

MONTECITO SANITARY DISTRICT

A G E N D A for Board Meeting

January 30, 2020

The regular meeting of the Governing Board will begin at 1:15 p.m. on January 30, 2020 in the District hearing room at 1042 Monte Cristo Lane, Santa Barbara, California.

If you need special assistance to participate in this meeting, because of any disability, please contact the District at 969-4200. Notification at least twenty-four hours before the meeting will allow the District to make appropriate arrangements for you; thank you.

Materials related to an item on this Agenda, which are part of the agenda packet, are available for public inspection during normal business hours (8:00 a.m. – 4:30 p.m. weekdays) in the District office.

1. **CALL TO ORDER/ROLL CALL**

2. **PLEDGE OF ALLEGIANCE**

3. **PUBLIC COMMENT**

Persons may, in addition to any other matter within the Board of Director's subject-matter jurisdiction, comment on Agenda Items at this time. If you provide public comment on a specific Agenda item at this time, however, you cannot later provide comments at the time the Agenda Item is considered. Anyone wishing to address the Board of Directors should come to the podium, be recognized by the President, and state their name for the record. If you wish to address the Board of Directors on an Agenda Item, you may do so by approaching the podium as that particular item is announced. You will be given a reasonable amount of time to address the Board of Directors.

While all comments are welcome, the Brown Act does not allow the Board to take action on any item not on the agenda. The Board may briefly respond to comments after Public Communications is closed.

4. **APPROVAL OF MINUTES**

It is recommended that the Board consider approving the January 15, 2020 special meeting minutes.

5. **APPROVAL OF PAYABLES**

It is recommended that the Board consider approving the payables list for expenses incurred by the District between January 16, 2020 and January 30, 2020.

6. **NEW BUSINESS**

A. **Resolution No. 2020-921 – Honoring Mr. Perry Cabugos**

It is recommended the Board consider:

- i) Adopting a resolution honoring Mr. Perry Cabugos for the 2019 Mechanic Technician Person of the Year by the Tri-County Section of California Water Environmental Association (CWEA);
- ii) Taking such additional, related, action that may be desirable.

B. Resolution No. 2020-922 – Honoring Mr. Marc Ciarlo

It is recommended the Board consider:

- i) Adopting a resolution honoring Mr. Marc Ciarlo for the 2019 Treatment Plant Operator of the Year by the Tri-County Section of California Water Environmental Association (CWEA);
- ii) Taking such additional, related, action that may be desirable.

C. Title 22 Recycled Water Project California Environmental Quality Act (CEQA) – Professional Services Contract – Stantec Consulting Services Inc. – Additional Extra Services Funding

It is recommended the Board consider:

- i) Authorizing Additional Extra Services Funding in the amount of \$7,500 to Stantec Consulting Services Inc. for cost of consultant services to revise the CEQA analysis to include the grading for the recycled water facilities, prepare the Notice of Intent (NOI) and Notice of Determination (NOD), and assist the District with noticing in accordance with the CEQA Guidelines and County of Santa Barbara requirements.;
- ii) Taking such additional, related, action that may be desirable.

D. Finance Committee Meeting – Report

It is recommended the Board consider:

- i) Receiving and filing a report provided by the Finance Committee from its January 27th meeting;
- ii) Taking such additional, related, action that may be desirable.

E. Quarterly Financial Reports

It is recommended the Board consider:

- i) Reviewing the Quarterly Financial Statements;
- ii) Taking such additional, related, action that may be desirable.

F. Quarterly Investment Policy Statement – December 31, 2019

It is recommended the Board Treasurer consider:

- i) Certifying the statement required by District Investment Policy for their quarter ending December 31, 2019;
- ii) Taking such additional, related action that may be desirable.

G. Continuing Disclosure Annual Report for Fiscal Year Ending June 30, 2019

It is recommended the Board consider:

- i) Receiving the Continuing Disclosure Annual Report for FY 2018-19;
- ii) Directing staff to file the report as required;
- iii) Taking such additional, related, action that may be desirable.

H. Formation of Ad-Hoc Committee to Review Board Teleconferencing Policy

It is recommended the Board consider:

AGENDA

January 30, 2020

- i) Forming and directing an ad-hoc committee to discuss the Board Teleconferencing policy;
- ii) Taking such additional, related, action that may be desirable.

I. Information Items

- General Manager will report on her response to a customer email sent to District Financial Auditor Bartlett, Pringle & Wolfe.
- President Bollay will report on his Board approved attendance at the January 27th Santa Barbara County 1st District Supervisor debate.

J. Agreements to be Signed

- None

7. OPERATIONS AND MAINTENANCE

Review the Operations and Maintenance reports included in the agenda packet.

8. ITEMS FOR THE NEXT AGENDA

9. ADJOURNMENT

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

January 15, 2020

1. CALL TO ORDER/ROLL CALL

The Governing Board of the Montecito Sanitary District convened a special meeting at 1:15 p.m. on January 15, 2020 at 1042 Monte Cristo Lane, Montecito, California.

ATTENDANCE

Present: Directors Tom Bollay, Thomas Kern, Jeff Kerns, and Woody Barrett

Absent: Director Dana Newquist

Also Present: Diane M. Gabriel, MSD General Manager/District Engineer
Toni M. McDonald, MSD District Administrator
Alex Alonzo, MSD Operations Manager
Ken Coates, MWD Board Member/Resident/Water Security Team Member
Don Eversoll, Resident
Leon Bartholemew, Resident
Bob Hazard, Montecito Journal

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Public comment was made by Mr. Leon Bartholemew and Mr. Bob Hazard.

4. APPROVAL OF MINUTES

The minutes of the December 12, 2019 meeting was included in the agenda packet. On MOTION by Director T. Kern and second by Director J. Kerns, the Board approved unanimously without abstention the minutes of December 12, 2019.

5. APPROVAL OF PAYABLES

On Motion by Director Barrett and second by Director J. Kerns, the Board approved unanimously without abstention these payroll and accounts payable expenses from December 13, 2019 through January 15, 2020:

Accounts Payable Expenses	\$ 199,344.77
Capital Improvement Projects	82,854.68
Recycled Water	36,601.78
Payroll and Related Expenses	<u>184,571.11</u>
Total Expenses	\$ 503,372.34

6. NEW BUSINESS

A. Public Information Committee Meeting - Report

Director Bollay reported on the Public Information Committee of January 7th. The Committee recommended the Board consider hiring the firm of Davies Public Affairs to assist the District with public outreach. The Committee recommended the Board authorize Director Bollay to represent the District at the upcoming debate hosted by the Montecito Journal on January 27th.

On MOTION by Director J. Kerns and second by Director T. Kerns, the Board approved unanimously without abstention to authorize Director Bollay to represent the District at the January 27th debate between 1st District Supervisor Das Williams and Ms. Laura Capps, and to have Director Bollay create, with the aid of Montecito Journal editor Gwen Lurie, a question for the candidates on the topic of recycled water.

ACTION: Director Bollay

B. Public Outreach – Purchase Order Authorization

The Board discussed the Public Information Committee recommendation to hire Davis Public Affairs to assist the District with public outreach.

On MOTION by Director J. Kerns and second by Director T. Kern, the Board authorized the issuance of a purchase order to Davies Public Affairs in an amount not to exceed \$50,000 with the following vote:

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

ACTION: Staff

C. Annual Organizational Decisions

Director Bollay called for the election of the Board President. Director Bollay was nominated. On MOTION by Director J. Kerns and second by Director T. Kern, the Board elected unanimously without abstention Director Bollay as President.

President Bollay then announced: “Pursuant to law, this is the time and place for the annual meeting to organize the members of the Governing Board.”

Director J. Kerns was nominated as Vice President. On MOTION by Director Bollay and second by Director T. Kern, the Board elected unanimously without abstention Director J. Kerns as Vice President.

Director Barrett was nominated as Secretary. On MOTION by Director Bollay and second by Director J. Kerns, the Board elected unanimously without abstention Director Barrett as Secretary.

