



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

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

BOARD PACKET

For the Board Meeting of

Wednesday, March 8, 2023

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AGENDA

For the Regular Meeting of the Board on:

March 8, 2023

The regular meeting of the Governing Board will begin at **12:00 p.m. on March 8, 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/86118975917>

Or by calling: 1-669-900-6833

Meeting ID: 861 1897 5917

1. CALL TO ORDER

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. 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. 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

4. REPORT FROM CLOSED SESSION

5. DISTRICT BUSINESS ITEMS

A. PURCHASING POLICY PRESENTATION

It is recommended that the Board receive a presentation from Legal Counsel on the components of Purchasing Policy and the differences between our current Public Contracting Code and the California Uniform Public Construction Cost Accounting Act (UPCCAA).

B. 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.
- ii) Taking such additional, related action that may be desirable.

C. SALARY COMPARISON WITH OTHER DISTRICTS

It is recommended that the Board:

- i) Discuss and consider a method to compare the District's salaries with other districts and to choose the districts to make comparisons with.
- ii) Taking such additional, related action that may be desirable.

D. DISTRICT RAISES

It is recommended that the Board:

- i) Discuss and consider all raises within the District, including, but not limited to, merit, longevity, and step raises.
- ii) Taking such additional, related action that may be desirable.

E. PURCHASING POLICY

It is recommended that the Board discuss the District's Purchasing Policy.

F. HIGHWAY 101 WIDENING PROJECT - PROTECT IN PLACE LIABILITY LETTER

It is recommended that the Board receive an update on the Highway 101 Widening project as it relates to the District's pursuit of a protect-in-place option.

G. DISTRICT RESERVE POLICY

It is recommended that the Board discuss and consider an updated draft Reserve Policy for use in future District budgets and the upcoming rate study and provide direction to staff.

6. CONSENT CALENDAR

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

- A. Payables from February 1, 2023 through February 28, 2023
- B. Board Meeting Minutes of February 8, 2023
- C. Consideration of Amendment to a professional services agreement with Raftelis for the MWD/MSD Consolidation Study

7. COMMITTEE REPORTS

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

- iii) Joint Strategic Planning Committee (Johnson & Hogan for MSD; Coates & Plough for MWD) related to their meeting of January 24, 2023.

8. GENERAL MANAGER'S REPORT

General Manager John Weigold will provide informational, nonactionable updates regarding matters before the District.

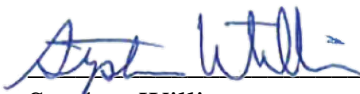
9. ITEMS FOR FUTURE AGENDAS

The next regularly scheduled Board meeting will be held on April 12, 2023 at 12:00 pm.

10. 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.



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MONTECITO SANITARY DISTRICT STAFF REPORT – 5A

DATE: February 8, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
Aleks, Giragosian, District’s Legal Counsel
Stephen Williams, District Administrator
SUBJECT: Purchasing Policy Presentation

RECOMMENDATION

Staff recommends that the Board receive a presentation from Legal Counsel regarding the components of Purchasing Policy and the differences between our current Public Contracting Code utilization and the California Uniform Public Construction Cost Accounting Act (UPCCAA).

DISCUSSION

The Board has expressed interest in limiting the number of contracts that need to be heard and approved by the Board and allow the General Manager more authority in that regard. The District currently defaults to Government Code 54202 for supplies and equipment, and has outlined its different types of contracts and the thresholds triggering informal and formal bidding in its Purchasing Policy.

To that end, the District’s Legal Counsel has prepared a presentation to outline the options that are available to Board members if they were to adopt UPCCAA. The presentation will compare the current District Purchasing Policy’s thresholds for various contract types with what is allowed under UPCCAA.

FISCAL IMPACT

No fiscal impact.

ATTACHMENTS

1. “Purchasing Policy (301686)” Presentation

Introduction to MSD's Bidding & Purchasing Policy

Presented by
Aleks R. Giragosian, General Counsel

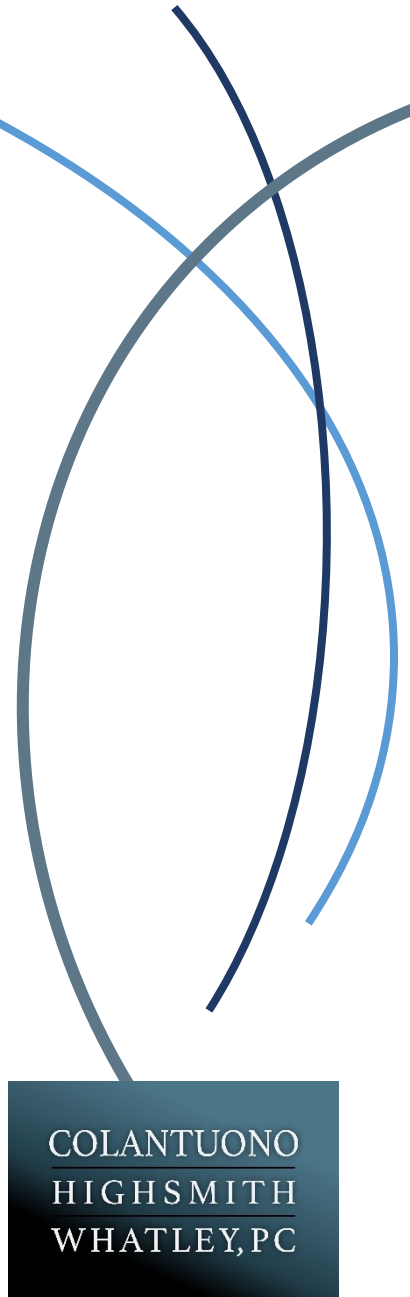
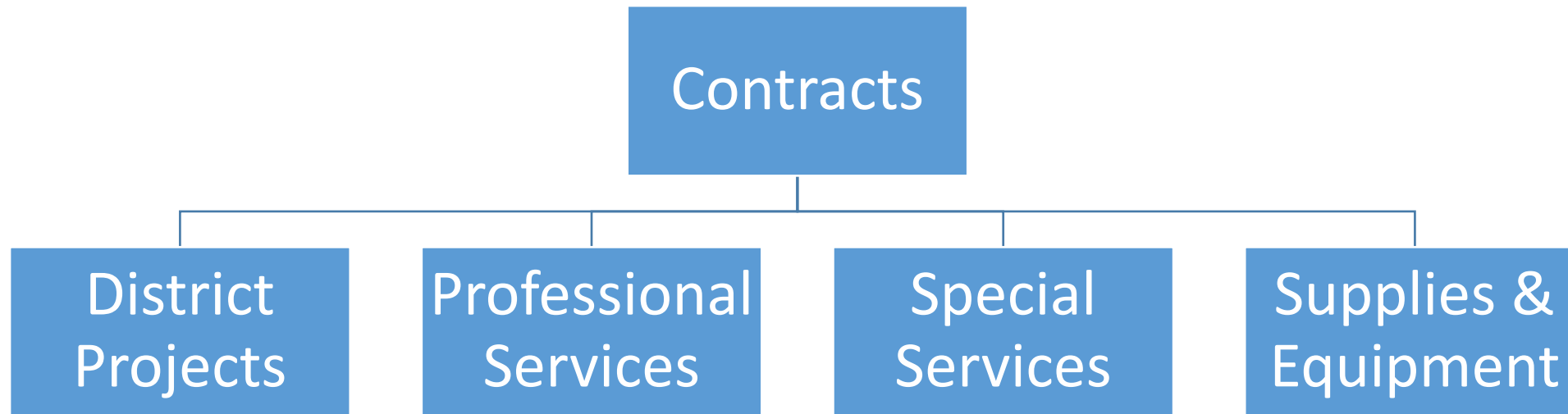
Montecito Sanitary District
Regular Board Meeting
March 8, 2023

COLANTUONO
HIGHSMITH
WHATLEY, PC

Purchasing Policy Requirement

- Applies to goods and services
- A purchasing policy is required by Government Code 54202 for supplies & equipment (goods)
- Purchasing Policy should identify the following:
 - The different types of contracts subject to the policy
 - The thresholds triggering informal and formal bidding
 - The exceptions to informal bidding
 - When a specific project must receive Board approval

Types of Contracts



COLANTUONO
HIGHSMITH
WHATLEY, PC

Contracting Thresholds

- Default Threshold
 - More than \$15,000 triggers competitive bidding for district projects
 - No default thresholds for professional services agreements, special services, or supplies & equipment*
- California Uniform Public Construction Cost Accounting Act (UPCCAA) Thresholds
 - \$60,000 or less no public bidding
 - \$200,000 or less triggers informal bidding
 - Over \$200,000 triggers formal bidding

District Project v. Public Project

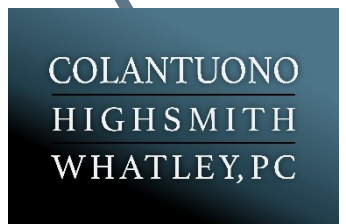
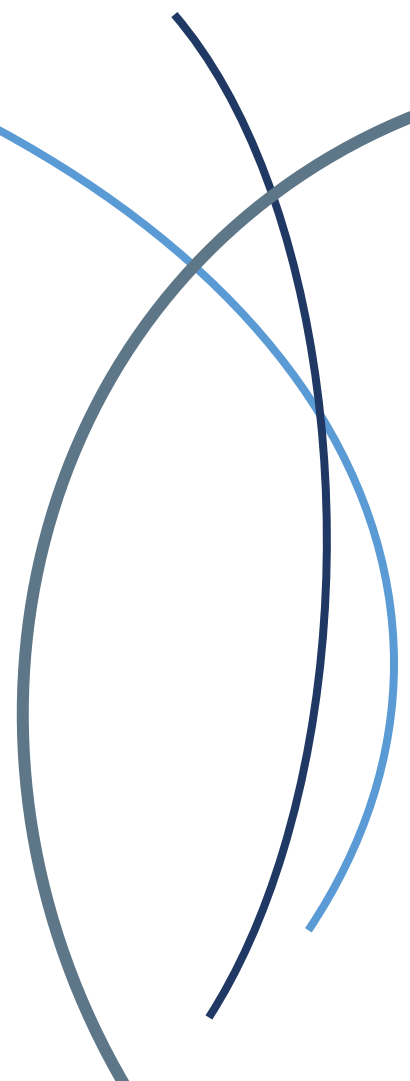
- “Public Project” means
 - Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility;
 - Painting or repainting of any publicly owned, leased, or operated facility
- “Public Project” does not mean “maintenance work”
 - Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility;
 - Minor repainting;
 - Resurfacing of streets and highways at less than one inch; or
 - Landscape maintenance.

