



Montecito Sanitary District

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

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

BOARD PACKET

For the Regular Board Meeting of
February 11, 2021

- 1. Agendawww.montsan.org/2021-02-11-board-of-directors-meeting
- 2. Minutes of the Regular Meeting of the Board on January 14, 20212
- 3. Minutes of the Special Meeting of the Board on February 4, 20215
- 4. Payables for dates January 9, 2021 to February 5, 20217
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MINUTES

For the Regular Meeting of the Board on:
January 14, 2021

1. CALL TO ORDER/ROLL CALL

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:30pm on January 14, 2021 using Zoom teleconferencing in accordance with State of California Executive Order No. N-29-20 issued on March 17, 2020.

ATTENDANCE

Board Members Present:

President Dorinne Lee Johnson, Vice President Woody Barrett, Secretary Dana Newquist, Treasurer Don Eversoll, Director Gary Fuller.

Board Members Absent:

None

Also Present and Participating:

Jon Turner, MSD Interim General Manager
Carrie Poytress, MSD Engineering Manager
Alex Alonzo, MSD Operations Manager
Elizabeth (Betsy) A. Byrne, MSD District Administrator
Mark Manion, Price Postel & Parma
Eric Hvolboll, Price Postel & Parma
Ken, Montecito Resident
Bob Hazard, Montecito Resident
Jeff Kerns
Edwin Martin
Leon
Laura Camp, PIO MWD
Nick Turner
Steve Sandy
Donna S
Montecito Resident
Resident

2. PUBLIC COMMENT

Member of the Public Bob Hazard addressed the Board.

3. CONSENT CALENDAR

On MOTION by Director Eversoll and second by Director Newquist, the Board voted unanimously to approve the Consent Calendar.

4. OLD BUSINESS

Board President Johnson thanked the previous Board for their work.

5. NEW BUSINESS

Board President Johnson updated, during the meeting, the order of agenda items to the order listed herein below. Original Agenda order (A, B, C) indicated at right of title.

A. Proposals for new District General Legal Counsel (B)

The Board heard a presentation from Attorneys Mark Manion and Eric Hvolboll from Price Postel and Parma.

On MOTION by Director Fuller and second by Director Newquist, the Board voted unanimously to accept the proposal for new District General Counsel from Price Postel and Parma.

B. Recruitment of new District General Manager (C)

On MOTION by Director Eversoll and second by Director Newquist, the Board voted unanimously to approve the proposal from Bob Murray and Associates for the recruitment of a new General Manager.

The Board received public comment from member of the public Edwin Martin.

C. Policies and Procedures Manual (A)

Board President Johnson appointed an Ad-Hoc committee to address updates to the Policies and Procedures Manual; the committee shall consist of Directors Barrett and Newquist. The Ad-Hoc Committee shall consist of only one meeting and will cease upon report back to the Board.

D. Romero Canyon Road Sewer Main Extension (D)

On MOTION by Director Fuller and second by Director Eversoll to await staff recommendation at February 2021 board meeting; and directs staff to ask Tierra Contracting to hold their price for another 45 days.

The Board received public comment from former Director Jeff Kerns related to the history of sewer main extension projects by the District in relation to this project.

E. COVID-19 Emergency Declaration of March 19, 2020 (F)

On MOTION by Director Barrett and second by Director Newquist, the Board voted unanimously to keep declaration of emergency intact, but limit the amount the General Manager can spend to \$10,000.

F. Montecito Water District's Appeal to the Montecito Planning Commission related to the Montecito Sanitary District's Coastal Development Plan (E)

On MOTION by Director Johnson and second by Director Newquist the board voted unanimously to move the discussion of the Appeal to a special meeting of the Board, such meeting to include District Legal Counsel.

G. Informational Meeting with LAFCO (G)

On MOTION by Director Johnson and second by Director Newquist the board voted unanimously to move the discussion of the Meeting with LAFCO to a special meeting of the Board, such meeting to include District Legal Counsel.

6.DISTRICT OPERATIONS AND MAINTENANCE

The Board heard a report from Interim General Manager Jon Turner on District Operations.

7.ITEMS FOR THE NEXT AGENDA

The next Regular meeting of the Board will be on Thursday, February 11, 2021 at 1:30pm. The Administration and Operations Committee will hold a special meeting on Wednesday January 20, 2021 at 1:30 pm.

The Board discussed the following items for the next Agenda for the Regular meeting of the Board on Thursday February 11, 2021:

Discuss the Recycled Water Pilot Project Machine

Discuss the Policy and Procedures Manual

Board President Johnson directed each committee to meet before the February 11th meeting.

Board President Johnson directed that Director Barrett shall serve on the Finance Committee and that Director Fuller would not participate in the Finance Committee as moved during the Annual Organizational decisions at the December 10, 2020.

8.ADJOURNMENT

The Meeting adjourned at 3:30pm.

Dorinne Lee Johnson, President

Ellwood T. Barrett II, Vice
President

Dana Newquist, Secretary

Donald M. Eversoll,
Treasurer

Gary Fuller, Director



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MINUTES

For the Special Meeting of the Board on:

February 4, 2021

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a special meeting at 2:00 pm on Thursday, February 4, 2021 using Zoom teleconferencing in accordance with the State Executive Order No. N-29-20 issued on March 17, 2020.

ATTENDANCE

Board Members Present:

President Dorinne Lee Johnson, Vice President Woody Barrett, Secretary Dana Newquist, Treasurer Don Eversoll, Director Gary Fuller.

Board Members Absent: None

Also Present and Participating:

Carrie Poytress, MSD Engineering Manager
Alex Alonzo, MSD Operations Manager
Elizabeth (Betsy) A. Byrne, MSD District Administrator
Mark Manion, Price Postel & Parma
Ken, Montecito Resident
Edwin Martin
Laura Camp, PIO MWD
Keith Berry
Ken
Nick Turner
Donna S
Montecito Resident
Resident

2. PUBLIC COMMENT

No members of the public addressed the Board.

3. OLD BUSINESS

None

4. NEW BUSINESS

A. POLICIES AND PROCEDURES MANUAL

The Ad Hoc committee on Policies and Procedures Manual reported agreed upon changes to the District's Policies and Procedures Manual including but not limited to reverting from the 2019 adopted draft, to the draft finalized in 2016 and making additional changes.

On MOTION by Director Newquist, Second by Director Barrett to adopt the updated changes to the Policies and Procedures Manual.

AYES: Directors Barrett, Eversoll, Newquist, and Johnson
NAYS: Directors Fuller
ABSTAIN: None
ABSENT: None

B. MONTECITO WATER DISTRICT'S APPEAL TO THE MONTECITO PLANNING COMMISSION RELATED TO THE MONTECITO SANITARY DISTRICT'S COASTAL DEVELOPMENT PLAN

On MOTION by Director Newquist, Second by Director Eversoll, the Board voted to terminate the essential services building project, and to decouple the project from the rest of the Coastal Development Plan.

AYES: Directors Barrett, Eversoll, Newquist, and Johnson
NAYS: Directors Fuller
ABSTAIN: None
ABSENT: None

C. DESIGNATION OF LABOR NEGOTIATORS

On MOTION by Director Johnson, Second by Director Barrett, the Board voted to appoint Directors Johnson and Newquist as Labor Negotiators.

AYES: Directors Barrett, Eversoll, Newquist, Johnson, and Fuller
NAYS: None
ABSTAIN: None
ABSENT: None

5. CLOSED SESSION

A. PUBLIC EMPLOYEE APPOINTMENT (Government Code section 54957)

Title: General Manager

B. CONFERENCE WITH LABOR NEGOTIATORS (Government Code section 54957.6)

Agency designated representatives: (To be designated in Item 6 above)
Unrepresented employee: General Manager.

6. REPORT FROM CLOSED SESSION

No reportable action taken during Closed Session.

7. ITEMS FOR THE NEXT AGENDA

The Board agreed on the following items should be added to the agenda of the February 11, 2021 Regular meeting of the board:

- Appoint the Financial Statement Auditors
- Address updates to Board Compensation via resolution
- Letter to retain joint counsel with MWD

8. ADJOURNMENT

The Board moved to adjourn the meeting at 4:49 pm.



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BOARD LIST OF PAYABLES

<u>CHECK DATE</u>	<u>SUMMARY & TYPE</u>	<u>BATCH TOTAL</u>
01/15/21	ACCOUNTS PAYABLE	74,195.93
01/29/21	ACCOUNTS PAYABLE	59,899.78
	Subtotal	134,095.71
01/29/21	CAPITAL IMPROVEMENT PROJECTS	45,247.72
	Subtotal	45,247.72
01/14/21	PAYROLL	81,189.80
01/28/21	PAYROLL	82,247.33
	Subtotal	163,437.13
	TOTAL	<u>342,780.56</u>

Approved for Payment:

Date: February 11, 2021

Amount: 342,780.56

_____, General Manager

_____, Treasurer

_____, Director

Check History Report

Sorted By Check Number

Activity From: 1/15/2021 to 1/15/2021

MONTECITO SANITARY DISTRICT (MSD)

Check Number	Check Date	Name	Check Amount	Description
026204	1/15/2021	AQUATIC BIOASSAY & CONSULTING	9,930.00	Annual Outfall Inspection
026205	1/15/2021	ARCE, MICHAEL J	350.00	COVID Testing Reimbursement
026206	1/15/2021	AT&T MOBILITY	63.50	Wireless Service for Lift Station 4 SCADA-December
026207	1/15/2021	AUTOZONE, INC	73.97	Lift Station Cleaning Supplies
026208	1/15/2021	BARTLETT, PRINGLE & WOLF, LLP	1,000.00	Annual Financial Audit Progress Payment
026209	1/15/2021	BIG GREEN CLEANING COMPANY	1,885.94	Janitorial Services and Supplies-January
026210	1/15/2021	BOYD & ASSOCIATES	3,245.00	Installation of Security Cameras, Security Alarm Monitoring
026211	1/15/2021	ELIZABETH BYRNE	80.34	Reimbursement for Payroll Check Envelopes
026212	1/15/2021	CANON FINANCIAL SERVICES INC	350.01	Canon Copier Lease Payment
026213	1/15/2021	HAZ SPORTSWEAR	625.62	MSD Logo Staff Caps
026214	1/15/2021	COMPUVISION COMMUNICATIONS	1,268.75	IT Services-December
026215	1/15/2021	CORT	44.00	Deed Report-December
026216	1/15/2021	CROMER MATERIAL HANDLING	725.36	Forklift Lease Payment-December
026217	1/15/2021	CULLIGAN OF VENTURA COUNTY	52.69	Bottled Drinking Water-December
026218	1/15/2021	DATCO SERVICES CORPORATION	312.00	DATCO Services-October/March
026219	1/15/2021	DLT SOLUTIONS, LLC	1,173.15	Annual Autodesk/Cad Subscription
026220	1/15/2021	DOCU PRODUCTS	81.50	Copier Maintenance Agreement-January
026221	1/15/2021	ENGEL & GRAY, INC	4,222.28	Biosolids Hauling-December
026222	1/15/2021	FASTENAL COMPANY	733.17	Marking Paint, Leather & Vinyl Gloves, Brake Cleaner, Paint
026223	1/15/2021	FISHER SCIENTIFIC	748.38	Lab Testing Supplies
026224	1/15/2021	FRONTIER	426.67	Phone Service for Plant and Lift Stations-January
026225	1/15/2021	GRAINGER	217.39	Industrial Hoses for WWTP, Batteries
026226	1/15/2021	HACH COMPANY	301.64	Lab Testing Supplies
026227	1/15/2021	HARRINGTON INDUSTRIAL PLASTICS	444.16	PVC Piping Restock
026228	1/15/2021	MARBORG INDUSTRIES	686.74	Refuse Disposal/Recycling-December
026229	1/15/2021	MCCORMIX CORP	433.79	Vehicle Fuel 12/15-12/31/20
026230	1/15/2021	MCMASTER-CARR SUPPLY COMPANY	210.05	Collection Tools, Wet-Erase Wall Calendar
026231	1/15/2021	MONTECITO WATER DISTRICT	911.73	Water Service-December
026232	1/15/2021	PAYCHEX OF NEW YORK, LLC	279.80	Payroll Services-December
026233	1/15/2021	PHOENIX CIVIL ENGINEERING	10,545.00	Interim General Manager-Nov/Dec
026234	1/15/2021	PITNEY BOWES GLOBAL FINANCIAL	176.16	Postage Meter Quarterly Lease Payment
026235	1/15/2021	POLYDYNE, INC	635.19	Polymer for DAFT
026236	1/15/2021	POWER MACHINERY CENTER	17.76	Part for Small Jetter Unit #3
026237	1/15/2021	PRAXAIR DISTRIBUTION INC	141.46	Welding Supplies for Chief Mechanic
026238	1/15/2021	PRIORITY SAFETY SERVICES	870.00	Multi-Gas Meter Inspection/Calibration
026239	1/15/2021	PURETEC INDUSTRIAL WATER	53.44	Water Softener Sodium Tank Exchange
026240	1/15/2021	RED WING BUSINESS ADVANTAGE	175.62	Boot Allowance-Ortiz
026241	1/15/2021	SANSUM CLINIC	737.50	Pre-Employment Physical, DOT/DMV Exams
026242	1/15/2021	SANTA BARBARA COUNTY	1,129.00	Coastal Development Plan Hearing
026243	1/15/2021	S B HOME IMPROVEMENT CENTER	136.32	Property Maintenance Supplies
026244	1/15/2021	SOUTHERN CALIFORNIA EDISON CO	11,621.79	Electric Service-December
026245	1/15/2021	SMARDAN-HATCHER COMPANY	287.69	PVC Parts for Restroom Trailer-COVID
026246	1/15/2021	SOCAL GAS	368.97	Gas Service-December
026247	1/15/2021	STREAMLINE	310.00	Website Management-February
026248	1/15/2021	T&D RENTS INC.	4,617.50	Combo Shower/Restroom Trailer Final Rental Pymt-December
026249	1/15/2021	T-MOBILE	20.00	Wireless Data Port for UF/RO-December
026250	1/15/2021	UNIVAR SOLUTIONS	9,267.41	Plant Chemicals
026251	1/15/2021	UNDERGROUND SERVICE ALERT	169.55	62 Dig Alert Tickets/State Regulatory Fee-December
026252	1/15/2021	VENTURA AIR CONDITIONING CO.	2,037.94	Lab Exhaust Fan Bearing Replacement
Bank B Total:			<u>74,195.93</u>	
Report Total:			<u><u>74,195.93</u></u>	

