

BOARD PACKET

For the Special Board Meeting of

Friday, May 26, 2023

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AGENDA

For the Special Meeting of the Board on:

May 26, 2023

The special meeting of the Governing Board will begin at **12:00 p.m. on May 26, 2023** in the District's Board Room at 1042 Monte Cristo Lane.

The public may attend the meeting in person or participate remotely via Zoom using the following virtual meeting details:

By visiting: <https://us02web.zoom.us/j/84721627576>

Or by calling: 1-669-900-6833

Meeting ID: 847 2162 7576

1. CALL TO ORDER

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. PRESIDENT'S REPORT

D. AGENDA CHANGES/DELETIONS

2. PUBLIC COMMENT

Public comment on items not on the agenda is **limited to 3 minutes** and is at the discretion of the Board President. For further instructions, see please see [Instructions for Public Comment](#) on the District's website.

3. CONSENT CALENDAR

The following items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration:

- A. Fiscal Year 2022-23 Unaudited Quarterly Financial Reports – March 31, 2023

4. REGULAR BUSINESS

A. FEDERAL EMERGENCY MANAGEMENT AGENCY COST REIMBURSEMENT UPDATE

It is recommended that the Board receive an update from staff regarding the status of its work with the Federal Emergency Management Agency (FEMA) as it relates to cost reimbursement for damage incurred to District infrastructure and equipment during the Winter Storm Event in January 2023.

B. SEPTIC-TO-SEWER STRATEGIC PLAN DISCUSSION

It is recommended that the Board:

- i. Discuss thoughts and plans related to the District’s approach to making sewer available to the remaining parcels in the District boundaries that don’t currently have the option to connect to the system; and
- ii. Taking such additional, related action that may be desirable.

C. DISCUSSION OF NEXT STEPS ON MSD/MWD DRAFT CONSOLIDATION REPORT

It is recommended that the Board:

- i. Discuss next steps as it relates to reviewing the MSD/MWD Draft Consolidation Report; and
- ii. Taking such additional, related action that may be desirable.

D. BOARD POLICIES AND PROCEDURES

It is recommended that the Board:

- i. Discuss the current Board Policies and Procedures Manual; and
- ii. Taking such additional, related action that may be desirable.

E. EASEMENTS (DISTRICT RIGHT-OF-WAYS)

It is recommended that the Board:

- i. Discuss and consider actions for structures built on District Easements/Right-of-Ways; and
- ii. Taking any such additional, related action that may be desirable.

5. CLOSED SESSION

A. LABOR NEGOTIATIONS (GOVERNMENT CODE § 54957.6)

A. PUBLIC COMMENT

Public comment on closed session item(s).

B. CONFERENCE WITH LABOR NEGOTIATOR (GOVERNMENT CODE § 54957.6)

Name of District Negotiator to Attend Closed Session: John Weigold, General Manager

Name of Employee Organization: Montecito Sanitary District Management Group

6. LABOR NEGOTIATIONS (GOVERNMENT CODE § 54957.6)

It is recommended that the Board:

- i. Discuss and consider approval of an updated labor agreement with the Management Group; and
- ii. Taking any such additional, related action that may be desirable.

7. COMMITTEE REPORTS

It is recommended that the Board receive and file a report provided by the following committee(s):

- i) Finance Committee (Directors Barrett and Martin) to their meetings of April 10, 2023 and April 25, 2023.


8. ITEMS FOR FUTURE AGENDAS

A Special Board meeting is tentatively scheduled for June 1, 2023 at 10:00 am. The next regularly scheduled Board meeting will be held on June 8, 2023 at 12:00 pm.

9. ADJOURNMENT

The Montecito Sanitary District has resumed in-person meetings in accordance with the Brown Act. In accordance with the State of Emergency declaration issued on March 4, 2020 by the Governor of the State of California in response to COVID-19 and Government Code 54953(e), the District also provides alternative methods of remote participation which permit members of the public to observe and address public meetings remotely via telephone or Zoom. These methods of participation can be accessed through the internet link provided at the top of this agenda.

This agenda was posted on the District website, and at the Montecito Sanitary District Bulletin Board in accordance with the requirements of the Brown Act. Attested by:



Stephen Williams
District Administrator/Clerk of the Board

ADA – The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the District's programs, services or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at 969-4200. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements.



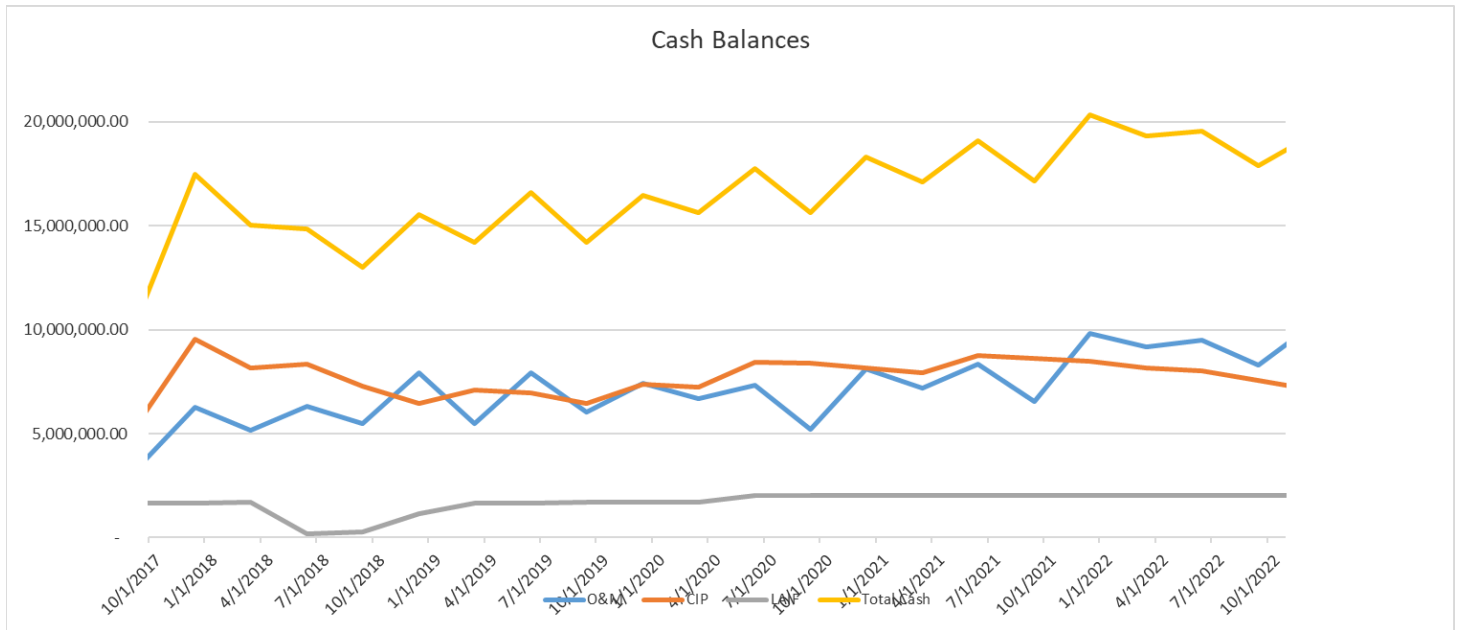
Fiscal Year 2022-23 Unaudited Third Quarter Financial Summary Memo

For the Period Ended 3/31/2023

FINANCIAL HEALTH AND CASH POSITIONS

As of March 31, 2023, the District is in solid fiscal health and maintains a healthy cash balance sufficient to cover its short term and long term obligations. The District also maintains an unofficial reserve balance of approximately **\$2M** in its LAIF account, which is equal to approximately **4.65** months of Operations & Maintenance (O&M) expenditures (currently **\$430,063** per month). Typical business practice is to hold at least 3-6 months of cash on hand for emergencies, along with adequate insurance holdings. Based on this metric the District is within that range with its LAIF account.

Below is a chart detailing the District’s cash positions over the past five years:



Below is a chart detailing the current cash balances the District maintains compared to last quarter:

	Balance at 12/31/2022	Balance at 3/31/2023	Difference
Operations & Maintenance	\$ 10,299,189	\$ 9,473,925	\$ (825,264)
Capital Improvement Projects	7,102,134	6,956,410	(145,724)
LAIF (Reserve)	2,032,674	2,043,293	10,619
Total Available Cash	<u>\$ 19,433,997</u>	<u>\$ 18,473,628</u>	<u>\$ (960,369)</u>

Table 1 - Fiscal Year 2022-23 Cash Balances – Prior Quarter vs. Current Quarter

REVENUES

For Fiscal Year 2022-23, the District expects approximately **\$7.4M** in revenues between its two main revenue types: Operating and Non-operating revenue. The District receives 96% of its revenues through two allocations from the County of Santa Barbara’s Property Tax apportionment, in December and April. The District received approximately **\$3,935,000** in its first apportionment from the County and expects another approximately **\$3,500,000** in April 2023. The District has sufficient cash on hand to handle the timing of revenues, so no temporary borrowing is necessary for the District to meet its obligations.

Table 2 below shows the breakdown of revenue received for the period ending **March 31, 2023**.

OPERATIONS & MAINTENANCE BUDGET TO ACTUAL SUMMARY

OPERATING AND NONOPERATING REVENUES

	2022-23 Budget	2022-23 Actuals	Difference
Operating Revenues			
Service Charges	\$ 6,600,000	\$ 3,631,673	\$ (2,968,327)
Connection Fees	100,000	171,832	71,832
Other Services	75,000	32,809	(42,191)
Total Operating Revenues	\$ 6,775,000	\$ 3,836,314	\$ (2,938,686)
Nonoperating Revenues			
Property Taxes	\$ 665,000	\$ 422,361	\$ (242,639)
Interest Income	-	113,893	113,893
Reimbursements	-	2,108	
Total Nonoperating Revenues	\$ 665,000	\$ 538,362	\$ (126,638)
Total Revenues	\$ 7,440,000	\$ 4,374,676	\$ (3,065,324)

Table 2 - Fiscal Year 2022-23 Budget to Actuals for Revenue

Below is an analysis of estimated revenues budgeted and actual revenues collected to date:

Operating and Non-operating Revenue Noteworthy Items:

- Sewer Service Charges - The District's primary source of revenues comes from Sewer Service Charges.** The District submitted all Sewer Service Charges to the County for inclusion on connected properties Property Tax bills in early July. This method saves a substantial amount of administrative time having to bill, collect, and reconcile over 3,000 sewer service bills to customers. Total amount reported to the Auditor was **\$6,717,577**, so Staff anticipates Sewer Service Charges revenue coming in higher than budgeted for Fiscal Year 2022-23. This increase is mostly attributed to our Commercial account holders as a result of increased water usage coming out of the pandemic.
- Connection Fees** – The District has seen a higher number of connection fees processed than anticipated for the fiscal year. These properties have paid for their connection fees through the permitting process and will be included in the Property Tax Roll next fiscal year. The District also recently approved a Notice of Completion for the Lilac/Oak Grove Sewermain Extension Project which has the capacity to service 23 additional parcels, so the District anticipates even more connection fees in the final quarter of Fiscal Year 2022-23.
- Property Tax** – The District's ½ of 1% Property Tax Revenue is collected in the same manner as the Sewer Service Charges. During the second quarter the County released estimated property tax revenue figures and the District will receive **\$720,423**, which is **\$55,423** higher than budgeted for Fiscal Year 2022-23.

OPERATING EXPENDITURES

	2022-23 Budget	2022-23 Actuals	Difference	% of Budget
Operating Expenditures				
Salaries and Benefits	\$ 3,143,763	\$ 2,176,967	\$ 966,796	69%
Insurance	86,000	35,043	50,957	41%
Maintenance & Repairs	180,000	92,928	87,072	52%
Goods & Supplies	148,500	69,846	78,654	47%
Professional Services	360,000	147,397	212,603	41%
Administrative Costs	385,000	151,374	233,626	39%
Plant & Lab Operating Costs	538,000	433,912	104,088	81%
Safety, Training, & Travel	53,500	24,826	28,674	46%
Utilities	266,000	215,854	50,146	81%
Total Operating Expenditures	\$ 5,160,763	\$ 3,348,147	\$ 1,812,616	65%

Table 3 - Fiscal Year 2022-23 Budget to Actuals for Expenditures

The District’s Operations and Maintenance expenditures are currently lower than anticipated at the end of the **third quarter of Fiscal Year 2022-23**.