Exceptions to Public Bidding Requirement

- Piggybacking
 - When competitive bidding procedures are already completed by another public agency and the price to the District is equal to or better than the price to the other public agency
- Design-Build Projects
 - method of project delivery in which the design and construction services are contracted from a single entity
- Emergencies
 - Need to determine whether to give GM the authority
- No Bids Received

Comparison of Current Purchasing Policy & UPCCAA

| | Current Policy | UPCCAA |
|-----------------------------|------------------------------|--|
| Public Improvement Projects | Board Approval for \$15,000+ | <ul style="list-style-type: none"> • GM Approval for \$1-\$60,000 • Informal Bidding & Board Approval for \$60,001-\$200,000 • Formal Bidding & Board Approval for \$200,000+ |
| Professional Services | Board Approval for \$15,000+ | N/A |
| Special Services | Board Approval for \$15,000+ | N/A |
| Supplies & Equipment | Board Approval for \$15,000+ | N/A |



Steps to Opt-In to UPCCAA

- Board adopts resolution electing to opt-in
- Staff provides a copy of the resolution to the California State Controller
- Board adopts a revised purchasing policy that includes UPCCAA's bidding procedures per Public Contract Code 22034
- Staff advertises and compiles a list of qualified contractors



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MONTECITO SANITARY DISTRICT STAFF REPORT – 5B

DATE: March 8, 2023
TO: President Barrett and Board Members
FROM: Aleks R. Giragosian, General Counsel
SUBJECT: Methods of Enforcing Easements

RECOMMENDATION

Staff recommends the Board consider the different methods of enforcing easements and provide direction to staff.

DISCUSSION

The Montecito Sanitary District has three enforcement methods under the law:

1. administrative,
2. civil, and
3. criminal.

For all three options, it is recommended that the District adopt a regulation before proceeding with enforcement.

Administrative Enforcement:

The District has the authority to terminate service to a property owner, after notice and a public hearing, for a violation of its regulations. Health and Safety Code section 6523.2 states, “In order to effect its powers, it may enter upon private property for the purpose of inspection and maintenance of sanitary and waste disposal facilities and may terminate service to property in which a violation of any rule or regulation is found to exist.”

Administrative enforcement involves the Directors presiding over a quasi-adjudicatory proceeding. Conflict of interest provisions would apply. The District’s decision to terminate service would be directly appealable to a court.

In emergency scenarios, the District can also take unilateral action to remove an encroachment or easement. Health and Safety Code section 6523.3 states, “In order to enforce the provisions of any ordinance of the district, the district may correct any violation of an ordinance of the district. The cost of such correction may be added to any

sewer service charge payable by the person violating the ordinance or the owner or tenant of the property upon which the violation occurred, and the district shall have such remedies for the collection of such costs as it has for the collection of sewer service charges.

Civil Enforcement:

With respect to civil enforcement, the District may sue a property owner to enforce its contractual rights, its property rights, or its regulations.

In the past, the District has entered into license agreements with property owners who sought to encroach upon or obstruct the District's easement. A license provides the District the opportunity to revoke its permission and cause the property owner to remove the encroachment or obstruction at the property owner's expense. Health and Safety Code section 6515 states, "It may make and accept contracts, deeds, releases, and documents that, in the judgment of the board, are necessary or proper in the exercise of any of the powers of the district."

An easement is a property right. Health and Safety Code section 6540 authorizes the District to "acquire property, rights of way, and easements."

The District is also authorized to adopt regulations governing the easement. Health and Safety Code section 6521 states, "It may make and enforce all necessary and proper regulations for: ... (c) All other sanitary purposes not in conflict with the laws of this State."

The District may file a civil suit in court to enforce its contractual rights, property rights, or regulations. Its potential remedies may include money damages, specific performance, or a prohibitive injunction. Health and Safety Code section 6523.3 states, "The district may also petition the superior court for the issuance of a preliminary or permanent injunction, or both, as may be appropriate, restraining any person from the continued violation of any ordinance of the district."

Before filing a legal action, the District should send the property owner a notice or cease and desist letter informing them of the issue, the consequences of any potential violation of the District's rights or regulations, and requesting that they act by a specific date. Health and Safety Code section 6522 states, "It may do any act necessary or proper to the complete exercise and effect of any of its powers, or for the purposes for which it is formed." Cease and desist letter

Criminal Enforcement:

The District also has the authority to refer a violation of its regulations to the District Attorney for prosecution as a misdemeanor. "A violation of a regulation or ordinance of a district is a misdemeanor punishable by imprisonment in the county jail not to exceed 30 days, or by a fine not to exceed one thousand dollars (\$1,000), or by both."



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MONTECITO SANITARY DISTRICT STAFF REPORT – 5E

DATE: March 8, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
Stephen Williams, District Administrator
SUBJECT: Purchasing Policy

RECOMMENDATION

Staff recommends that the Board consider changes to the District Purchasing Policy, namely adoption of the California Uniform Public Construction Cost Accounting Act (UPCCAA) and modifications to the individual contract type thresholds that distinguish between General Manager or Board of Directors approval requirements.

DISCUSSION

The Board has expressed interest in limiting the number of contracts that need to be heard and approved by the Board. In an effort to accommodate this request staff recommends adoption of UPCCAA and to increase the purchasing thresholds that requires General Manager approval. Currently that threshold is at \$15,000, which results in numerous items needing to be heard by the Board for approval. The Board has four threshold levels to consider. Below is a chart of what the current Purchasing Policy requires and what the thresholds could be if UPCCAA were to be adopted:

| Contract Type | Thresholds | |
|-----------------------------|----------------|----------------|
| | Current Policy | UPCCAA |
| Public Improvement Projects | \$15,000 | Up to \$60,000 |
| Professional Services | \$15,000 | Up to \$60,000 |
| Special Services | \$15,000 | Up to \$60,000 |
| Supplies & Equipment | \$15,000 | Up to \$60,000 |

FISCAL IMPACT

No fiscal impact.

ATTACHMENTS 1. Current District Purchasing Policy

RESOLUTION NO. 2021-942

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTECITO SANITARY DISTRICT
ADOPTING RULES AND REGULATIONS FOR THE
PURCHASING OF SUPPLIES AND EQUIPMENT, SPECIAL SERVICES
AND CONTRACTORS FOR PUBLIC IMPROVEMENT PROJECTS**

PURSUANT to the provisions of California Government Code sections 54201 *et seq.* and California Public Contract Code sections 20800 *et seq.*, the following shall constitute the Rules and Regulations of the Montecito Sanitary District (“District”) governing the policies and procedures for purchasing of supplies and equipment, special services and contractors for public improvement projects by the District.

1. As used in these Rules and Regulations, the following definitions shall apply:
 - A. “Supplies and equipment” means equipment, materials, goods, parts, miscellaneous commodities and other supplies which are not included as part of a contract for a public improvement project or for special services.
 - B. “Public improvement projects” shall have the same definition as “district projects” set forth in California Public Contract Code section 20801.
 - C. “Special services” means those services provided to the District by independent consultants including, without limitation, engineers, architects, certified public accountants, environmental consultants, land use planners and other similar services which are incidental to the operation of the District.
2. Every purchase of supplies and equipment, special services and contractors for public improvement projects by the District shall be made pursuant to these Rules and Regulations.
3. Except as provided in these Rules and Regulations, no supplies and equipment, special services or contractors for public improvement projects may be contracted without the approval of the Board of Directors of the District.
4. All supplies and equipment, special services and public improvement projects included in the District’s final budget are considered approved by the Board of Directors, and the General Manager or designee (“General Manager”) is authorized to contract for such expenditures as provided in these Rules and Regulations.
5. The following contracts may be awarded by the District without the necessity of calling for bids:
 - A. Supplies and equipment in an amount up to \$15,000.
 - B. Contractors for public improvement projects in an amount up to \$15,000.

C. Special services in an amount up to \$15,000.

6. Supplies and Equipment. Whenever the expenditure required for the purchase of supplies and equipment exceeds \$15,000, the District shall procure bids for the purchase of supplies and equipment by any one of the following methods:

(A) By publication of a notice inviting bids at least once in a newspaper of general circulation in the Montecito area. Such notice shall state the time and place for the opening of bids and shall state the specifications for the supplies and equipment to be purchased. Said publication must be made at least ten (10) days prior to the time set for the opening of bids.

(i) In addition to publication, the General Manager may notify prospective bidders by letter or telephone that bids are being called for.

(ii) At the time and place fixed for the opening of bids, the bids shall be publicly opened and read, the bids tabulated, and the contract presented to the District Board for consideration at the next scheduled meeting.

(B) In lieu of publication, the General Manager may submit specifications to at least three prospective bidders and request that bids be submitted at a fixed time and place. The General Manager shall open the bids at the time and place set for the same and present them to the District Board for consideration at the next scheduled meeting.

(C) The General Manager may purchase supplies and equipment in connection with any official state, federal or county bid.

(D) Notwithstanding anything to the contrary in this section, the Board of Directors reserves the right to reject any and all bids and authorize the General Manager to purchase necessary supplies and equipment on the open market.

(E) If, in the judgment of the General Manager, supplies and equipment are needed in order to make emergency repairs, construction or maintenance, which emergency will not allow the normal procedure for purchase to be followed, the General Manager may purchase all necessary supplies and equipment on the open market without complying with the competitive bidding requirements specified herein. The General Manager shall make a complete report of the circumstances constituting the emergency to the Board of Directors at its next regularly scheduled meeting following the purchase of said supplies and equipment.

(F) All supplies and equipment purchased in excess of \$7,500 shall be pursuant to a contract approved by the Board of Directors.

7. Public Improvement Projects. Whenever the expenditure required for the purchase of contractors for public improvement projects exceeds \$15,000, such purchases shall be awarded

to the lowest responsible bidder in accordance with the competitive bid procedures set out in Public Contract Code sections 20803 through 20806. All contractors for public improvement projects purchased in excess of \$10,000 shall be pursuant to a contract approved by the Board of Directors.

8. Special Services. Whenever the expenditure required for the purchase of special services exceeds \$15,000, the District may, in its discretion, direct the purchase of such special services pursuant to the issuance of a request for proposals or qualifications. All special services purchased in excess of \$30,000 shall be pursuant to a contract approved by the Board of Directors.

9. This Resolution No. 2021-942 repeals and supersedes Montecito Sanitary District Resolution No. 2020-931 dated April 8, 2021, and becomes effective immediately.

PASSED AND ADOPTED this 16th day of **December 2021**, by the following vote:

AYES:

NAYS:

ABSENT:



(SEAL)

Dorinne Lee Johnson, Board President

ATTEST:

Dana Newquist, Board Secretary



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MONTECITO SANITARY DISTRICT

STAFF REPORT – 5F

DATE: March 8, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
Bryce Swetek, Engineering Manager
SUBJECT: Highway 101 Widening Project – Protect in Place Liability Letter

FOR INFORMATION ONLY

The following discussion is for information only and no Board action is required.