Director T. Kern was nominated as Treasurer. On MOTION by Director Bollay and second by Director J. Kerns, the Board elected unanimously without abstention Director Kern as Treasurer.

President Bollay made the following appointments:

Director T. Kern and Director Barrett to the Finance Committee.

Director Bollay and Director J. Kerns to the Administrative and Operations (A&O) Committee.

Director T. Kern and Director Bollay to the Personnel Committee.

Director Bollay and Director Newquist to the Public Information Committee.

On MOTION by Director Bollay, and second by Director J. Kerns, the Board approved unanimously without abstention the appointment of Diane Gabriel as General Manager/District Engineer.

On MOTION by Director Bollay and second by Director J. Kerns, the Board approved the appointment of Karl Berger of Hensley Law Group as General Legal Counsel.

On MOTION by Director J. Kerns and second by Director T. Kern, the Board approved unanimously without abstention the appointment of Melissa Fassett as Legal Counsel for Personnel matters.

The Board approved unanimously without abstention that the Regular Meetings of the Governing Board of the Montecito Sanitary District will be the second and last Thursdays of each month, beginning at 1:15 p.m. in the Montecito Sanitary District Board Room at 1042 Monte Cristo Lane.

President Bollay then announced: “The organization procedures are complete. An updated Statement of Facts shall be filed with the Secretary of State and the Santa Barbara County Clerk. The Board will now continue with the regular meeting as set forth in today’s agenda.”

ACTION: Staff

D. Financial Audit Report – Fiscal Year 2018-19

The financial statements for Fiscal Year 2018-19, as prepared by Bartlett, Pringle, & Wolf, were distributed to the Board. At its meeting on December 12, 2019 the Board voted to approve the draft financial audit report.

Staff distributed the final version of the Financial Audit Report for fiscal year 2018-19, and will file the report with the required agencies.

ACTION: Staff

E. Information Items

None

F. Agreements Signed

274 Middle Road – Termination Agreement for Existing Auxiliary Structure
627 Olive Road – Sewer Service Agreement for Existing Auxiliary Structure

7. OPERATIONS AND MAINTENANCE

The Board reviewed the information in the Board packet.

8. ITEMS FOR FUTURE AGENDAS

- The next Board of Directors meeting will be Thursday January 30th at 1:15 p.m.
- Quarterly Financial Reports will be presented to the Board for review.
- The Directors were asked to review the 2020 tentative Board meeting schedule and email District Administrator McDonald any scheduling conflicts in order to have a tentative master calendar by the January 30th meeting.
- Director Barrett requested an ad-hoc committee be formed to discuss the telecommuting policy. Director Kerns agreed to be on the committee with Director Barrett, who suggested meeting the first week of February.

9. ADJOURNMENT

There being no other business, on MOTION to adjourn by Director Bollay and second by Director Barrett, the MOTION passed unanimously without abstention and the meeting adjourned at 3:24 p.m.

Thomas Bollay, President

Jeffrey Kerns, Vice President

Ellwood T. Barrett, Secretary

Thomas Kern, Treasurer

Dana Newquist, Director

**MONTECITO SANITARY DISTRICT
BOARD LIST OF PAYABLES**

<u>CHECKS DATED</u>	<u>SUMMARY & TYPE</u>	<u>BATCH TOTALS</u>
01/24/20	ACCOUNTS PAYABLE	73,149.43
01/24/20	CAPITAL IMPROVEMENT PROJECTS	22,063.10
01/24/20	CIP RECYCLED WATER FUND	8,614.32
01/16/20	PAYROLL	94,670.36
	TOTAL	<u>\$ 198,497.21</u>

Approved for Payment:

Date: January 24, 2020 Amount: \$ 198,497.21

_____, General Manager

_____, Director

_____, Director

Check History Report
Sorted By Check Number
Activity From: 1/24/2020 to 1/24/2020
MONTECITO SANITARY DISTRICT (MSD)

Check Number	Check Date	Name	Check Amount	Description
025131	1/24/2020	ACME ANALYTICAL SOLUTIONS	486.98	Analyzer Chemicals
025132	1/24/2020	ACWA/JPIA	31,624.38	Health/Dental/Life Insurance Premium-February
025133	1/24/2020	AT&T MOBILITY	86.74	Lift Station No. 4 Wireless Service-January
025134	1/24/2020	BIG GREEN CLEANING COMPANY	1,876.00	Janitorial Services-January
025135	1/24/2020	CHAZ SPORTSWEAR	624.33	MSD logo caps and hand sanitizer sprays
025136	1/24/2020	CIARLO, MARC	222.92	Boot Allowance Reimbursement
025137	1/24/2020	CINTAS CORPORATION #684	989.06	Uniforms/Towels/Mats-Cleaning/Rental-Decmeber
025138	1/24/2020	CINTAS	98.66	Replenish First Aid Kits
025139	1/24/2020	COMPUVISION COMMUNICATIONS	1,620.00	Datto Cloud Backup/NetAlert Managed Services
025140	1/24/2020	CORT	44.00	Deed Report-December
025141	1/24/2020	COX BUSINESS	203.50	Wireless Internet Service-January
025142	1/24/2020	CALIFORNIA WATER ENVIRONMENT	178.00	Staff Certification Renewals
025143	1/24/2020	ENGEL & GRAY, INC	6,691.84	Biosolids Hauling-December
025144	1/24/2020	FASTENAL COMPANY	616.42	Plant Maintenance Materials
025145	1/24/2020	FERGUSON WATERWORKS #1083	9,216.96	Plant Piping Materials
025146	1/24/2020	FRUIT GROWERS LABORATORY	792.50	Outside Lab Analyses-December
025147	1/24/2020	FISHER SCIENTIFIC	299.88	Lab Supplies
025148	1/24/2020	FRONTIER	121.84	Phone Service for Lift Stations 1 and 2-January
025149	1/24/2020	GRAINGER	2,386.13	Plant Maintenance Materials
025150	1/24/2020	MARBORG INDUSTRIES	612.04	Refuse Disposal/Recycling-December
025151	1/24/2020	MUNICIPAL MAINT EQUIPMENT	1,071.79	Vac-Con Equipment
025152	1/24/2020	PRAXAIR DISTRIBUTION INC	850.43	Welder for Chief Mechanic
025153	1/24/2020	QUINN COMPANY	1,897.92	Plant Generator Servicing
025154	1/24/2020	RED WING BUSINESS ADVANTAGE ACCOUNT	411.29	Boot Allowance-Jacquez, Ruiz
025155	1/24/2020	SANTA BARBARA COUNTY CLERK-RECORDER	109.00	Agreement Recording Fees
025156	1/24/2020	SHERWIN-WILLIAMS CO.	140.20	Property Maintenance Materials
025157	1/24/2020	SOCAL GAS	395.78	Gas Service-December
025158	1/24/2020	DIGITAL DEPLOYMENT; DBA STREAMLINE	310.00	Website Management Services
025159	1/24/2020	UNIVAR USA INC	7,735.13	Plant Chemicals
025160	1/24/2020	VENTURA AIR CONDITIONING CO.	1,435.71	Service and Parts for Lab HVAC
Bank Total			73,149.43	
			73,149.43	

Capital Improvement Projects Check History Report

Sorted By Check Number

Activity From: 1/24/2020 to 01/24/2020

MONTECITO SANITARY DISTRICT (MSD)

Check Number	Check Date	Name	Check Amount	Description
001225	1/24/2020	BC RINCON CONSTRUCTION	5,833.35	CIP 4-Asphalt Pavement for DAFT
001226	1/24/2020	FAMCON PIPE & SUPPLY	2,629.43	CIP 2-N. Jameson Force Main Vault Repair
001227	1/24/2020	IDE AMERICAS, INC	9,900.00	CIP 10-Recycled Water Training
001228	1/24/2020	PACIFIC MATERIALS LABORATORY	640.00	CIP 4-Concrete Placement, Cylinders Inspections
001229	1/24/2020	TAFT ELECTRIC COMPANY	3,060.32	CIP 1-Electrical Services
			<u>22,063.10</u>	
		Bank Total	<u><u>22,063.10</u></u>	

Recycled Water Fund Check History Report
Sorted By Check Number
Activity From: 1/23/2020 to 1/23/2020
MONTECITO SANITARY DISTRICT (MSD)

Check Number	Check Date	Name	Check Amount	Description
001009	1/23/2020	BC RINCON CONSTRUCTION	2,500.00	CIP 11-Asphalt Trench Patch
001010	1/23/2020	SBCO. PLANNING & DEVELOPMENT	6,114.32	CIP 11-Coastal Development Planning Fee Deposit
		Bank Total	<u>8,614.32</u>	
			<u><u>8,614.32</u></u>	

MONTECITO SANITARY DISTRICT

MANAGER'S REPORT

January 30, 2020

AGENDA ITEM 6. NEW BUSINESS

A. Resolution No. 2020-921 – Honoring Mr. Perry Cabugos, Chief Maintenance Mechanic
Chief Maintenance Mechanic Perry Cabugos was awarded the 2019 Mechanic Technician Person of the Year by the Tri-County Section of California Water Environmental Association (CWEA). District Resolution No. 2020-921 (**EXHIBIT A**) will recognize the ongoing contributions Mr. Cabugos has made to the District.

