



# Montecito Sanitary District

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

Phone: (805) 969-4200  
[www.montsan.org](http://www.montsan.org)

## AGENDA

For the Regular Meeting of the Board on:

**February 10, 2025**

The regular meeting of the Governing Board will begin at **1:00 p.m. on February 10, 2025** in the District's Board Room at 1042 Monte Cristo Lane, Santa Barbara, CA 93108.

Additionally, Director Ohlmann will be participating at the following address: 1633 N Harvest Dance Road, Jackson, WY 83001.

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

By visiting: <https://us02web.zoom.us/j/86118975917>

Or by calling: 1-669-900-6833

Meeting ID: 861 1897 5917

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1. **CALL TO ORDER**

A. **ROLL CALL**

B. **PLEDGE OF ALLEGIANCE**

C. **PRESIDENTS REPORT**

D. **BOARD APPROVAL OF THE AGENDA**

2. **PUBLIC COMMENT**

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

3. **COMMITTEE REPORTS**

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

- A. The Montecito Sanitary District Finance Committee (Directors Newquist and Johnson) will report on their January 31, 2025 meeting.

**4. CLOSED SESSION**

**A. PUBLIC COMMENT**

Public comment on closed session item(s):

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

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

Name of Employee Organization: Represented Staff, Montecito Sanitary District Management Group

**5. CONSENT CALENDAR (PAGES 4 – 28)**

**A. Payables from January 1, 2025 through January 31, 2025 (Page 4)**

**B. Board Meeting Minutes of the January 27, 2025, Regular Meeting (Page 9)**

**C. Fiscal Year 2024-25 Unaudited Quarterly Financial Reports – December 31, 2024 (Page 12)**

**D. Notice of Completion – Cushman Contracting (Page 25)**

**6. PRESENTATION**

**A. PRESENTATION REGARDING LOCAL GOVERNMENT AGENCIES AND THEIR RELATIONSHIP TO ONE ANOTHER (PAGE 29)**

It is recommended that the Board:

- i. Receive a presentation from District Counsel regarding local government agencies and their relationship to one another.

**7. BUSINESS ITEMS**

**A. MONTECITO SANITARY DISTRICT CONSOLIDATION WITH THE MONTECITO WATER DISTRICT (PAGE 30)**

It is recommended that the Board:

- i. Discuss the consolidation of the Montecito Sanitary District with the Montecito Water District; and
- ii. Taking such additional, related action that may be desirable.

**B. DISTRICT INVESTMENT COUNCIL PRESENTATION (PAGE 31)**

It is recommended that the Board:

- i. Receive a presentation from staff on the Districts' investments; and
- ii. Taking such additional, related action that may be desirable.

**C. INVESTMENT OF DISTRICT FUNDS (PAGE 40)**

It is recommended that the Board:

- i. Authorize the Investment Council to invest the remaining Recycled Water Funds (\$1,004,751.61); and
- ii. Taking such additional, related action that may be desirable.

**D. DISCUSSION OF FORENSIC AND COMPLIANCE AUDIT OF THE DISTRICT (PAGE 41)**

It is recommended that the Board:

- i. Discuss hiring an accounting firm to perform a forensic and compliance audit of the District; and
- ii. Taking such additional, related action that may be desirable.

**E. DISCUSSION OF A BOARD RETREAT (PAGE 42)**

It is recommended that the Board discuss setting a date and time for a Board Retreat.

**F. DISCUSSION OF AN AD-HOC TO UPDATE THE BOARD POLICIES AND PROCEDURES (PAGE 43)**

It is recommended that the Board discuss creating an Ad Hoc to update the Board Policies and Procedures Manual.

**G. DISCUSSION ON DISTRICT WEBSITE (PAGE 56)**

It is recommended that the Board:

- i. Discuss the District's website; and
- ii. Taking such additional, related action that may be desirable.

**8. BOARD COMMUNICATIONS**

- A. Items for future Board meeting
- B. Next Board Meeting Date

**9. ADJOURNMENT**

The Montecito Sanitary District conducts its meetings in accordance with the Brown Act. The District also provides alternative methods of remote participation which permit members of the public to observe and address public meetings remotely via telephone or Zoom. These methods of participation can be accessed through the internet link provided at the top of this agenda.