DISCUSSION

As discussed during the Board Meeting on February 8, 2023, the District is seeking a Protect-In-Place (PIP) option/project in lieu of the Relocation project pertaining to our District facilities conflicting with Caltrans' Highway 101 HOV Widening project. The following is a list of items provided by Caltrans which are contingent in moving the PIP project forward as well as the status of the items:

1. The District shall pothole existing steel casing to determine extents and alignment.
 - a. Status: Complete
2. The District shall mitigate potential damage to existing facilities via structural lining or other strategy.
 - a. Status: In design.
3. The District, Caltrans, Caltrans Design Team, and Caltrans Contractor (Granite) must agree on a Mitigation Plan and the District General Manager shall sign a Liability Letter (Attachment 1)
 - a. Status: Letter was received and pending District GM signature.
4. Caltrans Policy Exception being approved.
 - a. Status: The local Caltrans authority (District 5), Caltrans Design Team, and Caltrans Contractor have reviewed and approved the Mitigation Plan. A final review and approval from Caltrans Headquarters is pending.

On February 17, 2023 the Montecito Sanitary District received a Liability Letter from Gerald Comati, a Caltrans representative coordinating utility conflicts as part of Caltrans'

project. The Liability Letter indicates Montecito Sanitary District will be held liable for any damage to the District's facilities during the construction of the bridge and failure to sign will result in moving forward with the Relocation project.

Project Design Milestones (for reference):

- On May 27, 2021, a contract was executed with Flowers & Associates to design the relocation work to resolve the conflict in the Caltrans letter.
- In late July 2021, a proposed alignment was developed to cross Hwy 101 from Hixon Road to the existing Miramar lift station.
- In early August of 2021, it was determined the Miramar lift station would be able to accommodate flows from N Jameson.
- On September 3, 2021, the contract with Flowers & Associates was terminated due to conflicts of interest.
- On September 23, 2021, a contract for a revised design of the relocation work was executed with MNS Engineers.
- On March 4, 2022, a contract was executed with Earth Systems to provide geotechnical services to supplement the project design.
- On July 29, 2022, MNS submitted final design contract documents.
- On August 18, 2022, Earth Systems submitted their final geotechnical report.
- On August 25, 2022, an Addendum to the design documents was issued to the bidders.
- On August 29, MNS was given Notice to Proceed for Amendment 1 work.
- On September 12, 2022, bids closed. The lowest responsive bidder is Raminha Construction with a bid of \$3,987,900.
- In late mid-late September 2022, Staff reached out to local agencies and consultants to determine if the bid prices were reasonable.
- On September 30, 2022, Staff received a conflict exhibit which showed our District facilities were not in direct conflict with Caltrans bridge piles. Staff began inquiries into the idea of protecting District facilities in place.
- On October 4, 2022, Caltrans design team relayed to Staff a protect in place solution may be viable.
- On October 13, 2022, the Board rejected all bids.
- On October 31, 2022, Staff received an email from the Caltrans design team requiring the need to pothole MSD steel casing to determine viability of protecting District facilities in place instead of relocation.
- On November 4, 2022, MNS was given authorization to execute Amendment 2.
- On November 22, 2022, a contract was executed with Sam Hill & Sons to pothole (positively locate) the District's sewer facilities.
- On December 12 and 19, 2022, Staff submitted the pothole data to Caltrans design team.
- On January 19, 2023, Staff met with Rain for Rent on the project site to discuss potential bypassing options for PIP.
- On January 23, 2023, Staff met with Aegion (Insituform) on the project site to discuss lining options.
- On February 8, 2023 MNS was given authorization to execute Amendment 3.
- On February 17, 2023, the District received a Liability Letter for Protect-in-Place.

FISCAL IMPACT

The lowest responsive bidder for the construction of the Relocation project was \$3,987,900. Staff estimates construction of the PIP project would be approximately \$500,000. In the event of minor/spot failure(s) to District facilities during the Caltrans construction, Staff anticipates the cost to repair to be \$250,000. Staff does not anticipate a major failure, but in the event of one, the Relocation project may need to be implemented.

ANALYSIS

Staff has concluded that the PIP project is the best option to resolve the facilities conflict with Caltrans. To that end, and following Staff and Legal Counsel's review and recommendations, the District's General Manager will sign the Liability Letter to proceed with the mitigation plan.

ATTACHMENTS

1. Liability Letter – Protect-in-Place.

Hwy 101 Widening South of Santa Barbara Segment 4D South

| | |
|------------------------|-----------------|
| County Route | US 101 |
| Utility Number | MSD-Seg D SOUTH |
| Post Mile | 9.7 |
| Project ID No. | 0521000089 |
| EA | EA# 05-0N70B |
| Subject to Buy America | Yes |

February 17, 2023

Montecito Sanitary District
1042 Monte Cristo Lane
Santa Barbara, CA 93108
Attention: John Weigold, General Manager

| | |
|---------------|--|
| Subject: | Protect-In-Place Gravity Line and Force Mains STA 1416+15 |
| Project: | Hwy 101 Widening South of Santa Barbara |
| Segment: | 4D SOUTH – EA# 05-0N70B |
| Conflict #'s: | MSD-01 and MSD-02 |

Dear Mr. Weigold,

As previously determined, a Montecito Sanitary District’s casing containing a 12-inch gravity line and two 6-inch force mains, located immediately east of the Oak Creek crossing of Highway 101, is close enough to the 101 HOV Segment 4D-South reconstruction of the Oak Creek structure to constitute a utility conflict. A Notice of Conflict letter dated May 16, 2022, was submitted to the Montecito Sanitary District informing the District of the conflict and liability for relocation has been determined to be entirely with the District. However, in the interest of eliminating the very significant cost to the Montecito Sanitary District of relocating these utilities, the Caltrans/SBCAG Project Team for Segment 4D-South has been working with the Montecito Sanitary District to assess the viability of protecting-in-place the existing lines. We can report that the protect-in-place scenario appears viable with certain liability acknowledgements.

Existing Conditions

At Abutment 1, an existing 60-inch diameter steel casing will be left in place. The casing contains two 6-inch diameter cast iron sewer force mains and one 12-inch diameter VCP gravity sewer line. The space between the casing and the utility lines has been filled with sand or grout per the as-builts provided by the Montecito Sanitary District.

The casing is almost parallel to the abutment with edge at about 1 foot to the nearest pile at the north end of the abutment. The invert elevations of the casing vary from 6.51 feet at the north to 5.33 feet at the south, 1.91 to 3.09 feet lower than the pile cut-off elevation of 8.42 feet. Installation of driven piles will generate vibration on the utility.

Vibration mitigation measures include relocating the utility, substituting Cast-in-Drilled-Hole (CIDH) piles for driven piles, and predrilling holes. Substituting the driven piles with CIDH will not provide adequate lateral capacity per Mark Thomas. In the interest of eliminating a

significant cost to Montecito Sanitary District for the relocation, the project team proposes to install the driven piles with oversized predrilled holes for the top section of the piles.

Mitigation Plan

At Abutment 1, predrilling to minimum elevation 0.0 feet is required at pile locations where the horizontal distance between the pile top and the invert of the existing 60-inch diameter steel casing is less than 6 feet. All piles within 6 feet will be predrilled prior to driving the piles. In order to prevent caving of open holes during pile driving operations, a steel casing will be placed inside the holes. The inner diameter of casing should be at least 6-inches larger than the outside pipe pile diameter. The casing can be left in the hole. The annular space outside the casing, and between the casing pile should be backfilled with grout.

Vibration Monitoring

The casing is approximately 6 feet laterally from the abutment piles at the median, and approximately 1 foot laterally from the abutment piles at the northern edge of freeway pavement. The contractor will begin driving piles near the median and work north. It is anticipated that vibrations at the utility may increase as piles get closer to the casing.

The Engineer will monitor vibrations at the casing during pile driving operations, and the Montecito Sanitary District will inspect the lines before, during and after the work. If the Engineer and/or the Montecito Sanitary District detect high vibrations and/or damage to the line, a plan to deepen the pre-drilled holes may be explored. Adjusting predrilled depth may happen at the sole discretion of the Engineer. However, once a pile installation begins, the contractor will not be able to suspend it, and it must be completed regardless of the vibrations at the casing.

Liability Determination

Caltrans "Transportation and Construction Vibration Guidance Manual, April 2020" was reviewed. The manual does not provide vibration criteria for buried pipelines. But the manual points out that "buried pipelines can survive rather high-vibration intensities because they are constrained by the soil and bedding materials surrounding them." Data presented in the manual shows that Peak Particle Velocity (PPV) values ranging from 25 to 150 in/sec cause no damage to buried pipes. However, the manual does not mention the material of the pipe.

Based on the Caltrans' manual, the PPV at the casing invert was estimated. It appears that predrilling to approximately 6 feet below the invert of the casing may reduce the PPV value to less than 5 in/sec. However, past experience working in the Highway 101 corridor indicates that there is a significant amount of boulders in the soil, especially at or near the creek beds. Driving piles through these boulders will cause high vibrations which are hard to estimate. Thus, even though the mitigation plan aims at maintaining a PPV of less than 5 in/sec, there is no guarantee that will be possible. Montecito Sanitary District will assume all liability of any vibrational damage to the casing and lines within the casing.

The Vibration Monitoring plan is being performed as a precaution, and to provide flexibility, if any, to prevent damage to the casing. The Project is committed to the Mitigation Plan as described above. The Project (Caltrans, Contractor, Designers, etc.) assume no liability related to vibrational damage to the Montecito Sanitary District casing or lines within the casing.

Hwy 101 Widening South of Santa Barbara Segment 4D South

Notwithstanding the above, for the Project to be able to proceed with the proposed “protect-in-place” strategy described in this letter, the Montecito Sanitary District will be required to assume all liability related to any damage, vibrational or otherwise, to the Montecito Sanitary District casing and/or lines housed within the casing, as a result of the construction of the 101 HOV Segment 4D-South.

Liability Acknowledgement

By signing below Montecito Sanitary District accepts the mitigation plan proposed and assumes liability of any damage to the casing or lines housed within the casing, during the construction of the 101 HOV Segment 4D-South project. Failure to sign will result in Montecito Sanitary District having to relocate their facilities.