Check History Report
Sorted By Check Number
Activity From: 1/29/2021 to 1/29/2021
MONTECITO SANITARY DISTRICT (MSD)

Check Number	Check Date	Check Name	Check Amount	Check Type
026253	1/29/2021	AT&T MOBILITY	23.24	Wireless Data Office Port-January
026254	1/29/2021	BARTLETT, PRINGLE & WOLF, LLP	1,200.00	Annual Financial Audit Progress Payment
026255	1/29/2021	BBH INVESTMENTS 3, LLC	1,150.00	Deposit Refund-260 Oak Road
026256	1/29/2021	BIG GREEN CLEANING COMPANY	397.70	Janitorial Supplies
026257	1/29/2021	CINTAS CORPORATION #684	1,029.74	Uniform, Towels, Floor Mats-Cleaning/Rental-December
026258	1/29/2021	CITADEL ENVIRONMENTAL SERVICES	4,086.68	Industrial Hygiene Assessment of District Buildings
026259	1/29/2021	COMPUVISION COMMUNICATIONS	3,360.00	Cloud Backup, Managed Services, Annual Dual Factor
026260	1/29/2021	COX BUSINESS	160.39	Internet Wireless Service-December
026261	1/29/2021	CALIFORNIA WATER ENVIRONMENT	182.00	Staff Certification Renewals
026262	1/29/2021	DOCU PRODUCTS	111.53	Copier Maintenance Agreement-January
026263	1/29/2021	FASTENAL COMPANY	358.31	Collection Tools, Batteries, Property Maintenance Supplies
026264	1/29/2021	FELIX, MARCO	141.00	COVID Test Reimbursement
026265	1/29/2021	FISHER SCIENTIFIC	109.24	Lab Testing Supplies
026266	1/29/2021	GRAINGER	730.31	Disposable Gloves, Face Masks, Maintenance Supplies
026267	1/29/2021	HAYWARD SANTA BARBARA	108.15	Rain Gear for New Employee
026268	1/29/2021	RICHARD (or) KAREN HEIMBERG	86.75	Refund of Online Bill Payment
026269	1/29/2021	HENSLEY LAW GROUP	5,258.00	Legal Services-December
026270	1/29/2021	RICHARD P DI CESARE JR.	4,951.61	
026270	1/29/2021	RICHARD P DI CESARE JR.	4,951.61-	Reversal
026271	1/29/2021	MARBORG INDUSTRIES	1,877.89	Restroom Trailer Rental-January
026272	1/29/2021	MCCORMIX CORP	422.27	Vehicle Fuel 01/01-01/15/21
026273	1/29/2021	MONTECITO RETIREMENT ASSOCIATION	3,000.00	Deposit Refund-300 Hot Springs Road
026274	1/29/2021	MARY ELIZABETH MYERS	2,961.00	Lateral Replacement Rebates-1221/1225 East Valley Road
026275	1/29/2021	OILFIELD ENVIRONMENTAL & COMPLIANCE	125.00	Outside Lab Analyses 01/15/21
026276	1/29/2021	PRICE POSTEL & PARMA	134.00	Legal Services 12/7/21
026277	1/29/2021	RUTHERFORD, GEORGIA	2,831.00	Deposit Refund/Less Pro-Rated SC's-1863 San Leandro Ln
026278	1/29/2021	SANTA BARBARA COUNTY-APCD	2,296.55	Annual Emissions Fees for Generators
026279	1/29/2021	STANDARD INSURANCE COMPANY	1,548.61	Short/Long Term Disability Premium-February
026280	1/29/2021	T-MOBILE	20.00	Wireless Data Port for UF/RO-January
026281	1/29/2021	UNION BANK	23.91	January Credit Card Payment-Alonzo
026282	1/29/2021	UNION BANK	201.22	January Credit Card Payment-Rollins
026283	1/29/2021	UNION BANK	91.36	January Credit Card Payment-Larroude
026284	1/29/2021	UNIVAR SOLUTIONS	6,627.32	Plant Chemicals
026285	1/29/2021	UTILITY SYSTEMS SCIENCE & SOFTWARE	13,940.00	Flow Meter Installation for Sewer Model
026286	1/29/2021	WALPOLE & COMPANY	350.00	Update Accounting System
026287	1/29/2021	RICHARD P DI CESARE JR.	4,956.61	Calibrate Lift Station Flow Meters
Bank B Total:			<u>59,899.78</u>	
Report Total:			<u><u>59,899.78</u></u>	

Check History Report
Sorted By Check Number
Activity From: 1/29/2021 to 1/29/2021
MONTECITO SANITARY DISTRICT (MSD)

Check Number	Check Date	Name	Check Amount	Description
001269	1/29/2021	BENNER & CARPENTER, INC	13,817.25	CIP #9-Lilac and Oak Grove Surveying
001270	1/29/2021	HAMNER JEWELL ASSOCIATES	28.75	CIP #9-Property Appraisal Services for Ashley Road
001271	1/29/2021	***Void Check***		
001272	1/29/2021	***Void Check***		
001273	1/29/2021	***Void Check***		
001274	1/29/2021	BUNNIN CHEVROLET	31,401.72	CIP #12-New Collections Truck
Bank G Total:			<u>45,247.72</u>	
Report Total:			<u><u>45,247.72</u></u>	



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MANAGER'S REPORT

For the Regular Board Meeting of
February 11, 2021

3. CONSENT CALENDAR

A. MINUTES

B. PAYABLES

4. OLD BUSINESS

A. Appointment of Financial Statement Auditors

B. Sewer Main Extensions

i. Riven Rock Low Pressure Force Main

RECOMMENDED ACTION:

- a. Extending the force main to serve five additional properties;**
- b. Authorizing the extension for \$106,862;**
- c. Increasing the Change Order Allowance of the Tierra Contracting contract from \$30,000 to \$110,000 to cover the proposed extension**

At the October 8, 2020 Board meeting, the Board awarded the construction contract to Tierra Contracting for the base project which included five properties in the amount of \$263,636.50. Alternate A and Alternate B, two separate extensions, were not awarded due to lack of property owner participation. The Board also authorized a contract change order allowance of \$30,000 for contract changes that may be necessary due to unforeseen conditions.

The property owner at 854 Rockbridge Road is interested in connecting to the force main and has signed an agreement to pay his proportionate share of the construction costs. A381-foot extension further up Rockbridge Road is required to serve this property. The property owner at 848 Rockbridge is also interested in the project since they are having septic systems issues, but has not signed an agreement yet. The extension could serve a total of 5 properties. Tierra Contracting provided a bid for this work for \$106,862 (**EXHIBIT A**). It is recommended that the Board award this work as a change order to the project.

During construction of the first phase of the project, two change orders were issued due to the one lateral changing location and the County's new requirements for Riven Rock Road full width grinding and repaving. The total of the two changes orders were \$12,437.96. Therefore the remaining change order allowance is \$17,562.04. It is recommended that the Board increase the change order allowance by \$100,000 to fund the additional extension and any unforeseen work as part of this extension.

ii. Romero Canyon Road Sewer Main Extension

RECOMMENDED ACTION:

- a. Awarding the contract to Tierra Contracting in the amount of \$287,100.00;**
- b. Authorizing a contract change order allowance of \$30,000 to be used at the discretion of the Engineering Manager for change orders;**
- c. Executing a professional services agreement with Filippin Engineering Inc. in the amount of \$20,400 for part-time inspection services;**
- d. Authorizing an extra services allowance for \$2,000 to be used at the discretion of the Engineering Manager for extra work for Filippin Engineering ;**
- e. Authorizing the Engineering Manager to file a Notice of Exemption under the California Environmental Quality Act (“CEQA”) for the project in accordance with applicable law.**

At the January 14, 2021 Board meeting, the Board requested that this item be moved to the February 11th agenda and for Tierra Contracting to hold their bid prices for an additional 45 days. Tierra Contracting agreed to hold their bid prices for 45 days.

On October 29, 2020 the District received the following bids for the Romero Canyon Road Sewer Main Extension project:

Tierra Contracting	\$287,100.00
Blois Construction	\$490,358.00
Grbcon, Inc.	\$675,493.00

Staff has determined that the low bid from Tierra Contracting is the lowest responsive bid from a responsible bidder. The project includes the construction of 496 linear feet of 8-inch diameter PVC sewer main pipe to serve a total of eleven properties on Romero Canyon Road. This is the second extension up Romero Canyon Road and will serve 633 Romero Canyon Road to 657 Romero Canyon Road. Only one property owner has signed the agreement to participate financially in the project.

The project is needed because the properties along the west side of Romero Canyon Road are very small properties (less than 10,000 square foot parcels) that cannot meet the current septic system requirements and have had septic system failures.

Based on the discussions of the Board and the desire to allow more properties to have access to the sewer, it is recommended the Board consider awarding the contract to Tierra Contracting in the amount of \$287,100.00.

It is also recommended that the Board authorize a contract change order allowance of \$30,000 for the Engineering Manager to approve contract changes that may be necessary due to unforeseen conditions.

Professional Services Contract Inspection Services - Filippin Engineering Inc.

With the award of contract of Romero Canyon Road Sewer Main Extension project, the District will need to provide inspection of the construction work. District staff negotiated a time and materials fee for construction services with Filippin Engineering in the amount of \$20,400.

It is recommended that the Board vote to authorize the execution of a professional services contract with Filippin Engineering, in a form approved by General Counsel, in the amount of \$20,400 for inspection services.

It is also recommended that the Board authorize an extra services allowance of \$2,000 for the Engineering Manager to approve contract changes that may be necessary due to unforeseen conditions.

Notice of Exemption

With the award of the contract for the Romero Canyon Road Sewer Main Extension project, staff recommends that the Board review and take appropriate action in accordance with CEQA. The proposed project meets the CEQA definition of a Categorically Exempt project. Staff recommends that the Board approve the enclosed Notice of Exemption (**EXHIBIT B**), allow the Engineering Manager to sign for the District, and direct staff to file the notice of exemption with the Santa Barbara Clerk of the Board of Supervisors.

iii. Lilac and Oak Grove Sewer Main Extension

RECOMMENDED ACTION:

a. Authorizing the Engineering Manager to advertise for bid;

Plans and specifications (bid documents) for the Lilac and Oak Grove Sewer Main Extension that could serve 22 properties along East Valley Road, Lilac Drive, and Oak Grove Drive have been prepared by District staff. The engineer's construction cost estimate for this project to construct 3,800 feet of 8 inch diameter sewer main to serve 22 properties is \$1,580,000. Given the current level of interest on the part of property owners and their willingness to participate financially in the project, it is recommended that the Board authorize staff to advertise this project for bids and return to the Board for consideration of award of contract.

iv. Increasing the Sewer Main Extension Capital Improvement Budget

The Sewer Main Extension Capital Improvement budget for fiscal year 2020-2021 is \$300,000. When this budget was created it was thought that only one sewer main extension project would be constructed and at least 50% of the property owners that could be served would participate financially in the project. The current budget would allow for the Riven Rock change order to be funded, but not the Romero Canyon or Lilac and Oak Grove projects. It is recommended that the Board increase the Sewer Main Extension Capital Improvement budget for fiscal year 2020-2021 to \$600,000 to fund the Riven Rock extension and the Romero Canyon Road Sewer Main Extension during this fiscal year.