B. Resolution No. 2020-922 – Honoring Mr. Marc Ciarlo, Wastewater Treatment Operator Grade V
Treatment Operator V Marc Ciarlo was awarded the 2019 Treatment Plant Operator of the Year by the Tri-County Section of California Water Environmental Association (CWEA). District Resolution No. 2020-922 (**EXHIBIT B**) will recognize the ongoing contributions Mr. Ciarlo has made to the District.

C. Title 22 Recycled Water Project California Environmental Quality Act (CEQA) – Professional Services Contract – Stantec Consulting Services Inc. – Additional Extra Services Funding
The District's recycled water pilot project has been commissioned and is operational. Before any recycled water from the pilot project or a full scale permanent project can be approved for beneficial use at the Santa Barbara Cemetery it is necessary for the CEQA required Initial Study to be performed and the appropriate environmental document, a Mitigated Negative Declaration, be prepared.

On September 12, 2019 the Board voted to authorize the execution of a professional services contract with Stantec Consulting Services in a time and materials amount not to exceed \$34,000. The Board also voted to include an extra services funding allowance in the contract in the amount of \$3,400 to cover the cost of unforeseen services.

Stantec has completed the Initial Study evaluating all twenty environmental factors included in Appendix G of the CEQA guidelines. The General Manager has already authorized the expenditure of the \$3,400 in extras services funding to cover the cost of incorporating the County of Santa Barbara's Environmental Thresholds and Guidelines Manual analysis requirements including the addition of two new sections and revisions to the project description for the new proposed solar panel structures that required additional revisions to the analysis.

Additional extra services funding in the amount of \$7,500 is necessary to cover the cost of consultant services to revise the analysis to include the grading for the recycled water facilities, prepare the Notice of Intent (NOI) and Notice of Determination (NOD), and assist the District with noticing in accordance with the CEQA Guidelines and County requirements.

The Board will consider authorizing Additional Extra Services funding in the amount of \$7,500 to Stantec Consulting Services Inc.

D. Finance Committee Meeting – Report

The Finance Committee (Directors T. Kern and Barrett) will report on its January 27th meeting.

E. Quarterly Financial Reports

Staff will review quarterly financial reports, enclosed as **EXHIBIT C**.

F. Quarterly Investment Policy Statement – December 31, 2019

The Treasurer will certify the statement required by District Investment Policy for the quarter ending December 31, 2019 and enclosed as **EXHIBIT D**.

G. Continuing Disclosure Annual Report for Fiscal Year Ending June 30, 2018

A requirement of the 2017 Sewer Refunding Bonds and Disclosure Agreement is for the District to file a Continuing Disclosure Annual Report. The report is enclosed as **EXHIBIT E**. Staff compiled the updated information with current audited financial statements and service charge rates for Fiscal Year July 1, 2018 through June 30, 2019. 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.

The Board will consider accepting the Continuing Disclosure Annual Report for Fiscal Year ending June 30, 2019 and direct staff to file the report as required.

H. Formation of Ad-Hoc Committee to Review Board Teleconferencing Policy

On July 25, 2019 the Board voted to approve a Teleconferencing Policy (**EXHIBIT F**). The Board would like to revisit this policy and will consider appointing Director Kerns and Director Barrett to an Ad-Hoc Committee to review and return to the Board with recommended revisions to the policy.

I. Information Items

- General Manager will report on her response to a customer email sent to the District's Financial Auditor Bartlett, Pringle & Wolfe.
- President Bollay will report on his Board approved attendance at the January 27th Santa Barbara County 1st District Supervisor debate.

J. Agreements to be Signed

- None

AGENDA ITEM 7. OPERATIONS AND MAINTENANCE REPORTS

TREATMENT PLANT

Treatment Data	Current Year 1/06/20-1/19/20	Prior Year 12/31/18-1/20/19
Average daily flow	0.591 MGD	0.588 MGD
Average hypochlorite	154 GPD	140 GPD
Average bisulfite	90 GPD	90 GPD
Average effluent SS	6.4 mg/L	3.4 mg/L
Average effluent CBOD ₅	2.4 mg/L	2.4 mg/L
Median coliform	2.0 MPN / 100 mL	< 1.8 MPN / 100 mL

- The belt press was operated for 6 hours during this reporting period.
- A total of 17.41 tons of biosolids were transported in one load to Engel and Gray during this reporting period.
- 0.37 inches of rainfall was recorded during this reporting period.

In addition to completing all daily treatment plant operational tasks and preventative maintenance duties, Operations staff and others performed the following work:

- Started Polymer feed to new DAFT
- Ultrafiltration (UF) and Reverse Osmosis (RO) Recycled Water Pilot Project operations, testing and data collection
- Standard Operating Procedures (SOP) created for UF/RO data acquisition
- No plant alarm call-outs occurred during this reporting period
- Performed quarterly preventative maintenance on chlorine contact chamber #2 and DEOX #1 analyzers
- Cleaned Influent composite sampler suction line
- Cleaned Influent Pump Station (IPS) Variable Frequency Drive (VFD) filters.

Completed Preventative Maintenance duties:

- Rotated plant equipment.
- Cleaned plant water wye screens on M/W/F,
- Changed influent flow through channel grinders and remove grit from channel.
- Collected plant equipment meter reads.
- Cleaned secondary clarifier weirs and side walls.
- Operated and exercised various valves in plant.
- Performed Treatment Plant housekeeping.

Completed Activated Sludge duties:

- Hosed clarifier weirs and skimmed grease in chlorine contact chambers twice a day.
- Scrubbed effluent channel, hosed DAFT weirs and catwalk, and cleaned lower slip tubes.
- Collected samples for Lab and set-up composite samplers.

- Tested ammonia and nitrate levels on aeration basin effluent and tested influent sulfide and ammonia levels on Tuesdays.
- Examined microbiology under microscope.
- Hosed Rotary Drum Screen and dumped screenings.
- Skimmed grease and floatables in back channel and clarifiers.

Completed Operator duties:

- Calibrated chlorine analyzers.
- Collected Dissolved Oxygen levels in the Aeration Basins, Digesters, and Effluent channel.
- Collected clarifier sludge depths.
- Scoured Return Activated Sludge sumps.
- Cleaned chemical analyzer screens and probes.
- Collected irrigation readings.
- Performed Treatment Plant system checks (SCADA, Mission Box, Mini Trends, Aeration Blowers, IPS Station, Back-up generator, Chemical analyzers, Clarifiers and Contact Chamber motors and equipment, RAS/WAS pump station, Chemical feeders, Digester Blowers, DAFT, Poly feed equipment, UF/RO).
- Performed data collection and record keeping.
- Maintained chemical levels for all analyzers.