John Weigold, General Manager
Montecito Sanitary District

Sincerely,



Gerald Comati, P.E.
Utility Coordinator
Hwy 101 Widening Segment 4D South Project

cc: Bryce Swetek, Montecito Sanitary District
Francisco Zinkewich, MNS Engineers
Fred Luna, SBCAG
Zach Siviglia, Mark Thomas
Rachel Wooldridge, Mark Thomas
Jason Kline, Caltrans
Joe Arnold, Caltrans
David Smotherman, Caltrans
Robert Davis, Caltrans
Jess Bishop, Granite Construction



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MONTECITO SANITARY DISTRICT STAFF REPORT – 5G

DATE: March 8, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
Stephen Williams, District Administrator
SUBJECT: District Reserve Policy

RECOMMENDATION

Staff recommends that the Board discuss and consider providing direction to staff regarding funding levels for an Operations and Maintenance Reserve as well as a Capital Projects Reserve Fund.

DISCUSSION

The Board has received several presentations from the District Administrator over the past couple months regarding adoption of an official reserve policy. Over the course of that time two specific reserve types were determined to be of benefit to the District and the Board, an Operations and Maintenance Reserve fund and a Capital Projects Reserve Fund. The Board directed staff to come back with an analysis of funding levels and the impacts those levels would have on the District's available operating cash balance.

As of December 31, 2022 the District held an available cash balance across all accounts of \$19,434,460, of which \$12,332,326 is held in Operations and Maintenance funds and \$7,102,134 in Capital Projects funds. The Operations and Maintenance funds includes \$2,032,675 in the District's current fund held with the State of California's Local Agency Investment Fund (LAIF). Below is a breakdown of the options as it relates to each reserve type.

Operations and Maintenance Reserve Fund

The Governmental Finance Officers Association (GROA) recommends an Operations and Maintenance Reserve Fund that has a balance equal to three to six months of operating expenditures. The District's Fiscal Year 2022-23 Operating Budget is \$5,160,763, so a summary of funding levels and their impact on current operating cash is provided below:

| | O&M Reserve Level | Remaining Operating Cash |
|-----------------|-------------------|--------------------------|
| 3 Months | \$ 1,290,191 | \$ 10,928,448 |
| 4 Months | \$ 1,720,254 | \$ 10,498,385 |
| 5 Months | \$ 2,150,318 | \$ 10,068,321 |
| 6 Months | \$ 2,580,382 | \$ 9,638,257 |

Pursuant to discussion at the last Board Meeting, it was recommended that the Reserve Level be set at \$1,300,000, which falls in line with GFOAs recommendation.

Capital Projects Reserve Fund

The Governmental Finance Officers Association recommends a couple of different options for Capital Projects Reserve Fund funding. Two options are as follows:

- 1) A percentage (20-50%) of the average 5-year Capital Projects Budget or
- 2) A percentage (20-50%) of the average 5-year Capital Projects Expenditures

Since these levels are based on historical Capital Projects figures, those totals are as follows:

| | Budget | Actual |
|---------------------|---------------------|---------------------|
| 2021-22 | \$ 6,406,537 | \$ 2,316,952 |
| 2020-21 | 5,649,000 | 1,100,787 |
| 2019-20 | 5,725,000 | 883,072 |
| 2018-19 | 2,955,000 | 1,572,580 |
| 2017-18 | 2,832,000 | 896,284 |
| 5 Yr Average | \$ 4,713,507 | \$ 1,468,348 |

Based on the 5-year averages calculated above the various funding levels are detailed below:

| Funding Level | Budget | Actual |
|---------------|--------------|------------|
| 20% | \$ 942,701 | \$ 293,670 |
| 30% | \$ 1,414,052 | \$ 440,504 |
| 40% | \$ 1,885,403 | \$ 587,339 |
| 50% | \$ 2,356,754 | \$ 734,174 |

Pursuant to discussion at the last Board Meeting, it was recommended that the Reserve Level be set at \$750,000 which falls in line with GFOAs recommendation.

ANALYSIS

After reviewing surrounding agencies reserve policies, the District's current insurance holdings, and the information gathered on mini master plans and maintenance reports, staff agrees with the recommended levels of \$1,300,000 for the Operations and Maintenance Reserve Fund and \$750,000 for the Capital Projects Reserve Fund. These amounts are almost currently covered by our LAIF account, so staff recommends letting the interest accumulate until the desired level is met. Staff also recommends taking a look into other potentially higher earning accounts given the recent rise in interest rates.

FISCAL IMPACT

No fiscal impact.

ATTACHMENTS:

1. Draft Reserve Policy

RESOLUTION NO. 2023-XXX

**RESOLUTION OF THE GOVERNING BOARD
OF THE MONTECITO SANITARY DISTRICT
ADOPTING A RESERVE POLICY**

WHEREAS, the Governmental Finance Officers Association recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained for Generally Accepted Accounting Principles (GAAP) and budgetary purposes; and

WHEREAS, such guideline(s) should be set by the appropriate policy body and articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period; and

WHEREAS, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level(s) prescribed.

NOW, THEREFORE, the Governing Board of the Montecito Sanitary District hereby resolves:

1. **Established:** The reserve funds set forth in Sections 3A and 3B are hereby established. The General Manager shall maintain those Reserve Funds in accordance with this policy. All dollar amounts indicated are 2022 dollars.

2. **Utilization:** The reserve funds so created will be utilized for the specific purposes set forth in this Resolution.

3. **Reserve Funds:**

A. Operations and Maintenance (O&M) Reserve Fund

Purpose: The Operations and Maintenance Reserve Fund is intended to provide a mechanism for the District to undertake immediately unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Funding: The Operations and Maintenance Reserve Fund shall be funded by income from sources other than property tax. This fund should maintain a minimum balance of **\$1,300,000**. This amount is within the Government Finance Officers Associations recommended range of 3-5 months of Operating Expenditures.

Administration: The District shall hold the funds held in a separate, liquid account separate from the District's business operating accounts and may make recommendations to the Board to move monies into more advantageous accounts with Board approval.

Use of Funds: Monies held in the Operations & Maintenance Reserve Fund may be expended only upon authorization by the **Board of Directors** for unanticipated operating and maintenance activities, including by way of example only: repair of natural disaster-related damage to facilities (i.e. flood, earthquake, tsunami); unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; unanticipated legal judgements. Upon request for use of funds the General Manager will detail the plan for replenishment.

B. Capital Projects Reserve Fund

Purpose: The Capital Projects Reserve Fund is intended to finance the reconstruction and replacement of the sanitation and sewerage facilities of the District which may be required from time to time due to wear, tear, and aging. It can also be utilized to fund the expansion/maintenance of the sanitation and sewerage facilities of the District to accommodate the demand for additional capacity.

Funding: The Capital Projects Reserve Fund shall be funded by income from property taxes and connection fees and may be funded with unrestricted sources of the Operations and Maintenance fund. This fund should maintain a minimum balance of \$750,000

Administration: The District shall hold the funds held in a separate, liquid account separate from the District’s business operating accounts and may make recommendations to the Board to move monies into more advantageous accounts with Board approval.

Use of Funds: Monies held in the Capital Projects Reserve Fund may be expended only upon authorization of the Board of Directors to ensure the strategic capital needs of the District are met. This includes repair to existing infrastructure, relocation of infrastructure, work completed towards a septic to sewer plan, and on unforeseen events. Upon request for use of funds the General Manager will detail the plan for replenishment.

PASSED AND ADOPTED by the Governing Board of the Montecito Sanitary District on the 8th day of March 2023 by the following vote:

AYES: None
NAYS: None
ABSTAIN: None
ABSENT: None

Board President
Ellwood Barrett

ATTEST:

Board Secretary
Dorinne Johnson

(SEAL)





Montecito Sanitary District

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 Santa Barbara, CA 93108

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BOARD LIST OF PAYABLES

| <u>CHECK DATE</u> | <u>SUMMARY & TYPE</u> | <u>BATCH TOTAL</u> |
|-------------------|------------------------------|-----------------------------|
| 02/10/2023 | ACCOUNTS PAYABLE | 74,376.08 |
| | Subtotal | \$ 74,376.08 |
| 02/10/2023 | CAPITAL IMPROVEMENT PROJECTS | 35,551.29 |
| | Subtotal | \$ 35,551.29 |
| 02/05/2023 | PAYROLL | 85,155.10 |
| 02/19/2023 | PAYROLL | 121,404.49 |
| | Subtotal | \$ 206,559.59 |
| | <u>TOTAL</u> | <u>\$ 316,486.96</u> |

*All Invoices were reviewed and approved by Department Managers

**All Invoices and Payments were reviewed and approved and checks signed by the General Manager

***Board Treasurer, Edwin Martin, approved all payables by email prior to check mailing

Check History Report
Sorted By Check Number
Activity From: 2/10/2023 to 2/10/2023
MONTECITO SANITARY DISTRICT (MSD)

Bank Code: B OPERATING CASH (MBT)