5. NEW BUSINESS

A. LAFCO

Hear presentation from LAFCO Executive Director Mike Prater. **EXHIBIT C**

B. Presentations By Potential Interim General Managers

The Board will hear a presentation from two Professional Engineers of [Kimley-Horn Engineering Consultants](#): Tony Wong, P.E. and Justin Lyon, P.E. for potential appointment to Interim General Manager position. **EXHIBIT D**

C. Recruitment of new District General Manager

The Board will hear a presentation from the recruiting firm Bob Murray and Associates to summarize their process, and have an opportunity to ask questions of the Executive Recruitment firm about the process to seek and hire a new General Manager. **EXHIBIT E**

D. Quarterly Financial Reports (EXHIBIT F)

- i) Operations and Maintenance Budget Status Report
- ii) Capital Improvement Projects Status Report
- iii) Quarterly Investment Activity Reports
- iv) Quarterly Investment Certification statement required by the District Investment Policy for the quarter ending December 31, 2020

E. Committee Reports

- i) Administration & Operations Committee from its January 20th meeting; and
- ii) Strategic Planning Committee from its February 1st meeting; and
- iii) Finance Committee from its February 3rd meeting; and
- iv) Ad Hoc Policies & Procedures Manual Committee;

6. DISTRICT OPERATIONS AND MAINTENANCE

A. Information Items

The Operations Manager and Engineering Manager will provide informational, nonactionable, updates regarding pending matters before the District.

District Administrator:

a. Continuing Disclosure Annual Report for Fiscal Year Ending June 30, 2020

A requirement of the 2017 Sewer Refunding Bonds and Disclosure Agreement is for the District to file a Continuing Disclosure Annual Report. Staff compiled the updated information with current audited financial statements and service charge rates for Fiscal Year July 1, 2019 through June 30, 2020. The report is to be filed with certain nationally recognized municipal securities information repositories, which have been approved by the Securities and Exchange Commission, and with the Bank of New York, which is the Trustee of the 2017 Sewer Refunding Bonds. **EXHIBIT G**

B. Agreements to be Signed

None

C. Operations and Maintenance Reports
 From January 4, 2020 to January 31, 2020.

WWT PLANT STATISTICS FOR DURATION: 28 DAYS

Flows	16.04 mgd	0.573 mgd avg
Hypochlorite used	4,296 Gal	153 gpd, avg
Bisulfite used	2,121 Gal	76 gpd, avg.
Effluent T.S.S.		8.1 mg/L avg
Effluent CBOD ₅		3.1 mg/L avg
BAC-T		< 2.0 MPN/100mL median
Rainfall	2.87 inches	

SLUDGE DISPOSAL - LOAD AND DISPOSAL BY ENGEL & GRAY

<u>Load Date</u>	<u>Total Haul in pounds</u>	<u>Total haul in Tons</u>
1/5/2021	34,180	16.83
1/7/2021	33,660	16.83
1/12/2021	34,440	17.20
1/25/2021	35,720	17.86
1/26/2021	38,420	19.21
<u>Totals for January:</u>	<u>176,420</u>	<u>87.93 Tons</u>

PLANT OPERATIONS

- No violation of the NPDES permit during this reporting period.
- Operated the belt press for a total of 30.9 hours.
- One alarm call-outs this period, “High Effluent level alarm” during 1/28/21 rain event.

COLLECTIONS

- Linear Feet Cleaned: 15,783 ft, 3.0 Miles
- Linear Feet Inspected: 11,134 ft, 2.1 Miles
- 1/9/2021 Collections after hours call out for grate request at 947 Arcady Road
- 1/25/2021 Robotic Solutions installed 9 spot repairs on Randall Road.

LABORATORY

- Collected 162 samples
- Ran 246 tests plus 72 duplicate tests for NPDES permit compliance and process control
- Performed 34 calibrations on laboratory equipment and 540 quality control checks

PROPOSAL



LIC# 416114
 DIR# 1000008320

Phone: (805) 964-8747
 Fax: (805) 964-4438

Proposal: 2019 128
Date: 2/05/2021

To:	Project:
MONTECITO SANITARY DISTRICT Attn: Carrie Poytress 1042 Monte Cristo Lane Santa Barbara, CA 93108	Riven Rock Low Pressure Sewer Force Main Alternate B Extension

This duly licensed company or individual **TIERRA CONTRACTING, INC. (License No. 416114)** Hereinafter called Contractor, agrees to construct in a good and workmanlike manner for Owner, furnishing all labor, material, tools and equipment therefore, the work as noted herein for the unit prices as set for the below:

SCOPE OF WORK

Riven Rock Sewer Force Main – Alternate B Extension

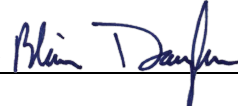
Item No.	Description	Unit	Quantity	Unit Price	Total
B-1	Move in/out, bonds and insurance	L.S.	1	\$4,500	\$4,500
B-2	Construction Survey	L.S.	1	\$2,200	\$2,200
B-3	Pothole existing utilities	EA.	13	\$350	\$4,550
B-4	Trench Shoring / Safety	L.S.	1	\$1,500	\$1,500
B-5	Traffic Control	L.S.	1	\$1,500	\$1,500
B-6	Compaction Testing	L.S.	1	\$1,000	\$1,000
B-7	2in Dia HDPE Force Main	L.F.	381	\$177	\$67,437
B-8	1-1/4in lateral with valve assembly	EA.	5	\$2,500	\$12,500
B-9	1in Air-Vac Valve	EA.	1	\$2,500	\$2,500
B-10	Sealcoat for Private Roads	S.F.	5775	\$1	\$5,775
B-11	Boulder Removal	HR.	8	\$425	\$3,400
Total =					\$106,862

Acceptance:
 Tierra Contracting is hereby authorized to furnish and install the above equipment and materials at the price and under the terms and conditions as set forth above:

 Owner

By _____ Date _____

TIERRA CONTRACTING, INC.

By 
 BLAIR DOUGLAS

Notice of Exemption

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk

County of: _____

From: (Public Agency): _____

(Address)

Project Title: _____

Project Applicant: _____

Project Location - Specific:

Project Location - City: _____ Project Location - County: _____

Description of Nature, Purpose and Beneficiaries of Project:

Name of Public Agency Approving Project: _____

Name of Person or Agency Carrying Out Project: _____

Exempt Status: **(check one):**

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: _____
- Statutory Exemptions. State code number: _____

Reasons why project is exempt:

Lead Agency

Contact Person: _____ Area Code/Telephone/Extension: _____

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ Date: _____ Title: _____

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

Santa Barbara LAFCO

Who Are We & What Do We Do

Presentation to the Montecito Sanitary District

By Mike Prater, Executive Officer, Santa Barbara LAFCO

February 11, 2021

SANTA BARBARA LAFCO

105 East Anapamu Street ♦ Santa Barbara CA 93101
805/568-3391 ♦ FAX 805/568-2249
MSD Board Packet for February 11, 2021
Page 18 of 68

www.sblafco.org ♦ lafco@sblafco.org

Commission Membership Composition

- Two County Supervisors
- Two City Council Members
- Two Special District Members
- One Public Member
- One Alternate for Each of the Above

Commissions a Unique Mix



30 LAFCOs with Special District Members

LAFCO's Authority

- The Commission is responsible for
 - Changes of Organization and Reorganizations
 - Include Formation and Dissolution of special districts, Consolidation of Special Districts
 - Sphere of Influence and Municipal Service Reviews.

- The Commission Policies Encourage the Orderly Formation and Development of Local Agencies

- The Commission's Policies also Encourage the Conservation of Prime Agriculture Land and Open Space Areas

What Does LAFCO Do??

- Creates new cities and special districts
- Changes boundaries
- Changes authorized services
- Allows service extensions
- Performs municipal service reviews
- Reorganizes local agencies

LAFCO Actions

- ❖ Incorporations
- ❖ District Formations
- ❖ Dissolution
- ❖ Disincorporation
- ❖ Annexations
- ❖ Detachments
- ❖ Outside User Agreements
- ❖ Spheres of Influence/Municipal Service Review
- ❖ Activate Latent Powers
- ❖ Consolidations/Mergers/Reorganization

LAFCO'S Purposes Are To

- Encourage orderly boundaries
- Discourage urban sprawl
- Preserve agriculture and open space
- Promote efficient public services
- Consider regional housing needs, adequate water and other key issues

Subject to State Laws

- Cortese-Knox-Hertzberg Act
- Brown Act / Public Records Act
- CEQA
- Revenue and Tax Code
- Political Reform Act / other Conflict of Interest Laws
- Various Principal Acts

Governed by Government Code

- Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
 - Became law in January, 2001
- §56425 – Spheres of Influence
- §56430 – Municipal Service Reviews

Statutory Requirements

- Municipal Service Reviews



- Sphere of Influence



- Boundary change decision must be consistent with the spheres of influence of affected agency

Each LAFCO is Independent

- Provides own office, equipment, personnel
- Appoints an Executive Officer
- Appoints a Legal Counsel
- Can contract for staff services
- Administrative authority as an independent public agency

LAFCO is Funded Locally

- Must adopt a budget for each fiscal year by June 15
- Budget process is outlined in CKH Act
- Funded by the county, cities, and special districts in equal shares.
- County Auditor processes the invoices
- Processing fees help offset expenses for proposals



Item or Service	Administrative Fee	Special District Fee	County Fee
Request for Change of Incorporation	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 2nd Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 3rd Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 4th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 5th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 6th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 7th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 8th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 9th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 10th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 11th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 12th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 13th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 14th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 15th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 16th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 17th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 18th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 19th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 20th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 21st Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 22nd Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 23rd Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 24th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 25th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 26th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 27th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 28th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 29th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 30th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 31st Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 32nd Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 33rd Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 34th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 35th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 36th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 37th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 38th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 39th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 40th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 41st Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 42nd Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 43rd Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 44th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 45th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 46th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 47th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 48th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 49th Round	\$1,750	\$1,000	\$3,500
Request for Change of Incorporation - 50th Round	\$1,750	\$1,000	\$3,500

dated May 16, 2007

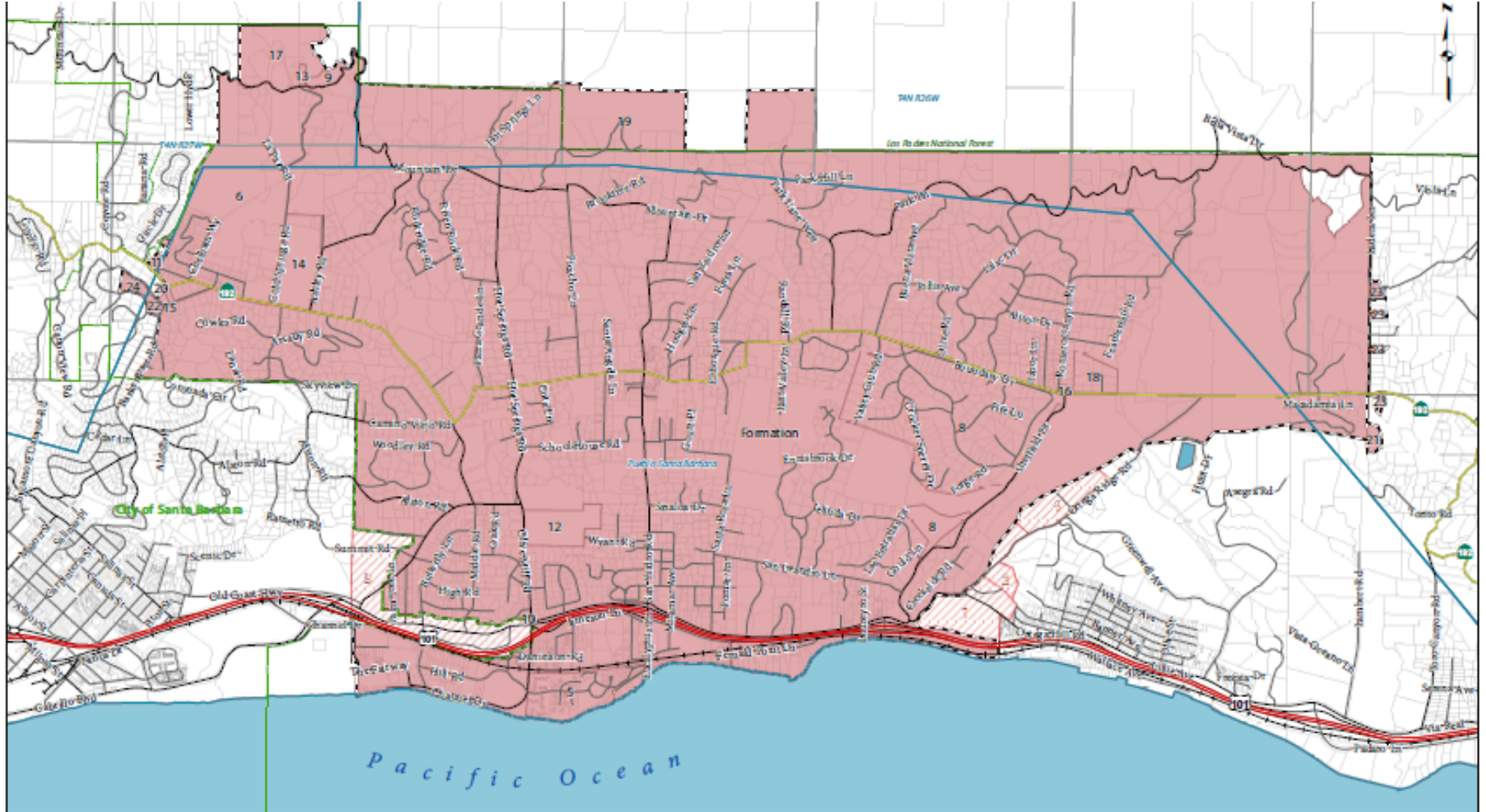
LAFCO Staff serves Public/Commission

- Provide accurate and comprehensive information
- Analyze and Interpret CKH and other laws (CEQA, General Plans, etc.)
- Process proposals consistent w/ CKH and local procedures and policies
- Prepare notices, staff reports, studies and make recommendations
- Implement Commission decisions

Current Local Service Providers

- Montecito Area Planning Commission with its decisions appealable to the County
- Montecito Fire Protection District
- Montecito Sanitary District
- Montecito Water District
- School Districts

Montecito Sanitary District Sphere of Influence



Montecito Sanitary District

Compiled by the Office of the County Surveyor on 1/17/2017.
Formed 7/21/1944 by Board of Supervisors Resolution 7557.