TESTING LABORATORY

During this 14 day period the Laboratory Manager and Operators assigned to the Laboratory performed the following activities:

- Collected 295 samples
- Ran 177 tests plus 38 duplicate tests for NPDES permit compliance and process control
- Performed 25 calibrations on laboratory equipment and 300 quality control checks
- Made 2.5 liters of coliform media
- Sent 1 Oil & Grease and 1 Ammonia sample to FGL contract lab for NPDES required monthly testing
- Sent 1 sample of laboratory deionized water to FGL for ELAP required quality control check of Total Organic Carbon.
- Sent 4 additional samples to FGL related to the Recycled Water Pilot Project

During this reporting period Operations staff performed the following additional Laboratory activities:

- Analyzed 9 Activated Sludge samples under the microscope, identifying and logging 840 microorganisms
- Analyzed 1 belt press biosolid samples for percent solids
- Prepared 2 gallons of reagents for chlorine analyzer
- OIT Luis Rizo trained on laboratory sample collection

In addition, the following Laboratory activities occurred:

- Additional process control testing continues to be performed on multiple stages of the recycled water pilot project.

COLLECTION SYSTEM MAINTENANCE

Collection staff continued to work on the preventive maintenance plan for 2020 (see the enclosed reports.)

During the reporting period, Collection staff has also:

- Inspected 104 Manholes.
- Marked locations of existing District facilities for Underground Service Alert request.
- Performed routine inspection and maintenance of District vehicles.
- Performed routine inspection and maintenance at all five Collection System Lift Stations.
- Assisted Taft Electric with installation of new main power panel at Eucalyptus Lift Station #3.
- 01/06/20 Power fail alarm at Posilipo Lift Station #4.
- 01/09/20 Call out for grate request at 2695 Sycamore Canyon.

Maintenance staff continued to work on the preventive maintenance plan for 2020.

During the reporting period, Maintenance staff has also:

- Performed routine inspection and maintenance of District Buildings and Equipment.
- Assisted Taft Electric with installation of new main power panel at Eucalyptus Lift Station #3.
- Replaced pump coolant fluid at Lift Stations #1 and #4, and at the treatment plant influent pump station.
- Repaired sodium hypochlorite chemical feed pump #2.
- Installed and plumbed new plant water rack on DAFT.

TRAINING / OTHER ACTIVITIES

- 1/17/20 Tri Counties Section of CWEA annual awards to Perry Cabugos and Marc Ciarlo
Congratulations!

Collection System Cleaning and TV-ing History

			Length of	Length of	Length of	C - CLEAR L - LIGHT	R - ROOTS G - GREASE		Clear : No observable grease, roots or debris Light : .5 gallons of roots/ debris, small chunks of grease
Linear Feet Cleaned & Inspected		Esmt	Cleaning	TV-ing	Re-cleans	M - MEDIUM	D - DEBRI		Medium : .5-1.5 gallons of roots/ debris, moderate chunks grease
January 6, 2020 through January 19, 2020			0	0	0	H - HEAVY			Heavy : 1.5 or more gallons of roots, debris or grease
Date	Location	(X)	Cleaning (Linear Feet)	TV-ing (Linear Feet)	Re-cleans (Linear Feet)	Condition Findings		X	Notes
1/6/2020	Lift Station Maintenance / USA								
1/6/2020	Coast Village Road		58			L	D	1	Light Debris
1/6/2020	Coast Village Road	X	149			L	R	1	Light Roots
1/6/2020	Coast Village Road	X	27			L	R	1	Light Roots
1/6/2020	Ayala Lane		324			C		1	Clear
1/6/2020	Ayala Lane		399			C		1	Clear
1/6/2020	East Valley Road	X	215			L	R	1	Light Roots
1/6/2020	Ashley Road		308			C		1	Clear
1/6/2020	Ashley Road		300			C		1	Clear
1/6/2020	Ashley Road		400			C		1	Clear
1/6/2020	Cold Springs Road		93			C		1	Clear
1/6/2020	Cold Springs Road		92			C		1	Clear
1/6/2020	Cold Springs Road		314			C		1	Clear
1/6/2020	Cold Springs Road		183			C		1	Clear
1/6/2020	Cold Springs Road		163			C		1	Clear
1/6/2020	Cold Springs Road		63			C		1	Clear
1/6/2020	Cold Springs Road		294			C		1	Clear
1/6/2020	Cold Springs Road		300			C		1	Clear
1/6/2020	Cold Springs Road		145			C		1	Clear
1/6/2020	Cold Springs Road		255			C		1	Clear
1/6/2020	Cold Springs Road		355			C		1	Clear
1/6/2020	Cold Springs Road		210			C		1	Clear
1/6/2020	Cold Springs Road		254			C		1	Clear
1/6/2020	Cold Springs Road		367			C		1	Clear
1/6/2020	Cold Springs Road		400			L	R	1	Light Roots
1/6/2020	Cold Springs Road		210			C		1	Clear
1/6/2020	Cold Springs Road		252			C		1	Clear
1/6/2020	Cold Springs Road		232			C		1	Clear
1/6/2020	Cold Springs Road		250			C		1	Clear
1/6/2020	Cold Springs Road		118			C		1	Clear
1/6/2020	Cold Springs Road		330			C		1	Clear
1/6/2020	Cold Springs Road		138			C		1	Clear
1/6/2020	Cold Springs Road	X	250			C		1	Clear
1/6/2020	Cowles Road		46			C		1	Clear
1/6/2020	La Paz Road		165			C		1	Clear
1/6/2020	La Paz Road		210			C		1	Clear
1/6/2020	Cold Springs Road	X	329			C		1	Clear
1/6/2020	Cold Springs Road	X	145			C		1	Clear
1/6/2020	Mountain Drive		239			L	R	1	Light Roots
1/6/2020	Mountain Drive		170			L	R	1	Light Roots
1/6/2020	Mountain Drive		63			C		1	Clear
1/6/2020	Mountain Drive		131			C		1	Clear
1/6/2020	Cold Springs Road		34			L	R	1	Light Roots
1/6/2020	Cold Springs Road		146			C		1	Clear
1/6/2020	Monte Cristo Lane	X	84			L	R	1	Light Roots
1/6/2020	Monte Cristo Lane	X	253			C		1	Clear
1/7/2020	Barker Pass Road	X	215			C		1	Clear
1/7/2020	Barker Pass Road	X	218			C		1	Clear
1/7/2020	Barker Pass Road	X	250			C		1	Clear
1/7/2020	Paso Robles Drive	X	168			C		1	Clear
1/7/2020	Paso Robles Drive		200			C		1	Clear
1/7/2020	Paso Robles Drive		160			C		1	Clear
1/7/2020	Paso Robles Drive		300			C		1	Clear
1/7/2020	Paso Robles Drive		150			C		1	Clear
1/7/2020	Paso Robles Drive		25			C		1	Clear
1/7/2020	Barker Pass Road		222			L	D	1	Light Debris
1/7/2020	Chelham Way	X	114			C		1	Clear
1/7/2020	Chelham Way	X	90			C		1	Clear
1/7/2020	Chelham Way	X	77			C		1	Clear
1/7/2020	Chelham Way		255			C		1	Clear
1/7/2020	Chelham Way	X	85			C		1	Clear

