

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

May 14, 2020

1. CALL TO ORDER/ROLL CALL

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:15 p.m. on May 14, 2020 using Zoom teleconferencing in accordance with State of California Executive Order No. N-29-20 issued on March 17, 2020.

ATTENDANCE

Board Members Present:

Directors Tom Bollay, Thomas Kern, Jeff Kerns, Dana Newquist, and Woody Barrett

Board Members Absent:

None

Also Present and Participating:

Diane M. Gabriel, MSD General Manager/District Engineer
Toni M. McDonald, MSD District Administrator
Carrie Poytress, MSD Engineering Manager
Alex Alonzo, MSD Operations Manager
Karl H. Berger, MSD Legal Counsel
Ken Coates, Ratepayer
Leon Bartholemew, Ratepayer
Keith Berry, Ratepayer

2. PUBLIC COMMENT

None

3. APPROVAL OF MINUTES

The minutes of the April 9, 2020 meeting were included in the agenda packet. Director Barrett stated he did not remember a portion of the discussion recorded in the minutes for agenda item 5B. Director Barrett stated he would go back to listen to the recording provided him previously. The Board agreed to delay approval of the April 9th meeting until the next Board meeting.

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4. APPROVAL OF PAYABLES

On MOTION by Director Newquist and second by Director J. Kerns, the Board approved with a roll call vote these payroll and accounts payable expenses from April 9, 2020 through May 14, 2020:

Accounts Payable Expenses	\$ 211,342.15
Capital Improvement Projects	9,900.00
Recycled Water	7,643.19
Payroll and Related Expenses	<u>277,574.92</u>
Total Expenses	\$ 506,460.26

AYES: Directors Kern, Newquist, Bollay, Kerns, Barrett
 NAYS: None
 ABSENT: Director T. Kern (absent for vote)
 ABSTAIN: None

5. OLD BUSINESS

District Counsel Karl H. Berger announced he had been informed the meeting id number posted on the agenda was incorrect. However, the link for the meeting was correct, as was the phone number for technical issues. Therefore, Mr. Berger apologized for the District and stated the meeting could proceed.

A. Resolution No. 2020-923 – Adopting a Record Retention Schedule

Mr. Berger reminded the Board that the proposed Resolution No. 2020-923 had previously been discussed at its meeting on April 9th, and that this is a housekeeping item for the District.

After Board discussion, Legal Counsel suggested revisions to the proposed Resolution No. 2020-923 by deleting section 4 and amending section 3. The revisions direct staff to get Board approval on all documents scheduled for destruction. Legal Counsel also suggested amending the schedule (Exhibit A) Series Code DIST300.1 to include rate study and supporting documents as permanent and historical records.

On MOTION by Director Newquist and second by Director J. Kerns, the Board approved Resolution No 2020-929 as amended with the following roll call vote:

AYES: Directors Kern, Newquist, Bollay, Kerns, Barrett
 NAYS: None
 ABSENT: None
 ABSTAIN: None

6. NEW BUSINESS

A. Personnel Committee Meeting - Report

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The Personnel Committee (Directors Kern and Bollay) reported on its meeting of April 28, 2020. Director Tom Kern reported the Committee discussed the FY2020-21 Cost of Living Adjustment (COLA), and had directed staff prepare the proposed FY2020-21 budget using a 3.0% COLA based on methodology outlined in the MSD Personnel Committee Handbook. The Committee also reviewed the Salary Schedule for FY2020-21.

ACTION: None

B. Finance Committee Meeting - Report

The Finance Committee (Directors Kern and Barrett) reported on its meeting of May 8, 2020. The Committee reviewed the Quarterly Financial Reports for the quarter ending March 31, 2020. Director Kern reported that he and Director Barrett also reviewed the proposed FY2020-21 Budget reports in detail. After much discussion the Committee had agreed to recommend the Board approve the FY2020-21 Operations & Maintenance Budget, the FY2020-21 Fund Balances and Estimated Revenues, and the FY2020-21 Capital Improvement Budget at the June 11, 2020 Board meeting.

The proposed Budget document will be provided to the Board with the June 11th Board packet.

ACTION: None

C. Quarterly Financial Reports

District Administrator McDonald reviewed the Quarterly Financial Reports with the Board, including the Operating expenses to Budget through March 31, 2020, Capital project expenditures through March 31, 2020, and Investment Activity and Fund Balances as of March 31, 2020. Operating Expenses through March 31, 2020 are tracking to budget. The second allocation of property tax and sewer service charge revenue from the County will be reflected in the next quarter.

Director Barrett requested total project cost to be included in the Quarterly CIP Budget Status report. General Manager Gabriel stated that staff will include total project cost in the report starting next quarter.

ACTION: Staff

D. Quarterly Investment Policy Statement – March 31, 2020

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

ACTION: Treasurer Kern

E. Information Items

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- General Manager Gabriel reported the District has undertaken emergency measures to protect employees from exposure to COVID-19, including post task hygiene, additional PPE, and temporary facilities.

7. **OPERATIONS AND MAINTENANCE**

The Board reviewed the information in the Board packet.

8. **ITEMS FOR FUTURE AGENDAS**

The next Board meeting will be June 11, 2020 and will include FY2020-21 Budget discussion and a report from the May 13th A&O Committee meeting.

9. **ADJOURNMENT**

There being no other business, on MOTION to adjourn by Director Newquist and second by Director Barrett, the MOTION to adjourn passed unanimously without abstention at 3:00 p.m.

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Tom Bollay
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Thomas Bollay, President

DocuSigned by:
Jeff Kerns
CE040E224F21420...
JEFFREY KERNS, Vice President

DocuSigned by:
Ellwood T. Barrett II
6F90C29F773842A...
ELLWOOD T. BARRETT, Secretary

DocuSigned by:
Thomas Kern
39220DD4E5B94E8...
Thomas Kern, Treasurer

DocuSigned by:
Dana Newquist
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Dana Newquist, Director