| Check Number | Check Date | Name | Check Amount | Description |
|----------------------|-------------------|-------------------------------------|-------------------------|---|
| 0000028149 | 2/10/2023 | ACWA/JPIA | 23,787.83 | Medical/Dental/Life Insurance Premium-February |
| 0000028150 | 2/10/2023 | AMAZON CAPITAL SERVICES | 571.01 | Conference Table, Mailing Labels, COVID Tests |
| 0000028151 | 2/10/2023 | AUTOZONE, INC | 52.75 | Pump Oil |
| 0000028152 | 2/10/2023 | BARTLETT, PRINGLE & WOLF, LLP | 500.00 | Annual Financial Audit-December |
| 0000028153 | 2/10/2023 | BEDROCK BUILDING SUPPLIES, INC | 79.66 | Sand for Sandbags |
| 0000028154 | 2/10/2023 | BIG BRAND TIRE & SERVICES | 1,561.98 | New Tires and Tire Sensor for Toyota Tacoma |
| 0000028155 | 2/10/2023 | BIG GREEN CLEANING COMPANY | 2,460.00 | Janitorial Services-February |
| 0000028156 | 2/10/2023 | CANON FINANCIAL SERVICES INC | 272.61 | Canon Copier Lease Payment-February |
| 0000028157 | 2/10/2023 | DAN CLAUSE | 3,176.00 | Deposit Refund-515 Santa Elena Lane |
| 0000028158 | 2/10/2023 | COLANTUONO, HIGHSMTIH & WHATLEY, PC | 8,276.50 | Legal Services-January |
| 0000028159 | 2/10/2023 | COMPUVISION COMMUNICATIONS | 2,687.76 | Computer Hardware, January IT Services, Annual Dual Factor Authentication |
| 0000028160 | 2/10/2023 | CORT | 44.00 | Deed Report-January |
| 0000028161 | 2/10/2023 | CALIFORNIA WATER ENVIRONMENT | 297.00 | Annual Membership and Lab Tech I Renewal-Rizo |
| 0000028162 | 2/10/2023 | ENGEL & GRAY, INC | 3,330.55 | Biosolids Hauling/Bin Rental-January |
| 0000028163 | 2/10/2023 | FISHER SCIENTIFIC | 27.56 | Lab Supplies |
| 0000028164 | 2/10/2023 | GLS COMPANIES | 778.58 | Landscape Services-January |
| 0000028165 | 2/10/2023 | GRAINGER | 828.25 | Trailer HVAC Parts, Insulation, Water Assembly Hose |
| 0000028166 | 2/10/2023 | HACH COMPANY | 222.20 | Lab Testing Supplies |
| 0000028167 | 2/10/2023 | HARRINGTON INDUSTRIAL PLASTICS | 661.87 | Restock PVC Pipe and Fittings |
| 0000028168 | 2/10/2023 | HAYWARD SANTA BARBARA | 411.69 | Fence Posts, Rain Gear |
| 0000028169 | 2/10/2023 | KAMAN INDUSTRIAL TECHNOLOGIES | 419.23 | Temp Differential Switch |
| 0000028170 | 2/10/2023 | LARRY'S AUTO PARTS | 761.59 | Diesel Additives, Hydraulic Hose, Vehicle Maintenance |
| 0000028171 | 2/10/2023 | MONTECITO BANK & TRUST | 1,129.51 | January Credit Card Payment; Microsoft Teams, fuel, CWEA Membership Renewal, hotel and food for staff day of storm, Portable Heater, Fuel Hose, Travel Expenses |
| 0000028172 | 2/10/2023 | MCCORMIX CORP | 883.53 | Vehicle Fuel 01/15-01/31/23 |
| 0000028173 | 2/10/2023 | MCMaster-CARR SUPPLY COMPANY | 47.59 | Operations PSI Gauge |
| 0000028174 | 2/10/2023 | MOUNTAIN SPRING WATER | 131.30 | Bottled Drinking Water and Cooler Rental-January |
| 0000028175 | 2/10/2023 | MSD - PETTY CASH REIMB | 153.58 | Reimbursement of Petty Cash |
| 0000028176 | 2/10/2023 | PACIFIC RIM AUTOMATION INC. | 1,731.00 | Service call for Lift Station 4 SCADA System |
| 0000028177 | 2/10/2023 | PARKSON CORPORATION | 753.48 | Freight Charges for Diffusers |
| 0000028178 | 2/10/2023 | PAYCHEX OF NEW YORK, LLC | 609.70 | Payroll and W-2 Processing-January |
| 0000028179 | 2/10/2023 | PLUMBERS DEPOT, INC | 4,282.39 | Swivel, Hose Leaders, Nozzles-Collection Tools |
| 0000028180 | 2/10/2023 | PRICE POSTEL & PARMA | 117.00 | Employment Law Services-January |
| 0000028181 | 2/10/2023 | PURETEC INDUSTRIAL WATER | 285.99 | Quarterly Water Softener Tank Rental |
| 0000028182 | 2/10/2023 | SANSUM CLINIC | 467.50 | Pre-Employment Physical-Martinez |
| 0000028183 | 2/10/2023 | SANTA BARBARA COUNTY-APCD | 2,490.60 | Annual Emission Fees for WWTP & L/S Generators |
| 0000028184 | 2/10/2023 | S B HOME IMPROVEMENT CENTER | 24.95 | Materials for Trailer Roof Repair |
| 0000028185 | 2/10/2023 | STAPLES BUSINESS CREDIT | 834.85 | Ink Toner Cartridges, Paper, Pens, Calendars, Planners |
| 0000028186 | 2/10/2023 | STREAMLINE | 310.00 | Website Hosting Services-February |
| 0000028187 | 2/10/2023 | UNIVAR SOLUTIONS | 8,400.40 | Sodium Bisulfite and Hypochlorite Chemicals |
| 0000028188 | 2/10/2023 | UNDERGROUND SERVICE ALERT | 148.25 | 79 Dig Alert Tickets-January |
| 0000028189 | 2/10/2023 | JOHN WEIGOLD | <u>365.84</u> | Reimbursement for Board Meeting Supplies/Lunches, Breakfast for staff working during storm |
| Bank B Total: | | | <u>74,376.08</u> | |

Check History Report
Sorted By Check Number
Activity From: 2/10/2023 to 2/10/2023
MONTECITO SANITARY DISTRICT (MSD)

Bank Code: G CIP CASH (MBT)

| Check Number | Check Date | Name | Check Amount | Description |
|----------------------|------------|--------------------------------|------------------|---|
| 0000001372 | 2/10/2023 | CED ROYAL INDUSTRIAL SOLUTIONS | 538.02 | CIP CEQU; Parts for VFD Drive Replacement |
| 0000001373 | 2/10/2023 | JWC ENVIRONMENTAL | <u>35,013.27</u> | CIP T006; Influent Grinder #2 Replacement |
| Bank G Total: | | | <u>35,551.29</u> | |



Montecito Sanitary District

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MINUTES

For the Regular Meeting of the Board on:

February 8, 2023

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a regular meeting at 12:02 pm on Wednesday, January 11, 2023. The meeting was also broadcast using Zoom teleconferencing.

ATTENDANCE

Board Members Present:

Director Hogan, Director Johnson, Director Martin, Director Ohlmann, and President Elwood Barrett

Board Members Absent:

None

Also Present and Participating:

John Weigold, MSD General Manager
Stephen Williams, MSD Clerk of the Board & District Administrator
Aleks Giragosian, Colantuono, Highsmith & Whatley, PC

2. PUBLIC COMMENT

Laura Robinson, lead negotiator for SEIU Local 620, addressed the Board to introduce herself to the Board, thanked them for their involvement in the negotiations process, and conveyed that she felt the labor contract being heard at today's Board meeting was one that resolved a lot of the concerns staff had.

3. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PRESENTATION

Charlotte Holifield gave a presentation to the Board detailing the mission, purpose, and goals of the California Special District Association and how their services assist Special Districts across the various California regions.

CONSENT CALENDAR

ON MOTION by Director Hogan, Second by Director Johnson, the Board voted to approve the Consent Calendar containing the following items:

- A. Payables from January 1, 2023 through January 31, 2023
- B. Remote Meetings Resolution Adoption – Resolution 2023-963
- C. Meeting Minutes from General Board Meeting of January 11, 2023
- D. Meeting Minutes from Special Board Meeting of January 18, 2023
- E. Meeting Minutes from Special Board Meeting of January 27, 2023

AYES: Directors Hogan, Johnson, Ohlmann, and Barrett
NAYS: None
ABSTAIN: Director Martin
ABSENT: None

4. CLOSED SESSION

A. PUBLIC COMMENT

No members of the public addressed the Board prior to going into Closed Session.

B. LABOR NEGOTIATIONS (GOVERNMENT CODE § 54957.6)

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

Name of Employee Organization: Service Employees International Union (SEIU) Local 620

5. REPORT FROM CLOSED SESSION

No reportable action.

6. DISTRICT BUSINESS ITEMS

A. LABOR NEGOTIATIONS (GOVERNMENT CODE § 54957.6)

ON MOTION by Director Hogan, Seconded by Director Johnson, the Board voted to approve the Memorandum of Understanding between the Montecito Sanitary District and the Service Employees International Union (SEIU) Local 620 with one minor edit to make consistent the years of service for the Post-2018 Vacation annual accrual amounts and Post-2018 Vacation accrual caps.

AYES: Directors Hogan, Johnson, Martin, Ohlmann, and Barrett
NAYS: None
ABSTAIN: None
ABSENT: None

B. CONSENT CALENDAR

ON MOTION by Director Hogan, Second by Director Johnson, the Board voted to approve the Consent Calendar containing the following items:

- A. Payables from January 1, 2023 through January 31, 2023
- B. Remote Meetings Resolution Adoption – Resolution 2023-963
- C. Meeting Minutes from General Board Meeting of January 11, 2023
- D. Meeting Minutes from Special Board Meeting of January 18, 2023
- E. Meeting Minutes from Special Board Meeting of January 27, 2023

AYES: Directors Hogan, Johnson, Ohlmann, and Barrett
NAYS: None
ABSTAIN: Director Martin
ABSENT: None

C. AMENDMENT NO. 3 TO A PROFESSIONAL SERVICES AGREEMENT WITH MNS ENGINEERS, INC.

ON MOTION by Director Barrett, Seconded by Director Hogan, the Board voted to authorize the General Manager to execute a purchase order with MNS Engineers, Inc. of \$39,828 and to authorize the General Manager to approve expenditures of up to \$3,982 (10%) as a change order allowance for any necessary changes in scope of work for work related to the Highway 101 Sewer Crossing Relocation Project.

AYES: Directors Hogan, Johnson, Martin, Ohlmann, and Barrett
NAYS: None
ABSTAIN: None
ABSENT: None

D. REMOTE MEETINGS PRESENTATION

The Board received a presentation from Legal Counsel Aleks Giragosian and District Administrator Stephen Williams regarding the rules and regulations for remote meeting participations pursuant to the expiration of the current California Emergency Order. After discussion the Board agreed to continue making Board Meetings available via Zoom to allow for ease of participation by the general public.

NOTE: Directors Hogan and Johnson left the General Board Meeting to attend other matters.

E. DISTRICT RESERVE POLICY

The Board received a presentation from District Administrator Stephen Williams on the various reserve types and amounts for consideration of adoption by the District. The Board gave reserve policy threshold recommendations to staff and directed them to come back to the Board with an updated policy for review and further input.

F. DISTRICT EASEMENTS (DISTRICT RIGHT-OF-WAYS)

The Board and Legal Counsel discussed options for District actions to address structures built on District Easements/Right-of-Ways. The Board directed staff to come back at a later meeting for further discussion.

G. EMERGENCY PUMP REPLACEMENT

ON MOTION by Director Hogan, Seconded by Director Barrett, the Board voted to authorize the General Manager to execute a purchase order up to \$35,000 for the emergency replacement of a treatment plant pump that was damaged during the heavy rainfall of early January.

AYES: Directors Hogan, Johnson, Martin, Ohlmann, and Barrett
NAYS: None
ABSTAIN: None
ABSENT: None

7. GENERAL MANAGER'S REPORT

The Board received an informational, nonactionable update from General Manager John Weigold on relevant matters currently facing the District.

8. ITEMS FOR THE NEXT AGENDA

The next regular Board meeting will be held on February 8th, 2023. No additional topics were recommended for the following meeting. nd may include the following topics:

- a. Right-of-Ways Update
- b. Purchasing Policy
- c. Director Compensation
- d. Recycled Water Machine
- e. Addressing violators hooked up to the system

9. ADJOURNMENT

The meeting adjourned at 5:54 pm ON MOTION by Director Martin, Seconded by Director Ohlmann.

