

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

August 30, 2010

1. CALL TO ORDER

The Governing Board of the MONTECITO SANITARY DISTRICT met in regular session on the 30th day of August 2010 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

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

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 Arnold, the minutes of July 26, 2010 were approved as submitted.

3. APPROVAL OF PAYROLL AND PAYABLES

Upon MOTION by Director Kerns, and seconded by Director McAniff, the Board approved the PAYROLL AND ACCOUNTS PAYABLE EXPENSES for the District through August 30, 2010 as follows:

Accounts Payable (8/9/10)	\$ 66,202.49
Accounts Payable (8/12/10)	\$ 17,890.29
Accounts Payable (8/30/10)	\$ 50,133.20
Payroll (7/29/10)	\$ 63,214.60
Payroll Related (7/29/10)	\$ 30,123.37
Payroll (8/12/10)	\$ 33,107.49
Payroll Related (8/12/10)	\$ 9,378.19

Payroll (8/26/10)	\$ 35,594.41	
Payroll Related (8/26/10)	\$ 18,297.91	
TOTAL		<u>\$323,941.95</u>

4. **PUBLIC FORUM**

No member of the public was present to address the Board on non-agenda items.

5. **OLD BUSINESS**

No old business.

6. **NEW BUSINESS**

A. **PROPOSED TESTING LABORATORY BUILDING – CATEGORICAL EXEMPTION**

The General Manager reported that the design for the District's proposed laboratory building is nearing completion and in order to advertise this project for bids, it is necessary for the Board to consider approving the environmental document for this project. Under the District's Environmental Review policy this project is categorically exempt because it is a negligible expansion of existing facilities. The Notice of Exemption was presented to the Board and Manager Gabriel reminded them that the District's legal counsel had previously prepared a memo (for other projects of this nature) regarding the applicability of the County's Zoning and Building Ordinances to the District.

After review of the memo and further discussion, a MOTION was made by Director Cannata, and seconded by Director McAniff, that the Board find that the proposed testing laboratory building is essential to the treatment and transmission of wastewater and that the Notice of Exemption be approved and that the General Manager be authorized to file the Notice of Exemption with the County. The MOTION passed unanimously.

ACTION: General Manager

B. **PROPOSED TESTING LABORATORY BUILDING – AUTHORIZATION TO ADVERTISE FOR BIDS**

Manager Gabriel distributed site and floor plans to the Board and briefed them on the status of the design for the proposed testing laboratory building. The cost estimate for construction is

approximately \$700,000 to \$800,000. The Board was informed that adequate funds are available in the District's COP fund.

After discussion, a MOTION was made by Director Cannata, and seconded by Director Arnold, that staff be authorized to advertise for bids and that staff return to the Board with the bid results at a future Board meeting to obtain the Board's approval to award the contract. The MOTION passed unanimously.

ACTION: Staff

C. SANTA BARBARA COUNTY (FINANCIAL INFORMATION NETWORK – FIN) WEB SYSTEM ACCESS – APPROVAL FORM

Staff reported that Santa Barbara County is currently revamping their FIN accounting system and in order to comply with the new process a Transaction Approval Authorization Form is required. This form designates authority to the General Manager who in turn will assign a staff member to perform transactions in the accounting system at the County. The Transaction Approval Authorization Form is required to be signed by the Directors. Additionally the Form is to be reviewed annually providing an update of approval authority. Debbie Hughey, Office Manager, attended a training class on August 12th which described the possible applications of the updated system such as transferring monies from the District's County account to Santa Barbara Bank and Trust account. Additionally, transferring monies between different District funds within the County Investment pool (i.e., Operating, Capital Replacement, and Retirement Benefits) will be possible.

After discussion, a MOTION was made by Director McAniff, and seconded by Director Kerns, that the Board sign the Transaction Approval Authorization Form authorizing the General Manager who will designate the appropriate staff to perform transactions at the County. The MOTION passed unanimously.

ACTION: General Manager/Staff

D. CONFLICT OF INTEREST CODE – ANNUAL REVIEW – RESOLUTION NO. 2000-780

Manager Gabriel reminded the Board that the District is required to review the District's resolution specific to its Conflict of Interest Code, Resolution No. 2000-780. The current Code was adopted in August, 2000 and has not had any changes to date. According to County guidelines, a Conflict of Interest Code must contain certain language and information. Staff reviewed Resolution No. 2000-780 and it contains all of the following required information:

- Language that incorporates FPCC Reg. 18730, or contains the basic provisions required in Gov't Code Section 87302.

- A list of designated positions whose duties include making, or participating in making, governmental decisions on behalf of the District.
- Disclosure categories specifying financial interests (investments, interests in real property, income, and business positions) which filers in designated positions must disclose.

Following discussion, a MOTION was made by Director Kerns, and seconded by Director Arnold, that Resolution 2000-780, Conflict of Interest Code, was still valid and that no changes were needed at this time and that the General Manager is authorized to complete the 2010 Local Agency Biennial Notice as required by the County Clerk of the Board of Supervisors and return it to the County Elections office. The MOTION passed unanimously.

ACTION: Staff

E. SANTA BARBARA COUNTY TREASURER'S INVESTMENT POOL QUARTERLY REPORT FOR COUNTY AGENDA OF 8/10/2010 – SUMMARY FOR PERIOD ENDING JUNE 2010

Manager Gabriel asked the Board if they had any comments regarding the Treasurer's Investment Pool Quarterly Newsletter from the County Treasurer which was enclosed in the agenda packets. Page 15, Chart 5 of the report, identifies the quarterly earning interest rate of .95% for the period ending June 30, 2010, in the Santa Barbara County Treasurer's Pool. LAIF's rate for the same time period was .56%. The Board felt that the County was doing a good job given the circumstances.

F. INFORMATIONAL ITEMS

1. Director Kerns reported on the CSDA board meeting held on July 26th
2. California Special District Publication, July-August 2010
3. California Special Districts Association Annual Conference Brochure, September 20-23, 2010

G. AGREEMENT(S) SIGNED BY BOARD OFFICERS

No agreements

7. OPERATIONS AND MAINTENANCE

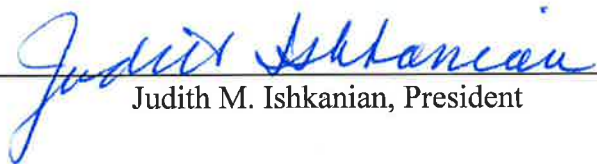
The Board reviewed the Operations and Maintenance information included in their agenda packets.

8. ITEMS FOR THE NEXT AGENDA

None

9. ADJOURNMENT


There being no further business to come before the Board, it was MOVED by Director Cannata, and seconded by Director Kerns, that the meeting be adjourned. The MOTION carried, and the meeting adjourned at 2:06 pm and readjoined immediately following for a Special Meeting of the Board of Directors.




Judith M. Ishkanian, President




Jeff Kerns, Vice-President



Edward P. McAniff, Treasurer



Charles C. Arnold, Secretary



Deirdre M. Cannata, Director