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

Attested by:



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Stephen Williams

Business and Administrative Manager/Clerk of the Board



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## BOARD LIST OF PAYABLES – JANUARY 2025

<u>CHECK DATE</u>	<u>SUMMARY &amp; TYPE</u>	<u>BATCH TOTAL</u>
01/03/2025	ACCOUNTS PAYABLE	178,518.16
01/24/2025	ACCOUNTS PAYABLE	169,590.87
	<b>Subtotal</b>	<b>\$ 348,109.03</b>
01/03/2025	CAPITAL IMPROVEMENT PROJECTS	119,117.76
01/24/2025	CAPITAL IMPROVEMENT PROJECTS	176,125.77
	<b>Subtotal</b>	<b>\$ 295,243.53</b>
01/09/2025	PAYROLL	103,476.31
01/23/2025	PAYROLL	103,516.28
	<b>Subtotal</b>	<b>\$ 206,992.59</b>
	<b><u>TOTAL</u></b>	<b><u>\$ 850,345.15</u></b>

\*All Invoices were reviewed and approved by Department Managers

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

\*\*\*Board Treasurer, Dorinne Johnson, approved all payables prior to check mailing

**Check History Report**

**MONTECITO SANITARY DISTRICT (MSD)**

**Sorted By Check Number**

**Activity From: 01/01/2025 to 01/31/2025**

Check Number	Check Date	Vendor Name	Check Amount	Payment Description
29846	1/3/2025	AMAZON CAPITAL SERVICES	1,544.50	Pens, Weekly Planners, Calendars, Coffee, Tea, Honey Sticks, Silverware, Lift Station Cleaner/Degreaser, Flashlight
29847	1/3/2025	AT&T MOBILITY	46.48	Office Data Port-December
29848	1/3/2025	DAVID BERNSTEIN	1,558.00	Deposit Refund - 247 Olive Mill Road
29849	1/3/2025	BIG GREEN CLEANING COMPANY	133.66	Janitorial Supplies
29850	1/3/2025	COMPUVISION COMMUNICATIONS	765.00	Semi Annual Spam Filtering
29851	1/3/2025	CORT	44.00	Deed Report-December
29852	1/3/2025	COX BUSINESS	176.04	Wireless Internet Services-December
29853	1/3/2025	CSRMA	109,370.00	Pooled Liability Insurance Renewal 12/31/24-12/31/25
29854	1/3/2025	DOCU PRODUCTS	21.67	Copier Maintenance Agreement-December
29855	1/3/2025	ENVIRONMENTAL SCIENCE ASSOC.	6,934.48	Coast Hazards Monitoring Plan Progress Payment
29856	1/3/2025	FRONTIER	792.82	Phone Service for Lift Stations 1, 2, 4 & WWTP-December
29857	1/3/2025	GLS COMPANIES	780.00	Landscape Services-December
29858	1/3/2025	GRAINGER	190.98	Cable Ties, Extension Box, Lift Station Cleaner/Degreaser
29859	1/3/2025	ERIC (or) LAUREN GROSSMAN	2,708.00	Deposit Refund - 1379 Oak Creek Canyon
29860	1/3/2025	HACH COMPANY	180.00	Lab Testing Supplies
29861	1/3/2025	HADRONEX, INC	457.94	Smart Cover Battery Pack Replacement
29862	1/3/2025	IBS OF SIERRA MADRE	544.15	Electric Cart Batteries
29863	1/3/2025	MCCORMIX CORP	465.23	Vehicle Fuel 12/01-12/15/2024
29864	1/3/2025	THE NELAC INSTITUTE	600.00	2025 Forum Environmental Accreditation Registration
29865	1/3/2025	OUTSIDE OPEN, LLC	988.20	Office/Maintenance Building Camera's 3-yr Service Renewal
29866	1/3/2025	PHOENIX CIVIL ENGINEERING	682.50	On-Call Engineering Services for RFP Support and WSC Modeling
29867	1/3/2025	PLUMBERS DEPOT, INC	284.55	Jetter Trucker Equipment
29868	1/3/2025	PURETEC INDUSTRIAL WATER	65.02	Water Softener Sodium Tank Exchange
29869	1/3/2025	RINGCENTRAL, INC.	722.95	Phone Service-December
29870	1/3/2025	SAFEGUARD BUSINESS SYSTEMS	111.79	Business Cards for Directors Glaser and Newquist
29871	1/3/2025	CHRISTINE SMITH	2,300.00	Deposit Refund - 462 Cota Lane
29872	1/3/2025	STREAMLINE	466.00	Website Hosting Services - January
29873	1/3/2025	SWRCB-DWOCP	149.00	Operator Grade 5 Renewal - Keen
29874	1/3/2025	TRI-CO REPROGRAPHICS	7.50	Large Format Scanning
29875	1/3/2025	UNIVAR SOLUTIONS	21,476.87	Sodium Bisulfite and Hypochlorite Chemicals
29876	1/3/2025	UNDERGROUND SERVICE ALERT	113.60	53 Dig Alert Tickets for December
29877	1/3/2025	USA BLUE BOOK Montecito Sanitary District	1,531.43	LBOD Probe for Operations