These minutes were presented for approval at the General Board Meeting on March 8, 2023.

Ellwood Barrett, President

Minutes taken and prepared by:

Stephen Williams
District Administrator/Clerk of the Board



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MONTECITO SANITARY DISTRICT

STAFF REPORT – 6C

DATE: March 8, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: Consideration of Amendment to a Professional Services Agreement with Raftelis consultants for the Montecito Water District / Montecito Sanitary District Consolidation Study

RECOMMENDATION

Staff recommends that the Board authorize the General Manager to execute an Amendment of the professional services agreement with Raftelis consultants for additional services work in support of the Montecito Water District / Montecito Sanitary District Consolidation Study.

DISCUSSION

The District executed a contract (Attachment 1), together with the Montecito Water District, for professional services with Raftelis on March 24, 2022 to study and prepare a consolidation report for the Districts. The scope and duration of the project has increased and Raftelis has proposed an amendment to the current agreement (Attachment 2) to continue its work.

FISCAL IMPACT

This original contract included a fixed fee of \$47,250 which is split between the Montecito Sanitary District and the Montecito Water District. The Amendment to the original agreement includes pricing of \$3200 per meeting and \$295 per hour for additional work in the future. The additional cost associated with the Amendment is estimated at \$21,605 per Raftelis' memo of March 1, 2023 (Attachment 3).

ANALYSIS

District Staff considers the terms and cost estimates of the Amendment as reasonable and required to complete the requirements in support of the Joint Strategic Planning Committee.

ATTACHMENTS

1. Raftelis Professional Services Agreement
2. Raftelis Proposed Amendment to the Professional Services Agreement
3. Raftelis Estimated Cost Memo

AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES

This Agreement for Professional Consulting Services (“Agreement”) is made and entered into as of March 24, 2022, by and among Raftelis Financial Consultants, Inc. (hereinafter referred to as “Consultant”) and MONTECITO SANITARY DISTRICT (hereinafter referred to as “MSD”) and MONTECITO WATER DISTRICT (hereinafter referred to as “MWD”). Consultant, MSD, and MWD may be individually referred to herein as a “Party” and collectively referred to herein as “Parties”. MSD and MWD may also be referred to collectively herein as “Districts”.

RECITALS

A. MSD is a sanitary District organized under Health and Safety Code §§6400-6408. The mission of MSD is 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. MSD has been serving the Montecito community with the collection, treatment, and disposal of wastewater since 1961.

B. MWD is a County Water District organized under Water Code §§ 30000 – 33901. The mission of MWD is to provide an adequate and reliable supply of high-quality water to the residents of Montecito and Summerland at the most reasonable cost. MWD has been serving Montecito and Summerland with potable water since 1921 and 1996, respectively.

C. Consultant is a professional management and financial consulting firm specializing in assisting local governments and utilities in the areas of finance, assessment, communications, and strategic planning to improve operational efficiencies.

D. The Districts wish to jointly retain Consultant to assist with an evaluation of the feasibility of special district consolidation.

E. The Districts have determined that Consultant possesses the demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required.

F. The Parties desire by this Agreement to establish the terms for Districts to retain Consultant to provide the services described herein.

NOW THEREFORE, in consideration of the mutual promises set forth herein, the sufficiency of which is hereby acknowledged by each of the Parties hereto, the Parties hereby agree as follows:

AGREEMENT

1. Services.

Consultant shall provide the Districts with all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional services necessary for the full and adequate completion of the Scope of Work attached hereto as Exhibit “A”, and incorporated herein by this reference. All work and/or services to be performed by Consultant, set forth in **Exhibit “A”**, shall be referred to herein as “the Services”.

2. Compensation

a. The Districts shall pay for the Services in accordance with the fee estimate

which is attached hereto as **Exhibit “A”**. The Districts each agree to a 50% / 50% cost share with respect to the Services of Consultant, but shall be jointly and severally liable for the total amount to be paid to Consultant.

b. In no event shall the total amount paid for the Services rendered by Consultant under this Agreement exceed the sum of \$47,250. This amount includes all supplies, copies, printing, postage, shipping, costs of materials and equipment, travel costs, and all other related costs attendant to the performance of the Services hereunder.

c. MWD will administer the payment of invoices under this Agreement. Consultant shall submit monthly invoices to MWD for the actual number of hours worked pursuant to this Agreement during the previous month, and for any costs or expenses previously authorized by Districts. Such invoice shall include a breakdown of each of the Services provided to Districts, the per hour dollar rates set forth on **Exhibit “B”** to be charged for each of such Services, the number of hours worked during such time period for each of such Services, an itemization of all such costs and expenses, and any other information that Districts may request. MWD shall provide copies of all such invoices and supporting documentation to MSD within one (1) business day of MWD’s receipt thereof. All invoices and supporting documentation provided by Consultant will be reviewed and approved for payment by both Districts. Periodic payments for invoices, or any part thereof, not disputed by either District shall be made by MWD within 30 days of receipt of a monthly invoice.

d. Upon MWD payment of a monthly invoice, MWD will calculate the 50% cost share of MSD for that invoice, and provide a request for reimbursement to MSD for that cost share amount. The request for reimbursement will be tendered within 14 days of the MWD payment of a monthly invoice, will include a copy of the original invoice and supporting documentation from Consultant from which the 50% MSD cost share was calculated, and shall be paid by MSD within 30 days after MSD’s receipt of the request for reimbursement.

3. Changes and/or Additional Work

If changes and/or additions to the scope of work seem merited by Consultant or the Districts, and informal consultations among the Parties indicate that a change and/or addition is warranted, it shall be processed in the following manner: (a) a letter outlining and describing the changes and/or additions shall be forwarded to the Districts by Consultant with a statement of estimated changes and/or additions in fee or time schedule; (b) if approved by the respective Boards of the Districts, an amendment to this Agreement shall be prepared by the Districts, executed by the Parties, and include a not-to-exceed amount, before performance of such additional services; (c) unless such amendment is approved by both of the Boards of the Districts, the Districts will not be required to pay for the changes and/or additions in the scope of work. Any approved amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records

a. Books, documents, papers, accounting records, and other evidence pertaining to the Services rendered and costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement period and for four (4) years from the date of final payment under this Agreement for inspection by Districts. Before destroying the documents following this retention period, Consultant shall make a reasonable effort to notify Districts and provide Districts with the opportunity to obtain the documents.

b. The Consultant agrees to provide the Districts, or any of their authorized representatives, access to any books, documents, papers, and records of the Consultant which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions.

c. The Consultant agrees to permit the Districts, or any of their authorized representatives, to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

5. Time of Performance

a. Prior to starting any Services under this Agreement, Consultant shall be in receipt of a written Authorization to Proceed issued by the Districts.

b. Consultant shall complete the Services in a timeline consistent with the schedule included in **Exhibit C**, which may be adjusted by the mutual agreement of the Parties as work proceeds as part of the monthly progress meeting. Such schedule shall be subject to the review and approval of Districts, which approval shall not be unreasonably withheld, and shall include allowances for periods of time required for review and approval of submissions, and for approvals of governing authorities. The schedule shall not be extended by Consultant without the prior written approval of Districts.

c. Consultant shall perform all Services hereunder as expeditiously as is consistent with professional skill and care, so as not to be the cause, in whole or in part, of delays in the Services or in the achievement of any Services milestones. Specifically, Consultant shall perform the Services within the time required by the Districts and within any completion schedules adopted for the Services. Consultant agrees to coordinate with staff, and consultants of Districts in the performance of the Services, and shall be available to District's staff, and consultants at all reasonable times.

6. Delays in Performance

a. Any delays in Consultant's work caused by the following shall be added to the time for completion of any obligations of Consultant: (1) the actions of Districts or their employees; (2) the actions of any parties not within the reasonable control of the Consultant; and (3) any act of God or other unforeseen occurrence not due to any fault or negligence on the part of Consultant (each, an "excusable delay").

Neither the Districts nor the Consultant shall be liable for damages, liquidated or otherwise, to the other on account of such excusable delays.

b. The Consultant shall, within thirty (30) calendar days of the beginning of any excusable delay (unless Districts grant in writing a further period of time to file such notice prior to the date of final payment under the Agreement), notify the Districts in writing of the causes of delay. Districts will then ascertain the facts and the extent of the delay, and mutually grant an extension of time for completing the Services when, in their judgment, the findings of fact justify such an extension. The findings of fact by Districts thereon shall be final and conclusive on the Parties. Extensions of time shall apply only to that portion of the Services affected by the delay and shall not apply to other portions of the Services not so affected. The sole remedy of Consultant for extensions of time shall be an extension of the performance time at no cost to the Districts. If additional services are required as a result of an excusable delay, the Parties shall mutually agree thereto pursuant to the Changes and/or Additional Work provision of this Agreement. Should Consultant make an application for an extension of time, Consultant shall submit evidence that the insurance policies required by this Agreement remain in effect during the requested additional period of time.

7. Compliance with Law

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including but not limited to Cal/OSHA requirements.

b. Consultant shall cause all documents prepared by Consultant to conform to any applicable requirements of federal, state and local laws, rules and regulations, in effect as of the time the documents are prepared or revised during the latest phase of the Services. Any significant revisions made necessary by changes in such laws, rules and regulations after this time may be compensated as additional services. Consultant shall cause the necessary copies of such documents to be filed with any governmental bodies with approval jurisdiction over the Services.

c. Consultant will use its best professional efforts to interpret all applicable federal, state and local laws, rules and regulations with respect to the Services. Consultant shall inform Districts of its interpretations of inconsistencies of which it is aware or reasonably should be aware between federal, state, and local laws, rules and regulations, as well as any other issues which are subject to conflicting interpretations of the law. Unless Consultant brings such inconsistencies and conflicting interpretations to the attention of the Districts and requests direction on how to proceed, the Consultant's interpretation of such inconsistencies and conflicting interpretations shall be the sole responsibility and liability of Consultant, and the Consultant shall correct all documents prepared hereunder at no additional cost if its interpretations are shown to be incorrect.

8. Standard of Care

a. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services under this Agreement. Consultant warrants that all of its employees, Consultants, experts and other consultants have sufficient professional skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, and its agents, employees, and subconsultants, have all licenses, permits, qualifications and approvals of whatever nature that are legally required by the State of California to perform the Services assigned to or rendered by them, and that such licenses and approvals shall be maintained throughout the term of this Agreement.

b. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards employed by professionals qualified to perform the Services in the same discipline in the State of California at the time the Services are rendered, and shall be fully responsible to Districts for any damages to Districts caused by a failure to perform the Services in accordance with the applicable standard of care; and as specified in the indemnification provision of this Agreement. Without limiting the foregoing, Consultant shall be fully responsible to the Districts for any increased costs incurred by the Districts as a result of any uncured deficiencies in the Services. Consultant shall perform, at its own cost and expense and without reimbursement from the Districts, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein.