MSD Board Packet for February 11, 2021
MSD Board Packet for February 11, 2021
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GRAPHIC SCALE



Legend

- Freeways
- Highways
- Roads
- Railroads
- Parcels
- City of Santa Barbara
- County Boundary
- Los Padres National Forest
- Ranchos and Townships
- Sphere of Influence
- Formation
- Annexation
- Detachment



Thank You.
Do you have questions?

TONY WONG, P.E./QSD

Senior Project Manager/Engineer Experience

Tony Wong has the current and past work experience to serve in public work agencies as a City Engineer/Manager, He is currently serving as City Engineer of the City of Artesia in reviewing permits and plan checking of private development projects, and performing City CIP grant funding projects.

Tony Wong has prior and recently accomplished PS&E and related work experiences:

- ▶ Served as the City Engineer for the City of Calexico, California directing the staff and consultants in performing utility improvement projects such as property acquisition for building of 6-million-gallon reservoir, pump station, pipelines, treatment plant, and pump stations. Prepare annual budgets for CIP projects.
- ▶ Served as the Assessment Engineer for the City of Calexico in developing equitable proportional distribution factor for infrastructures of sanitary sewer, portable water, and roadway systems estimated at \$45 million. Tasks include the creation of the Assessment District which requires the skill of coordinating and prodding with the assessment members (several developers, consisting of nine development projects with over 2,500 acres of land and a length of approximately seven miles), design engineering firms, city staff, county personnel, and presentation for public work shops, Planning Commission, and City Council.
- ▶ Served in the role of City Engineer in the City of South El Monte in the directing of office staff and consultants in performing roadway improvements and the City's Capital Improvement Projects.
- ▶ Served as the City Engineer in securing special funding from the State and Federal government grants for the City of Calexico on various improvement projects, including Safe Route to School (SR2S), Highway Safety Improvement Program (HSIP), and the design and construction of a pedestrian bridge of the frontage road along SR 111. Tasks include intensive and cooperative prodding various levels of State and Local agency personnel to accomplish the approval and successful completion of design and construction of the projects.
- ▶ Served as Program/Project Manager for Jasper Road (Expressway Standard) widening and SR 111 Project Study Report (PSR) and Infrastructure Improvement Program for widening of the road from two lanes (24 feet wide) to four lanes and median with parkways of ultimate 210 feet rights-of-way (Caltrans future freeway requirement). This roadway is a major principal arterial running east-west through the City of Calexico and Imperial County carrying



Professional Credentials

Education

- Master of Science, Civil Engineering, California State University, Los Angeles
- B.S. Degree in Civil Engineering, California State University, Los Angeles

Registration

- Professional Civil Engineer in California, #22551

Professional Organizations:

- Lifetime Member, American Society of Civil Engineers
- Past President & Board of Directors, California Council of Civil Engineers & Surveyors (CELSOC now ACEC-CA), Los Angeles

high volume traffic which is targeted for Caltrans' SR 98 relocation in the future. An interchange is planned at SR 111 and Jasper Road.

- ▶ Directed a firm of over 100 personnel in accomplishing Caltrans and Measure Projects for the Riverside County Transportation Commission (RCTC), Los Angeles County Metropolitan Transportation Authority (LACMTA), Orange County Transportation Authority (OCTA), San Bernardino Association of Government (SBAG), and Imperial Valley Association of Government (IVAG). The projects consisted of major freeway segments and interchanges.
- ▶ Served as Project Manager in the accomplishment of SR 22/57/5 expansion in Orange County. This project was successfully completed for the Orange County Transportation Commission (OCTC and Caltrans District 12).
- ▶ Served as Project Manager for Route 91 HOV in Riverside County, California. The project consisted of preparation of plans, specifications, and cost estimates for the construction of additional traffic (HOV) lanes for State Route 91 (Riverside County Transportation Commission-RCTC and District 8).
- ▶ Served as Project Manager for the I-10 and Haven Avenue Interchange widening for Caltrans District 8 that has been successfully completed.
- ▶ Served as Project Manager for the accomplishment of the \$50 million site improvements for the Blythe Prison Site in the Coachella Valley in Riverside County for the California Department of Correction.

Mr. Wong is thoroughly knowledgeable of local municipality public works and Caltrans' Local Assistant guidelines, design, traffic, construction and project development manuals including the PS&E approval process. He has intimate knowledge of the Caltrans' District 8, 7, 11, and 12 approval processes. Mr. Wong has managed many local infrastructure, transit, and highway improvement projects for local agencies, Transportation Authorities, and Commissions that interact with consultants, Caltrans, and multi-jurisdictions.

JUSTIN LYON, PE, LEED AP

Senior Project Manager

Mr. Lyon's broad background encompasses a wide range of engineering design and project management work in a variety of geographic regions. He began his career working for an Engineering News Record top 500 firm in Santa Barbara, California where he gained valuable experience in site civil engineering, land development, surveying and environmental planning. The first at this firm to obtain both Professional Licensure and LEED accreditation, Mr. Lyon designed water, sewer, storm drain, grading and drainage, erosion control and tentative map plans in addition to environmental permitting and impact assessments.

To focus on more progressive and sustainable projects, specifically in an international setting, Mr. Lyon established his own consulting firm in Nicaragua, where he specialized in environmentally conscious projects such as off-grid housing, sustainable site development, recycled material retaining walls, community planning and development, eco-lodges, decommissioned shipping container hostels, and organic farm site management.

Most recently a Senior Engineer and Project Manager with Biohabitats, Mr. Lyon has worked on integrated water strategies and site civil projects at both a master plan level through detailed construction documents, which serve as leading examples of both engineering design and environmental stewardship. He helps Clients assess project sites and find appropriate water approaches to meet project reuse objectives, budget constraints, funding requirements, regulatory requirements, and applicable sustainability metrics. Mr. Lyon has over a decade of experience working within various sustainability metrics such as LEED, Sustainable SITES, and Living Building Challenge. Along with his team, he excels at finding optimal approaches to reduce site water use to net-zero or near net-zero levels.

Additionally, Mr. Lyon serves on Biohabitats' Leadership Council board which is responsible for the generation and implementation of corporate policies and general oversight to ensure work is profitable and in line with the company's values.

Relevant Experience

Wastewater, Water Reuse, and Water Feature Infrastructure, Hassalo on 8th, Portland, OR - Mr. Lyon served as both a project engineer and technical lead on this large progressive EcoBlock development. Work focused on a multi-step treatment wetlands wastewater treatment system and a water feature treatment and recirculation system, both of which were integrated into the pedestrian-way between four buildings. The wastewater treatment design had a greater level of difficulty than most projects due to its integration into the pedestrian-way and the desire for it to be an aesthetic amenity. The water feature recirculation loop used harvested rainwater that was treated along



Professional Credentials

Education

- M.Eng., Environmental Engineering, Johns Hopkins University, Baltimore MD
- Graduate Certificate, Environmental Planning and Management, Johns Hopkins University, Baltimore MD
- B.S., Civil Engineering, Minor in Spanish, Bucknell University, Lewisburg, PA

Registration

- Professional Civil Engineer in California, 73449

with the water feature effluent, before being distributed to a small water feature at the top of the site and two large cascading water features on either side of the pedestrian way.

Metro at Western, Los Angeles, CA - Biohabitats' team, led by Mr. Lyon as project manager, helped the Client attain Los Angeles County funding to help augment the capital cost of the greywater reuse system. Once funding was in place, Mr. Lyon led the greywater team to design a reuse system that would all fit within a pre-selected mechanical room in the parking level of the building. The system collects all of the greywater generated throughout the 33-unit complex, per Los Angeles City requirements, and treats only what is required to meet the on-site irrigation demand.

PG&E Wetlands, Castroville, CA - This unique project consisted of designing an offline, meandering path, surface-flow wetland to treat contaminated canal water before discharging back into the same canal, which ultimately flows out to sea. Mr. Lyon served as technical lead and spearheaded the effort to make a surface flow model to determine head losses and treatment capacity.

Hartford Villa Apartments, Los Angeles, CA - Due to funding and regulatory requirements, this project had to incorporate a greywater reuse system for in-building reuse. To meet local code, the greywater treatment system had to meet specific certification requirements as well as ongoing water quality monitoring requirements. To add to the difficulty of the design, the entire system had to fit within a relatively small room on one of the parking levels of the building. However, due to the out of the box thinking that was required to optimize this system, a highly efficient, yet small footprint greywater collection, treatment, and storage layout resulted.

Rancho Verde Apartments, Ventura, CA - The greywater team from Biohabitats, led by Mr. Lyon as project manager and technical lead, helped the Client fit a greywater reuse system on an extremely tight project site using proven, low energy, lower cost treatment technologies. The system had to meet set criteria for the Project to receive funding from the USDA, which Biohabitats was able to achieve by designing a custom treatment system designed to treat an exactly greywater flow, with negligible excess.

Westview Village, Ventura, CA - Mr. Lyon served as project manager and technical lead on this multi-phase, multi-block greywater project. Mr. Lyon helped establish the most cost-effective approach to meet the greywater requirements on site in order to conform to specific USDA grant funding requirements for three separate greywater systems. As the project design progressed, he helped the Client through the value engineering process to further optimize the system based on the updated requirements. This system was one of the first greywater reuse systems approved by the City, per City Staff feedback, and helped streamline future greywater projects in the area.



A Proposal to Conduct an Executive Recruitment
for the Position of
GENERAL MANAGER
on behalf of the



1544 Eureka Road, Suite 280
Roseville, CA 95661
(916) 784-9080
(916) 784-1985 fax

November 20, 2020

BOARD OF DIRECTORS
MONTECITO SANITARY DISTRICT
1042 MONTE CRISTO LANE
SANTA BARBARA, CA 93108

Submitted Via Email To: jturner@phoenixcivil.com

Dear Members of The Board:

Bob Murray & Associates is pleased to submit a proposal to conduct the General Manager recruitment for the Montecito Sanitary District. The following details our qualifications and describes our systematic—yet flexible—method of identifying, recruiting, and screening outstanding candidates on your behalf. It also includes a proposed budget, timeline, and guarantee.

At Bob Murray & Associates, we pride ourselves on providing quality service to local governments, non-profit agencies, and private firms. Our recruitment process helps you to determine the direction of the search and the types of candidates you seek while capitalizing on our decades of experience and vast network of contacts to reach those candidates. Our expertise ensures that the candidates we present to the Montecito Sanitary District will match the criteria you have established, be a good fit for your organization, and be outstanding in their field.

We recognize that we work at the pleasure of the Board of Directors and our job is to facilitate the Board's General Manager search. From the outset of the search, we work to establish a strong partnership with the Board in order to ensure the placement of a General Manager who is ideally suited to its needs. In order to develop an effective search, we will seek the opportunity to meet with Board members individually to discuss their expectations for Montecito Sanitary District's new General Manager. We hope they will speak candidly with us regarding the traits they are looking for in the new General Manager. The insight garnered as a result of these meetings will be invaluable as we recruit and screen candidates for the position.