Collection System Cleaning and TV-ing History

Date	Location	(X)	Cleaning (Linear Feet)	TV-ing (Linear Feet)	Re-cleans (Linear Feet)	Condition Findings	X	Notes
1/7/2020	Chelham Way	X	66			C	1	Clear
1/7/2020	Chelham Way	X	65			C	1	Clear
1/7/2020	Chelham Way	X	99			C	1	Clear
1/7/2020	Chelham Way		225			C	1	Clear
1/7/2020	Chelham Way		120			C	1	Clear
1/7/2020	Chelham Way		116			C	1	Clear
1/7/2020	Stoddard Lane	X	113			C	1	Clear
1/7/2020	Stoddard Lane	X	250			C	1	Clear
1/7/2020	Stoddard Lane	X	140			C	1	Clear
1/7/2020	Stoddard Lane	X	377			C	1	Clear
1/8/2020	Cowles Road	X	100			C	1	Clear
1/8/2020	Cowles Road	X	135			C	1	Clear
1/8/2020	Cowles Road	X	160			L	1	Light Roots
1/8/2020	Cowles Road	X	27			C	1	Clear
1/8/2020	Cowles Road		243			C	1	Clear
1/8/2020	Cowles Road		256			C	1	Clear
1/8/2020	Cowles Road		199			C	1	Clear
1/8/2020	Cowles Road		249			C	1	Clear
1/8/2020	Cowles Road		198			C	1	Clear
1/8/2020	Cowles Road		167			L	1	Light Roots
1/8/2020	Chelham Way	X	145			C	1	Clear
1/8/2020	Chelham Way	X	89			C	1	Clear
1/8/2020	Chelham Way	X	124			C	1	Clear
1/8/2020	Chelham Way	X	100			C	1	Clear
1/8/2020	Chelham Way	X	150			C	1	Clear
1/8/2020	Chelham Way	X	94			C	1	Clear
1/8/2020	Chelham Way	X	162			C	1	Clear
1/8/2020	Chelham Way	X	200			C	1	Clear
1/8/2020	Chelham Way	X	69			C	1	Clear
1/8/2020	Chelham Way		51			L	1	Light Roots
1/8/2020	Chelham Way		76			L	1	Light Roots
1/8/2020	Chelham Way		107			L	1	Light Roots
1/8/2020	Chelham Way		66			C	1	Clear
1/8/2020	Chelham Way		102			C	1	Clear
1/8/2020	Chelham Way		92			C	1	Clear
1/8/2020	Chelham Way		93			C	1	Clear
1/9/2020	Arcady Road		197			L	1	Light Roots
1/9/2020	Arcady Road		117			L	1	Light Roots
1/9/2020	Arcady Road		172			L	1	Light Roots
1/9/2020	Arcady Road		282			L	1	Light Roots
1/9/2020	Arcady Road		195			L	1	Light Roots
1/9/2020	Knapp Drive	X	129			C	1	Clear
1/9/2020	Knapp Drive		103			C	1	Clear
1/9/2020	Knapp Drive		115			C	1	Clear
1/9/2020	Chelham Way		280			L	1	Light Roots
1/9/2020	Chelham Way		120			C	1	Clear
1/9/2020	Chelham Way		165			C	1	Clear
1/9/2020	Chelham Way		170			C	1	Clear
1/9/2020	Chelham Way	X	71			C	1	Clear
1/9/2020	Chelham Way		172			L	1	Light Roots
1/9/2020	Chelham Way	X	85			L	1	Light Roots
1/9/2020	Chelham Way	X	75			L	1	Light Roots
1/9/2020	Chelham Way		158			C	1	Clear
1/9/2020	Chelham Way	X	149			L	1	Light Roots
1/9/2020	Chelham Way	X	106			C	1	Clear
1/9/2020	Chelham Way	X	125			L	1	Light Roots
1/9/2020	Chelham Way	X	183			L	1	Light Roots
1/9/2020	Chelham Way	X	114			C	1	Clear
1/9/2020	Chelham Way		200			C	1	Clear
1/9/2020	Chelham Way		140			C	1	Clear
1/9/2020	Chelham Way		123			L	1	Light Roots
1/10/2020	La Paz Road		103			C	1	Clear
1/10/2020	La Paz Road		153			C	1	Clear
1/10/2020	La Paz Road		189			C	1	Clear
1/10/2020	La Paz Road		341			C	1	Clear

Collection System Cleaning and TV-ing History

Date	Location	(X)	Cleaning (Linear Feet)	TV-ing (Linear Feet)	Re-cleans (Linear Feet)	Condition Findings	X	Notes
1/10/2020	La Paz Road		217			C	1	Clear
1/10/2020	La Paz Road		115			C	1	Clear
1/10/2020	La Paz Road		95			C	1	Clear
1/10/2020	La Paz Road		176			C	1	Clear
1/10/2020	Cold Springs Road	X	175			C	1	Clear
1/10/2020	Cold Springs Road	X	129			C	1	Clear
1/10/2020	Lift Stations / USA / Vehicle Maintenance							
1/11/2020	Weekend							
1/12/2020	Weekend							
1/13/2020	Lift Station Maintenance / USA							
1/13/2020	El Rancho Road	X		153				No Problems
1/13/2020	El Rancho Road	X		237				No Problems
1/13/2020	El Rancho Road	X		199				No Problems
1/13/2020	El Rancho Road	X		145				No Problems
1/13/2020	El Rancho Road	X		108				No Problems
1/13/2020	Arcady Road		129			C	1	Clear
1/13/2020	Cottage Lane		200			C	1	Clear
1/13/2020	Cottage Lane		211			C	1	Clear
1/13/2020	Eucalyptus Hill Road		81			C	1	Clear
1/13/2020	Eucalyptus Hill Road		297			C	1	Clear
1/13/2020	Knapp Drive		100			C	1	Clear
1/13/2020	Knapp Drive		133			C	1	Clear
1/13/2020	Knapp Drive		91			C	1	Clear
1/13/2020	Knapp Drive		82			C	1	Clear
1/13/2020	Knapp Drive		145			C	1	Clear
1/13/2020	Knapp Drive		243			C	1	Clear
1/13/2020	Cowles Road		311			L	R	1 Light Roots
1/13/2020	Cottage Lane	X	137			C	1	Clear
1/13/2020	Cottage Lane		302			C	1	Clear
1/13/2020	Cottage Lane		176			C	1	Clear
1/13/2020	Cottage Lane		70			C	1	Clear
1/13/2020	Skyview Drive	X	15			C	1	Clear
1/14/2020	Ashley Road	X		124				Fine roots at joints
1/14/2020	Ashley Road	X		153				Fine roots at joints, Root ball at active lateral
1/14/2020	Ashley Road	X		102				Fine roots at joints
1/14/2020	S Jameson Lane			231				Fine roots at joints
1/14/2020	Pomar Lane			436				Root ball at active lateral
1/14/2020	Golf Road	X		153				Fine roots at joints
1/14/2020	Golf Road	X		157				Fine roots at joints
1/14/2020	School House Road			238				Fine roots at joints
1/14/2020	Mira Monte Avenue	X		237				No Problems
1/14/2020	Mira Monte Avenue	X		133				No Problems
1/15/2020	Danielson Road			188				No Problems
1/15/2020	Danielson Road			118				Root ball at active lateral
1/15/2020	Via Manana			165				No Problems
1/15/2020	Via Manana	X		339				Fine roots at joints
1/15/2020	Biram Woods Drive			243				Fine roots at joint
1/15/2020	Via Manana	X		40				No Problems
1/15/2020	Arcady Road		300			C	1	Clear
1/15/2020	Arcady Road		94			C	1	Clear
1/15/2020	Arcady Road		86			C	1	Clear
1/15/2020	Arcady Road		333			C	1	Clear
1/15/2020	Arcady Road		367			C	1	Clear
1/15/2020	Arcady Road		143			L	R	1 Light Roots
1/15/2020	Arcady Road		109			L	R	1 Light Roots
1/15/2020	El Rancho Road		87			M	R	2 Medium Roots
1/15/2020	El Rancho Road		268			L	R	1 Light Roots
1/16/2020	Eleven Oaks Lane	X		224				Fine roots at joints
1/16/2020	Eleven Oaks Lane			180				Circumferential fracture
1/16/2020	Cowles Road	X		160				No Problems
1/16/2020	Coast Village Road		279			C	1	Clear
1/16/2020	Eleven Oaks Lane		180			C	1	Clear
1/16/2020	Hill Road		324			L	R	1 Light Roots
1/16/2020	Sycamore Canyon Road	X	243			C	1	Clear
1/16/2020	Sycamore Canyon Road	X	167			C	1	Clear