9. Districts Responsibilities

Districts responsibilities shall include the following:

a. Districts shall make available to Consultant all necessary data and information concerning the purpose and requirements of the Services, including scheduling and budget limitations, objectives, constraints and criteria.

b. Districts shall each designate a person to act as their respective representative for the performance of this Agreement. The Districts representatives shall each be authorized to act as liaison with Consultant, and shall have the power to act on behalf of the Districts, respectively, for all purposes under this Agreement, and will maintain oversight to ensure that Consultant performs in accordance with the scope of work for the Services. Districts may each designate new and/or different individuals to act as a representative from time to time. The Districts representatives shall render decisions in a timely manner so as to avoid unreasonable delay in the orderly and sequential progress of the Services, as provided in the excusable delay provisions of this Agreement above.

c. Review all documents submitted by Consultant and requiring approval by the Districts. Districts shall advise Consultant of decisions pertaining to such documents within a reasonable time after submission, so as not to cause unreasonable delay as provided in the excusable delay provisions of this Agreement above.

10. Assignment and Sub-consultants

a. Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the Districts, which may be withheld for any reason in the sole discretion of the Districts. With the written consent of Districts, which may be withheld for any reason in the sole discretion of the Districts, Consultant may employ at its expense architects, Consultants, experts or other consultants qualified and licensed to render work in furtherance of the Services, and to delegate to them such duties as Consultant may delegate without relieving Consultant from administrative or other responsibility under this Agreement. Consultant shall be responsible for the coordination and cooperation of Consultant's architects, Consultants, experts or other consultants. Consultant shall request District's consent to retain the services of subconsultants in sufficient time prior to their commencement of work to allow Districts to review their qualifications.

b. All Consultants, architects, experts and other consultants retained by Consultant in performance of this Agreement shall be qualified to perform the work assigned to them, and shall be licensed and/or registered under the laws of the State of California to practice in their respective professions where required by law.

c. All Consultants, architects, experts and other consultants retained by Consultant shall be required to meet the same standards and insurance requirements set forth in this Agreement, unless other standards or requirements are approved by the Districts in writing. Unless changes are approved in writing by the Districts, Consultant's agreements with its assignees and/or subconsultants shall contain a provision making them subject to all provisions set forth in this Agreement.

11. Independent Contractor

Consultant is retained as an independent Contractor and is not an employee of Districts. Consultant and Districts acknowledge and agree that Consultant performs services that are outside the usual course of business conducted by Districts, and Consultant is engaged in an independently established trade, occupation or course of business of the same nature as the Services performed for Districts under this Agreement. No employee or agent of Consultant shall become an employee of Districts. The work to be performed shall be in accordance with the work described in the Services provision of this Agreement, subject to such directions and amendments from Districts as herein provided.

12. Integration

This Agreement, including the Exhibits attached hereto, represents the entire understanding of Districts and Consultant as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by all Parties hereto. This is an integrated Agreement.

13. Insurance

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all Services under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the Districts.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance services Office Commercial General Liability coverage (Occurrence Form CG 0001)

(iii) Commercial General Liability Insurance must include coverage for the following:

(1) Bodily Injury and Property Damage

(2) Personal Injury/Advertising Injury

(3) Premises/Operations Liability

(4) Products/Completed Operations Liability

(5) Aggregate Limits that Apply per Project

(6) Explosion, Collapse and Underground (UCX) exclusion deleted

(7) Contractual Liability with respect to this Agreement

(8) Broad Form Property Damage

(9) Independent Consultants Coverage

(iv) All such policies shall give the Districts, and their respective Board of Directors, agents, employees, officers and staff, additional insured status using ISO endorsement CG2010, CG2033, or equivalent.

(v) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Districts.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the Districts.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance services Office Form Number CA 0001 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The automobile liability program may utilize deductibles, but not a self-insured retention, subject to written approval by the Districts.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Consultant will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by Consultant to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein.

(iii) Such insurance shall include an insurer's Waiver of Subrogation in favor of the Districts and will be in a form and with insurance companies acceptable to the Districts.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability insurance, in a form and with insurance companies acceptable to the Districts and in an amount indicated herein.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

| | |
|------------------------------|---|
| Commercial General Liability | \$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage/\$2,000,000 aggregate products completed operations |
| Automobile Liability | \$2,000,000 per occurrence for bodily injury and property damage |
| Employer's Liability | \$1,000,000 per occurrence |
| Professional Liability | \$2,000,000 per claim and aggregate (errors and omissions) |

f. Evidence Required

(i) Prior to execution of the Agreement, the Consultant shall file with the Districts evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 2010 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent) including endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the Districts at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Districts at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the Districts or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the Districts, which satisfy the following minimum requirements:

(ii) Insurance carriers shall have a current A.M. Best rating of not less than "A-" policyholder's rating and a financial rating of not less than "Class VII," unless otherwise approved by the Districts.

i. Additional Insurance Provisions

- (i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Districts, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.
- (ii) If at any time during the life of the Agreement, the Consultant fails to maintain in full force any insurance required by the Agreement documents, the Districts may terminate this Agreement upon mutual agreement by the Districts.
- (iii) All Commercial General Liability and Automobile Liability policies shall give the Districts, and their respective Board of Directors, agents, employees, officers and staff, insured status using ISO endorsement CG20 10 11 85, or CG20 10 01 plus CG20 37 10 01, or equivalent.
- (iv) The Districts may require the Consultant to provide complete copies of all insurance policies in effect for the duration of this Agreement.
- (v) Neither the Districts nor the respective Boards of same, nor any member of the Boards, nor any of the directors, officers, employees, agents or volunteers of Districts shall be personally responsible for any liability arising under or by virtue of this Agreement.
- (vi) Any subcontractor and/or subconsultant of Consultant shall take out, and maintain the same types and amounts of insurance required by Consultant under this Agreement. Evidence of such coverage by any subcontractor and/or subconsultant shall be provided to Districts prior to the rendering of any Services by the subcontractor and/or subconsultant.

14. Indemnification.

To the fullest extent permitted by law, Consultant shall indemnify and hold the Districts, and their respective Board, members of the Board, officers, and employees (“Indemnified Parties”), free and harmless from claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury, in law or equity, to property or persons, including wrongful death, (collectively, “Claims”) proximately caused by negligent acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant’s Services, including expert witness fees and attorney’s fees and other related costs and expenses. Nothing contained herein shall require Consultant to indemnify, hold harmless or indemnify Party or Parties from the sole negligence or willful misconduct of any Indemnified Party or Parties.

Notwithstanding the foregoing, to the extent Consultant’s Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

Consultant's obligation to indemnify under this Agreement shall not be restricted to insurance proceeds, if any, received by the Districts, their respective Board, members of the Board, officers, or employees.

15. Verification of Employment Eligibility

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all sub-consultants to comply with the same.

16. Laws, Venue, and Attorneys' Fees

This Agreement shall be subject to, and interpreted in accordance with the laws, rules, regulations and ordinances in effect within the County of Santa Barbara, California. If any action or proceeding is brought to interpret or enforce any term of this Agreement, venue for such action or proceeding shall be in the County of Santa Barbara, State of California.

17. Termination or Abandonment

a. Upon the mutual agreement of the Districts, the Districts reserve the right to terminate or abandon any portion or all of the Services under this Agreement with or without cause by giving ten (10) calendar days written notice to Consultant. In such event, and upon payment to Consultant of all sums due and owing, including for Services properly performed prior to the written notice of termination, Districts shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and all other project documents, produced or developed for that portion of the Services completed and/or being abandoned. Districts shall pay Consultant the reasonable value of services rendered for any undisputed portion of the Services completed prior to termination. Upon payment of the amount required to be paid to Consultant pursuant to the termination provisions of this Agreement, Districts shall have the rights, as provided in this Agreement, to use all documents prepared by or on behalf of Consultant under this Agreement. If said termination occurs prior to completion of any task for which a payment request has not been received, the charge for Services performed during such task shall be the reasonable value of such Services, based on an amount mutually agreed to by Districts and Consultant of the portion of such task completed but not paid prior to said termination. Districts shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed Services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide Services under this Agreement upon thirty (30) calendar days' written notice to Districts only in the event of a material breach of this Agreement by Districts through no fault of Consultant.

18. Documents

a. All documents, reports, presentation plans, slides, models, and any other related documents shall become and remain the property of Districts, and may be used by the Districts for any purpose without Consultant's consent and without additional compensation to Consultant; provided that any use of the documents, reports, presentations, plans, slides, models and any other related documents other than as contemplated under this Agreement or any modification thereof, shall be at the sole risk of the Districts which each agree, to indemnify, hold harmless and defend Consultant for their individual use of the material set forth in this section. The Districts shall be permitted to retain copies, including reproducible copies, of the Consultant's project documents, including all plans, specifications, original or reproducible transparencies of working plans and master plans, preliminary sketches, presentation plans, structural computations, estimates and any other documents prepared pursuant to this Agreement.. Districts reserve the right to select the method of document reproduction and to establish where the reproduction will be accomplished. Consultant shall provide copies of the project documents in the number required by Districts.

b. All documents, either created by or provided to Consultant in connection with the performance of this Agreement, shall be held confidential by Consultant to the extent they are not subject to disclosure pursuant to the Public Records Act, or other legal process. All project documents shall not, without the written consent of Districts, be used or reproduced by Consultant for any purposes other than the performance of the Services. Consultant shall not disclose, cause or facilitate the disclosure of the project documents to any person or entity not connected with the performance of the Services. Nothing furnished to Consultant that is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use name or insignia of Districts, or any publicity pertaining to the Services in any magazine, trade paper, newspaper, television or radio production or other similar medium without the written consent of Districts. Nothing contained herein shall be deemed a transfer, assignment, or divestiture by Consultant nor a limitation of Consultant's use of its trade secrets, know-how or intellectual property.