With respect to the General Manager recruitment and the Montecito Sanitary District, Bob Murray & Associates Our firm has an unmatched record of success in recruiting local government professionals, including those for public utility professionals. We have conducted numerous General Manager/District Manager searches on behalf of large and small cities and special districts throughout the Western United States. We are currently conducting the General Manager recruitments on behalf of the Santa Ana Watershed Project Authority and the Nevada Irrigation District in California. We most recently conducted the General Manager recruitments on behalf of the Laguna Beach County Water District, CA; Jurupa Community Services District, CA; Mendocino County Russian River Flood Control and Water Conservation Improvement District, CA; the Mountain House Community Services District, CA; and Reclamation District #1000, CA. Previously, we have conducted the Chief Assistant General Manager/Electric Services recruitment on behalf of the City of Glendale, CA; The General Manager of the recruitments on behalf of the Bear Valley Community Services District, CA; the Fallbrook Public Utility District, CA; the Livermore Area Recreation and Park District, CA; the Santa Ana Watershed Project Authority, CA; the Yuima Municipal Water District, CA; the Cachuma Operation and Maintenance Board,

CA; the Hidden Valley Lake Association, CA; the Town of Discovery Bay's Community Services District, CA; the Mendocino County Russian River Flood Control & Water Conservation Improvement District, CA; the Montecito Water District, CA; the Sewer Authority Mid-Coastline, CA; the Tamalpais Community Services District, CA; and the Vallecitos Water District, CA; the District Manager recruitment on behalf of the Rancho Simi Recreation and Park District, CA; and the Assistant General Manager recruitment on behalf of the Santa Clarita Valley Water Agency, CA. As a result, we have an extensive number of contacts that will be valuable when recruiting candidates.

We work as a team on every search at Bob Murray & Associates. Your Project Lead would be Joel Bryden and Valerie Gaeta Phillips, who would not only direct and supervise the project team from beginning to end but also serve as the Recruiter for the project as well.

To learn first-hand of the quality of our services and why the majority of our engagements come from repeat and referred clients, we invite you to contact the references listed on page 15 of the attached proposal.

We look forward to your favorable consideration of our qualifications. Please do not hesitate to contact us at (916) 784-9080 with any questions.

Sincerely,



Valerie Gaeta Phillips
President, Bob Murray & Associates

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THE RECRUITMENT PROCESS

Bob Murray & Associates' recruiters are specialists in finding the perfect fit, providing security and fairness to candidates and clients while ensuring the integrity of the search process. We understand that superlative recruiting for the General Manager will lead to superlative results for the Montecito Sanitary District. Outlined below are the steps in our proven recruitment process, refined through our 30+ years of experience in executive search.

STEP 1 DEVELOP THE CANDIDATE PROFILE

Our understanding of the Montecito Sanitary District's needs will be key to a successful search. Joel Bryden and Valerie Gaeta Phillips will meet with the Board of Directors and key stakeholders to learn as much as possible about the ideal candidate for the General Manager position. We want to become familiar with the values and culture of the organization, as well as to understand the current and future issues, challenges, and opportunities in the Montecito Sanitary District.

Mr. Bryden and Ms. Gaeta Phillips will review and help define the District's wish-list regarding the ideal candidate's personality, management style, knowledge, skills, and abilities and will work with the District to identify expectations regarding education and experience. The Board of Directors and Mr. Bryden and Ms. Gaeta Phillips will discuss compensation, benefits, and other key information necessary to ensure that outstanding candidates are attracted to this opportunity. The profile we develop together at this stage will drive subsequent recruitment efforts.

Optional Service: Community and Staff Involvement

We find that many of our clients value a recruitment process that opens the opportunity for community members, business leaders, organization representatives, and employees to provide input regarding the ideal candidate. Our recruiters are skilled in designing and facilitating forums, town hall meetings, and online surveys that allow equitable involvement from a variety of constituencies and in consolidating feedback into a cohesive narrative of common themes.

If the Montecito Sanitary District so desires, we will work with the Board of Directors to create a customized community and/or staff input process.

STEP 2 DESIGN/DISTRIBUTE BROCHURE AND ADVERTISEMENTS

Mr. Bryden and Ms. Gaeta Phillips and your dedicated Recruitment Coordinator will use the candidate profile developed with the Montecito Sanitary District to create a professional recruitment brochure, with the assistance of our professional graphic designer. The four-page, full-color brochure will describe the community, organization, position, ideal candidate, and compensation and will include pictures provided by the Montecito Sanitary District that you feel best represent your organization and your community.

Upon your approval, Mr. Bryden and Ms. Gaeta Phillips will send the brochure by postal mail and email to a targeted audience, personally inviting potential candidates to apply for the General Manager position. We will also place the recruitment brochure on our website, which attracts over 11,000 unique hits weekly and is a trusted resource for candidates seeking executive and

professional positions. Two sample brochures are included in this proposal package for your reference.

Mr. Bryden and Ms. Gaeta Phillips will also design an effective advertising campaign appropriate for the General Manager recruitment. Our broadest outreach comes through our active social media involvement on Facebook, LinkedIn, and Twitter, where upcoming and current positions are posted. Sources such as *Western City Magazine*, the “Jobs Available” newsletter, and the Careers in Government website will be used to reach an extensive local government audience, while position-specific postings will be chosen to attract candidates who have built their careers in and are committed to the General Manager field.

Suggested General Manager-specific advertising sources for the Montecito Sanitary District’s search include:

- National Society of Professional Engineers
- Association of California Water Agencies
- Municipal Management Association
- Solid Waste Association of North American
- California Water Environment Association
- BC Water Jobs

Bob Murray & Associates does not typically place ads with job aggregators or general job posting sites such as CareerBuilder, Monster, or Indeed, as we have found that the broad reach of these sites does not necessarily lead to quality candidates for executive and professional positions.

Reaching Diverse Candidates

Bob Murray & Associates, a woman- and minority-owned business, is proud of its commitment to attracting and placing diverse candidates. Not only do we place advertisements with websites designed to attract minority and female candidates, but our President, Valerie Phillips, is a member herself of many diversity-focused organizations including the Local Government Hispanic Network, the League of Women in Government, the Professional Women’s Network, Mexican Professionals, and Women Leading Government. She networks frequently with fellow members to gain insight into which potential candidates are leaders in their field.

Mr. Bryden and Ms. Gaeta Phillips will seek to reach candidates in communities and organizations with demographic profiles and populations served like that of the Montecito Sanitary District, to maximize the potential for individuals from a wide variety of backgrounds, cultures, and life experiences to be considered for the General Manager position.

STEP 3 RECRUIT CANDIDATES

The strongest candidates are often those who are successful and content in their current positions and need to be sold on a new opportunity. Our extensive network of contacts, developed through over 1,400 successful placements, is a primary source for identifying and obtaining referrals for these candidates. Our in-house database of 40,000 current and former executive and professional candidates is a valuable resource that can only be built over time—time that we have invested into perfecting our process for finding the right candidates for our clients. Our aggressive outreach efforts are focused on phone calls to personally invite potential applicants, answer questions, and

allay any reservations, and these efforts are essential to the success of the General Manager recruitment.

STEP 4 SCREEN CANDIDATES

Following the closing date for the recruitment, Mr. Bryden and Ms. Gaeta Phillips will screen all resumes we have received, using the criteria established in the candidate profile as a basis upon which to narrow the field of candidates. Internal candidates receive sensitive consideration, and Mr. Bryden and Ms. Gaeta Phillips will discuss with the Board of Directors how the Montecito Sanitary District wishes to proceed with these candidates.

STEP 5 CONDUCT PRELIMINARY INTERVIEWS

Mr. Bryden and Ms. Gaeta Phillips will personally interview the top 10 to 15 candidates from the resume screening, with the goal of determining which candidates have the greatest potential to succeed in your organization. To reduce travel-related expenses to our clients and increase efficiency in the search process, these interviews are typically conducted via Skype, FaceTime, or other convenient videoconferencing applications.

During these in-depth interviews, Mr. Bryden and Ms. Gaeta Phillips will explore each candidate's background and experience as it relates to the General Manager position, such as significant accomplishments, size and scope of responsibility, and organizational culture. In addition, Mr. Bryden and Ms. Gaeta Phillips will discuss with the candidates their motivation for applying for the position and assess his/her knowledge, skills, and abilities. We will devote specific attention to establishing the likelihood of the candidate's acceptance of the position if an offer of employment is made.

STEP 6 SEARCH PUBLIC RECORDS

Under the direction of Mr. Bryden and Ms. Gaeta Phillips, your dedicated Recruitment Coordinator will conduct a review of published print and online articles for each recommended candidate. Sources include Lexis-Nexis™, Google, social media, and our contacts in the field. This will alert Mr. Bryden and Ms. Gaeta Phillips to any further detailed inquiries we may need to make before our recommendations are finalized.

STEP 7 MAKE RECOMMENDATIONS

Based on our findings during the preliminary interview process, Mr. Bryden and Ms. Gaeta Phillips will recommend a limited number of candidates for your further consideration. They will make specific recommendations and will help facilitate discussions regarding the candidate pool, but the final determination of those to be considered will be up to you.

We typically recommend 6-8 candidates that we feel will best match your expectations, and we prepare a detailed written report on each candidate. This bound report provided to each member of the decision-making body includes:

- ◆ Candidate list with Recommended Finalists identified in *Group 1* and *Group 2* (primary and secondary recommendations), as well as *Internal* candidates

- Summary of experience, education, and salary information for each Recommended Finalist candidate
- Complete cover letter and resume for each Recommended Finalist candidate
- List of *Other Applicants* (those who did not meet minimum qualifications or were otherwise unsuitable, based on our screening process)

Bob Murray & Associates maintains all search records for a period of seven (7) years following each recruitment, and we are happy to forward cover letters and resumes for each applicant by postal mail or email as soon as the recruitment closes to new applications.

STEP 8 FACILITATE FINAL INTERVIEWS

Our years of experience will be invaluable as we help you develop an interview process that objectively assesses the qualifications of each candidate. We will work with the Montecito Sanitary District to craft and implement an interview approach that fits your needs. This may include individual and panel interviews by the Board of Directors and key stakeholders, community/employee interview panels, writing and presentation samples, meet-and-greets, or another specialized process element Mr. Bryden and Ms. Gaeta Phillips helps the Montecito Sanitary District to design.

Mr. Bryden and Ms. Gaeta Phillips will be present on-site during the interviews to facilitate as necessary during the process and to guide discussion to consensus regarding final candidates. Bound interview books will be provided to each interview panel member containing:

- Recruitment brochure with candidate profile
- Interview schedule
- Suggested interview questions
- Experience summary, cover letter, resume, and rating form for each candidate
- Ranking forms for use during the panel interview process

We will work closely with your staff to coordinate and schedule interviews and candidate travel. Our goal is to ensure that each candidate has a very positive experience, as the way the entire process is conducted will influence the final candidates' perception of your organization.

STEP 9 CONDUCT BACKGROUND AND REFERENCE CHECKS

Mr. Bryden and Ms. Gaeta Phillips and your Recruitment Coordinator will conduct detailed reference checks for up to three (3) final candidates. To gain an accurate and honest appraisal of the candidates' strengths and weaknesses, we will talk candidly with people who have direct knowledge of their work and management style. In addition to gaining a 360-degree view of candidates from the perspective of their supervisors, subordinates and peers for the past several years, we will make a point of speaking confidentially to individuals who may have further insight into a candidate's abilities but who may not be on their preferred list of contacts.

Your Recruitment Coordinator will work with candidates and our professional backgrounding firm, HireRight, to conduct credit, civil litigation, and motor vehicle record checks and verify candidates' degrees.

STEP 10 ASSIST IN NEGOTIATIONS

We recognize the critical importance of successful negotiations and can serve as your representative during this process. Mr. Bryden and Ms. Gaeta Phillips knows what other organizations have done to put deals together with great candidates and what the current market is like for General Manager positions in organizations like the Montecito Sanitary District's. They will be available to advise you regarding current approaches to difficult issues, such as housing and relocation. We will represent your interests and advise the chosen candidate and you regarding salary, benefits, and employment agreements, with the goal of putting together a deal that results in the appointment of your chosen candidate. With our proven experience and vested interest in a positive outcome, we can turn a very difficult aspect of the recruitment into one that is straightforward and agreeable for all parties involved.

COMPLETE ADMINISTRATIVE ASSISTANCE

We receive many unsolicited testimonials each year from clients and candidates alike noting our prompt, considerate, accurate, and professional service during the search process. Throughout the recruitment, in time intervals that suit the Montecito Sanitary District, we will provide you with updates on the status of the search and attend to all administrative details on your behalf.

Candidates receive immediate acknowledgement of their applications, as well as personal phone calls and/or emails (as appropriate) advising them of their status at each critical point in the recruitment. Candidates who receive preliminary or final interviews and are not chosen to move forward in the interview process will receive personal calls from Mr. Bryden and Ms. Gaeta Phillips on behalf of the Montecito Sanitary District.

It is our internal company standard that all inquiries from clients and candidates receive a response within the same business day whenever possible, and certainly within 24 hours if the inquiry is received during the work week. Mr. Bryden and Ms. Gaeta Phillips will be available to the Montecito Sanitary District by office phone, cell phone, and email at any time to ensure a smooth and stress-free recruitment process.

