

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

August 29, 2019

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:17 p.m. on August 29, 2019 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

Present: Directors Tom Bollay, Dana Newquist, Thomas Kern, and Woody Barrett

Absent: Director Jeff Kerns

Also Present: Diane M. Gabriel, MSD General Manager/District Engineer
Toni M. McDonald, MSD District Administrator
Alex Alonzo, MSD Operations Manager
Laura Camp, MWD Public Information Officer
Don Eversoll, Resident
John Meek, Resident
Bob Hazard, *Montecito Journal*

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

The minutes of the July 25, 2019 and August 8, 2019 meetings were included in the agenda packet. After discussion, on MOTION by Director Newquist and second by Director T. Kern, the Board approved unanimously without abstention the minutes of July 25, 2019 and August 8, 2019.

4. APPROVAL OF PAYABLES

On Motion by Director T. Kern and second by Director Newquist, the Board approved unanimously without abstention these payroll and accounts payable expenses from July 12, 2019 through July 25, 2019:

Accounts Payable Expenses	\$ 202,246.20
Capital Improvements	62,225.61
Payroll and Related Expenses	186,386.00
Total Expenses	\$ 450,857.81

5. **PUBLIC COMMENT**

Bob Hazard addressed the Board.

6. **OLD BUSINESS**

A. **Montecito Water Reuse**

General Manager Gabriel reported the Recycled Water Pilot Project Reverse Osmosis and Ultra Filtration skids had arrived and will be commissioned next week. IDE will be on site and the pilot will be producing recycled water in the next few weeks.

Director Barrett asked if the pilot infrastructure would include meters to track production. Director Bollay stated that any additional data collected with meters could prove useful in further analysis.

Staff was directed to pursue purchasing meters to be installed on the pilot system.

ACTION: Staff

7. **NEW BUSINESS**

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

The minutes of the A&O Committee meetings on July 29, 2019 and August 6, 2019 were distributed.

Director Bollay reported the Committee met with the Montecito Water District's Strategic Planning Committee at a joint meeting on July 29rd and discussed the following items:

- Status report on Groundwater Augmentation Feasibility Study
- Status report on Recycled Water Pilot Project
- Overview of CEQA requirements for Recycled Water projects including the Recycled Water Pilot Project
- Review of Draft Resolution regarding a Recycled Water Project in Montecito

Director Bollay reported the next joint committee meeting with the MWD Strategic Planning Committee will be held September 19th at MSD. The A&O Committee will meet in advance of the joint meeting.

Director Bollay also reported the Committee met on August 6th and discussed the following items:

- Emergency Repairs at Lift Station No. 3
- Joint Committee Recycled Water Resolution
- Recycled Water Pilot Project
- Status of Essential Services Building project

B. Ratification of Purchase Order to Lash Construction for Emergency Repairs to Lift Station No. 3

At its meeting on August 6th, the A&O Committee reviewed the need to make emergency repairs at Lift Station No. 3 and directed staff to obtain three quick quotes from qualified contractors and proceed with the work. On August 13th, a purchase order in the amount of \$22,045 was issued to the contractor providing the lowest price quote, Lash Construction.

Staff reported the work has been completed, and distributed before and after photos of the emergency repairs.

After discussion, on MOTION by Director Newquist and second by Director T. Kern, the Board approved unanimously without abstention to ratify the purchase order to Lash Construction in the amount of \$22,045 for the emergency repairs to Lift Station No. 3.

ACTION: Staff

C. Finance Committee Meeting - Report

The minutes of the Finance Committee meeting on August 9, 2019 were distributed.

Director Kern reported the Committee discussed the following items:

- Fiscal Year 2018-19 Unaudited Financial reports, which Director Kern stated reflect good performance and adherence to budget limits
- Fiscal Year 2018-19 Audit Schedule; audit field work to begin Tuesday September 3rd and final audit report to the Board at its meeting on December 12th.
- Required Continuing Disclosure Biannual Training; attended by staff members Gabriel, McDonald and Martin, as required every two years
- Discussion of additional financial inquiries by Director Barrett regarding annual sewer service charge rates and rate setting, current debt service requirements, and Board directed capital replacement/depreciation funding.

ACTION: None

D. Fiscal Year 2018-19 Capital Improvement Projects Expenditures Report

General Manager Gabriel reported on the Capital Improvement Projects expenditures for FY2018-19 through June 30, 2019.

ACTION: None

E. Fiscal Year 2018-19 Unaudited Operations and Maintenance (O&M) Expenditures vs. Budget and Revenue Reports

District Administrator McDonald reported on the unaudited O&M Expenditures vs. Budget reports for FY2018-19 ending June 30, 2019. Ms. McDonald reported the unaudited expenditures were well below budget, while actual operating revenue tracked close to projected revenues.

ACTION: None

F. Quarterly Investment Report – June 30, 2019

District Administrator McDonald reviewed the cash and investment activity for the quarter ending June 30, 2019. With the final disbursement from the County for the annual sewer service charge revenue and the positive fair market value adjustment, District cash/investments increased approximately \$1,500,000 from the previous quarter.

ACTION: None

G. Quarterly Investment Policy Statement – June 30, 2019

Director Kern summarized District Investment Policy 2013-883 (adopted October 2013) and then read and signed the quarterly Certification Statement.

ACTION: Director Kern

H. Request from County of Santa Barbara First District Supervisor Das Williams

The Board reviewed a request from Supervisor Das Williams to participate in a discussion regarding the value of a Community Services District for Montecito.

Director Bollay listened to comments from Directors Newquist and Barrett, and agreed to create an ad-hoc committee consisting of himself and Director Newquist. This ad-hoc committee, along with General Manager Gabriel, will attend the discussion with Supervisor Williams.

Director Bollay will respond to Supervisor Williams with the Board decision.

ACTION: Director Bollay

I. Information Items

- Staff reported that Director Kerns attended the SBCCSDA meeting at Goleta Water District on August 26th
- The July 25, 2019 “Policies, Procedures, and Practices Manual of the Governing Board of Directors” revised to include the Board approved teleconferencing policy was distributed

J. Agreements Signed

- 320 Malaga Drive; Termination of Residential Sewer Service Agreement
- 2550 Sycamore Canyon Road; Residential Sewer Service Agreement for Private Pumping Station and Pressure Line Building Sewer

8. OPERATIONS AND MAINTENANCE

The Board reviewed the information in the Board packet.

9. ITEMS FOR FUTURE AGENDAS

- Possible Board response to a “Sanitary Solutions” unauthorized article appearing in the August 22nd edition of the Montecito Journal
- Additional revisions to “Policies, Procedures & Practices of Governing Board” document

10. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Newquist and second by Director T. Kern, the MOTION passed unanimously without abstention and the meeting adjourned at 4:05 p.m.



Thomas Bollay, President

ABSENT

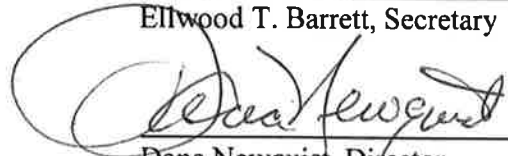
Jeffrey Kerns, Vice President



Thomas Kern, Treasurer



Ellwood T. Barrett, Secretary



Dana Newquist, Director