Salaries and Benefits expenditures are currently at approximately **69%** of utilization, which includes a large Unfunded Actuarial Liability (UAL) payment made during the first quarter as well as the settling of Labor Negotiations with SEIU Local 620. That agreement included a 5.5% Cost of Living Adjustment which was retroactive back to the first full pay period of Fiscal Year 2022-23. The Management Group’s contract is currently under negotiation, but even if that were to settle in the current fiscal year staff does not anticipate the need for a budget revision at this time.

Services and Supplies budget has utilized approximately **58%** of the estimated budget at the end of the **third quarter**. Many of the special projects that were incorporated into the FY 2022-23 Budget have not been started as there have been other priorities at the District. These projects will be considered during the FY 2023-24 budget process where ultimately staff will fine tune the areas they wish to prioritize and include it in the Budget that is brought to the Board in June.

Below is a deeper analysis of some of the expenditure items staff feels a need to highlight for the Board from its Operations & Maintenance budget to actuals:

Operating Expenditures Noteworthy Items:

- **Salaries and Benefits** – This quarter labor negotiations were settled with the represented group and a 5.5% COLA was implemented retroactively to the first full pay period of Fiscal Year 2022-23. The Management Group has not been settled, but even if a similar package was approved the District does not expect to need a budget revision prior to the end of the fiscal year.
- **7091 – Property Insurance** – This line item is overbudget due to an approximate \$10,000 increase in the California Sanitation Risk Management Authority Pooled Liability Insurance premium cost. This will be factored into next fiscal years’ budget.

- **7461 – Professional Services – Legal** – This line item is for legal services provided solely by the District’s Legal Counsel. Through three quarters **96%** of the years legal budget has been utilized and will require a budget revision in the fourth quarter.
- **7466 – Professional Services – Human Resources** – This line budgets for and tracks costs for Human Resources legal support by Price, Postel and Parma for Human Resource Special under a retainer agreement along with District payments to the District’s payroll software provider (Paychex). Current period costs are in alignment with what the District budgeted for the fiscal year.
- **7467 – Professional Services – Special Legal Counsel** – This new line item for Fiscal Year 2022-23 tracks costs associated with special legal counsel hired by the District for special projects. Currently, that is Liebert, Cassidy, and Whitmore for work performed on negotiations with SEIU Local 620. The District entered into a not to exceed contract for \$25,000, of which the District is currently under that budget at the end of the **third quarter**. This line item also tracks expenditures that have been made for legal review from Colantuonno, Highsmith and Whatley related to the Special District Consolidation Feasibility Study, of which no expenditures have been made during the fiscal year up until this point.
- **7510 - Contracted Services/Labor** - The District has currently spent 78% of its budget for contracted services, wherein a large annual payment was planned for, and made, in September for its Smartcover System Service Warranty. This large expenditure early in the year is causing the percentage of budget utilized to be high, however, this was planned for during the budget process and the remaining transactions (mostly electrical and communication services) are expected to be within the budgeted amount.
- **7652 – Biosolids Disposal** – Disposal costs have increased slightly with inflation. Staff doesn’t expect to be too far over budget on this particular line item this year but will factor the current prices into next years budget.
- **7653 – Chemicals** – Plant chemicals costs associated with the delivery of sodium hypochlorite (Hypo) and sodium bisulfate (Bisulfate) used for the disinfection process are one of the largest expenditure categories in the operation and maintenance budget. The District’s supplier, Univar, has provided both chemicals since 2010. Since then, prices have trended very closely with inflation. This fiscal year has been a period of hyper-inflation, and as such, Univar has instituted multiple price increases totaling 16% for Hypo and 14% for Bisulfate. District staff completed a Request for Quote for both chemicals and began receiving more advantageous terms (namely a guarantee of future cost increases not exceeding certain thresholds) near the end of the second quarter of Fiscal Year 2022-23. A budget revision will be needed in the fourth quarter for this line item.
- **7657 – Plant Maintenance Materials** – The District budgeted the same amount in Fiscal Year 2022-23 as it had in Fiscal Year 2021-22. The combination of increased prices due to inflation along with the need for more maintenance materials as a result of emergency events (January rain storms and the force main break on Channel Drive) drove this line item to go over budget. Staff will look to bring a budget revision to the Board at an upcoming meeting.

- **7702 – Lab Equipment Maintenance** – The lab required higher than anticipated preventative maintenance on its HVAC system, along with higher maintenance and repair work on its heating and cooling systems during the fiscal year. This will be factored into next years budget and the overage is not expected to create the need for a budget revision during the fourth quarter.
- **7763 – Electricity** – The combination of increased electricity rates during the fiscal year in conjunction with two emergency events in the quarter that required substantial use of extra pumps (at our Treatment Plant and at our lift station on Channel Drive) will lead to the District going over budget in the fourth quarter. Staff recommends a budget revision in the fourth quarter to increase the electricity budget.

CAPITAL IMPROVEMENTS PROJECTS

The District maintains separate Capital Improvement Project band of accounts from its Operations and Maintenance funds. As of the end of the period the balance held in CIP accounts totals **\$7,102,134**.

The budget passed for **Fiscal Year 2022-23** utilizes estimates for the anticipated expenditures for CIP work including permitting, design, construction management, and all other costs associated with projects. The annual budget passed by the Board this Fiscal Year totaled **\$4,991,945**. The following table shows total budget and amount expended through the quarter by program.

	2022-2023 Approved Budget	Project Expenditures Through 3/31/2023
Collections	\$ 2,638,445	\$ 1,298,295
Lift Stations	\$ 140,000	\$ -
Treatment & Laboratory	\$ 2,026,000	\$ 112,612
Facilities	\$ 117,500	\$ -
Sewer Main Extensions	\$ 70,000	\$ -
Recycled Water	\$ -	\$ 118,287
Total	\$ 4,991,945	\$ 1,529,194

Table 4 - Fiscal Year 2022-23 CIP Budget to Actuals

The following highlights noteworthy capital expenditures for the third quarter and Attachment C provided includes all CIP activity through the period ending **March 31, 2023**.

- **FY 2021-22 Carryover – Lilac-Oak Grove Sewer Main Extension** –A large portion of Collections CIP expenditures for Q3 was for the Lilac-Oak Grove Sewer Main Extension project as the final retention payment was made.
- **Recycled Water** – The Recycled Water Feasibility Study that has been ongoing jointly with the Montecito Water District was billed in the third quarter to the District (Montecito Water District paid the invoices and our District paid them for 50% of the services). The District received a grant for this project and will be reimbursed a large portion of the project.

- **T006** – Grinder No. 2 Replacement – One other large purchase that is reflected in the current quarter CIP costs is the Influent Grinder No. 2 replacement that came in at \$35,013. This grinder was actually damaged in the January rain storm events and the District has put through a FEMA Reimbursement project that will replace the damaged grinder.

2017 SEWER REFUNDING REVENUE BONDS – CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) FINANCE CORPORATION

In May 2017 the District refunded its 2007 Certificates of Participation (COP). The District will make two payments on its bond during Fiscal Year 2022-23 totaling \$936,500. Of this total \$685,000 will be applied to principal and \$251,500 will be applied to interest.

ANNUAL DEPRECIATION FUNDING

Annually, District's Operations & Maintenance accounts contribute to the Capital Replacement Fund. Typically, this contribution has been based on the prior fiscal year's annual depreciation expense. The current year contribution based on the Fiscal Year 2020-21 Financial Audit was \$1,228,291. The Fiscal Year 2021-22 audit is very close to being finalized and that figure will be \$1,243,993. This amount will be transferred from the District's Operations & Maintenance account to its Capital Improvement Program account at the end of the fiscal year.

Attachments:

Attachment A – Quarterly Cash and Investments Holdings as of **3/31/2023**

Attachment B – Quarterly Operations & Maintenance Expenditure Status Report as of **3/31/2023**

Attachment C – Quarterly Capital Improvement Projects Expenditure Status Report as of **3/31/2023**

Attachment D – Quarterly Investment Certification

**FY2022-23 Quarterly Cash and Investment Activity
Quarter 3**

	<u>1/1/2023</u>	<u>Income</u>	<u>Interest</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Withdrawals</u>	<u>3/31/2023</u>	<u>Net Change</u>	
Investment Accounts/ County Treasury									
Cash with LAIF	2,032,674		10,619				2,043,293	10,619	Quarterly Interest: \$10,619
Cash with County-Operating	9,532,525	99,030	26,415		(1,000,000)	-	8,657,970	(874,555)	Property Tax/SSCs: \$99,030 Quarterly Interest: \$26,415 Transfers to MBT O&M: \$1,000,000
Cash with County - Capital Replacement	5,661,853		19,934				5,681,787	19,934	Quarterly Interest: \$19,934
Cash with County-Retiree Medical	185,350		642				185,992	642	Quarterly Interest: \$642
Cash Accounts									
MBT Operating account	468,088	166,070		1,000,000	(1,022)	(1,117,876)	515,260	47,172	Income: connection, permit, & other fees Transfers In: \$1,000,000 from County O&M Transfers Out: \$1,022 to Revolving Fund Withdrawals: O&M Expenses (Salary, A/P)
MBT Capital Improvement account	465,252					(169,846)	295,406	(169,846)	Withdrawals: Pmts on Capital Projects
Revolving fund account	428			1,022			1,450	1,022	Withdrawals: replenish immediate O&M expenses paid outside normal processing
Insurance Reimbursement Acct	112,548		455				113,003	455	Quarterly Interest: \$455
MBT Recycled Water account	975,029		4,187				979,216	4,187	Quarterly Interest: \$4,187 Withdrawals: Recycled Water Project Pymts
Petty Cash	250						250	-	
Total Cash & Investment accounts	19,433,998	265,100	62,252	1,001,022	(1,001,022)	(1,287,722)	18,473,628	(960,370)	