COSTS AND GUARANTEE

PROFESSIONAL FEE AND EXPENSES

The fixed, flat professional services fee for conducting the General Manager recruitment on behalf of the Montecito Sanitary District is \$18,000. Services provided for in this fee consist of all steps outlined in this proposal, including one meeting on site (based on Covid-10 restrictions). The professional fee does not limit the amount of time invested by Bob Murray & Associates in promoting a successful outcome for this project. In fact, our mission for this project is to ensure we assist in identifying the right candidate for the Montecito Sanitary District. Therefore, Mr. Bryden and Ms. Gaeta Phillips will contact the District at the first anniversary of the placement to confirm an effective transition has occurred.

The Montecito Sanitary District will also be responsible for reimbursing expenses Bob Murray & Associates incurs on your behalf. We estimate expenses for this project not to exceed \$6,200. Reimbursable expenses include (but are not limited to) such items as the cost of recruiter travel; clerical support; brochure development; placement of ads; credit and civil background checks; education verification; and public records searches. Postage, printing, photocopying, and telephone charges are allocated costs and included in the expense estimate. *In no instance will expenses exceed this estimate without prior approval from the Montecito Sanitary District.*

Expense reimbursement for candidate travel related to on-site interviews will be the responsibility of the Montecito Sanitary District.

Professional Fees and Reimbursable Expenses	
Professional Services (Fixed Flat Fee)	\$18,000
Reimbursable Expenses <i>Example costs and approximate amounts include:</i>	
Brochure Design and Printing (\$1,275)	
Advertising (\$3,000)	\$6,200
Background Checks – 3 candidates (\$550)	
Consultant Travel (\$800)	
Other expenses – supplies, shipping, clerical (\$575)	
Not-to-Exceed Total	\$24,200

Optional Services

- Community/Staff Input Forum: \$1,500/day, plus travel expenses
- Online survey with analysis of results: \$250
- Additional on-site meeting days: \$1,500/day, plus travel expenses
- Additional background checks: \$250/candidate
- Additional reference checks: \$500/candidate
- Other services: \$250/hour or \$1,500/day

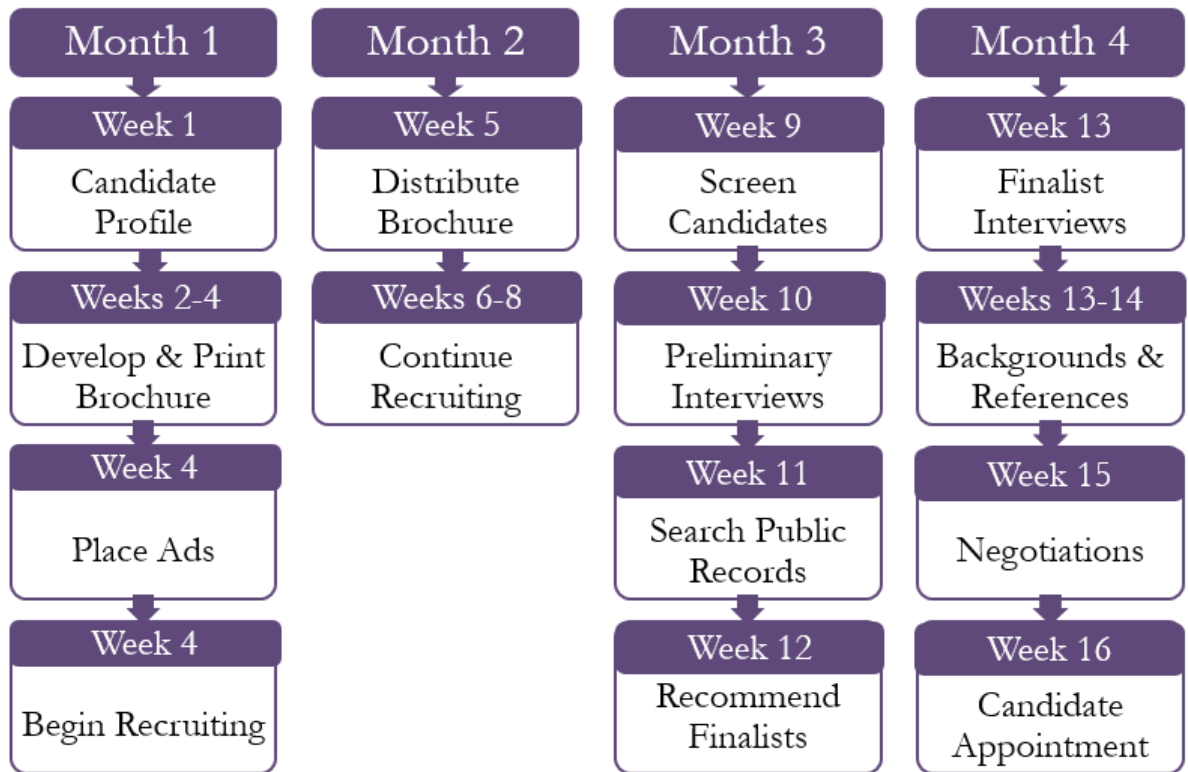
GUARANTEE

Should a candidate recommended by our firm position resign or be terminated within the first 12 months of employment, we will provide the Montecito Sanitary District with professional services to secure a replacement. Services will be provided at no cost, aside from expenses incurred on the Montecito Sanitary District's behalf during the new search. We are confident in our ability to recruit outstanding candidates and do not expect the District to find it necessary to exercise this provision of our proposal.

RECRUITMENT SCHEDULE

We are prepared to start work on this assignment upon receipt of a signed professional services agreement or other written, authorized notification. A full search can be completed in 13-16 weeks from the date of initial meetings with our client.

The final recruitment schedule will be determined in collaboration with Montecito Sanitary District. A typical timeline of tasks and events is included here for reference.



FIRM PROFILE

OUR STAFF

Bob Murray & Associates is a small firm focusing exclusively on executive search services. We have a team of ten (10):

- ◆ Bob Murray, *Founder*
- ◆ Valerie Gaeta Phillips, *President*
- ◆ Gary Phillips, *Executive Vice President*
- ◆ Regan Williams, *Vice President*
- ◆ Joel Bryden, *Vice President*
- ◆ Carmen Valdez, *Senior Executive Recruiter*
- ◆ Manny Guaderrama, *Senior Executive Recruiter*
- ◆ Amber Smith, *Principal Recruitment Coordinator*
- ◆ Sky Baclig, *Senior Recruitment Coordinator*
- ◆ Gini Herndon, *Contracts Administrator/Bookkeeper*

BOB MURRAY, FOUNDER

Mr. Murray—known simply as “Bob” to his clients and candidates throughout the western U.S.—brings over 40 years’ experience as a recruiter and is recognized as one of the top local government recruiters in the nation. He conducted hundreds of searches for cities, counties, and special districts and was called on to conduct searches for some of the largest, most complex organizations in the country—and some of the smallest. Bob conducted searches for chief executives, department heads, professional and technical positions, taking the lead on many of the firm’s most difficult assignments with great success. His clients retained him again and again, given the quality of his work and success in finding candidates for difficult to fill positions.

As our Founder, Bob currently takes on few searches personally but continues to be an active presence at Bob Murray & Associates, providing valued insight and experience to our team members regarding all aspects of the recruitment process.

Mr. Murray received his Bachelor of Science Degree in Criminology from the University of California at Berkeley with graduate studies in Public Administration at California State University at Hayward.

VALERIE GAETA PHILLIPS, PRESIDENT AND RECRUITER

Ms. Gaeta Phillips has over 18 years of recruiting experience, including more than a decade of recent experience in executive search for public, private, and startup companies nationwide. Since joining Bob Murray & Associates, Valerie has completed over 40 searches in a diverse range of fields, including city and general management, planning, finance, human resources, transportation, communication and public relations, community and economic development, information technology, parks and recreation, and operations. She has recruited at all levels of municipal and non-profit organizations, from technicians and engineers to Executive Directors and Chief Executive Officers.

Valerie is valued for her passion for finding and retaining the most outstanding candidates for even the most difficult or untraditional assignments and for her commitment to her clients' success; she is also active in a variety of industry organizations and in diversity-focused associations. Valerie is called upon often to serve as an expert speaker on topics such as managing one's online reputation, diversity issues in municipal and non-profit leadership, and how to identify a good "fit" for organizational culture.

Ms. Gaeta Phillips, along with Executive Vice President Gary Phillips, has a passion for helping people, evidenced by fundraising, sponsorship, and involvement in raising awareness for organizations such as Autism Speaks, the UC Davis M.I.N.D. Institute, and the Northern California Special Olympics.

GARY PHILLIPS, EXECUTIVE VICE PRESIDENT AND RECRUITER

Since joining Bob Murray & Associates, Mr. Phillips has completed over 50 searches for executives and professionals in a wide variety of fields including animal services, city and general management, planning, legal counsel, cyber security, and human resources. Gary's clients have ranged from municipal government to non-profit and private sector organizations, and he has sourced outstanding candidates for positions from the level of division managers up to City Managers, Executive Directors, and General Managers.

Gary started his career with a New York-based Fortune 100 company and quickly became a Senior Manager, building and running a large customer service organization that eventually expanded to 13 countries in Europe. He proceeded to hold senior leadership positions in several Fortune 500 companies, with noted successes such as building an organization from two to 250 employees worldwide and growing a company from 800 to 1200 employees.

As part of an executive acquisition and recruiting team, Gary helped build a start-up enterprise software company in San Francisco, recruiting top-notch talent and building a world-class organization. He has maintained customer relationships in the public sector and the private sector, including medical and financial institutions. He prides himself on finding key talent and offering the best customer service to his clients.

Mr. Phillips, along with Ms. Gaeta-Phillips, is involved in his community as a soccer coach, as an organizer of fundraisers for Autism Speaks and the UC Davis M.I.N.D. Institute, and as a sponsor of the Northern California Special Olympics. Mr. Phillips received his Associate of Science degree and completed additional coursework at Rochester Institute of Technology, NY.

REGAN WILLIAMS, SENIOR VICE PRESIDENT AND RECRUITER

Mr. Williams brings 30 years of local government experience to Bob Murray & Associates and has over 17 years of experience in executive recruitments with our firm. In his time with Bob Murray & Associates, Regan has conducted over 275 executive searches ranging from managers and department heads to City Managers, Executive Directors, and General Managers. If Regan were to have a recruiting specialty, it would be public safety positions: he has personally conducted over 60 Police Chief and 20 Fire Chief recruitments.

Prior to joining Bob Murray & Associates, Regan served as Director of Public Safety with the City of Sunnyvale, CA. He was involved in the development of some of Sunnyvale's most innovative public safety programs and has a national reputation for excellence in law enforcement, as well as in law enforcement executive recruiting. Regan's clients find his prompt and personal attention, insight, and expertise in recruitment and selection an asset. He is often called upon to recruit for difficult-to-fill law enforcement positions, such as the position of Police Chief or City Manager in challenging political environments.

Mr. Williams received his Bachelor of Science Degree in Administration of Justice from San Jose State University. He is also a graduate of the FBI National Academy.

JOEL BRYDEN, VICE PRESIDENT AND RECRUITER

Mr. Bryden has over 30 years of local government experience that he brings to the firm, having retired as Chief of Police in Walnut Creek, CA prior to joining Bob Murray & Associates in 2013. Throughout his career, Joel has been involved in public sector consulting, with vast experience in hiring and promotional processes, as well as interviewing candidates for advancement in all aspects of local government.

Joel has a solid reputation as a leader in the public sector and his ability to find and evaluate outstanding applicants for our clients is invaluable in the search process. Since joining Bob Murray & Associates, Joel has conducted over 100 recruitments in a broad range of sectors including police, fire, building, planning, city management, and general management. He is often called upon to recruit specialized or difficult-to-fill positions, such as Independent Police Auditor.

Mr. Bryden is a graduate of the FBI National Academy and obtained his Bachelor of Arts Degree in Communication from San Diego State University. He is currently based in Walnut Creek, CA.

CARMEN VALDEZ, SENIOR EXECUTIVE RECRUITER

Carmen Valdez provides executive recruitment and human resource services to municipal government agencies and non-profits. She has more than 25 years' experience in executive search, general human resources, classification and compensation, testing, policy development, performance management, team building, organizational development, discipline, and other employee relations activities.

Carmen has most recently been consulting with Municipal Resource Group, prior to which she spent over 30 years with the City of Milpitas, a Silicon Valley city of 70,000 residents. In this capacity, she was responsible for collective bargaining, PEPRAs and Affordable Care Act implementation, modernizing Human Resource services to improve efficiencies and reduce costs, revamping the Workers Compensation service delivery and completing a City-wide strategic plan. Carmen also spent almost 2 years as the Director of Recreation Services.