Collection System Cleaning and TV-ing History

Date	Location	(X)	Cleaning (Linear Feet)	TV-ing (Linear Feet)	Re-cleans (Linear Feet)	Condition Findings		X	Notes
1/16/2020	Dawlish Place		180			L	R	1	Light Roots
1/16/2020	Dawlish Place		300			L	R	1	Light Roots
1/16/2020	Dawlish Place	X	92			C		1	Clear
1/16/2020	Dawlish Place	X	214			C		1	Clear
1/16/2020	Dawlish Place	X	87			C		1	Clear
1/16/2020	Dawlish Place	X	214			C		1	Clear
1/16/2020	El Rancho Road	X	153			C		1	Clear
1/16/2020	El Rancho Road	X	237			C		1	Clear
1/16/2020	El Rancho Road		255			C		1	Clear
1/16/2020	El Rancho Road		165			C		1	Clear
1/16/2020	El Rancho Road	X	199			C		1	Clear
1/16/2020	El Rancho Road	X	145			C		1	Clear
1/16/2020	El Rancho Road	X	332			C		1	Clear
1/16/2020	El Rancho Road	X	165			L	R	1	Light Roots
1/16/2020	El Rancho Road	X	375			L	R	1	Light Roots
1/16/2020	El Rancho Road	X	108			C		1	Clear
1/16/2020	Skyview Drive		275			C		1	Clear
1/16/2020	Skyview Drive		314			C		1	Clear
1/16/2020	Skyview Drive		389			C		1	Clear
1/16/2020	Skyview Drive	X	125			C		1	Clear
1/16/2020	Skyview Drive	X	100			C		1	Clear
1/16/2020	Skyview Drive		202			C		1	Clear
1/16/2020	Skyview Drive		152			L	R	1	Light Roots
1/16/2020	Sycamore Canyon Road		261			C		1	Clear
1/16/2020	Sycamore Canyon Road		261			C		1	Clear
1/17/2020	Lift Stations / USA / Vehicle Maintenance								
1/18/2020	Weekend								
1/19/2020	Weekend								
Current period 1/6/20-1/19/20 Linear Feet			33459	4,464	0				
Prior periods Linear Feet			0	0	0				
YTD Total Linear Feet			33,459	4,464	0				
YTD Total Miles			6.3	0.8	0.0				

RESOLUTION NO. 2020-921
RESOLUTION OF THE GOVERNING BOARD OF
THE MONTECITO SANITARY DISTRICT
HONORING MR. PERRY CABUGOS FOR
OUTSTANDING SERVICE TO THE DISTRICT

WHEREAS, on January 17, 2020 **Mr. Perry Cabugos** was recognized by the Tri-Counties Section of the California Water Environment Association (CWEA) as the 2019 Mechanic Technician Person of the Year, and;

WHEREAS, **Mr. Cabugos** has, in his five years with the District, not only faithfully and competently performed the duties assigned to him as the Chief Maintenance Mechanic, but has also distinguished himself with his exceptional maintenance and mechanical skills and his conscientious and reliable performance in a wide variety of duties, and;

WHEREAS, **Mr. Cabugos** is a jack of all trades with expertise in areas such as welding, carpentry, plumbing, and fabrication, and;

WHEREAS, **Mr. Cabugos** successfully leads and mentors District staff in the maintenance and repair of District facilities, thus further developing the skill set of existing staff to the benefit of the District, and;

WHEREAS, **Mr. Cabugos** has significantly contributed to the efficient and cost effective operation of District facilities as he continues to proactively repair and maintain District equipment, and;

WHEREAS, **Mr. Cabugos'** experience and ability to think "outside the box" have resulted in creative and effective solutions for District maintenance and repairs, and;

WHEREAS, **Mr. Cabugos**, following the 2018 Debris Flow Disaster, fabricated 77 pipeline protectors for manholes to prevent future debris flow from entering the District's collection system, and;

WHEREAS, **Mr. Cabugos** has been instrumental in the design and construction of the District's Recycled Water Pilot Project, and continues to work with District Treatment Operators to obtain optimal efficiency, and;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Montecito Sanitary District does hereby congratulate **Mr. Perry Cabugos**, and does extend its gratitude for his continuing contributions to the District.

PASSED AND ADOPTED by the Governing Board of the Montecito Sanitary District this 30th day of January, 2020.

AYES:

NAYS:

ABSTAIN:

ABSENT:

Tom Bollay, President of the
Governing Board of the
MONTECITO SANITARY DISTRICT

ATTEST:

Ellwood T Barrett, II, Secretary of the
Governing Board of the
MONTECITO SANITARY DISTRICT

RESOLUTION NO. 2020-922
RESOLUTION OF THE GOVERNING BOARD OF
THE MONTECITO SANITARY DISTRICT
HONORING MR. MARC CIARLO FOR
OUTSTANDING SERVICE TO THE DISTRICT

WHEREAS, on January 17, 2020 **Mr. Marc Ciarlo** was recognized by the Tri-Counties Section of the California Water Environment Association (CWEA) as the 2019 Treatment Plant Operator of the Year, and;

WHEREAS, **Mr. Ciarlo** has, in his five years with the District, not only faithfully and competently performed the duties assigned to him as a Treatment Plant Operator Grade 5, but has also distinguished himself with his exceptional engineering and wastewater treatment skills and his conscientious and reliable performance in a wide variety of duties, and;

WHEREAS, **Mr. Ciarlo** in 2019 become the first operator in the state to receive an Advanced Water Treatment Operator Grade 3 certificate from the California Water Environmental Association (CWEA)/American Water Works Association (AWWA), and;

WHEREAS, **Mr. Ciarlo** has received the following additional state certifications that testify to his expertise and knowledge in the wastewater treatment field:

- Grade 2 Water Distribution Operator,
- Grade 2 Laboratory Analyst
- Grade 1 Collection System Maintenance
- Grade 1 Mechanical Technologist
- Grade 1 Environmental Compliance Inspector
- Grade 1 Electrical/Instrumentation
- Grade 1 Biosolids Land Application Management, and;

WHEREAS, **Mr. Ciarlo**, following the 2018 Debris Flow Disaster, took responsibility for analyzing how best to deal with the extreme change in the characteristics of the District's wastewater influent due to debris flow while maintaining final effluent quality within all permit requirements, and;

WHEREAS, **Mr. Ciarlo** has been instrumental in optimizing the treatment plant operation by using his knowledge and expertise with the HachWims data tracking software program, and;

WHEREAS, **Mr. Ciarlo** has been instrumental in the installation and operation of the District's Recycled Water Pilot Project, and continues to work with fellow Treatment Operators to obtain optimal efficiency, and;

WHEREAS, **Mr. Ciarlo** continues to be an excellent District liaison with the community by conducting public tours wherein he communicates his knowledge and enthusiasm for wastewater treatment, and;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Montecito Sanitary District does hereby congratulate **Mr. Marc Ciarlo**, and does extend its gratitude for his continuing contributions to the District.

PASSED AND ADOPTED by the Governing Board of the Montecito Sanitary District this 30th day of January, 2020.

AYES:

NAYS:

ABSTAIN:

ABSENT:

Tom Bollay, President of the
Governing Board of the
MONTECITO SANITARY DISTRICT

ATTEST:

Ellwood T Barrett, II, Secretary of the
Governing Board of the
MONTECITO SANITARY DISTRICT