MONTECITO SANITARY DISTRICT OPERATIONS AND MAINTENANCE EXPENDITURE STATUS REPORT

FOR THE PERIOD ENDED 3/31/2023

			2022-23 BUDGET	2022-23 ACTUALS	VARIANCE	% OF BUDGET
OPERATING EXPENDITURES						
SALARIES AND BENEFITS						
6100	1	STAFF SALARIES	\$ 1,910,563	\$ 1,358,802	\$ 551,761	71%
6105	1	BOARD SALARIES	52,800	26,587	26,213	50%
6108	1	AUTO ALLOWANCE - GM	3,600	2,700	900	75%
6270	1	STANDBY PAY	33,000	26,085	6,915	79%
6300	1	OVERTIME	30,000	12,885	17,115	43%
6400	1	PERS CONTRIBUTION	435,000	332,324	102,676	76%
6410	1	EMPLOYEE BENEFITS	65,000	38,328	26,672	59%
6500	1	FICA CONTRIBUTION	117,000	83,109	33,891	71%
6510	1	MEDICARE	27,500	20,200	7,300	73%
6520	1	UNEMPLOYMENT TAX - STATE	3,500	2,790	710	80%
6600	1	GROUP MEDICAL - ACWA	325,000	186,174	138,826	57%
6605	1	RETIREE MEDICAL BENEFITS	25,000	14,496	10,504	58%
6610	1	LIFE INSURANCE - ACWA	7,300	4,336	2,964	59%
6615	1	DISABILITY INS - STANDARD	26,000	14,197	11,803	55%
6620	1	WORKER'S COMPENSATION	50,000	38,650	11,350	77%
6640	1	DENTAL INSURANCE - ACWA	21,000	8,634	12,366	41%
6650	1	UNIFORM SERVICE - MISSION	11,500	6,671	4,829	58%
TOTAL SALARIES AND BENEFITS			\$ 3,143,763	\$ 2,176,967	\$ 966,796	69%
SERVICES AND SUPPLIES						
7090	2	INS (GEN LIAB/AUTO/E&O) - CSRMA	\$ 60,000	\$ (1,092)	\$ 61,092	-2%
7091	2	PROPERTY INSURANCE	15,000	25,878	(10,878)	173%
7093	2	INS (EMP DISHONESTY BOND) - CSRMA	1,000	849	151	85%
7094	2	INS (MOBILE EQUIP) - CSRMA	10,000	9,408	592	94%
7110	6	EMPLOYEE PHYSICALS	2,500	1,845	655	74%
7121	3	PROPERTY MAINTENANCE	65,000	47,799	17,201	74%
7122	3	VEHICLE MAINTENANCE	13,000	12,399	601	95%
7126	3	COLL - EQUIPMENT RENTAL	1,000	-	1,000	0%
7127	3	COLL - SAFETY EQUIPMENT/SUPPLIES	8,000	488	7,512	6%
7129	3	LIFT STATION PARTS	30,000	10,401	19,599	35%
7133	3	VACCON EQUIPMENT & REPAIRS	15,000	11,077	3,923	74%
7134	3	CCTV EQUIPMENT/REPAIRS	15,000	1,078	13,922	7%
7136	3	COLL - MISC COLLECTION TOOLS	10,000	4,498	5,502	45%
7138	3	JETTER TRUCK EQUIP / REPAIRS	8,000	3,466	4,534	43%
7150	3	MECHANICAL MAINTENANCE	5,000	998	4,002	20%
7200	4	GENERAL OPERATING SUPPLIES	10,000	6,590	3,410	66%
7201	4	DRINKING WATER	2,500	1,391	1,109	56%
7202	4	GLOVES	8,000	6,001	1,999	75%
7205	4	COMMUNITY & EMPLOYEE GOODWILL	6,000	630	5,370	11%
7220	4	MAILING/SHIPPING EXPENSES	5,000	585	4,415	12%
7430	4	MEMBERSHIPS	60,000	30,421	29,579	51%
7440	4	MISCELLANEOUS EXPENSES	2,500	-	2,500	0%
7450	4	OFFICE EXPENSES	15,000	8,930	6,070	60%
7452	6	SCANNING & SHREDDING	10,000	-	10,000	0%
7454	4	BOOKS/SUBSCRIPTIONS/STUDY GUIDES	2,000	328	1,672	16%
7456	4	COMPUTER HARDWARE/SOFTWARE/LICENSING	37,500	14,969	22,531	40%
7461	5	PROFESSIONAL SERVICES/FEES - LEGAL	70,000	67,413	2,587	96%
7462	5	PROFESSIONAL FEES - ACCOUNTING	45,000	27,260	17,740	61%
7463	5	PROF SERVICES - ENGINEERING	50,000	-	50,000	0%
7464	5	PROFESSIONAL FEES - COMPUTER/GIS	60,000	25,404	34,596	42%
7466	5	PROF SERVICES - HUMAN RESOURCES	10,000	8,917	1,083	89%
7467	5	PROF SERVICES - SPECIAL LEGAL COUNSEL	50,000	18,403	31,598	37%
7500	5	PUBLIC OUTREACH	75,000	-	75,000	0%
7506	6	ADMINISTRATIVE FEES	30,000	20,409	9,591	68%
7508	6	COLLECTION/TREATMENT FINES	10,000	-	10,000	0%
7510	6	CONTRACTED SERVICES/LABOR	95,000	74,217	20,783	78%
7530	6	ADS/NOTICES FOR PUBLICATION	3,000	1,626	1,374	54%
7610	6	FURNITURE/FIXTURES	10,000	1,933	8,067	19%
7641	6	NPDES PERMIT EXPENSES-LAB	15,000	10,058	4,942	67%
7645	6	NPDES PERMIT REQUIREMENTS - OPERATIONS	50,000	25,141	24,859	50%
7650	6	ELECTION EXPENSES	7,000	-	7,000	0%
7651	7	ANALYZER CHEMICALS	-	2,466	(2,466)	100%
7652	7	BIO SOLIDS DISPOSAL	60,000	47,231	12,769	79%
7653	7	CHEMICALS	220,000	242,375	(22,375)	110%
7654	7	GENERATOR SERVICE	10,000	2,140	7,860	21%

7655	7	HAZARDOUS MATERIALS DISPOSAL	2,000	-	2,000	0%
7656	3	PLANT EQUIPMENT RENTAL	5,000	-	5,000	0%
7657	7	PLANT MAINTENANCE MATERIALS	75,000	74,635	365	100%
7658	7	PLANT MAINTENANCE PROJECTS	5,000	4,837	163	97%
7659	3	PLANT SAFETY EXPENSES	5,000	724	4,276	14%
7661	7	POLYMER	10,000	9,665	335	97%
7662	7	SMALL TOOLS/EQUIP	4,000	3,045	955	76%
7670	6	SPECIAL PROJECTS	115,000	1,800	113,200	2%
7671	7	ASSET MANAGEMENT	100,000	14,348	85,652	14%
7675	6	COVID-19 EXPENSES	35,000	10,284	24,716	29%
7681	6	2023 WINTER STORM	-	3,940	(3,940)	100%
7700	7	LAB CONSUMABLES-SMALL EQUIPMENT	32,000	13,883	18,117	43%
7702	7	LAB EQUIPMENT MAINTENANCE	10,000	11,722	(1,722)	117%
7703	7	CONTRACT LAB ANALYSES	10,000	7,565	2,435	76%
7704	6	ELAP ACCREDITATION	-	120	(120)	100%
7722	8	BOARD TRAINING/CONF REGISTRATION	2,500	-	2,500	0%
7723	8	BOARD MEETINGS/TRAVEL EXPENSES	1,000	281	719	28%
7724	8	STAFF TRAINING/CONF REGISTRN	15,000	8,493	6,507	57%
7725	8	STAFF TRAVEL EXPENSES	15,000	4,127	10,873	28%
7726	8	STAFF CERTIFICATIONS/LICENSES	8,000	6,574	1,426	82%
7727	8	OSHA REQUIRED TRAINING	5,000	1,985	3,015	40%
7728	8	SAFETY BOOT ALLOWANCE	4,500	2,566	1,934	57%
7729	6	APPAREL AND UNIFORMS	2,500	-	2,500	0%
7731	8	LOCAL MEETING EXPENSES	2,500	800	1,700	32%
7740	9	FUEL AND OIL	25,000	17,705	7,295	71%
7761	9	WATER	15,000	6,266	8,734	42%
7762	9	NATURAL GAS	5,000	4,753	247	95%
7763	9	ELECTRICITY	175,000	151,592	23,408	87%
7766	9	TRASH / RECYCLING	16,000	13,836	2,164	86%
7767	9	TELEPHONE - LOCAL/LD	18,000	12,342	5,658	69%
7768	9	TELEPHONE CELLULAR	12,000	9,360	2,640	78%
		TOTAL SERVICES AND SUPPLIES	\$ 2,017,000	\$ 1,171,180	\$ 845,820	58%
		TOTAL OPERATING EXPENDITURES	\$ 5,160,763	\$ 3,348,147	\$ 1,812,616	65%

Fiscal Year 2022-23 Capital Improvement Program (CIP) Plan

Adopted by the Board on June 23, 2022

Collections:

Project No.	Description	Estimated Project Cost	Project Expenditures Through 6/30/2022	2022-23 Approved Budget	Project Expenditures Through 3/31/2023
FY2021-2022 Carryover	Highway 101 Sewer Main Relocation - Design	\$ 194,127	\$ -	\$ 89,445	\$ 72,817
FY2021-2022 Carryover	Lilac-Oak Grove Sewer Main Extension	\$ 2,051,473	\$ 1,564,325	\$ 750,000	\$ 1,023,140
C001	Collection System Condition Assessment & Prioritization Plan	\$ 40,000		\$ 40,000	
C002	Highway 101 Sewer Main Relocation - Construction	\$ 860,000		\$ 860,000	\$ 90,676
C003	Olive Mill/San Ysidro Roundabout Relocation	\$ 250,000		\$ 250,000	\$ 41,689
C004	Large Diameter Sewer Main Rehabilitation	\$ 875,000		\$ 75,000	
C005	Manhole Rehab lining project	\$ 25,000		\$ 25,000	
CMAN	Manhole Adjustments	\$ 60,000	\$ -	\$ 60,000	\$ 28,405
CEME	Collection System Emergency Repairs	\$ 30,000	\$ -	\$ 30,000	\$ 34,746
CEQU	Equipment Replacement	\$ 459,000		459,000	6,822
Collections Subtotal			\$ 1,564,325	\$ 2,638,445	\$ 1,298,295

Lift Stations:

Project No.	Description	Estimated Project Cost	Project Expenditures Through 6/30/2022	2022-23 Approved Budget	Project Expenditures Through 3/31/2023
L001	Lift Station Condition Assessment & Prioritization Plan	\$ 50,000		\$ 50,000	
L002	Channel Lift Station Improvement	\$ 60,000		\$ 60,000	
LEME	Lift Station Emergency Repairs	\$ 30,000		\$ 30,000	
Lift Stations Subtotal			\$ 1,564,325	\$ 140,000	\$ -

Treatment & Laboratory:

Project No.	Description	Estimated Project Cost	Project Expenditures Through 6/30/2022	2022-23 Approved Budget	Project Expenditures Through 3/31/2023
T001	Electrical Rehabilitation & Aeration Blower Replacement Project	\$ 1,440,000		\$ 1,440,000	\$ 356
T002	Skimmer troughs replacement	\$ 140,000		\$ 140,000	\$ 20,912
T003	SCADA Implementation	\$ 100,000		\$ 75,000	
T004	Disinfection Process -Pumps Replacement	\$ 40,000		\$ 40,000	\$ 51,070
T005	IPS Channel Improvements	\$ 141,000		\$ 141,000	
T006	Grinder No. 2 Replacement	\$ 40,000		\$ 40,000	\$ 35,013
TEME	Treatment O/M Emergencies	\$ 100,000		\$ 100,000	
TEQU	Equipment Replacement	\$ 50,000	\$ -	\$ 50,000	\$ 5,261
Treatment Subtotal			\$ -	\$ 2,026,000	\$ 112,612

Facilities:

Project No.	Description	Estimated Project Cost	Project Expenditures Through 6/30/2022	2022-23 Approved Budget	Project Expenditures Through 3/31/2023
F001	Roof for Admin/Operations Building	\$ 65,000		\$ 65,000	
F002	Maintenance Gate controller with new keypads	\$ 13,500		\$ 13,500	
F003	Main Gate replacement with motorized gate and keypads	\$ 24,000		\$ 24,000	
F004	Remodel Men's Restroom in Maintenance Building	\$ 15,000		\$ 15,000	
Facilities Subtotal			\$ -	\$ 117,500	\$ -

Sewer Main Extensions:

Project No.	Description	Estimated Project Cost	Project Expenditures Through 6/30/2022	2022-23 Approved Budget	Project Expenditures Through 3/31/2023
S001	Septic to Sewer Strategic Plan (Alisos/Ashley & E Mountain 30% Design)	\$ 70,000		\$ 70,000	
Sewer Main Extensions Subtotal			\$ -	\$ 70,000	\$ -

Recycled Water:

Project No.	Description	Estimated Project Cost	Project Expenditures Through 6/30/2022	2022-23 Approved Budget	Project Expenditures Through 3/31/2023
T011	Recycled Water Final Design, Update CDP, and Title 22 Report for first phase	Unknown		\$ -	\$ 113,716
T012	Recycled Water Construction for first phase	Unknown		\$ -	\$ 4,571
T008	Recycled Water Construction for remaining phases	Unknown		\$ -	
Recycled Water Subtotal			\$ -	\$ -	\$ 118,287

	2022-2023 Approved Budget	Project Expenditures Through 3/31/2023
Collections	\$ 2,638,445	\$ 1,298,295
Lift Stations	\$ 140,000	\$ -
Treatment & Laboratory	\$ 2,026,000	\$ 112,612
Facilities	\$ 117,500	\$ -
Sewer Main Extensions	\$ 70,000	\$ -
Recycled Water	\$ -	\$ 118,287
Total	\$ 4,991,945	\$ 1,529,194

**QUARTERLY CERTIFICATION STATEMENTS
FOR THE
MONTECITO SANITARY DISTRICT**

*in accordance with
RESOLUTION NO. 2013-883, MSD INVESTMENT POLICY*

For the Quarter Ended

March 31, 2023

As Treasurer of the Montecito Sanitary District, I, **Edwin Martin** certify that:

- (1) All investment actions executed since the last report have been made in full compliance with the Montecito Sanitary District Investment Policy;
- (2) A complete and timely record of all investment transactions is maintained in the District office from reports supplied by LAIF and the S. B. County Treasurer's office; and
- (3) The Montecito Sanitary District is able to meet its pool's expenditure requirements for the next six months.