29878	1/3/2025	VENTURA AIR CONDITIONING CO.	1,237.80	Office and Trailers Biannual HVAC Preventative Maintenance
29879	1/3/2025	ZWORLD GIS	2,280.00	GIS Development and Support Services-January
29880	1/3/2025	BOYD & ASSOCIATES	750.00	Quarterly Security/Fire Alarm Monitoring Services
29881	1/3/2025	MONTECITO JOURNAL	540.00	Manhole Rehabilitation Project Publication
29882	1/3/2025	MOUNTAIN SPRING WATER	161.10	Bottled Drinking Water, Cooler Rental-December
29883	1/3/2025	O'CONNOR PEST CONTROL	1,156.08	Pest, Rodent, Gopher Control at Lift Stations 1, 2, 4 & WWTP
29884	1/3/2025	SOUTHERN CALIFORNIA EDISON CO	16,180.82	Electric Services 11/22-12/22/2024
29890	1/24/2025	ACWA/JPIA	33,565.61	Medical/Dental/Life Insurance Premium - January
29891	1/24/2025	AIRLINE HIGHWAY FUND, LLC	2,831.00	Deposit Refund - 1437 S Jameson Lane
29892	1/24/2025	STANTON ANDERSON	2,300.00	Deposit Refund - 462 Crocker Sperry Drive
29893	1/24/2025	AT&T MOBILITY	144.61	Office Data Port, Lift Station 4 Wireless, Standby Cellphone-January
29894	1/24/2025	ATLANTA PERCH, LLC	1,681.00	Deposit Refund - 1496 San Leandro Lane
29895	1/24/2025	BARTLETT, PRINGLE & WOLF, LLP	1,467.00	Accounting Consulting Services-November
29896	1/24/2025	DIANA BASEHART	2,831.00	Deposit Refund - 651 Romero Canyon Road
29897	1/24/2025	BBH INVESTMENTS 3, LLC	531.00	Deposit Refund - 240 Oak Road
29898	1/24/2025	BRITTANY BESSE	51.10	Reimbursement for Printer Ink Cartridges
29899	1/24/2025	BIG GREEN CLEANING COMPANY	2,754.00	Janitorial Services - January
29900	1/24/2025	CANON FINANCIAL SERVICES INC	371.74	Canon Copier Lease Payment - January
29901	1/24/2025	CINTAS CORPORATION #684	1,348.46	Uniforms, Towels, Floor Mats-Cleaning/Rental, Disposable Gloves
29902	1/24/2025	COLANTUONO, HIGHSMTIH & WHATLEY	7,469.31	Legal Counsel Services - December
29903	1/24/2025	COMPUVISION COMMUNICATIONS	18,009.36	Office 365 GCC, Dell Power Edge Server, Printer, IT Services, New PC for Caroline, 3-yr Dual Authentication Renewal
29904	1/24/2025	CORT	44.00	Deed Report - December
29905	1/24/2025	COX BUSINESS	176.04	Wireless Internet Services - January
29906	1/24/2025	CSRMA	5,633.90	1516 Sinaloa Drive Cleanup/Repairs for Sewer Main Overflow
29907	1/24/2025	CALIFORNIA WATER ENVIRONMENT	355.00	Annual Membership-Martinez, Collection System Tech 3-Ortiz
29908	1/24/2025	DATCO SERVICES CORPORATION	161.25	Quarterly DATCO Services (Class B Drivers Required Drug Testing)
29909	1/24/2025	DOCU PRODUCTS	50.09	Copier Maintenance Agreement - January
29910	1/24/2025	ENGEL & GRAY, INC	7,245.06	Biosolids Hauling, Bin Rental - December
29911	1/24/2025	ERIK EPPINK	1,681.00	Deposit Refund - 1711 East Valley Road
29912	1/24/2025	FILIPPIN ENGINEERING	4,981.25	Inspection Services for 2500 Private Sewer Main Extension Project
29913	1/24/2025	FISHER SCIENTIFIC	1,202.20	Lab Testing Supplies
29914	1/24/2025	FRONTIER	795.11	Lift Station 1, 2, 4 & WWTP Phone Services - January
29915	1/24/2025	GLS COMPANIES	14,500.00	Tree Trimming along Monte Cristo Lane
29916	1/24/2025	GRAINGER	47.73	Property Maintenance Materials
29917	1/24/2025	BETSY HEAFITZ	2,831.00	Deposit Refund - 1374 East Valley Road
29918	1/24/2025	KIMBALL MIDWEST	302.16	Restock Plant Maintenance Materials
29919	1/24/2025	ARTHUR LAVINE (or) LAUREN LEICHTMAN	3,160.00	Deposit Refund - 801 San Ysidro Lane
29920	1/24/2025	MARBORG INDUSTRIES	1,015.47	Refuse Disposal, Recycling, Portable Restroom Rental-December
29921	1/24/2025	DANIEL MARTINEZ	209.00	Environmental Compliance Inspector Exam Fee Reimbursement