In addition to her significant experience in the public sector, Carmen earned a Bachelor of Arts degree in Business from University of Phoenix. She is also a member of Local Government Hispanic Network and League of Women in Government. She is an avid runner and enjoys giving back to her community.

MANNY GUADERRAMA, SENIOR EXECUTIVE RECRUITER

Mr. Guaderrama brings over 35 years of local government experience to Bob Murray and Associates. Manny retired as the Chief of Police/Director of Transit Enforcement at the San Diego Metropolitan Transit system, following a 30-year career with the San Diego Police Department. He has an excellent reputation in the public sector as an innovative leader and change agent, with a history of employee development and improving organizational efficiencies.

Manny has a great deal of experience in recruiting, selecting, interviewing and hiring employees, and has been involved in promotional selection processes throughout the western states. When it comes to the hiring process, his goal is always to select individuals with the skills and talents to meet organizational needs.

Manny received a Bachelor of Arts Degree in Physical Education from San Diego State University. He is also a graduate of the FBI National Academy and is a member of the Local Government Hispanic Network.

AMBER SMITH, PRINCIPAL RECRUITMENT COORDINATOR

As Principal Recruitment Coordinator with Bob Murray & Associates, Ms. Smith acts as a liaison between clients and candidates from beginning to end of each recruitment process. Under the direction of each client's assigned Recruiter, Amber is responsible for the development and distribution of position recruitment and advertising materials, client research, reference and background checks, responding to requests for proposals, and providing a broad range of support services for the recruiting team. She also provides leadership for our in-house staff and is an invaluable resource.

Amber brings over a decade of client-oriented customer service, administrative, and management experience to Bob Murray & Associates. Since joining our team in 2013, she has shown a commitment to working as a partner with clients and candidates to provide a quality service and experience.

Ms. Smith received her Bachelor of Arts degree in Business Administration from La Sierra University, Riverside, California.

SKY BACLIG, SENIOR RECRUITMENT COORDINATOR

A Ms. Baclig is a Senior Recruitment Coordinator with Bob Murray & Associates and is an essential part of our hiring experience. She partners closely with the executive recruiters to support hiring initiatives and is responsible for facilitating the movement of candidates through the recruitment process.

Her responsibilities entail everything from creating marketing materials, posting available positions to job boards, candidate research, interview scheduling, conducting background checks, and ensuring the overall hiring process runs smoothly.

Sky graduated from California State University Sacramento with her bachelor's degree in Liberal Studies. She has over a decade of client service experience and 5 years in Human Resources. She

possesses thorough knowledge of Human Resources best practices and relies on her service-oriented attitude to support management/clients and team.

She has a passion for helping people and connecting both personally and professionally. Outside of the workplace, Sky likes to spend time with her family, her dog, Oliver, and travel the world.

GINI HERNDON, CONTRACTS ADMINISTRATOR/BOOKKEEPER

Ms. Gini Herndon is the Contracts Administrator/Bookkeeper at Bob Murray & Associates. Ms. Herndon is the first point of contact at Bob Murray & Associates and has an extensive administrative background in business law.

Ms. Herndon is known for her collaborative approach as she works closely with our internal team and clients to ensure a successful search. As a first point of contact, Ms. Herndon is highly professional and maintains a high level of confidentiality and sensitivity.

CORPORATION

Bob Murray & Associates was founded in May 2000 and operated under the corporation name MBN Services, Inc. until June 2014; our new corporation name is GVP Ventures, Inc., incorporated in California in 2014. Contact information for the corporation and the firm is as follows:

GVP Ventures, Inc. OR Bob Murray & Associates
1544 Eureka Road, Ste. 280
Roseville, CA 95661
(916) 784-9080
apply@bobmurrayassoc.com

Our corporation and firm are financially sound (and have been so since 2000), with documentation from our accountant available to your organization prior to final execution of a professional service agreement. We have never been involved in any litigation, aside from our personnel serving as expert witnesses when called to do so.

PROFESSIONAL ASSOCIATIONS

Our firm, represented by either our President or our Executive Vice President, are involved in the following organizations to remain engaged with current and future issues relevant to the work we conduct on behalf of clients like Montecito Sanitary District:

- California Special Districts Association – *Member*
- California City Management Foundation (CCMF) – *Member*
- International City/County Management Association (ICMA) – *Member*
- League of California Cities – *League Partner*
- League of Women in Government – *Sponsor/Member*
- Municipal Management Association of Northern California (MMANC) – *Sponsor/Member*
- Municipal Management Association of Southern California (MMASC) – *Sponsor/Member*
- National Forum for Black Public Administrators (NFBPA) – *Committee member for Marketing and Branding*

Members of our leadership team not only attend events sponsored by these associations but are also frequently called upon to serve as panel members and to provide specialized lectures regarding industry-specific issues.

Recent and upcoming speaking engagements and trainings provided by our staff include:

- “Role of the Chief” class, presented by Joel Bryden on behalf of the California Police Chiefs Association
- Organization of Latino Affairs invited speaker, Valerie Phillips for Hispanic Heritage Month; and
- “The Next Step on Your Career Ladder: A Rung Up or a Missed Step? What City Managers are Seeking to Create a Dream Team,” Bob Murray & Associates is a leading participant on the MMANC 2019 Conference Panel

REFERENCES

Clients and candidates are the best testament to our ability to conduct quality searches. Clients for whom Bob Murray & Associates has recently conducted similar searches are listed below:

CLIENT: Rancho Simi Recreation and Park District, CA
POSITION: General Manager
REFERENCE: Ms. Theresa Pennington, Director of Administration
(805) 584-4417

CLIENT: Santa Clarita Valley Water Agency
POSITION: Assistant General Manager
REFERENCE: Mr. Matt Stone, General Manager
(661) 297-1600

CLIENT: Laguna Beach County Water District
POSITION: General Manger
REFERENCE: Andrea Miller, HR & Office Administrator
(949) 494-1041

We appreciate the Montecito Sanitary District's consideration of our proposal and look forward to working with you.



**MONTECITO SANITARY DISTRICT (MSD)
Operations & Maintenance Budget Status
For The 6 Months Ended 12/31/2020**

		Jul 1, 2020 to Dec 31, 2020	FY20-21 Budget	Budget Remaining
PAYROLL/BENEFITS EXPENSES				
6100	STAFF SALARIES	957,864	2,053,829	1,095,965
6105	BOARD SALARIES	10,400	30,000	19,600
6108	AUTO ALLOWANCE - GM	1,200	3,600	2,400
6270	STANDBY PAY	16,200	33,000	16,800
6300	OVERTIME PAY	6,583	20,000	13,417
6400	PERS CONTRIBUTION	313,509	500,000	186,491
6500	FICA CONTRIBUTION	54,009	126,000	71,991
6510	MEDICARE	19,745	30,000	10,255
6520	UNEMPLOYMENT TAX - STATE	1,611	4,000	2,389
6600	GROUP MEDICAL - ACWA	164,622	360,000	195,378
6605	RETIREE MEDICAL BENEFITS	1,718	12,000	10,282
6610	LIFE INSURANCE - ACWA	3,079	7,000	3,921
6615	DISABILITY INS - STANDARD	11,998	25,000	13,002
6620	WORKERS COMP INSURANCE	0	50,000	50,000
6640	DENTAL INSURANCE - ACWA	8,872	20,000	11,128
6650	UNIFORM SERVICE - MISSION	3,422	7,000	3,578
Total PAYROLL/BENEFITS EXPENSES:		1,574,832	3,281,429	1,706,597
OPERATING EXPENSES				
7090	INS (GEN LIAB/AUTO/E&O) - CSRMA	60,582	60,000	-582
7091	INS (PROPERTY) - CSRMA	14,523	13,000	-1,523
7093	INS (EMP DISHONESTY BOND) - CSRMA	770	1,000	230
7094	INS (MOBILE EQUIP) - CSRMA	7,830	9,000	1,170
7110	EMPLOYEE PHYSICALS	1,435	2,500	1,065
7121	PROPERTY MAINTENACE	24,510	30,000	5,490
7122	VEHICLE MAINTENANCE	-2,592	13,000	15,592
7126	COLL - EQUIPMENT RENTAL	66	1,000	934
7127	COLL - SAFETY EQUIPMENT/SUPPLIES	145	8,000	7,855
7129	LIFT STATION PARTS	11,146	25,000	13,854
7133	VAC CON EQUIP/MAINT	10,228	15,000	4,772
7134	CCTV EQUIPMENT/REPAIRS	7,257	10,000	2,743
7135	PRIVATE LATERAL REPL INCENTIVE	16,000	50,000	34,000
7136	COLL - MISC COLLECTION TOOLS	13,300	8,000	-5,300
7150	MECHANICAL MAINTENANCE	1,728	5,000	3,272
7200	GENERAL OPERATING SUPPLIES	4,062	8,000	3,938
7201	DRINKING WATER	436	1,750	1,314
7202	GLOVES	1,682	5,000	3,318
7205	EMPLOYEE/COMMUNITY GOODWILL	1,419	3,000	1,581
7220	MAILING/SHIPPING EXPENSES	757	3,000	2,243
7430	MEMBERSHIPS/ ANNUAL DUES	38,619	40,000	1,381
7440	MISCELLANEOUS EXPENSES	0	2,500	2,500
7450	OFFICE EXPENSES	7,952	10,000	2,048
7454	BOOKS/SUBS/STUDY GUIDES	288	1,000	712
7456	COMPUTER HARDWARE/SOFTWARE/LICENSING	3,404	30,000	26,596
7461	PROFESSIONAL SERVICES/FEES - LEGAL	21,940	30,000	8,060
7462	PROFESSIONAL FEES - ACCOUNTING	22,746	40,000	17,254
7463	PROFESSIONAL FEES - ENGINEERING	17,991	25,000	7,009

MONTECITO SANITARY DISTRICT (MSD)
Operations & Maintenance Budget Status
For The 6 Months Ended 12/31/2020

	Jul 1, 2020 to Dec 31, 2020	FY20-21 Budget	Budget Remaining	
OPERATING EXPENSES CONTINUED				
7464	PROFESSIONAL FEES - COMPUTER/GIS	19,893	60,000	40,107
7466	PROF SERVICES - HUMAN RESOURCES	4,116	6,000	1,884
7500	CUSTOMER RELATIONS EXPENSE	24,341	50,000	25,659
7506	ADMINISTRATIVE FEES	8,086	22,000	13,914
7508	COLLECTION/TREATMENT FINES	0	0	0
7510	CONTRACTED SERVICES/LABOR	65,554	120,000	54,446
7530	ADS/NOTICES FOR PUBLICATION	860	2,000	1,140
7610	FURNITURE/FIXTURES	0	10,000	10,000
7641	NPDES PERMIT EXPENSES-LAB	6,269	20,000	13,731
7645	NPDES PERMIT EXPENSE-OPS	13,116	27,000	13,884
7650	ELECTION EXPENSES	0	5,000	5,000
7651	ANALYZER CHEMICALS	3,469	5,000	1,531
7652	BIOSOLIDS DISPOSAL	22,594	50,000	27,406
7653	CHEMICALS	80,764	200,000	119,236
7654	GENERATOR SERVICE	629	10,000	9,371
7655	HAZ MATERIALS DISPOSAL	424	1,000	576
7656	PLANT EQUIPMENT RENTAL	4,678	10,000	5,322
7657	PLANT MAINTENANCE MATERIALS	30,546	50,000	19,454
7658	PLANT MAINTENANCE PROJECTS	0	5,000	5,000
7659	PLANT SAFETY EXPENSES	1,610	5,000	3,390
7661	POLYMER	635	10,000	9,365
7662	SMALL TOOLS/EQUIP	3,410	4,000	590
7670	SPECIAL PROJECTS	58,867	100,000	41,133
7675	COVID-19 EXPENSES	121,861	0	-121,861
7700	LAB CONSUMABLES-SMALL EQUIPMENT	11,552	28,000	16,448
7702	LAB EQUIPMENT MAINTENANCE	1,347	10,000	8,653
7703	CONTRACT LAB ANALYSES	4,528	6,000	1,472
7722	BOARD TRAINING/CONF REGISTRN	0	1,000	1,000
7723	BOARD TRAVEL EXPENSES	0	1,000	1,000
7724	STAFF TRAINING/CONF REGISTRN	852	3,000	2,148
7725	STAFF TRAVEL EXPENSES	0	1,000	1,000
7726	STAFF CERTIFICATIONS/LICENSES	1,949	10,000	8,051
7727	OSHA REQUIRED TRAINING	450	7,000	6,550
7728	SAFETY BOOT ALLOWANCE	2,211	4,000	1,789
7731	LOCAL MEETING EXPENSES	60	1,000	940
7740	FUEL AND OIL	9,366	30,000	20,634
7761	WATER	4,806	12,000	7,194
7762	NATURAL GAS	818	3,000	2,182
7763	ELECTRICITY	70,949	160,000	89,051
7766	TRASH / RECYCLING	5,881	13,000	7,119
7767	TELEPHONE - LOCAL/LD	5,156	10,000	4,844
7768	TELEPHONE CELLULAR	5,315	12,000	6,685
Total OPERATING EXPENSES:		885,186	1,533,750	648,564
Total PAYROLL/BENEFITS & OPERATING EXPENSES:		2,460,018	4,815,179	2,355,161
COP OBLIGATIONS				
7105	DEBT SERVICE PAYMENT	0	303,100	303,100
2710	BOND PRINCIPAL PAYMENT	0	635,000	635,000
Total EXPENSES:		0	938,100	938,100