Dated: _____

Board Treasurer
MONTECITO SANITARY DISTRICT



Montecito Sanitary District

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www.montsan.org

MONTECITO SANITARY DISTRICT

STAFF REPORT – 4A

DATE: May 26, 2023

TO: Board of Directors

FROM: John Weigold, General Manager
Stephen Williams, District Administrator
Bryce Swetek, Engineering Manager

SUBJECT: Federal Emergency Management Agency Cost Reimbursement Update

RECOMMENDATION

Staff recommends that the Board receive an update from staff regarding its progress with the Federal Emergency Management Agency as it relates to projects undertaken as a result of the storm damage from late December 2022 through early January 2023.

DISCUSSION

After winter storm events from late December 2022 through early January 2023 the District had identified four areas of concern in the Collection System as well as several pieces of District equipment that were damaged as a result of heavy rain fall. District staff opened dialogue immediately with representatives from the Federal Emergency Management Agency (FEMA) once an official emergency declaration was declared. The goal of these discussions was to maximize the total cost reimbursement available to the District for damage incurred by the declared disaster.

Below is a table summarizing the current status of the projects along with their actual/estimated costs. Afterwards an official summary of the damage inventoried is presented that has been utilized as a basis for FEMA's Damage, Description, and Details process.

Category E - Public Buildings and Equipment			
DI 1306556 - Treatment Plant - Influent Pump	\$ 30,890.54	Actual	Approved by FEMA
DI 1306558 - Treatment Plant - IPS Grinder Motors	3,945.66	Actual	Approved by FEMA
DI 1306560 - Posilipo Lift Station - Variable Frequency Drive	7,486.59	Actual	Approved by FEMA
Total Category E - Public Buildings and Equipment	\$ 42,322.79		
Category F - Public Utilities			
DI 1306562 - San Ysidro Creek - Line Break Permanent Repair	\$ 600,000.00	Estimate	Developing Scope w/ FEMA
DI 1306563 - Manhole 616-4D	150,000.00	Estimate	Developing Scope w/ FEMA
DI 1306565 - Manhole 616-4C	100,000.00	Estimate	Developing Scope w/ FEMA
DI 1306567 - Montecito Creek - 2 Inch Force Main	100,000.00	Estimate	Developing Scope w/ FEMA
Total Category F - Public Utilities	\$ 950,000.00		
Total for All Damages	\$ 992,322.79		

CATEGORY E – PUBLIC BUILDINGS AND EQUIPMENT

DI 1306556 – TREATMENT PLANT – INFLUENT PUMP

During the incident period 01/09/2023 to 01/10/2023, heavy rainfall of 10.97 inches led to the infiltration of mud, rocks, vegetative debris and various other non-bio related materials into the public sewer system. Plant influent exceeded peak capacity of 2.5 MGD and reached 5.86 MGD.

One of the three influent pumps within our influent pump station (IPS) was damaged due to a piece of metal entering the flow stream with the excessive flow and debris coming into the treatment plant. During the storm event, Staff installed a spare influent pump of similar performance. The District intends on keeping the recently installed pump active for long-term operation. A purchase order for a replacement pump, which will be the new spare/reserve, was executed under prior authorization from the Board on January 11, 2023.

DI 1306558 – TREATMENT PLANT – IPS GRINDER MOTORS

The grinder motors for IPS Grinder No. 1 and IPS Grinder No. 2 were flooded and damaged during the storm event. IPS Grinder No. 2 failed immediately and required purchasing a replacement. IPS Grinder No. 1 is now showing signs of failing and will require replacement as well. The District had installed a spare motor to IPS Grinder No. 2. The District is seeking reimbursement to replace both motors to replenish our spare assets.

DI 1306560 – POSILIPO LIFT STATION – VARIABLE FREQUENCY DRIVE

One of the three pump variable frequency drives (VFD) located at Posilipo lift station was damaged and failed due to excessive flow. Taft electric was called in to trouble shoot the drive, and once internal failure was determined, a spare drive from the District’s critical inventory was installed. The District intends on keeping the recently installed VFD active for long term operation. District has issued a purchase order for rebuilding the pump variable frequency drive on 1/24/2023 under purchase order # 4789. The repaired drive will be placed in the District’s single point of failure inventory for future use.

CATEGORY F – PUBLIC UTILITIES

DI 1306562 – SAN YSIDRO CREEK – LINE BREAK PERMANENT REPAIR

An existing 8-inch PVC gravity sewer main experienced loss of surrounding soil due to creekbank erosion and it was reported on 1/13/2023 the pipe suffered a break at a joint. A portion of the pipe was removed and repaired with an 8” coupling and the affected area was cleaned up and disinfected by District Staff. Approximately 25’ of pipe is exposed and was temporarily supported by rocks and metal stakes; and erosion continues upstream and downstream of the exposed pipe. The total creekbank erosion within the zone of influence protecting the pipeline is 160 feet long, 10’ high, and varies from 0-24’ in deep/wide (16’ average) from edge of creek bank.

Due to the projected storm event spanning from February 24, 2023, to February 27, 2023, with potential rain amounts accumulating over 3”, Montecito Sanitary District took measures on February 24 to support the pipe with four aerial anchors, consisting of straps and metal anchors on top of the creek bank.

Staff inspected the pipe on February 29, 2023, and observed that the pipe experienced additional erosion causing the recently installed coupling to bend. Staff removed the debris and reinstalled three aerial anchors.

The erosion is located beneath the pipe and further west along the northern bridge wingwall and downstream of the creekbank. The total creekbank erosion within the zone of influence protecting and supporting the pipe is 24’ long, ranges from 9-11’ in height (average 10’) and varies 4-7’ deep/wide (average 5.5’) from edge of creek bank.

DI 1306563 – MANHOLE 616-4D

A 4’ diameter manhole experienced the loss of surrounding soils due to erosion of the creek bank. The erosion is located upstream, downstream, and surrounding the manhole, leaving approximately 2/3 of the manhole’s outer diameter wall exposed along a vertical height of 10’. Additionally, the concrete casing of the pipe inlet from the upstream side is partially exposed. The total creekbank erosion within the zone of influence of protecting the manhole is 90’ long, 10’ high, and varies 0-10’ deep/wide (8’ average) from the edge of creek bank.

Due to the projected storm event spanning from February 24, 2023 to February 27, 2023 with potential rain amounts accumulating over 3”, Montecito Sanitary District took measures on February 23 to protect the manhole in place with large boulders and smaller rocks. The total amount of rock work spans 35’ long, 3-6’ high (5’ average), and varies 3-10’ deep/wide (6’ average) from edge of creek bank. All dimensions are approximate.

DI 1306565 – MANHOLE 616-4C

A 4’ diameter manhole experienced loss of surrounding soils due to erosion of the creek bank. The erosion is located upstream and downstream of the manhole. There is minimal creek bank left surrounding the outer diameter wall face of the manhole (6-18” from the creek side) and

there is a noticeable overhang of the concrete (6") surrounding the frame of the manhole. The total creekbank erosion within the zone of influence of protecting the manhole is 31' long, varies 7-8' high (7.5' average), and varies 0-12' deep/wide (8' average) from edge of creek bank. All dimensions are approximate.

DI 1306567 – MONTECITO CREEK – 2" FORCE MAIN

An existing two-inch HDPE sewer force main installed within a 4" PVC conduit along the downstream side of a private bridge, crossing Montecito Creek experienced loss of surrounding soil due to creek bank erosion. The erosion is located beneath the pipe and further west along the northern bridge wingwall and downstream of the creekbank. The total creekbank erosion within the zone of influence protecting and supporting the pipe is 24' long, varies 9-11' high (average 10'), and varies 4-7' in deep/wide (average 5.5') from edge of creek bank.

ANALYSIS

District staff continues to work closely with FEMA to ensure all regulatory requirements are fulfilled while determining the scope of work for the above projects to ensure maximum reimbursement.

FISCAL IMPACT

As this emergency is being dually funded by FEMA and the California Office of Emergency Services (CalOES), the District is looking at reimbursement of approximately 92% of the above listed actual/estimated costs, which equates to approximately \$912,936.97.

ATTACHMENTS: None



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MONTECITO SANITARY DISTRICT STAFF REPORT – 4B

DATE: May 26, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: Septic-to-Sewer Strategic Plan Discussion

RECOMMENDATION

It is recommended that the Board discuss and consider creating a District Septic-to-Sewer Strategic Plan. This plan would act as a road map to making sewer connection possible to those remaining parcels within District boundaries who currently don't have the option to connect.

ANALYSIS

None.

FISCAL IMPACT

None.

ATTACHMENTS: None



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MONTECITO SANITARY DISTRICT

STAFF REPORT – 4C

DATE: May 26, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: Next Steps on MSD/MWD Draft Consolidation Report

RECOMMENDATION

It is recommended that the Board discuss next steps as it relates to reviewing the MSD/MWD Draft Consolidation Report and take any such additional, related action that may be desirable.

ANALYSIS

At the May 17, 2023 General Board Meeting the Board discussed their desire to review the current Raftelis Materials that were presented at the Montecito Water District's May 2, 2023 Special Meeting by Raftelis, the consulting firm hired to complete the Consolidation Feasibility Study.

The Board determined that members should review the materials and come prepared to discuss and develop a list of questions for a future meeting with Raftelis. It was also noted that the method of said meeting should be discussed as to whether it should be held in person or remotely via Zoom.

FISCAL IMPACT

None.

ATTACHMENTS: None



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MONTECITO SANITARY DISTRICT STAFF REPORT – 4D

DATE: May 26, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: Board Policies and Procedures

RECOMMENDATION

It is recommended that the Board discuss the current Board Policies and Procedures Manual and take any such action that may be desirable.

ANALYSIS

None.

FISCAL IMPACT

None.

ATTACHMENTS:

1. Board of Directors Policy and Procedures Manual, Adopted December 9, 2021



**BOARD OF DIRECTORS
POLICY AND PROCEDURES MANUAL**
Adopted December 9, 2021

District's Mission Statement

A community service commitment to protect public health and safety and to preserve the natural environment through the collection, treatment and disposal of wastewater in the most cost-effective way possible.

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1. Role of the Board of Directors

1. The District's policies, mission, goals, and programs are established by a majority of the Board of Directors at public meetings.
2. All District powers are exercised by its Board of Directors. (Health & Safety Code, § 6481.)
3. The Board will not direct management as to how to implement policy, but it shall hold management responsible if the policies of the District are not implemented.
4. The Board appoints the General Manager of the District, defines the General Manager's responsibilities, and delegates Board authority and power to the General Manager to carry out the responsibilities.
5. The General Manager is responsible for all of the following:
 - a. The implementation of the policies established by the Board for District operation.
 - b. The appointment, supervision, discipline, and dismissal of District employees, consistent with the employee relations system established by the Board.
 - c. The supervision of District facilities and services.
 - d. The supervision of District finances.
 - e. The development of the District's annual budget to support its mission and meet all regulatory requirements.
 - f. Coordinate with the President of the Board to agendize meetings.
6. The General Manager shall recommend in public meetings of the Board the programs to implement District policy.
7. On or before July 1st of each year the Board adopts the District's annual budget.
8. The Board approves the District's organizational structure and employment positions.
9. The Board appoints the District's legal counsel and financial auditor annually.
10. The Board approves the Accounts Payable register as an agenda item at regular Board meetings.
11. The Board approves all contracts and individual purchases in accordance with the District's purchasing policies and procedures..
12. Directors shall uphold the constitutions of the United States and the state of California. Directors shall comply with applicable laws regulating their conduct, including state laws concerning conflicts of interest, financial disclosure, open meetings, and confidential information.