**MONTECITO SANITARY DISTRICT (MSD)
Operations & Maintenance Budget Status
For The 6 Months Ended 12/31/2019**

EXHIBIT C

		7/1/19-12/31/19	FY19-20 Budget	Budget Remaining
PAYROLL/BENEFITS EXPENSES				
6100	STAFF SALARIES	974,234	1,980,000	1,005,766
6105	BOARD SALARIES	10,026	30,000	19,974
6108	AUTO ALLOWANCE - GM	2,100	3,600	1,500
6270	STANDBY PAY	16,380	33,000	16,620
6300	OVERTIME PAY	2,249	25,000	22,751
6400	PERS CONTRIBUTION	291,210	450,000	158,790
6500	FICA CONTRIBUTION	55,798	110,000	54,202
6510	MEDICARE	13,172	28,000	14,828
6520	UNEMPLOYMENT TAX - STATE	183	5,200	5,017
6600	GROUP MEDICAL - ACWA	171,877	330,000	158,123
6605	RETIREE MEDICAL BENEFITS	1,752	20,000	18,248
6610	LIFE INSURANCE - ACWA	3,152	6,100	2,948
6615	DISABILITY INS - STANDARD	10,598	23,100	12,502
6620	WORKERS COMP INSURANCE	38,455	45,000	6,545
6640	DENTAL INSURANCE - ACWA	9,683	18,500	8,817
6650	UNIFORM SERVICE - MISSION	2,264	7,000	4,736
Total PAYROLL/BENEFITS EXPENSES:		1,603,133	3,114,500	1,511,367
OPERATING EXPENSES				
7090	INS (GEN LIAB/AUTO/E&O) - CSRMA	25,634	52,500	26,866
7091	INS (PROPERTY) - CSRMA	10,676	11,500	824
7093	INS (EMP DISHONESTY BOND) - CSRMA	733	750	17
7094	INS (MOBILE EQUIP) - CSRMA	7,458	8,000	542
7110	EMPLOYEE PHYSICALS	1,026	2,500	1,474
7121	PROPERTY MAINTENANCE	25,035	45,000	19,965
7122	VEHICLE MAINTENANCE	4,398	13,000	8,602
7126	COLL - EQUIPMENT RENTAL	276	1,000	724
7127	COLL - SAFETY EQUIPMENT/SUPPLIES	1,628	8,000	6,372
7129	LIFT STATION PARTS	3,810	30,000	26,190
7133	VAC CON EQUIP/MAINT	6,292	12,000	5,708
7134	CCTV EQUIPMENT/REPAIRS	222	10,000	9,778
7135	PRIVATE LATERAL REPL INCENTIVE	20,000	50,000	30,000
7136	COLL - MISC COLLECTION TOOLS	1,341	8,000	6,659
7150	MECHANICAL MAINTENANCE	635	6,000	5,365
7200	GENERAL OPERATING SUPPLIES	3,832	8,000	4,168
7201	DRINKING WATER	655	1,750	1,095
7202	GLOVES	1,545	4,000	2,455
7205	EMPLOYEE/COMMUNITY GOODWILL	465	6,000	5,535
7220	MAILING/SHIPPING EXPENSES	365	3,000	2,635
7430	MEMBERSHIPS/ ANNUAL DUES	33,873	36,000	2,127
7440	MISCELLANEOUS EXPENSES	0	2,500	2,500
7450	OFFICE EXPENSES	4,242	15,000	10,758
7454	BOOKS/SUBS/STUDY GUIDES	110	1,000	890
7456	COMPUTER HARDWARE/SOFTWARE/LICENSING	6,508	30,000	23,492

**MONTECITO SANITARY DISTRICT (MSD)
Operations & Maintenance Budget Status
For The 6 Months Ended 12/31/2019**

EXHIBIT C

		7/1/19-12/31/19	FY19-20 Budget	Budget Remaining
OPERATING EXPENSES CONTINUED				
7461	PROFESSIONAL SERVICES/FEES - LEGAL	15,093	30,000	14,907
7462	PROFESSIONAL FEES - ACCOUNTING	21,596	40,000	18,404
7463	PROFESSIONAL FEES - ENGINEERING	20,786	25,000	4,214
7464	PROFESSIONAL FEES - COMPUTER/GIS	20,606	60,000	39,394
7466	PROF SERVICES - HUMAN RESOURCES	1,767	5,000	3,233
7500	CUSTOMER RELATIONS EXPENSE	3,559	5,000	1,441
7506	ADMINISTRATIVE FEES	11,324	25,000	13,676
7510	CONTRACTED SERVICES/LABOR	76,398	120,000	43,602
7530	ADS/NOTICES FOR PUBLICATION	436	1,500	1,064
7610	FURNITURE/FIXTURES	0	10,000	10,000
7641	NPDES PERMIT EXPENSES-LAB	8,442	20,000	11,558
7645	NPDES PERMIT EXPENSE-OPS	23,765	27,000	3,235
7651	ANALYZER CHEMICALS	3,221	5,000	1,779
7652	BIOSOLIDS DISPOSAL	22,784	50,000	27,216
7653	CHEMICALS	84,775	200,000	115,225
7654	GENERATOR SERVICE	672	10,000	9,328
7655	HAZ MATERIALS DISPOSAL	0	1,000	1,000
7656	PLANT EQUIPMENT RENTAL	4,352	12,000	7,648
7657	PLANT MAINTENANCE MATERIALS	67,487	75,000	7,513
7658	PLANT MAINTENANCE PROJECTS	0	5,000	5,000
7659	PLANT SAFETY EXPENSES	2,389	5,000	2,611
7661	POLYMER	0	10,000	10,000
7662	SMALL TOOLS/EQUIP	171	4,000	3,829
7670	SPECIAL PROJECTS	2,095	100,000	97,905
7700	LAB CONSUMABLES-SMALL EQUIPMENT	15,893	28,000	12,107
7702	LAB EQUIPMENT MAINTENANCE	149	10,000	9,851
7703	CONTRACT LAB ANALYSES	1,235	3,000	1,765
7722	BOARD TRAINING/CONF REGISTN	40	3,000	2,960
7723	BOARD TRAVEL EXPENSES	40	7,500	7,460
7724	STAFF TRAINING/CONF REGISTRN	1,760	15,000	13,240
7725	STAFF TRAVEL EXPENSES	2,837	15,000	12,163
7726	STAFF CERTIFICATIONS/LICENSES	2,313	10,000	7,687
7727	OSHA REQUIRED TRAINING	1,650	7,000	5,350
7728	SAFETY BOOT ALLOWANCE	1,533	3,500	1,967
7731	LOCAL MEETING EXPENSES	606	2,500	1,894
7740	FUEL AND OIL	6,555	30,000	23,445
7761	WATER	4,194	15,000	10,806
7762	NATURAL GAS	851	3,000	2,149
7763	ELECTRICITY	68,408	160,000	91,592
7766	TRASH / RECYCLING	4,688	15,000	10,312
7767	TELEPHONE - LOCAL/LD	4,221	10,000	5,779
7768	TELEPHONE CELLULAR	5,480	12,000	6,520
Total OPERATING EXPENSES:		674,930	1,560,500	885,570
Total PAYROLL/BENEFITS & OPERATING EXPENSES:		2,278,063	4,675,000	2,396,937
7105	DEBT SERVICE PAYMENT	163,650	327,300	163,650
2710	BOND PRINCIPAL PAYMENT	0	605,000	605,000
Total DEBT PAYMENTS:		163,650	932,300	768,650

**CAPITAL IMPROVEMENT PROJECTS
APPROVED FY2019-20 BUDGET**

EXHIBIT C

ASSIGNED PROJECT #	CAPITAL IMPROVEMENT PROJECT DESCRIPTION	Expenditures 7/1/19-12/31/19	Board Approved FY19-20 Funding
Annual projects			
1	Scheduled and Emergency Replacements	56,412	100,000
2	Manhole Raising / Repair / Replacement	26,495	50,000
3	Sewer Main Repair / Replacement	1,009	50,000
Ongoing projects			
4	Dissolved Air Floatation Thickner (DAFT) Replacement	419,809	475,000
7	Essential Services Building Construction	138	4,625,000
New projects FY2019-20			
9	Sewer Main Extensions-Riven Rock		300,000
10	Recycled Water - Pilot Project	66,420	125,000
Capital Improvement Project Expenditures FY19-20		570,283	5,725,000

Recycled Water Fund			
11	Recycled Water - Pilot Project	14,205	**

** 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

**MONTECITO SANITARY DISTRICT
UNAUDITED REVENUES FY2019-20**

EXHIBIT C

	Board Approved	Unaudited	
	Projected Revenues	Actual Revenues	
	FY 2019-20	7/1/2019-12/31/2019	COMMENTS
Operating Revenue			
Sewer Service Charges	6,275,000	3,434,898	
Connection Fees	50,000	61,164	
Inspection Fees	20,000	22,150	
Agreement Fees	1,000	10,120	
Annexation Fees	-	24,504	720 Mountain Drive
Administrative Fees	10,000	8,592	
Plan Check Fees	500		
Engineering Review Fees	500	690	
Total Operating Revenue	6,357,000	3,562,118	
Non Operating Revenue			
Property Tax	400,000	334,474	
Interest from Cash with County & LAIF	20,000	125,422	LAIF and County pooled funds interest
Miscellaneous Revenue	-	18	
GASB 31 Adjustment (FMV)	-	-22,104	Decrease in value
Total Non Operating Revenue	420,000	437,810	
Contributed Capital	-		includes reimbursements for sewer main extensions
Total Contributed Capital	0	0	