29922	1/24/2025	MONTECITO BANK & TRUST (CREDIT CARD)	2,790.35	Employee Holiday Luncheon, Janitorial Supplies, Collection Tools, Board Snacks, Drinks & Lunches, CASA Conference Registration, Loud Speaker for Holiday Parade, Montecito Association Membership
29923	1/24/2025	MCCORMIX CORP	1,404.82	Vehicle Fuel 12/15-01/15/24
29924	1/24/2025	MOTION INDUSTRIES, INC	994.39	Electric Motor For Lift Station
29925	1/24/2025	MONTECITO WATER DISTRICT	1,866.76	Water Service - December/January
29926	1/24/2025	MONTECITO WATER DISTRICT	1,947.17	Water Truck Usage July-December
29927	1/24/2025	GASPER OBANDO (or) VANESSA RINGEL	2,010.00	Deposit Refund - 220 Hot Springs Road
29928	1/24/2025	CHRISTOPHER (or) MARISA PARKER	2,300.00	Deposit Refund - 792 Hot Springs Road
29929	1/24/2025	PITNEY BOWES GLOBAL FINANCIAL	143.84	Quarterly Postage Meter Lease Payment
29930	1/24/2025	PLUMBERS DEPOT, INC	122.66	Nozzle Extension for Jetter Truck
29931	1/24/2025	EDWARD (or) LYNN PRESTON	2,212.00	Deposit Refund - 630/634 Tabor Lane
29932	1/24/2025	PURETEC INDUSTRIAL WATER	15.80	Fuel Surcharge for Sodium Tank Exchange
29933	1/24/2025	QUINN COMPANY	614.00	Generator Preventative Maintenance
29934	1/24/2025	ELAINE SAMSON	6,740.00	Deposit Refund, Sewer Service Charge Refund - 163 Santo Tomas
29935	1/24/2025	S B HOME IMPROVEMENT CENTER	106.74	X-Mas Decorations for Holiday Parade
29936	1/24/2025	SEIU LOCAL 620	2,095.20	Employee Union Dues for Payrolls 11/24, 12/08, 12/22, 01/05, 01/19
29937	1/24/2025	SEWER EQUIPMENT COMPANY	68.59	Toggle Switch
29938	1/24/2025	SOCAL GAS	477.60	Gas Service - December
29939	1/24/2025	PATRICK (or) ERIN SPENCE	3,510.00	Deposit Refund - 122 Olive Mill Road
29940	1/24/2025	STANDARD INSURANCE COMPANY	1,863.84	Short/Long Term Disability Insurance Premium - January
29941	1/24/2025	STAPLES	356.92	Office/Kitchen Supplies
29942	1/24/2025	UNIVAR SOLUTIONS	10,444.74	Sodium Bisulfite & Hypochlorite Chemicals
29943	1/24/2025	VAN WOLFSWINKEL, RANDALL	3,450.00	Deposit Refund - 1491 Edgecliff Lane
29944	1/24/2025	KRISTEN WALTERS	2,300.00	Deposit Refund - 1823 E Mountain Drive
29945	1/24/2025	LINDA WOOD	2,010.00	Deposit Refund - 2000 Sandy Place
			348,109.03	

**Check History Report**

**MONTECITO SANITARY DISTRICT (MSD)**

**Sorted By Check Number**

**Activity From: 1/01/2025 to 1/31/2025**

Bank Code: G				
CAPITAL IMPROVEMENT CASH (MBT)				
Check Number	Check Date	Vendor Name	Check Amount	Payment Description

1520	1/3/2025	ASPECT ENGINEERING GROUP	6,761.00	CIP No. TSCA; SCADA Programming and Modifications for Services provided 10/01/24-12/09/24
1521	1/3/2025	MOTION INDUSTRIES	3,699.44	CIP No. C009; Hoses and Fittings for Emergency By-Pass Pumper