2. Board Election/Appointment

The District shall have a board of five Directors each of whom whether elected or appointed, shall reside within the boundaries of the Montecito Sanitary District and be a registered voter within those boundaries. (Health & Safety Code, § 6464)

The term of office of each Director other than Directors appointed to fill an unexpired term shall be four years. (Elections Code, § 10507)

Directors elected to office take office at noon on the first Friday in December following the General District Election. Before taking office, each Director shall take and subscribe the official oath and file it with the Clerk of the Board. (Elections Code, § 10554)

New Directors will file an Assuming Office Form 700 within thirty days of taking office.

An office of a director shall be deemed to have become vacant when one or more events specified in [sections 1770, et. seq. of the Government Code](#) have occurred. All vacancies occurring shall be filled pursuant to [section 1780 of the Government Code](#).

A Director leaving office will file a Leaving Office Form 700 within thirty days of vacating office.

3. Board Organization

The Board of Directors shall hold an annual organizational meeting at a regular meeting in December to establish or confirm Board officers by an election from existing Board members.

Board officers are the President, Vice President, Treasurer, and Secretary.

Officers assume their duties immediately upon Board confirmation and serve during the next calendar year.

Additionally, the General Manager and District Legal Counsel shall be affirmed at the annual organizational meeting.

At the organizational meeting the Board will appoint members to the Standing Committees.

Standing and Ad Hoc Committees

- a) Standing committees shall only be dissolved by majority vote of the Board.
- b) The duties of an ad hoc committee shall be determined at the time of appointment and the committee shall be considered dissolved when its final report has been made.
- c) If the Board President or the Board has created a standing committee the members of such committee shall be appointed for the year no later than the Board's regular meeting in January.
- d) Minutes shall be required for meetings of standing committees, and such meetings shall be conducted in accordance with the Ralph M. Brown Act. (Government Code, § 54952)

- e) Minutes shall not be required to be prepared for ad hoc committee meetings. Ad hoc committees are not considered legislative bodies for purposes of the Ralph M. Brown Act. (Government Code, § 54952)
- f) All actions of committees are subject to approval by the Board of Directors.

District Representation in Organizations

- a) The Board reviews annually all District memberships and representations.
- b) Appointments to serve as a District representative or member on a non-District board, commission, or organization shall be made by the President, subject to confirmation by the full Board.
- c) Unless otherwise required by law or contract, the term of any external position shall be one year. There is no limit to the number of terms or consecutive terms.
- d) Additional policies related to representation in external organizations are stated in the "Board Memberships" section of this manual.

4. Board Memberships

Appropriate Memberships

To take advantage of in-service training opportunities, the District may belong to industry related associations. Directors who are appointed District representatives may attend meetings of national, state, and local associations, which are directly related to the District's purpose and operation. Decisions to continue, discontinue, or add new memberships shall occur through the annual budget process.

Appointment of Representative

The President shall appoint Directors as a representative and alternate, as appropriate, to serve as District contacts among stakeholder groups, associations, and other organizations at the Board's discretion. All representatives and alternates shall report to the Board in a timely manner on their activities. Directors may be allowed certain expenses for travel and membership as a representative or alternate. Reimbursable expenses shall be determined and approved at a regular Board meeting before expenses are incurred.

Representation Limitation

When expressing an opinion about any aspect of District business, each Director Representative should clearly state that he or she is expressing a personal opinion that is not a Board position, unless the representative has been directed by the Board to express an official District policy or position or decision, which has been approved by the Board.

5. Board Meetings

Under the Ralph M. Brown Act (Government Code sections 54950, et seq.) all meetings of the Board must be open to the public, publicized and noticed properly, conducted according to agenda and meeting procedures, and be documented; however, exceptional meetings may be noticed and conducted as closed sessions, which are not open to the public.

A majority of the Board shall not discuss or reach consensus on any matter under the jurisdiction of the District other than during a meeting of the Board.

Meeting Structure

Board meetings are conducted in accordance with Roberts Rules of Order and Rosenberg's Rules of Order.

Regular Meetings

The schedule for Board meetings will be determined at the annual organizational meeting, typically held in December.

The Clerk of the Board will prepare an agenda for each regular meeting after consulting with the General Manager and/or Board President. The agenda has a brief description of each agenda item. District staff will provide the Board packet to all Directors one week in advance of each regular meeting upon receiving a finalized agenda.

Only items that are stated on an agenda may be discussed in the meeting. The agenda is posted at least seventy-two hours before the regular meeting.

The Board, by majority vote or as otherwise provided by law, may modify the agenda before the first matter is considered. To the extent time permits, all matters on the agenda shall be considered and this is done in the order of the agenda's noticed or modified sequence.

No action may be taken on any matter that is not noticed on the posted agenda, with very limited exceptions. Agenda items that are not considered or completed at a meeting for lack of time may become an agenda item in a subsequent meeting.

A regular meeting agenda may include a closed session; *see* section on **Closed Sessions**.

Special Meetings

A special meeting of the Board may be called as needed by the Board President or by a majority of the Board.

The Clerk of the Board will prepare the agenda for the special meeting, which contains a brief description of each agenda item, after consulting with the General Manager and/or Board President. This agenda is posted at least twenty-four hours before the special meeting. Only business identified in the agenda shall be considered or discussed at a special meeting.

A special meeting agenda may include a closed session; The Board may meet in closed session during a special meeting; *see* section on **Closed Sessions**.

Emergency Meetings

Sometimes an emergency requires prompt action. An emergency meeting may occur without complying with special meeting posting and notice requirements.

An "emergency" includes any of these situations:

- a) A work stoppage or other activity severely threatens or impairs public health, safety, or both, as determined by a majority of the Board.
- b) A crippling disaster severely impairs or threatens public health, safety, or both, as determined by a majority of the Board.

The Board shall not meet in closed session during any emergency meeting. All special meeting requirements apply to emergency meetings except the twenty-four hour notice requirement.

Use of Legal Counsel

All questions concerning District business shall be funneled through the General Manager or Board President only.

Closed Sessions

In specific instances, Board business may be conducted in closed sessions, which are not open to the public. The exceptional circumstances allowing for a closed session are specified in the Ralph M. Brown Act. Generally, these are circumstances concerning claims, litigation, potential litigation, labor negotiations, real estate negotiations, and personnel.

The particular exception allowing for the closed session must be specified in the agenda. No other matter may be discussed in the closed session. Although not always required, District Legal Counsel usually attends all closed sessions.

The District's right and need to conduct some of its business confidentially and to have legal confidences are not subject to "waiver" by any Director. The District is entitled to protect its privileged official information. Evidence Code, § 1040. No Director may be asked about what happened in a closed session and no Director is allowed to disclose what was discussed or occurred in a closed session. *Kleitman v. Superior Court (Wesley)* (1999) 74 Cal.App.4th 324.

Quorum Required

No Director may take any action or make any representation that results in 1) budgeting or expending District funds, 2) establishing any procedure or policy, or 3) taking any action on behalf of the Board. All of such action requires a quorum of the Board to be present in a public meeting and Board agreement during a noticed and properly conducted meeting.

Action may be taken only by a majority vote of the Board. Three Directors constitute a quorum. A quorum is required to conduct business and to take action. When there is only a quorum to take action, all votes must be unanimous.

A Director who abstains from voting will be identified in the minutes as "Abstaining." If there is an abstention when only a quorum is present, the Board cannot take action. For the same reason, if there are two abstentions when all five Directors are present and action requires a two-thirds vote, no action may be taken.

6. Board Compensation

Board/Committee Meetings

Effective May 10, 2021, Directors are paid \$220.00 for each day's attendance at a regular or special meeting of the Board or a standing or ad hoc committee. (MSD Ordinance No. 17). Compensation for regularly scheduled meetings will be reviewed at the annual organizational meeting.

Conference/Seminar

A Director authorized and requested by the Board to attend a conference or seminar shall be compensated \$137.50 per day for each day of attendance, and no travel day will be compensated. (MSD Ordinance No. 14).

Other Authorized Meetings

A Director authorized and requested by the Board to serve as an officer or liaison to affiliated agencies as an official District representative shall be compensated \$137.50 per day for each day of attendance. (MSD Ordinance No. 14).

Prior authorization must be received from the Board in a public meeting in order to receive per diem compensation and expense reimbursement. An authorized representative Director shall provide a brief report of the meeting at the next regular Board meeting.

Compensation for meetings and services is limited to six days in any calendar month. (MSD Ordinance No. 14).

Daily compensation shall be for one meeting at the highest applicable compensation rate regardless how many meetings were attended that day.

District policy stated in Ordinance No. 14 is pursuant to section 53232.1 (b) of the Government Code: "A local agency may pay compensation for attendance at occurrences (other than meetings) only if the governing body has adopted, in a public meeting, a written policy specifying other types of occasions that constitute the performance of official duties for which a member of the legislative body may receive payment."

7. Board Travel

The Board has decided that it is in the District's best interests if its Directors participate, from time to time, in conferences, seminars, and meetings related to the governance of public agencies, especially agencies responsible for wastewater collection, treatment, and disposal. The Board has adopted the following policies for Director participation; additionally, Directors are required to comply with ethical, disclosure, and conflict of interest laws and standards.

Vendor/Consultant Benefits

The Board discourages the acceptance of gifts, gratuities, trips, and similar incentives and benefits from vendors and or consultants.

Registration

Registration fees for conferences, seminars, workshops, and meetings will be paid directly and in advance by the District. Extra registration or other fees for spouses or guests will not be paid by the District.

Transportation

An authorized Director should try to arrange for the District to be billed in advance for public transportation. The use of a private vehicle will be compensated at the mileage rate allowed by the Internal Revenue Service. Under no circumstance will the reimbursement for transportation expense exceed the lowest cost for round trip airfare from Santa Barbara to the meeting site. Special travel requirements, such as rental car, taxi, or shuttle service, will be reimbursed from receipts and records provided by the Director. Travel costs for spouses or guests will not be paid by the District.

Lodging

If overnight stay is required, the authorized Director should arrange for the District to be billed in advance for lodging expenses. If prior arrangements are not possible, the Director may pay for lodging costs and reimbursement will be made from receipts and records. The District reimburses only the expense of normal lodging at a single occupancy rate, plus tax. It does not reimburse extra services or entertainment.

Meals

Directors will be compensated for meals, including non-alcoholic beverages, taxes, and gratuities purchased at their expense, unless these are provided by the conference or seminar, not to exceed the per diem rates periodically established and published by the County of Santa Barbara. The cost of meals offered as part of the conference format shall be fully reimbursed, unless the cost of such meals is covered in the conference registration fee.

8. Conflict of Interest

Statement of Economic Interests

Directors shall file statements of economic interest (Form 700) as required by the Fair Political Practices Commission; *see* 2 California Code of Regulations, section 18730. If newly appointed or elected, a Director must file an Assuming Office Statement within thirty days of assuming office. Annual statements for all Directors, covering the prior calendar year must be filed by April 1st. A Director must file a Leaving Office Statement within thirty days of leaving office.

State Regulations

All provisions of 2 California Code of Regulations, section 18730 and any amendments thereto are incorporated by reference.

Compliance Requirements

Directors shall comply with all provisions of the District's conflict of interest code, which the Board reviews every two years and files with the County of Santa Barbara.

Abstaining from Voting

When a disqualifying and disclosed financial conflict of interest exists, a Director shall abstain from participating in Board decision-making.

When a Director's actual or potential disqualifying financial conflict of interest should arise in the course of Board business, a Director shall disclose the conflict and should expect to abstain from discussion and voting on the related matter. When a Director should become aware of a potential or actual financial conflict of interest arising from an item being considered for an agenda or that has been noticed on a Board meeting agenda, the Director shall immediately inform the General Manager to allow determination whether it is a disqualifying conflict of interest.

A Director shall not attempt to influence how other Directors vote when a Director has a disqualifying financial conflict of interest.

When a Director has a disqualifying financial conflict of interest, immediately before the agenda item is discussed the Director shall disclose on the record and with sufficient specificity the actual or potential disqualifying financial conflict of interest, except a residence address.