MONTECITO SANITARY DISTRICT
 QUARTERLY INVESTMENT/CASH ACTIVITY
 10/1/19-12/31/19

EXHIBIT C

	10/1/2019	Income	Interest	Transfers In	Transfers Out	Withdrawals	12/31/2019	Net Change	
Investment Accounts									
Cash with LAIF	1,683,638		10,371				1,694,009	10,371	Quarterly Interest;
FMV adjustment (annually)	2,864						2,864	0	Change in Fair Market Value
BNY Bond Refunding Costs	0			163,650			163,650		Transfers In: \$163,650 for 1/1/20 debt payment
Cash with County-Operating	5,675,767	3,734,429	25,042		(2,453,500)		6,981,738	1,305,971	Transfers: \$1,100,000 out to MBT Operating, \$1,190,000 to MBT Recycled Water, \$163,500 to BNY Debt Payment Income: \$3,398,000 from SSC, \$336,000 from property tax allocation
FMV adjustment (quarterly)	15,766	(1,463)					14,303	(1,463)	Change in Fair Market Value
Cash with County - Capital Replacement	6,420,630		27,337		(350,000)		6,097,967	(322,663)	Transfers: \$350,000 out to MBT CIP
FMV adjustment (quarterly)	17,840	(5,358)					12,481	(5,358)	Change in Fair Market Value
Cash with County-Retiree Medical	151,601		660				152,261	660	
FMV adjustment (quarterly)	421	(110)					312	(110)	Change in Fair Market Value
MBT Operating account	111,840	101,925		1,100,000		(1,114,671)	199,094	87,254	Income: manual SSC receivables, annexation, permit & other fees, Transfers: \$1,100,000 in from County Operating, Withdrawals are pmts on O&M expenses
MBT Capital Improvement account	37,206			350,000		(310,096)	77,110	39,904	Transfers: \$600,000 in from County Capital, Withdrawals are payments on capital improvement projects
MBT Recycled Water account			734	1,190,000		(14,205)	1,176,529	1,176,529	Transfers: \$1,190,000 in from County Operating, Withdrawals are payments on recycled water
Insurance Reimbursement Acct	111,604		71				111,675	71	Disaster Insurance Payment - due to FEMA
Revolving fund account	725						725	0	Withdrawals are payments on O&M expense paid outside normal processing
Petty Cash	250						250	0	
Total Cash & Investment accounts	14,230,152	3,829,423	64,215	2,803,650	(2,803,500)	(1,438,972)	16,684,968	2,291,166	

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

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

For the Quarter Ended

December 31, 2019

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: January 30, 2020

Board Treasurer
MONTECITO SANITARY DISTRICT

CONTINUING DISCLOSURE ANNUAL REPORT

FOR

FISCAL YEAR ENDED JUNE 30, 2019

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</i> <i>(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

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright © 2013 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way a substitute for the CUSIP Global Services. CUSIP® numbers are provided for convenience of reference only. Montecito Sanitary District does not take any responsibility for the accuracy of such numbers.

TABLE OF CONTENTS

INTRODUCTION _____ **1**

AUDITED FINANCIAL STATEMENTS _____ **1**

PRINCIPAL AMOUNT AND RESERVE FUND _____ **1**

FINANCIAL INFORMATION AND OPERATING DATA _____ **1**

Sewer Connections _____ **2**

Wastewater Rates and Charges _____ **3**

Largest Customers _____ **3**

Historic Operating Results _____ **4**

CREDIT RATINGS _____ **5**

CONCLUSION _____ **5**

APPENDIX A - AUDITED FINANCIAL STATEMENTS

INTRODUCTION

THIS CONTINUING DISCLOSURE ANNUAL REPORT, dated January 31, 2020 (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, 2019 are attached hereto as Appendix A.

PRINCIPAL AMOUNT OUTSTANDING

The current principal amount of the Bonds outstanding is \$8,850,000.

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, 2019.

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

<i>User Type</i>	<i>Connections</i>
Residential – Single Family	2273
Residential – Single Family*	23
Residential – Condo Units	409
Residential – Multi Units	329
Commercial	16
Institutional	21
Residential – Institutional	5
Residential – Commercial	2
H/O Assoc – Clubhouses	1
TOTALS	3,079

*Two or more Single Family Homes on one parcel

Wastewater Rates and Charges

The 2018/19 Fiscal Year annual residential sewer service charge rates increased from \$1,380 to \$1,480 per main dwelling unit and from \$649 to \$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 2018/19 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 2018/19)**

<i>Name</i>	<i>Enterprise Fees and Charges</i>	<i>Percent of Total</i>
Four Seasons Biltmore Hotel	544,160	8.110
San Ysidro Ranch Resort	327,108	4.900
Westmont College	299,052	4.630
Casa Dorinda Retirement Facility	227,475	3.590
Four Seasons Coral Casino	107,011	1.610
Pacifica Graduate Institute	78,792	1.170
La Casa De Maria	56,655	0.810
Valley Club of Montecito	55,171	0.810
Birnam Wood Golf Club	49,437	0.810
Montecito Union School	<u>31,839</u>	<u>0.511</u>
TOTALS	\$1,776,700	28.542%

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 2015-16 through 2018-19. Residential customers account for 68% of sewer service charge revenue in Fiscal Year 2018-19.

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

	2015-16	2016-17	2017-18	2018-19
Revenues				
Services fees	\$4,516,762	\$5,766,321	\$6,224,822	\$6,580,922
Connection fees	177,438	1,042,193	346,379	168,745
Other services	31,793	52,190	79,573	52,660
Property taxes	520,131	553,527	590,994	596,725
Investment income	75,919	64,347	82,045	398,279
Other revenue	18,586	-225,774 ^A	-62,667 ^B	14,579
Disaster recovery			-1,314,885	
Disaster Grants			1,311,729	17,298
Total Revenues	\$5,340,629	\$7,252,804	\$7,257,990	\$7,829,208
Operating Expenses				
Sewage collection	\$1,066,615	\$1,093,594	\$1,152,244	\$1,195,151
Sewage treatment	1,511,351	1,584,873	1,588,504	1,745,348
Sewage disposal	38,314	40,173	38,872	48,541
Administrative	838,550	963,377	1,124,122	1,186,588
Total Operating Expenses	\$3,454,830	\$3,682,017	\$3,903,742	\$4,175,648
Net Revenues	\$1,885,799	\$3,570,787	\$3,354,248	\$3,653,560
2007 Certificates Debt Service	\$ 937,677	\$558,076		
2017 Refund Bond Debt Service	-	\$655,279	\$937,250	\$935,000
Debt Service Coverage	2.01	2.94	3.58	3.91
Surplus	\$ 948,122	\$2,357,432	\$2,416,998	\$ 2,718,560

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***

AA+

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

Diane M. Gabriel, General Manager

APPENDIX A
AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

(THIS PAGE INTENTIONALLY LEFT BLANK)

As approved at July 25, 2019 Board of Directors Meeting

SECTION-4-16 Teleconferenced Meetings. The Ralph M. Brown Act permits the District Board of Directors to conduct teleconferenced meetings, subject to certain limitations and open meeting requirements (California Government Code §54953 as amended.) The District may utilize teleconferencing in connection with any Board or Committee meeting authorized by law. Teleconferencing from outside the District boundaries will not establish a quorum.

Teleconferencing is not preferred. However, on a case by case basis the Board will consider allowing a Director to participate in a future Board meeting by teleconference call. Requests to the Board shall be made during a scheduled Board meeting when discussing future Board Agenda items. Any teleconferenced meeting shall comply with all applicable requirements of the Ralph M. Brown Act.