meets the District's needs.

After discussion and upon recommendation of the A&O Committee, on MOTION by Director Owens and second by Director Kern, the Board approved unanimously to authorize the execution of a professional services contract with Cearnal Collective for \$285,300 and an extra services funding allowance in the contract for \$20,000 to cover the cost of unforeseen services, resulting in total authorized funding under this contract of \$305,300

ACTION: Staff

B. CALTRANS HIGHWAY 192-LOWER AND RAISE MANHOLES TO GRADE-PURCHASE ORDER AUTHORIZATION-R.BURKE CORPORATION

In October 2016, Caltrans informed the District that it is planning an extensive paving project on Highway 192. Caltrans's proposed work would require that all utility covers (frames and covers) be lowered to enable its contractor to grind down the pavement and then raise it back to grade after repaving. The District has twelve sewer manholes affected by this paving work. Construction is due to begin in July.

The City of Santa Barbara prepared construction bid documents (specifications) for "Utility Adjustments – Highway 192 Overlay Project Phase 2" and pursuant to California Public Contracting Code requirements it followed the formal bidding process, awarding the construction contract to R. Burke Corporation. District staff has also contacted R. Burke Corporation and

determined that it will extend its unit price bid amounts to the District and verified this in writing on June 2, 2017.

After discussion, on MOTION by Director Kerns and second by Director Owens, the Board approved unanimously to authorize the issuance of a purchase order to R. Burke Corporation for \$32,570 to lower and raise District sewer manholes on Highway 192.

ACTION: Staff

C. PLANT PAVING PROJECT-GRANITE CONSTRUCTION-NOTICE OF COMPLETION

On March 14, 2016, the Board approved the award of a \$154,499 contract to Granite Construction for the Plant Paving Project. At that time the Board also authorized \$20,500 in contract change order funding.

By June 2016, Granite had successfully completed the paving work identified in the FY 2015-16 contract and the additional work under the contract change order for a total price of \$174,454.

The District's Capital Improvement Program for FY 2016-17 included \$250,000 for treatment plant paving repairs. On July 25, 2016, the Board approved \$250,000 in additional funding for the Granite contract.

With the original contract award (\$154,499), the original change order funding (\$20,500), and the additional funding (\$250,000), the Board has authorized a total of \$424,999 for this project. The funds actually expended total \$415,056.35.

After discussion, on MOTION by Director Kerns and second by Director Kern, the Board approved unanimously to accept the Plant Paving Project as complete and approve issuance of a Notice of Completion for a total final price of \$ 415,056.35.

ACTION: Staff

D. FISCAL YEAR 2017-2018 PROPOSED OPERATIONS AND MAINTENANCE BUDGET

Staff reviewed with the Board of Directors the proposed FY 2017-2018 O&M budget, and the FY2017-2018 estimated revenues. The proposed O&M Budget shows a decrease from the prior year budget of approximately \$17,000. Estimated revenues for FY2017-2018 show an increase over the prior year of approximately \$400,000.

After discussion, on MOTION by Director Kern and second by Director Owens, the Board approved unanimously the FY 2017-2018 Operations and Maintenance (O&M) Budget.

On MOTION by Director Kern and second by Director Kerns, the Board approved unanimously the FY 2017-2018 estimated revenues.

ACTION: Staff

E. PROPOSED CAPITAL IMPROVEMENT BUDGET

General Manager Gabriel reviewed the Proposed Capital Improvement Program Budget, which included continuing projects from prior years and new projects beginning in FY2017-2018. The budget included the estimated cost of completing design and construction of the new Administration building, and only a portion of this encumbrance will be spent in FY2017-18.

After discussion, on MOTION by Director Kern and second by Director Kerns, the Board approved unanimously the Capital Improvement Projects as presented.

ACTION: Staff

F. RESOLUTION NO. 2017-904-SETTING THE DATE, TIME AND PLACE FOR THE ANNUAL SEWER SERVICE CHARGE HEARING TO COLLECT SEWER SERVICE CHARGES ON THE COUNTY TAX ROLL

The Board reviewed Resolution No. 2017-904 setting the date, time, and place for the annual sewer service charge hearing to collect sewer service charges on the county tax roll. The hearing will be held at 1:15 p.m. on July 10, 2017 at the Montecito Sanitary District office. Notice of the hearing will be published in the *Santa Barbara News Press* on June 25th and July 2nd and will be mailed to Montecito properties connected to the District in the past fiscal year.

Upon MOTION by Director Ishkanian and second by Director Owens to adopt Resolution No. 2017-904, the MOTION passed with the following roll call vote:

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

ACTION: Staff

G. FINANCE COMMITTEE-REPORT

The Finance Committee reported on its meetings of May 23rd and June 8th, which included reviews of the proposed FY2017-18 Budget and meeting with Jen Christensen, Chief Investment Officer for the County of Santa Barbara, to discuss the County’s pooled investments.

The Committee reported that the annual audit will begin the first week of September with fieldwork by Bartlett, Pringle & Wolf.

It reported that it had directed staff to complete the paperwork to participate in the Montecito Water District class action settlement.

It reported that it has directed staff to notify County Probation to forego any further restitution resulting from 2011 District property damage, because of the nominal amount owed and the staff effort needed to collect restitution.

The Committee reported that the FY17-18 Budget includes attending five conferences and that the full board will continue to decide which conferences are most beneficial for the District to attend before a director registers.

The Committee discussed its review of a request for relief from annual sewer service charges from the property at 1396 Greenworth Place. The property owner did not provide evidence of hardship (such as relief from other utility bills), and for this reason, unless the Board disagreed, the Committee recommended denial. The property owner had been informed that the Board would review the request at its meeting of June 12th, and did not attend to discuss and support the request. The Board agreed to deny the request for relief.

ACTION: Staff

H. INFORMATION ITEMS

Director Ishkanian reported that the next SBCCSDA meeting is June 26th at Glenn Annie Golf Course at 5:30 p.m. .

I. AGREEMENTS SIGNED

1880 East Valley Road – Agreement for Garage/Workshop
2128 Birnam Wood Drive – Agreement for Cabana
1059 Alston Road – Agreement for Workshop
663 Parra Grande – Termination of Agreement for Pool Cabana

7. OPERATIONS AND MAINTENANCE

The Board reviewed the information in the agenda packet.

8. ITEMS FOR THE NEXT AGENDA

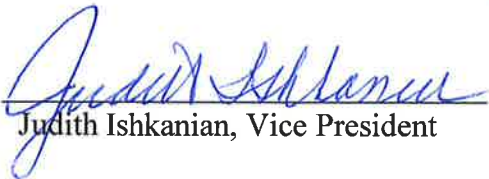
The next meeting will be July 10, 2017. Included will be review of upcoming Board conferences, a proposed ADU agreement, and the hearing for collecting annual sewer service charges on the property tax roll.

9. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Ishkanian and second by Director Owens, the MOTION passed unanimously without abstention and the meeting adjourned at 3:15 p.m.



Robert Williams, President



Judith Ishkanian, Vice President



Warner B. Owens, Secretary



Thomas N. Kern, Treasurer



Jeff Kerns, Director