Generally, if a matter is not on the consent agenda, a Director shall leave the Board table during deliberation of or action on the agenda item for which the Director has a disqualifying conflict, but the Director may remain in the hearing room and address the Board on the matter solely as a member of the public. (Government Code sections 87100, 87101, 87103, 87105, 87200; FPCC regulations 18700 - 18707).

Incompatible Offices

A Director shall not hold incompatible public offices. A Director may not hold any other public office with any duty that might require action contradictory to or inconsistent with his or her duties as a District Director. At all times, a Director's sole loyalty should be to the District. Each Director shall become informed of and adhere to the requirements of section 1099 of the Government Code.

9. Board Training

Ethics Training

Every two years, each District Director is required to receive at least two hours of required ethics training pursuant to Government Code §532.35. Each new Director must complete this ethics training within one year of taking the oath of office and every two years thereafter.

Sexual Harassment Training

Every two years, each Director is required to receive two hours of sexual harassment training pursuant to Government Code §12950.1. Each new Director shall receive this sexual harassment training within six months of taking office and every two years thereafter.

The District shall provide the Directors with information and education opportunities to satisfy the required board training. Directors may be allowed actual and necessary travel, meals, and lodging to attend trainings as approved by the Board.

Upon completion of required training, Directors shall file documentation to prove they have received required training to the Clerk of the Board.

10. Revision Log

The Board Policies and Procedures Manual should be reviewed annually by the Board of Directors. This review shall focus on evaluating the effectiveness of the Manual, and ensure that there are no conflicts between the manual and any actions taken by the Board in the previous year. Any time substantial changes are made to the Board Policies and Procedures, the General Manager will present the changes to District staff.

The table below provides a revision log for recent versions of Board Policies and Procedure manuals:

Revision Date	Document Name	Editors
June 2021	Board of Directors Policy and Procedure Manual 2021	Ad hoc Committee (Directors Johnson and Newquist)
November 2021	Board of Directors Policy and Procedure Manual 2021	Ad hoc Committee (Directors Johnson and Newquist)



Montecito Sanitary District

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A Public Service Agency

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MONTECITO SANITARY DISTRICT

STAFF REPORT – 4E

DATE: May 26, 2023
TO: BOARD OF DIRECTORS
FROM: John Weigold, General Manager
Aleks R. Giragosian, General Counsel
SUBJECT: Establishing Policies and Standards for District Easements and
Regulating Easement Encroachments

RECOMMENDATION:

It is recommended the Board review the attached materials and provide staff with direction regarding whether to agendize the adoption of an ordinance to establish policies and standards for District easements and regulating easement encroachments.

DISCUSSION:

At a prior meeting, the Board discussed the different methods of enforcing easements. This staff report is in furtherance of that discussion and proposes specific procedures.

The District has an administrative citation process. Ordinance No. 10, adopted on November 8, 2005 and attached hereto as Exhibit A, authorizes the District to impose fines for violations of District ordinances. Section IV(A) of Ordinance No. 10 references a resolution of the Board that provides a schedule of fines. There is no record of the referenced resolution being adopted.

To ensure the enforceability of Ordinance No. 10, General Counsel proposes the adoption of Exhibit B attached hereto. Exhibit B amends Section IV(A) to provide a schedule of fines as prescribed by statute. Exhibit B is provided for discussion only. The Board may not act on the Ordinance until it has been properly noticed.

The General Counsel also proposes Exhibit C, which is an ordinance establishing policies and standards for District easements and regulating easement encroachments. The ordinance includes definitions, describes authorized and unauthorized encroachments, and explains who bears the cost of the removal and restoration of improvements disturbed by District activities. Violations of Exhibit C will be punishable under Exhibits A & B. Exhibit C is provided for discussion only. The Board may not act on the Ordinance until it has been

properly noticed.

Exhibit D is the template for the license agreement referred to in Exhibit C. The license agreement may be used to authorize the encroachment of those improvements that do not pose a significant interference with the District's easement rights, subject to its removal at the property owner's expense upon termination of the license agreement. Exhibit D is provided for discussion only. No action by the Board is required.

Lastly, Exhibit E is a concise outline of the proposed method of enforcing easements. It begins with the discovery of a potential encroachment upon the District's easement. Staff then conducts a survey to confirm the location of the easement. Once the bounds of the easement are determined, staff issues a notice of easement encroachment. In non-emergency scenarios or where the need is not urgent, staff may 1) enter into a license agreement with the property owner, 2) issue administrative citations, 3) seek a permanent restraining order in court, or 4) refer to the matter to the district attorney for criminal prosecution. In an emergency scenario or where the need is urgent, staff may 1) seek removal of the encroachment, 2) discontinue service to the property, 3) file for a temporary restraining order in court, or 4) refer to the matter to the district attorney for criminal prosecution. Exhibit E is provided for discussion only. No action by the Board is required.

Attachments:

Exhibit A- Ordinance No. 10

Exhibit B- Ordinance of the Board of Directors of the Montecito Sanitary District Amending Section IV(A) of Ordinance No. 10 to Include a Schedule of Fines

Exhibit C- Ordinance of the Board of Directors of the Montecito Sanitary District Establishing Policies and Standards for District Easements and Regulating Easement Encroachments

Exhibit D- License Agreement Template

Exhibit E- Policy Options for Easement Enforcement

ORDINANCE NO. 10

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE
MONTECITO SANITARY DISTRICT**

**ESTABLISHING CIVIL FINES FOR VIOLATIONS OF
ORDINANCES ENACTED BY THE DISTRICT**

WHEREAS, Government Code section 53069.4 authorizes the Governing Board of the Montecito Sanitary District to adopt an ordinance making any violation of any ordinance enacted by the Governing Board of the Montecito Sanitary District subject to an administrative fine; and

WHEREAS, the Board of Directors of the Montecito Sanitary District finds that an administrative fine ordinance will assist the Montecito Sanitary District in ensuring that the ordinances of the District are complied with; and

WHEREAS, the adoption of such an ordinance is exempt from the California Environmental Quality Act ("CEQA") in accordance with Section 15308 of the State CEQA Guidelines that exempts actions taken by regulatory agencies as authorized by State law or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for the protection of the environment.

NOW, THEREFORE, the Board of Directors of the Montecito Sanitary District does ordain as follows:

Section 1. The following is hereby adopted to read as follows:

I. Application.

A. This ordinance makes a violator of any ordinance enacted by the District subject to a civil fine.

B. By adopting this ordinance, the Board does not intend to limit the discretion of an enforcement officer to impose any remedy available, civil or criminal, for violations of District's rules and regulations and other ordinances.

C. The issuance of a civil citation shall be solely at the discretion of the enforcement officer and shall be one of several remedies available to the enforcement officer.

D. Notwithstanding any lease, license or any other instrument or agreement, the owner of real property has the right to enter upon his or her own property to the extent reasonably necessary to correct any violation of an ordinance of the District existing thereon.

E. The provisions of this ordinance shall be an implied term of any instrument affecting the right to possession of real property located in the District.

MSD Ordinance No. 10
Re: Establishing Civil Fines for Violations

F. Because violations of any ordinance of the District may seriously impact the safe and efficient operation of the District's sewer system, this ordinance imposes strict civil liability upon violators of ordinances of the District.

G. There shall be a rebuttable presumption that the record owners of a parcel according to the last equalized assessment roll and a lessee or sublessee of a parcel have notice of any ordinance violation existing on the parcel.

II. Definitions.

Unless specifically defined below, words or phrases used in this ordinance shall be interpreted so as to give them the meaning they have in common usage and to give this ordinance its most reasonable application.

A. Board is the Board of Directors of the Montecito Sanitary District.

B. Civil citation is a notice issued by an enforcement officer pursuant to this ordinance that there has been a violation of an ordinance of the District.

C. District is the Montecito Sanitary District.

D. Enforcement officer is an individual designated by the General Manager to enforce the provisions of this ordinance.

E. General Manager is the General Manager of the District or his or her designee.

F. Hearing officer is the individual designated by the board to serve as the hearing officer for administrative hearings.

G. Issuance date is the day a civil citation is personally served on a responsible person, is mailed to a responsible person, or is posted on real property where a property related violation occurs.

H. Issued is the giving, mailing, or posting of a civil citation.

I. Notice of decision is a notice that informs a responsible person of a decision made regarding provisions of this ordinance.

J. Ordinance violation is any violation of any ordinance adopted by the Board of the District.

K. Responsible person is any of the following:

(1) An individual causing an ordinance violation.

(2) An individual, by his or her action or failure to act, maintains or allows an ordinance violation to continue.

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- (3) An individual whose agent, employee, or independent contractor causes an ordinance violation by his or her action or failure to act.
- (4) An owner of or a lessee or sublessee with the current right of possession of real property on which an ordinance violation occurs.
- (5) An on-site manager of a business normally working daily at the site when the business is open and responsible for the activities at such business.
- (6) A natural person or legal entity, and the owners, majority stockholders, corporate officers, trustees, and general partners of a legal entity.

III. Issuance of Civil Citation.

A. Civil citation

- (1) After determining that a responsible person has violated a provision of a District ordinance, an enforcement officer may issue a civil citation to that person.
- (2) If, following an investigation, the enforcement officer has determined that a responsible person committed an ordinance violation, an enforcement officer may issue a civil citation for a violation the officer did not see occur.
- (3) A responsible person receiving a civil citation shall be liable for and shall pay to the District the fine imposed in the civil citation on the date specified in the civil citation.
- (4) Every individual who applies for and receives a permit, license, or other approval, shall comply with all conditions imposed upon the issuance of the permit, license or other approval that benefits District. If an individual violates any condition of such permit, license or other approval, an enforcement officer may issue such individual a civil citation and that individual shall be liable for payment of any civil fines.
- (5) Each day a responsible person allows an ordinance violation to exist shall be a separate violation and that person shall be subject to a separate fine.
- (6) A civil citation may charge an ordinance violation for one or more days on which a violation exists and for violation of one or more ordinance sections.

B. Contents of civil citation:

- (1) Every civil citation shall contain the following:
 - (a) Name of the responsible person.
 - (b) Date on which an inspection established the ordinance violation.

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- (c) Ordinance section violated.
- (d) Address where the ordinance violation occurred.
- (e) Description of the ordinance violation.
- (f) The amount and effective date of the fine.
- (g) Procedures to pay the fine.
- (h) Description of the procedure for requesting a waiver of fine deposit and administrative hearing to contest a civil citation.
- (i) Hearing date, time and location in the event that a responsible person requests a hearing regarding the waiver of fine deposit and/or an administrative hearing.
- (j) Signature of the enforcement officer issuing the civil citation.
- (k) Date of issuance.
- (l) Any other information deemed necessary by the District's counsel for enforcement or collection purposes.

2. A self-addressed envelope in which the responsible person may mail to the District the fine or request a hearing regarding the waiver of fine deposit and/or an administrative hearing shall accompany any civil citation.

C. Service.

A civil citation may be served as follows:

- (1) An enforcement officer may personally serve the civil citation on the responsible person. The responsible person is required to sign a copy of the civil citation showing his or her receipt.
- (2) An enforcement officer may mail the civil citation by first class mail, if the responsible person is not present for personal service when the enforcement officer determines there has been an ordinance violation. The civil citation shall be mailed to the responsible person's address shown on the last equalized assessment roll for property related violations of District ordinances or to any address known for the responsible person for all other violations.

IV. Civil Fine Amount and Payment.

A. Amount.

(1) The amount of the fines imposed for violating provisions of any District ordinance shall be established in a schedule of fines adopted by resolution of the board. The schedule of fines may include escalating fine amounts for repeat ordinance violations occurring within specified periods of time.

(2) The schedule of fines may specify the amount of interest and penalties owed for any fine not timely paid.

B. Payment.

(1) Fines are due on the day specified in the civil citation or, in the event of an appeal, on the date specified by the hearing officer.

(2) Fines shall be paid to the District. Payment shall be made by mailing the envelope attached to the civil citation and enclosing the fine amount paid by check or money order.

(3) Payment of a fine shall not excuse the responsible person from correcting the ordinance violation. The issuance of a civil citation and/or payment of a fine does not bar the District from pursuing any other enforcement action regarding an ordinance violation that is not corrected, including issuing additional civil citations and/or criminal complaints.