19. Consultant of Record; Key Personnel

a. Consultant shall name a specific person to act as Principal in Charge, subject to the approval of Districts. Consultant hereby designates Seth W. Garrison to act as Principal in Charge. The Principal in Charge shall: (i) maintain oversight of the Services to be performed under this Agreement at all times; (ii) have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement; (iii) supervise and direct the Services using his or her best skill and attention; (iv) be responsible for the means, methods, techniques, sequences and procedures used for the Services; (v) adequately coordinate all portions of the Services; and (vi) act as principal contact with the Districts and all contractors, consultants, Consultants and inspectors involved in the Services. Any change in the Principal in Charge shall be subject to the prior written approval of Districts, which approval shall not be unreasonably withheld. The new Consultant of Record shall

be of at least equal competence as the prior Principal in Charge. In the event that Districts and Consultant cannot agree as to the substitution of a new Consultant of Record, Districts shall be entitled to terminate this Agreement for cause by mutual agreement of the Districts.

b. In addition to the Principal in Charge, Consultant has represented to the Districts that certain additional key personnel, Consultants and consultants will perform the work under this Agreement. Should one or more of such personnel, Consultants or consultants become unavailable, Consultant may substitute others of at least equal competence and qualifications upon written approval of the Districts. In the event that Districts and Consultant cannot agree as to the substitution of key personnel, Consultants or consultants, Districts shall be entitled to terminate this Agreement for cause by mutual agreement of the Districts. As discussed below, any personnel, Consultants or consultants who fail or refuse to perform the Services in a manner acceptable to the Districts, or who are determined by the Districts to be uncooperative, incompetent, a threat to the adequate or timely completion of the Services, or a threat to the safety of persons or property, shall be promptly removed from the Services by the Consultant at the request of the Districts. The key additional personnel, Consultants and consultants for performance of this Agreement are as follows: James Armstrong and Rebekka Hoskin.

20. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

MONTECITO SANITARY DISTRICT
Attn: General Manager, Bradley Rahrer
1042 Monte Cristo Lane,
Santa Barbara, CA 93108

MONTECITO WATER DISTRICT
Attn: General Manager, Nicholas Turner
Attn: Assistant General Manager/Engineering Manager, Adam Kanold
583 San Ysidro Road,
Santa Barbara, CA 93108

RAFTELIS
Attn: CEO, Peiffer Brandt
~~Attn:~~ 227 W. Trade Street, Suite 1400
Charlotte, NC 28202

and shall be effective upon receipt thereof.

21. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Districts and the Consultant.

22. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

23. No Waiver

No waiver of a breach of any provision of this Agreement shall be construed to be a continuing waiver of that provision, nor a waiver of any breach of another provision of this Agreement.

24. Conflict of Interest

Consultant warrants by execution of this Agreement that no person or selling agent has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for commission, percentage, brokerage or contingent fee, and that Consultant maintains no agreement, employment, or position which would be in conflict with the duties to be performed for Districts under this Agreement. Consultant further agrees that during the term of this Agreement, Consultant will not obtain, engage in, undertake any interests, obligations or duty which would be in conflict with, or interfere with, the Services or duties to be performed under the provisions of this Agreement.

25. Budget

Consultant represents that it is reasonable to expect completion of all Services within the fund limits approved herein by Districts for the Services. Consultant shall review the remaining Services and remaining budget at least monthly and shall confirm that completion may be expected within the budget approved or, in the alternative, give immediate notice when it shall first appear that the approved budget will not be sufficient, together with an explanation for any projected need to increase the budget.

26. Counterparts

For the convenience of the Parties, this document consisting of 14 pages, and the Exhibits attached hereto, may be executed in counter parts which shall together constitute the agreement of the Parties with one and the same instrument.


27. Dispute Resolution

If a controversy, claim or dispute arises out of related to this Agreement or its alleged breach (including but not limited to any violation or breach of Agreement terms by Consultant in the performance of the Work) cannot be resolved through negotiation, Consultant and Districts agree first to try in good faith to resolve the dispute by mediation administered by the American Arbitration Association before resorting to arbitration, litigation, or some other dispute resolution procedure. This dispute resolution provision does not obviate, or eliminate, the necessity for compliance with the requirements of the California Government Code,

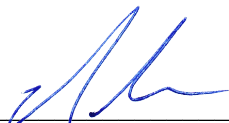
including but not limited to Government Code §§ 900 – 935.9. The prevailing party in any action or proceeding arising out of or relating to this Agreement shall recover its reasonable attorneys' fees and costs (including expert witnesses) in that action or proceeding. Districts, in accordance with good administrative practice and sound business judgment, are responsible for the settlement of all contractual and administrative issues arising out of procurements.

IN WITNESS WHEREOF, THE PARTIES EXECUTED THIS AGREEMENT ON THE
DATE BELOW WRITTEN, EFFECTIVE UPON EXECUTION BY ALL PARTIES

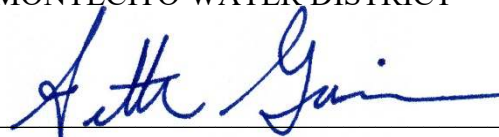
Dated: March 24, 2022


By: Bradley Rahrer, General Manager
MONTECITO SANITARY DISTRICT

Dated: March 2, 2022


By: Nick Turner, General Manager
MONTECITO WATER DISTRICT

Dated: March 24, 2022


By: Seth W. Garrison, Senior Manager
RAFTELIS



December 21, 2022

General Manager Mr. Nicholas Turner
Montecito Water District
583 San Ysidro Road
Santa Barbara, CA 93108

General Manager Mr. John F. Weigold, IV
Montecito Sanitary District
1042 Monte Cristo Lane
Santa Barbara, CA 93108

Subject: Proposed Budget Amendment to Professional Consulting Agreement dated March 24, 2022

Dear Mr. Turner and Mr. Weigold:

As we previously discussed, once our team has made the Joint Committee's requested minor changes to the Draft Report, Raftelis will have completed its originally proposed scope of work budgeted at the fixed fee of \$47,250. At the Districts' request, and in order to provide additional assistance in presenting report results to the Joint Committee and District Boards, we are providing this proposed budget amendment.

The fixed fee for each presentation of the report (subsequent to the December 20, 2022 presentation) is \$3,200. This cost includes our team's preparation, travel, and presentation time, and other associated costs.

Any additional requests for service, such as modifications to the report or other consulting time, will be charged at a flat rate of \$295 per hour.

Please let me know if you have any questions regarding this contract amendment request. We have enjoyed working with your team and look forward to completing and presenting the final report.

Sincerely,

A handwritten signature in black ink that reads "Rebekka G. Hosken".

Rebekka G. Hosken, Manager
P: 818.632.4086 / E: rhosken@raftelis.com

Montecito Water District accepts the terms of this budget amendment:

| | |
|--------------------------|--------------|
| Approved: _____ | Date: _____ |
| Name of Signatory: _____ | Title: _____ |

Montecito Sanitary District accepts the terms of this budget amendment:

| | |
|--------------------------|--------------|
| Approved: _____ | Date: _____ |
| Name of Signatory: _____ | Title: _____ |

MEMO

To: John Weigold, MSD General Manager
From: Rebekka G. Hosken, Senior Manager *RH*
CC: Nicholas Turner, Jim Armstrong
Date: March 1, 2023
Re: Draft Consolidation Report Estimate of Assistance

Per your request, I have prepared an estimated cost to finish the draft consolidation report through MWD and MSD Board votes. The table below summarizes one possible scenario using the rates in the proposed contract amendment sent earlier. We presume cost would be shared between the two Districts.

| ACTIVITY | QTY | UNIT | COST PER | TOTAL |
|---|-----|-----------|----------|-----------------|
| Incorporate Joint Committee changes to report | 2 | hour | \$295 | \$590 |
| Attendance at one in-person Joint Committee meeting | 1 | flat rate | \$3,200 | \$3,200 |
| Attendance at four in-person Board Meetings | 4 | flat rate | \$3,200 | \$12,800 |
| Two days incorporating comments from Board Meetings | 16 | hour | \$295 | \$4,720 |
| Two 30-minute meetings with GMs (remote) for planning | 1 | hour | \$295 | \$295 |
| ESTIMATED TOTAL: | | | | \$21,605 |

Should our presence at meetings be remote (online), the flat rate drops to \$1,800 per meeting.

Without knowing the full extent of Board comments (number of hours needed to address) and number of meetings, this is very much an estimate and will change based upon specific requests of the Districts.

We thank you for the opportunity to be of assistance. Please let me know if you have any other questions.

GENERAL MANAGER'S REPORT

For the Regular Board Meeting of

March 8, 2023

The District continues its mission of providing wastewater collection and treatment services. General manager turnover is proceeding, albeit a bit delayed due to the preparation and recovery efforts from the January storms. That said, the storms provided an opportunity to better understand and observe the terrific efforts of our staff during emergency conditions. In this report I am including some of the longer term projects I have added to our internal work plan that will require Board guidance and approval of policies. In addition to the daily operations of the District, the following is an update on some of our current ongoing projects and activities:

1. January Storms Damage Projects Update

Staff met with FEMA and CalOES representatives in person at the District offices to review our claims for damage caused by the January storms. Rincon Consultants was hired and acquired the permits necessary to execute initial repair work. Initial protection work for a manhole in Montecito Creek was completed on February 23, 2023. Staff is proceeding to work with design engineers and contractors on permanent repairs and mitigations for damage from the storms.

2. Policy Development

Staff has over a dozen projects that need policy guidance in order to address current and future sewer line issues throughout the District. Staff has determined that the District will need to develop additional policy for Board review to address the following issues: Housing Policy update to address private sewer mains and ADUs; Easement Policy to address encroachments, license agreements, enforcement, etc.; Lining Policy to address the use of liners in private homeowner laterals; Reverse Osmosis (RO) Policy to address installation and use of private systems and discharge of brine into District sewers; Sewer Main Connection Policy to address new collections to new sewer main extensions; Pumping Design Policy to standardize expectations for private pumps to prevent residential sewage spills. Due to current staff workload and for expediency the District will hire consultant(s) to assist in this work.

3. Maintenance Building Damage

During a recent rain/wind storm a eucalyptus tree fell on the maintenance building on Wednesday, February 22, 2023, damaging the building, roof and gas meter. District Staff engaged with our insurance company and contractors to remove the tree, secure the building from the elements and to replace and restore gas service. The District is engaging a surveyor to determine the owner of the trees in order to trim or remove them to prevent future issues to District property.

4. Tree Trimming on Monte Cristo Lane

Staff has obtained estimates and proposals for trimming the District eucalyptus trees on Monte Cristo Lane and will begin work in the coming weeks.

5. Waterline Leak

Staff was notified by Montecito Water District that we may have a leak in our complex. Following staff investigation it was determined that the leak is most likely in the main line entering the facility. Due to the location, District staff will engage a contractor to assist with locating the leak. Staff will repair the leak once located.

6. Hwy 101 Sewer Relocation - Protect-In-Place (PIP)

Caltrans is continuing its review of the District’s PIP plan in lieu of the Highway 101 Sewer Main Crossing Relocation (Relocation) project. Caltrans has requested that the District sign a liability letter, which will be discussed during today’s Board meeting.

7. 12-Month Effluent Flow / Rainfall