**CAPITAL IMPROVEMENT PROJECTS
UNAUDITED YEAR TO DATE STATUS**

ASSIGNED PROJECT #	CAPITAL IMPROVEMENT PROJECT DESCRIPTION	Expenditures 7/1/20- 12/31/20	Board Approved FY20-21 Funding
Annual projects			
1	Scheduled and Emergency Replacements	\$ 26,522	\$ 100,000
2	Manhole Raising / Repair / Replacement	\$ 23,760	\$ 400,000
3	Sewer Main Repair / Replacement	\$ 12,457	\$ 150,000
Ongoing projects			
7	Essential Services Building Construction	\$ -	\$ 4,625,000
9	Sewer Main Extensions-Riven Rock	\$ 187,958	\$ 300,000
10	Recycled Water - Pilot Project	\$ 15,145	\$ 38,000
New projects FY2020-21			
12	Collections Truck Replacement	\$ -	\$ 36,000
Capital Improvement Project Expenditures FY20-21		\$ 265,842	\$ 5,649,000
Recycled Water Fund			
11	Recycled Water	\$ 122,080	\$ 1,190,000
Total Funds Expended in FY20-21		\$ 387,922	\$ 6,839,000

** At its meeting on October 31, 2019, The Board approved the designation of two fiscal years of property tax revenue, in the amount of \$1,190,000 to a Recycled Water Project to serve the Cemetery

**FY2020-21 Quarterly Investment Activity
FY20-21 QTR 2 Oct-Dec**

	<u>9/30/2020</u>	<u>Income</u>	<u>Interest</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Withdrawals</u>	<u>12/31/2020</u>	<u>Net Change</u>	
Investment Accounts									
Cash with LAIF	2,006,725		4,262				2,010,986	4,262	Quarterly Interest
FMV adjustment (annually)	9,827						9,827	-	No Change in Fair Market Value
BNY Bond Refunding Costs	-			151,550			151,550	151,550	Transfers: 12/31 Debt Service Interest Payment \$151,550
Cash with County-Operating	4,835,043	3,935,206	9,895		(1,151,550)		7,628,593	2,793,550	Transfers: \$1,000,000 to MBT Operating \$151,550 to Debt Svc Int Pmt
FMV adjustment (quarterly)	23,372	3,866					27,238	3,866	Income & Withdrawals: SSC & property tax revenue; & Quarterly Interest Change in Fair Market Value
Cash with County - Capital Replace	7,304,265		13,516		(237,675)		7,080,106	(224,159)	Transfers: \$237,675 to MBT CIP
FMV adjustment (quarterly)	35,309					(10,029)	25,280	(10,029)	Change in Fair Market Value
Cash with County-Retiree Medical	168,343		311				168,654	311	Quarterly Interest
FMV adjustment (quarterly)	814					(212)	603	(212)	Change in Fair Market Value
Cash Accounts									
MBT Operating account	99,148	241,431		1,000,000		(1,310,528)	30,051	(69,097)	Income: connection, permit, & other fees Transfers: \$1,000,000 from County O&M Withdrawals: pmts on O&M Expenses
MBT Capital Improvement account	10,218			237,675		(243,787)	4,106	(6,112)	Transfers: \$237,675 from County CIP Withdrawals: pmts on Capital Improvement Projects
MBT Recycled Water account	1,093,680		1,657				1,095,337	1,657	Quarterly Interest
Insurance Reimbursement Acct	111,885		68				111,953	68	Disaster Insurance Payment - due to FEMA Quarterly Interest
Revolving fund account	1,445					(50)	1,395	(50)	Withdrawals: paymens on O&M expenses paid outside normal processing
Petty Cash	250						250	-	
Total Cash & Investment accounts	15,700,324	4,180,502	29,709	1,389,225	(1,389,225)	(1,564,606)	18,345,929	2,645,605	



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

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

QUARTERLY CERTIFICATION STATEMENTS FOR THE MONTECITO SANITARY DISTRICT

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

For the Quarter Ended

December 31, 2020

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

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

Dated: _____

Board Treasurer
MONTECITO SANITARY DISTRICT

CONTINUING DISCLOSURE ANNUAL REPORT

FOR

FISCAL YEAR ENDED JUNE 30, 2020

IN CONNECTION WITH:

**MONTECITO SANITARY DISTRICT
2017 SEWER REFUNDING REVENUE BONDS**



**MONTECITO SANITARY DISTRICT
1042 Monte Cristo Lane
Santa Barbara, California 93108**

**MONTECITO SANITARY DISTRICT
2017 SEWER REFUNDING REVENUE BONDS**

<i>MATURITY DATE (July 1)</i>	<i>CUSIP*</i>
2019	612360BM8
2020	612360BN6
2021	612360BP1
2022	612360BQ9
2023	612360BR7
2024	612360BS5
2025	612360BT3
2026	612360BU0
2027	612360BV8
2028	612360BW6
2029	612360BX4
2030	612360BY2

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APPENDIX A - AUDITED FINANCIAL STATEMENTS

INTRODUCTION

THIS CONTINUING DISCLOSURE ANNUAL REPORT, dated January 31, 2021 (the "Report"), has been prepared to satisfy the obligations of the Montecito Sanitary District (the "District"), pursuant to that certain Continuing Disclosure Agreement, dated May 1, 2017 (the "Disclosure Agreement"), executed and delivered by the Montecito Sanitary District (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., as dissemination agent (the Dissemination Agent"), in connection with the issuance of the Issuer's \$10,020,000 2017 Sewer Refunding Revenue Bonds (the "Bonds"). The Bonds have been issued pursuant to an Indenture of Trust, dated as of May 1, 2017 by and between the Issuer and the Bank of New York Mellon Trust Company, N.A.

The District has agreed under the Disclosure Agreement to provide to the Electronic Municipal Market Access, a service of the Municipal Securities Rulemaking Board ("EMMA"), to provide audited financial statements and financial information and operating data, and in a timely manner, notices of reporting of significant events. These covenants have been made to assist the underwriter of the Certificates in complying with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended. As provided in Section 3 of the Disclosure Agreement, this Report is being prepared for publication with EMMA, for the benefit of the owners of the Certificates and the participating underwriter. Capitalized terms used herein which are not otherwise defined in the Disclosure Agreement shall have the respective meanings specified in the Trust Agreement.

AUDITED FINANCIAL STATEMENTS

Pursuant to Section 4 of the Disclosure Agreement, the Audited Financial Statements of the District for fiscal year ending June 30, 2020 are attached hereto as Appendix A.

PRINCIPAL AMOUNT OUTSTANDING

The current principal amount of the Bonds outstanding is \$8,260,000.

FINANCIAL INFORMATION AND OPERATING DATA

Pursuant to Section 4 of the Disclosure Agreement, the financial information and operating data presented herein consists of the updated Financial Information and Operating Data as contained in the Official Statement, dated April 19, 2017.

Sewer Connections

The following table illustrates the number and classification of connections to the system as of June 30, 2020.

MONTECITO SANITARY DISTRICT DWELLING UNIT EQUIVALENTS AND CONNECTIONS (As of June 30, 2019)

<i>User Type</i>	<i>Connections</i>
Residential – Single Family	2271
Residential – Single Family*	28
Residential – Condo Units	409
Residential – Multi Units	334
Commercial	16
Institutional	21
Residential – Institutional	5
Residential – Commercial	1
H/O Assoc. – Clubhouses	1
TOTALS	<hr/> 3,086

*Two or more Single Family Homes on one parcel

Wastewater Rates and Charges

The 2019/20 Fiscal Year annual residential sewer service charge rates stayed the same at \$1,480 per main dwelling unit and from \$696 per additional dwelling units on a parcel. The annual residential sewer service charge for a condominium is \$696.

The annual commercial and institutional sewer charge rates are composed of a Variable Rate based on prior calendar year actual water use (made up of sewage strength and flow) plus an annual fixed Capacity Allocation Charge. The Fiscal Year 2019/20 commercial/institutional rates per HCF of water used are \$2.88 for low strength, \$3.96 for medium strength and \$5.57 for high strength. The Capacity Allocation Charge per HCF of water used is \$4.33 for low strength, \$10.32 for medium strength and \$12.59 for high strength per customer per year.

Largest Customers

The ten largest customers served by the District are as follows:

**MONTECITO SANITARY DISTRICT
LARGEST CUSTOMERS
(Fiscal Year 2019/20)**

<i>Name</i>	<i>Enterprise Fees and Charges</i>	<i>Percent of Total</i>
Four Seasons Biltmore Hotel	488,419	7.54
San Ysidro Ranch Resort	234,254	3.62
Westmont College	293,830	4.54
Casa Dorinda Retirement Facility	176,586	2.73
Four Seasons Coral Casino	95,147	1.47
Pacifica Graduate Institute	82,552	1.27
La Casa De Maria – Immaculate Heart Center	32,332	0.26
Valley Club of Montecito	42,871	0.66
Birnam Wood Golf Club	43,327	0.67
Montecito Union School	<u>29,200</u>	<u>0.45</u>
TOTALS	\$1,502,836	23.20%

Historical Operating Results

Enterprise revenues and expenses are accounted for in the District's Revenue Fund. The following table illustrates revenues, expenses, and retained earnings of the Enterprise for Fiscal Years 2016-17 through 2019-20. Residential customers account for % of sewer service charge revenue in Fiscal Year 2019-20.

MONTECITO SANITARY DISTRICT HISTORICAL OPERATING RESULTS (Fiscal Year ended June 30)

	2016-17	2017-18	2018-19	2019-20
Revenues				
Services fees	\$5,766,321	\$6,224,822	\$6,580,922	\$6,256,696
Connection fees	1,042,193	346,379	168,745	119,564
Other services	52,190	79,573	52,660	100,843
Property taxes	553,527	590,994	596,725	603,497
Investment income	64,347	82,045	398,279	309,612
Other revenue	-225,774 ^A	-62,667 ^B	14,579	100,156
Disaster recovery		-1,314,885		
Disaster Grants		1,311,729	17,298	
Total Revenues	\$7,252,804	\$7,257,990	\$7,829,208	\$7,490,368
Operating Expenses				
Sewage collection	\$1,093,594	\$1,152,244	\$1,195,151	\$1,259,355
Sewage treatment	1,584,873	1,588,504	1,745,348	\$1,952,416
Sewage disposal	40,173	38,872	48,541	\$49,928
Administrative	963,377	1,124,122	1,186,588	\$1,352,212
Total Operating Expenses	\$3,682,017	\$3,903,742	\$4,175,648	\$4,613,911
Net Revenues	\$3,570,787	\$3,354,248	\$3,653,560	\$2,876,457
2007 Certificates Debt Service	\$558,076			
2017 Refund Bond Debt Service	\$655,279	\$937,250	\$935,000	\$932,300
Debt Service Coverage	2.94	3.58	3.91	3.09
Surplus	\$2,357,432	\$2,416,998	\$ 2,718,560	\$1,944,157

Negative revenue due to the following:

(A) Full Amortization of 2007 COP issuance costs

(B) Includes FMV loss

Disaster recovery expense and grants due to Thomas Fire Debris Flow of January 9, 2018

CREDIT RATINGS

For the benefit of the Owners of the Certificates, the following are the current ratings from Standard & Poor's Ratings Services ("S&P") on the Bonds.

**S&P
Underlying
Rating**

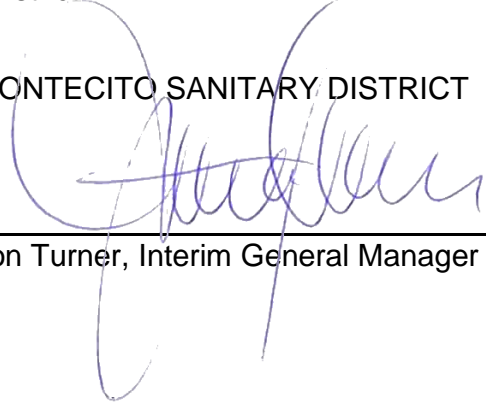
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NOTICES OF REPORTING OF SIGNIFICANT EVENT (RATING CHANGES)

CONCLUSION

The execution and delivery of this Report has been prepared by the District pursuant to Section 4 of the Disclosure Agreement and the financial information and operating data contained herein has been obtained by the District.

MONTECITO SANITARY DISTRICT



Jon Turner, Interim General Manager