V. Administrative Hearings.

A. Administrative hearings.

(1) A responsible person receiving a civil citation may request an administrative hearing.

(2) A request for an administrative hearing shall be made on an administrative hearing request form and shall include the grounds for requesting an administrative hearing.

(3) Any request for an administrative hearing shall be filed with the General Manager within 30 days of the issuance of the civil citation. The request shall be accompanied by a deposit equal to the fine amount imposed in the civil citation.

(4) Unless the hearing was otherwise continued, a responsible person requesting an administrative hearing shall attend the hearing on the date, time and location specified in the civil citation. Failure to attend the hearing shall constitute an abandonment of the request for an administrative hearing.

MSD Ordinance No. 10
Re: Establishing Civil Fines for Violations

B. Hearing procedures.

(1) The administrative hearing shall be conducted by a hearing officer on the date, time and location specified in the civil citation.

(2) The General Manager shall ensure that all information relevant to the civil citation is provided to the hearing officer prior to the hearing date. The General Manager shall provide the responsible person with a copy off all information provided to the hearing officer.

(3) The responsible person shall be allowed to testify and to present evidence relevant to any ordinance violation specified in the civil citation.

(4) The civil citation and any other reports prepared by the enforcement officer concerning the ordinance violation shall be accepted by the hearing officer as prima facie evidence of the ordinance violation and of the facts stated in such documents.

(5) Neither the enforcement officer nor any other representative of the District shall be required to attend an administrative hearing. The hearing officer shall not require that the enforcement officer submit any evidence other than a copy of the civil citation. The enforcement officer may, in his or her discretion, appear at an administrative hearing and/or submit additional evidence.

(6) If a request is made by the responsible person or a representative of the District setting forth good cause for a continuance, the hearing officer may continue an administrative hearing.

(7) If a continuance is granted, a new hearing date shall be set within 45 days and shall be specified in the notice of continuance. If a continuance is denied, the administrative hearing shall proceed as scheduled. The decision of the hearing officer to grant or deny a continuance shall be final and is not subject to judicial review.

(8) An administrative hearing shall be conducted informally without strict adherence to the legal rules of evidence.

(9) Failure of the responsible person to appear at a hearing shall constitute an abandonment of the hearing and a failure to exhaust administrative remedies concerning the violation set forth in the civil citation. Failure to appear by the responsible person shall be noted on the notice of decision by the hearing officer and which will be mailed to the responsible person.

C. Decision.

(1) The hearing officer shall issue a notice of decision within five working days of the conclusion of the administrative hearing either upholding or dismissing the civil citation. The decision of the hearing officer shall be final.

(2) The hearing officer may not increase or reduce any fine specified in a civil citation.

MSD Ordinance No. 10
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(3) The notice of decision shall be personally delivered or mailed to the responsible person.

(4) If the hearing officer dismisses the civil citation, the District shall, within 30 days of the date of the notice of decision, refund to the responsible person any fine deposited with the District.

VI. Judicial review.

A. The responsible person may seek judicial review of the hearing officer's decision by filing an appeal with the Santa Barbara County Superior Court Clerk within 20 calendar days after the responsible person receives a copy of the notice of decision in accordance with Government Code section 53069.4. Any appeal filed with the superior court shall contain a proof of service showing that a copy of the appeal was served upon the District. The responsible person must pay the appropriate filing fees.

B. Judicial review is not available for an abandonment of an administrative hearing by a responsible person by failing to appear at the administrative hearing or failing to deposit the appropriate fine amount.

C. Within 15 days of any request, the District's legal counsel or designee shall forward to the superior court, the appropriate notice of decision and civil citation for any matter appealed to the superior court. If the superior court reverses any decision of the hearing officer, the District shall refund the superior court filing fee and any fine deposit paid by a responsible person.

VII. Collection of delinquent fines.

A. The General Manager may pursue any and all legal and equitable remedies for the collection of delinquent fines, including interest and penalties.

B. The District may request the Santa Barbara District Attorney to issue a criminal citation or complaint against any responsible person not timely paying any fine due to the District.

Section 2. If any chapter, article, section, subsection, subdivision, sentence, clause, phrase, or portion of this ordinance, or the application thereof to any person, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance or its application to other persons. The District Board hereby declares that it would have adopted this ordinance and each chapter, article, section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more chapters, articles, sections, subsections, subdivisions, sentences, clauses, phrases, or portions of the application thereof to any person, be declared invalid or unconstitutional. No portion of this ordinance shall supersede any local, State, or federal law, regulation, or code.


MSD Ordinance No. 10
Re: Establishing Civil Fines for Violations

Section 3. Immediately following adoption, the Clerk shall cause this ordinance to be published one time in a newspaper of general circulation within the District. Ordinance No. 10 was adopted on November 8, 2005, to become effective following its publication in a newspaper of general circulation.

AYES: Arnold, Begley, Cannata and McKenzie


NAYS: None

ABSENT: Tmur

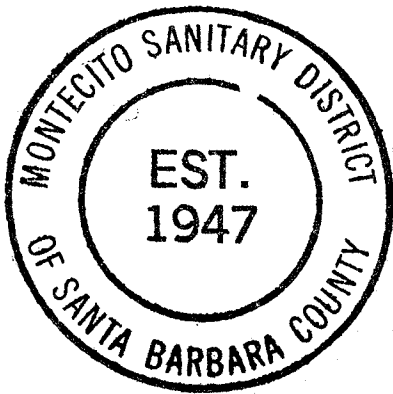


President

ATTEST:



Secretary



ORDINANCE NO. XX

**ORDINANCE OF THE BOARD OF DIRECTORS
OF THE MONTECITO SANITARY DISTRICT
AMENDING SECTION IV(A) OF ORDINANCE
NO. 10 TO INCLUDE A SCHEDULE OF FINES**

WHEREAS, the Montecito Sanitary District (“District”) is a sanitary district duly organized and existing pursuant to the Sanitary District Act of 1923 codified in Health and Safety Code section 6400 et seq; and

WHEREAS, Health and Safety Code sections 6521 and 6491.3 authorize the Board of the District to make and enforce all necessary and proper regulations and ordinances for all other sanitary purposes not in conflict with the laws of the state of California; and

WHEREAS, on November 8, 2005, the Board of the Montecito Sanitary District adopted Ordinance No. 10 to establish civil fines for violations of ordinances enacted by the District, but did not include a schedule of fines; and

WHEREAS, the Board of the District desires to adopt a schedule of fines consistent with Government Code sections 53069.4, subdivision (a)(1), 25132, subdivision (b), and 36900, subdivision (b); and

WHEREAS, the adoption of such an amendment to Ordinance No. 10 is exempt from the California Environmental Quality Act (CEQA) in accordance with Sections 15308 and 15321 of the State CEQA Guidelines that exempts actions taken by regulatory agencies to assure the maintenance, restoration, enhancement, or protection of the environment and the enforcement of its laws.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MONTECITO
SANITARY DISTRICT DOES ORDAIN AS FOLLOWS:**

SECTION 1. Recitals. The Recitals above are true and correct and incorporated herein by this reference.

SECTION 2. Ordinance Amendment. Subsection A (Amount) of Section IV (Civil Fine Amount and Payment) of Ordinance No. 10 is hereby amended to read as follows, with underlined text denoting additions and strike through text denoting deletions:

IV. Civil Fine Amount and Payment.

A. Amount.

- (1) The amount of the fines imposed for violating provisions of any District ordinance shall ~~be established in a schedule of fines adopted by resolution of the board. The schedule of fines may include escalating fine amounts for repeat ordinance violations occurring within specified periods of time.~~ be punishable by the following:
 - a. A fine not exceeding one hundred dollars (\$100) for a first violation.
 - b. A fine not exceeding two hundred dollars (\$200) for a second violation of the same ordinance within one year of the first violation.
 - c. A fine not exceeding five hundred dollars (\$500) for each additional violation of the same ordinance within one year of the first violation.

(2) The schedule of fines may specify the amount of interest and penalties owed for any fine not timely paid.

SECTION 3. Publication & Effective Date. Under Health and Safety Code section 6490, immediately following adoption, the Clerk shall cause this ordinance to be published one time in a newspaper of general circulation within the District, and the ordinance will take effect upon expiration of the week of publication.

SECTION 4. Severability. If any section of this ordinance is held to be invalid or unconstitutional, the remaining sections shall remain valid. The Board hereby declares that it would have adopted this ordinance regardless of whether particular sections may be declared invalid or unconstitutional.

PASSED AND ADOPTED by the Board of Directors of the Montecito Sanitary District on this [DAY]th day of [MONTH], 2023, by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Woody Barrett
President of the Board of Directors of the
MONTECITO SANITARY DISTRICT

ATTEST:

Stephen Williams
Clerk of the Board of Directors of the
MONTECITO SANITARY DISTRICT

ORDINANCE NO. XX

**ORDINANCE OF THE BOARD OF DIRECTORS
OF THE MONTECITO SANITARY DISTRICT
ESTABLISHING POLICIES AND STANDARDS
FOR DISTRICT EASEMENTS AND REGULATING
EASEMENT ENCROACHMENTS**

WHEREAS, the Montecito Sanitary District (“District”) is a sanitary district duly organized and existing pursuant to the Sanitary District Act of 1923 codified in Health and Safety Code section 6400 et seq;

WHEREAS, under Health and Safety Code section 6514, the District may acquire “such real and personal property and rights of way, either within or without the limits of the district, as in the judgment of the board are necessary or proper to the exercise of its powers, and particularly for the purpose of permitting ingress to and egress from such real or personal property, ... ”;

WHEREAS, Health and Safety Code sections 6521 and 6491.3 authorize the Board of the District to make and enforce all necessary and proper regulations and ordinances for all other sanitary purposes not in conflict with the laws of the state of California; and

WHEREAS, the Board of the District desires to adopt regulations to protect its easements.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MONTECITO
SANITARY DISTRICT DOES ORDAIN AS FOLLOWS:**

SECTION 1. Recitals. The Recitals above are true and correct and incorporated herein by this reference.

SECTION 2. Definitions. For purposes of this Ordinance, the following terms have the meaning specified below:

2.1 “District facilities” means pipelines, pump stations, or any other structures, equipment and machinery, including appurtenances to them, which are used to collect, convey, treat, dispose of and reuse wastewater.

2.2. “Easement” means a property right, however created, by which the owner of the right is entitled to make specified uses of the real property of another person; “easement” includes, “reserve,” “right of way,” “sewer reserve,” and “utility reserve.”

2.3. “Property Owner” means the fee owner or leaseholder of the servient tenement to the District’s easement.

2.4. “Significant interference” means, with respect to encroachments on District easements, a use or condition that does or has the potential to damage or to inhibit access to District facilities or that does or has the potential to negatively impact the District’s use of the easement for its intended purposes. Some uses and conditions that do not pose a significant interference include lawns, flowerbeds, loose paving stones, and similar landscaping features. Some uses or conditions that do pose a significant interference include swimming pools, permanent decks, retaining walls, trees, heavy brush and vegetation, gates, fences, and paving. The determination regarding whether an activity or condition constitutes a significant interference shall be made by the General Manager, which shall be consistent with this Ordinance.

SECTION 3. Unauthorized Encroachments. It is unlawful for any person to:

3.1. Cause, permit, or maintain an unauthorized encroachment on a District easement that results in a significant interference with the District's easement rights or District's facilities;

3.2. Cause, permit, or maintain any activity or condition off or outside a District easement that causes, whether directly or indirectly, a significant interference with the District's easement rights.

SECTION 4. Authorized Encroachments.

4.1. A property owner may make use of the land over which the District has an easement if the use or condition does not violate Section 3 of this Ordinance.

4.2. Notwithstanding Section 4.1, the District may enter into a license agreement with a property owner whereby the use or condition may be maintained for a limited duration or indefinitely, subject to its removal at the property owner's expense upon the termination of the license agreement.

SECTION 5. Removal & Restoration of Improvements Disturbed by District Activities.

Whenever the District's reasonable use of the easement to construct, reconstruct, renew, alter, operate, maintain, inspect, repair, and replace District facilities results in the need for the property owner's improvements to the real property to be removed or disturbed, the following provisions apply:

5.1. The District shall, at the expense of the District, replace or restore the improvements in kind which are not prohibited by this Ordinance, upon the completion of the District's activities.

5.2. If the encroachment is authorized pursuant to a license agreement and the license agreement does not specify otherwise, the property owner shall, at no expense to the District, be responsible to restore the encroaching improvements.

5.3. Unauthorized encroachments shall be removed by the property owner at his or her expense and shall not be restored by the District. Removal shall be performed promptly after notice from the District. If the encroachment has not been removed with a reasonable time after notice, or if the urgency of the District's easement activities requires, the District may remove the encroachment itself, and the removal costs may be charged to the property owner.

SECTION 6. District Remedies. The remedies granted to the District in this Ordinance are in addition to any other rights and remedies that are available under prior regulations or otherwise afforded by law, and the District is entitled to exercise any and all such rights and to charge property owners for the costs of such remedies either serially or cumulatively, as determined by the District.

SECTION 7. CEQA. This action is not a project for purposes of 15 CCR 15378(b)(5) in that It is an administrative activity that will not result in direct or indirect physical changes in the environment.

SECTION 8. Publication & Effective Date. Under Health and Safety Code section 6490, immediately following adoption, the Clerk shall cause this ordinance to be published one time in a newspaper of general circulation within the District, and the ordinance will take effect upon expiration of the week of publication.

SECTION 9. Severability. If any section of this Ordinance is held to be invalid or unconstitutional, the remaining sections shall remain valid. The Board hereby declares that it would have adopted this ordinance regardless of whether any particular section is held invalid or unconstitutional.

PASSED AND ADOPTED by the Board of Directors of the Montecito Sanitary District on this [DAY]th day of [MONTH], 2023, by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Woody Barrett
President of the Board of Directors of the
MONTECITO SANITARY DISTRICT

ATTEST:

Stephen Williams
Clerk of the Board of Directors of the
MONTECITO SANITARY DISTRICT

RECORDING REQUESTED BY)
AND WHEN RECORDED RETURN TO:)
MONTECITO SANITARY DISTRICT)
1042 MONTE CRISTO LANE)
SANTA BARBARA, CA 93108-2809)

Exempt from recording fee pursuant to
Government Code Sections 6103 & 27383

Portion of A.P.N. [INSERT APN]

GRANT OF EASEMENT

This Grant of Easement (“Grant”) is entered into by and between the Montecito Sanitary District, a California independent special district, (“District”) and [Entity Name], a [Organizational Form] (“Grantor”)

RECITALS

- A. Under Health and Safety Code section 6514, the District may acquire “such real and personal property and rights of way, either within or without the limits of the district, as in the judgment of the board are necessary or proper to the exercise of its powers, and particularly for the purpose of permitting ingress to and egress from such real or personal property, ... ;”
- B. On September 26, 1960, the District adopted Resolution No. 1960-21 which authorizes any member of the Governing Board “to accept for and on behalf of Montecito Sanitary District, deeds or grants conveying any interest in or easement upon real property to Montecito Sanitary District.”
- C. Grantor is the owner of real property located at [Address] (“Property”);
- D. The District desires to acquire rights of way over Grantor’s Property for the purpose of laying sewer lines, including main lines, trunk lines, collection lines, and laterals, and installing manholes and other underground and surface structures appurtenant to the sewer lines (“Facilities”), and obtaining the right of ingress to and egress from the Property to construct, operate, maintain, inspect, repair, and replace the Facilities.

NOW, THEREFORE, for good and sufficient consideration, the receipt and adequacy of which is hereby acknowledged, District and Grantor agree as follows:

- 1. Grant of Easement. Grantor grants to District an easement within the “Easement Area,” as more particularly described in Exhibit A and depicted in Exhibit B, attached hereto and incorporated herein, subject to the terms of this Grant.
- 2. Description of Grant. The Grant is an easement for the construction, operation, maintenance, inspection, repair, and replacement of the Facilities and the right of ingress to and egress from the Property at all times for those purposes.

3. Easement in Gross. The Grant is an easement in gross.
4. Use of Easement Area by District. District agrees to use the Easement Area only in the manner consistent with the terms and conditions of this Grant. Prior to the performance of any work within the Easement Area, District shall inform the Grantor. In the event that Grantor gives the District written notice that District's use of the Easement Area violates the terms and conditions of this Grant, District shall promptly take such steps as are necessary to cure such violation. District shall not make any changes to the Easement Area that are inconsistent with the purpose of the Grant.
5. Use of Easement Area by Grantor. Grantor shall not increase or decrease or permit to be increased or decreased the ground elevations or grades of the Easement Area then existing upon the Effective Date of this Grant. Neither shall Grantor construct or permit to be constructed any permanent or temporary encroachments upon or abutting the Easement Area, without the prior written consent of the District.
6. Removal of Encroachments. At the expense of the Grantor, District may remove any encroachments upon or abutting the Easement Area that conflict, interfere, or are inconsistent with the purposes of this Grant.
7. Relocation of Easement. Grantor may, at Grantor's own expense and subject to the written approval of the District, relocate the Easement Area or Facilities in the event that they conflict with future development at the Property, provided that Grantor does not cause the discontinuance of service to any area outside the Property being served by the District and the District receives, without expense to the District, a comparable easement for the relocation.
8. Damage to Property or Easement Area. Any damage to the Property or Easement Area resulting the District's sole, active negligence or willful misconduct shall be repaired at District's sole cost and expense.
9. Term. This Easement shall commence on the date this Grant is recorded in the official records of Santa Barbara County and shall terminate upon the recordation executed by the District with notary acknowledgement.
10. Restoration Following Termination. Upon termination of this Easement by recorded release, the District will restore the Easement Area to its original condition immediately before the Effective Date of this Grant.
11. Indemnification. To the fullest extent permitted by law, Grantor shall indemnify, hold harmless, and defend the District from and against any and all claims, losses, costs or expenses for any personal injury or property damage arising out of or in connection with Grantor's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Grantor or failure to comply with any provision in this Agreement.

12. Entire Agreement. This Grant constitutes the entire agreement between the parties. Any prior agreements, promises, negotiations, or representations with respect to the use of the Easement Area for purposes that are not expressly set forth in this Grant are of no force and effect. Any amendment to this Grant shall be of no force and effect unless it is in writing and signed by both parties with notary acknowledgments and recorded in the official records.

IN WITNESS WHEREOF, this Grant shall take effect upon the date of the last signature below (“Effective Date”).

“DISTRICT”
Montecito Sanitary District

“GRANTOR”
[NAME]

AUTHORIZED SIGNATORY:

AUTHORIZED SIGNATORY:

Signature: _____

Signature: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTEST:

Signature: _____

Printed: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

Signature: _____

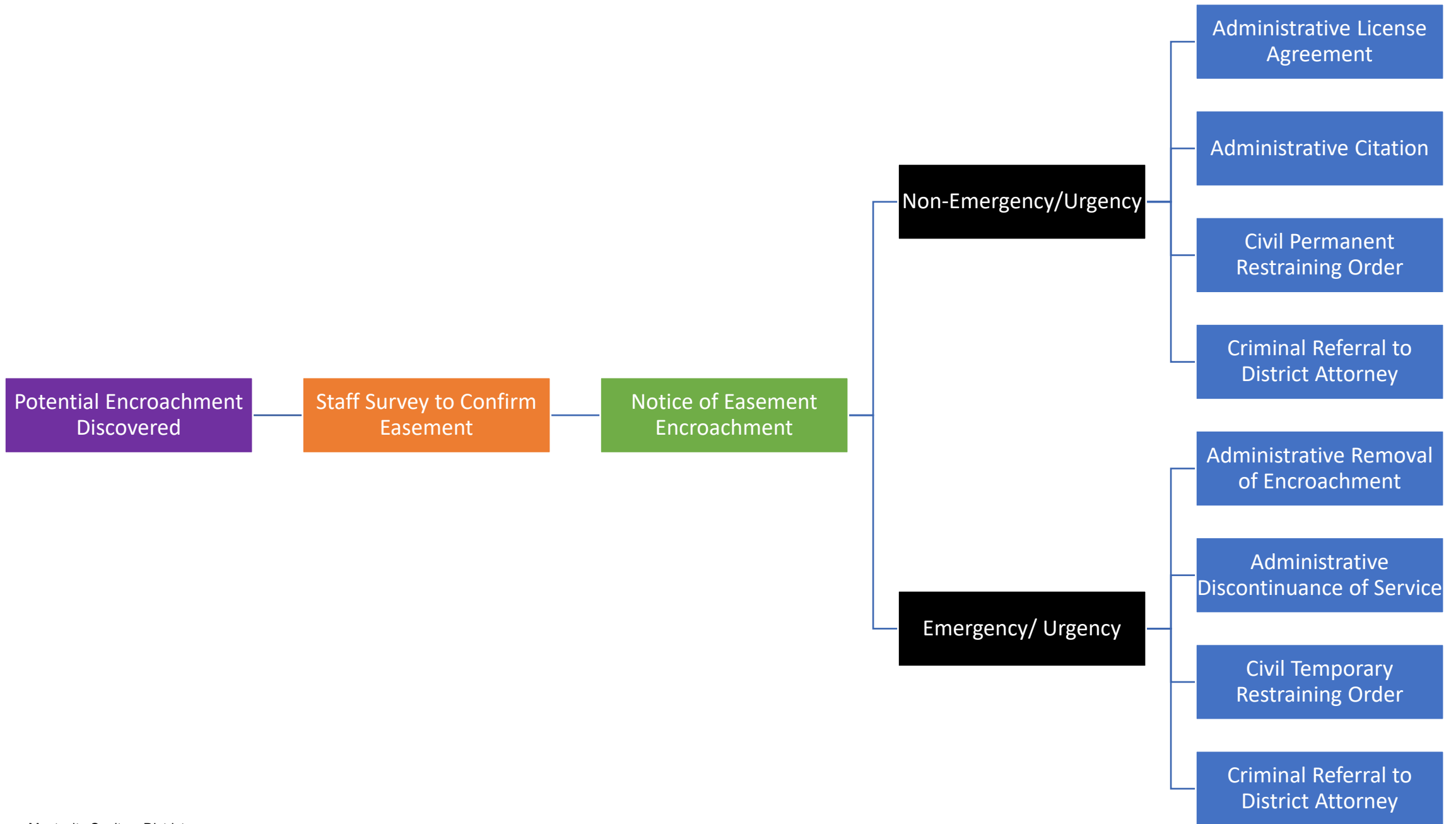
Printed: _____

Title: _____

Date: _____

EXHIBIT A

EXHIBIT B





Montecito Sanitary District

1042 Monte Cristo Lane *A Public Service Agency*
Santa Barbara, CA 93108

Phone: (805) 969-4200
www.montsan.org

MONTECITO SANITARY DISTRICT STAFF REPORT – 6

DATE: May 26, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: Labor Negotiations (Government Code §54957.6)

RECOMMENDATION

It is recommended that the Board discuss and consider approval of an updated labor agreement with the Management group and take any such additional action that may be desirable.

ANALYSIS

None.

FISCAL IMPACT

Fiscal impacts will be incorporated into next fiscal years' budget based on the terms that the Board agrees to.

ATTACHMENTS:

1. Revised MSD Board Counter Proposal to 4th Management Proposal dated May 17, 2023

Revised MSD Board Counter Proposal to 4th Management Proposal

May 17, 2023

1. Health Insurance
 - a. Increase benefit(s) to match SEIU MOU
 - b. Coverage for Employee +1 with a cap of \$1400
2. Vacation Accruals/Caps
 - a. Adopt benefits to match SEIU MOU table of accruals/caps
 - b. Remain with current vacation tiers for staff and management
3. Salary Increases
 - a. COLA increase of 5.5%, effective immediately. Future years COLA to be calculated based on Los Angeles-Anaheim CPI for the months of April through March, with a floor of 2% and ceiling of 5%.
 - b. Salary for each management position to be increased accordingly, with no salary in fiscal year 2023/2024 to exceed \$163,000.
 - c. Salary ranges will be adjusted in fiscal year 2024/2025 and future years based on COLA.