1522	1/3/2025	PHOENIX CIVIL ENGINEERING	1,462.50	CIP C003; Project Management for the Sewer Main CIPP Lining Project CIP L001; Project Management of the Channel Force Main Improvements
1523	1/3/2025	CUSHMAN CONTRACTING	107,194.82	C010; Construction Project Payment for the Protect-In-Place of District Facilities
1524	1/24/2025	CUSHMAN CONTRACTING CORP	39,938.49	CIP No. C010; Final Retention Payment for the construction of Protect-In-Place District Facilities
1525	1/24/2025	PLUMBERS DEPOT, INC	5,587.31	CIP No. T018/PO 4893; Gas Monitor and Charging Docking Station for the Aeration Basin Swingfuser Header Replacement Project
1526	1/24/2025	SSG STRUCTURAL ENGINEERS, LLP	92,141.55	CIP No. F007; Seismic Risk Assessment & Materials Study of Treatment Plant
1527	1/24/2025	STANTEC CONSULTING SERVICES INC.	38,458.42	CIP No. C010; Design & Permitting Services for Protective Measures of District Facilities - December (FEMA Project)
			295,243.53	





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1042 Monte Cristo Lane  
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*A Public Service Agency*

Phone: (805) 969-4200  
[www.montsan.org](http://www.montsan.org)

## MINUTES

For the Regular Meeting of the Board on:

**January 27, 2025**

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### 1. **CALL TO ORDER**

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:07 pm on Monday, January 27, 2025. The meeting was also broadcast using Zoom teleconferencing.

#### **ATTENDANCE**

##### **Board Members Present:**

Directors Glaser, Johnson, Newquist, Ohlmann, and Ellwood T. Barrett II

##### **Board Members Absent:**

None

##### **Also Present and Participating:**

John Weigold, MSD General Manager

Stephen Williams, MSD Business and Administrative Manager/Clerk of the Board

Bryce Swetek, MSD Engineering Manager

Aleks Giragosian, MSD General Legal Counsel

Mar Souza, Summerland Sanitary District Administrator

David Lewis, Summerland Sanitary District Operations Manager

Andrew Salveson, Carollo Engineers

Michael Goymerac, Carollo Engineers

### 2. **PUBLIC COMMENT**

No members of the public addressed the Board.

### 3. **PRESENTATION – SUMMERLAND SANITARY DISTRICT AND MONTECITO SANITARY DISTRICT COLLECTION SYSTEM AND FLOW EQUALIZATION ANALYSIS FOR MONTECITO WATER DISTRICT REUSE**

The Board received a presentation from Andrew Salveson and Michael Goymerac of Carollo Engineers on its Summerland Sanitary District and Montecito Sanitary District Collection System and Flow Equalization Analysis for Montecito Water District Reuse report. No actions were taken.

**NOTE:** Dorinne Johnson arrived to the meeting at 2:15 p.m.

### 4. **COMMITTEE REPORTS**

- A. Directors Ohlmann and Glaser gave a report on the Montecito Sanitary District Administrative and Operations Committees January 17, 2025 meeting.

**5. CLOSED SESSION**

**A. PUBLIC COMMENT**

No members of the public addressed the Board.

**B. PUBLIC EMPLOYEE EVALUATION (GOVERNMENT CODE § 54957)**

Title: General Manager

**Reportable Action:** None

**C. CONFERENCE WITH LABOR NEGOTIATOR (GOVERNMENT CODE § 54957.6)**

Name of District Negotiator to Attend Closed Session: Aleks Giragosian, Legal Counsel

Name of Employee Organization: Montecito Sanitary District General Manager

**Reportable Action:** None

**D. CONFERENCE WITH LABOR NEGOTIATOR (GOVERNMENT CODE § 54957.6)**

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

Name of Employee Organization: Represented Staff, Montecito Sanitary District Management Group

**Reportable Action:** None

**6. CONSENT CALENDAR**

ON MOTION by Director Newquist, Seconded by Director Barrett, the Board voted to approve the following Consent Calendar items as amended:

- A. Board Meeting Minutes of the January 13, 2025 Regular Meeting
- B. Board Meeting Minutes of the January 21, 2025 Special Meeting
- C. Designation of Applicant’s Agent Resolution for Non-State Agencies – CalOES
- D. Updated Salary Schedules
- E. Resolution 2025-981 – Honoring Engineering Manager

AYES: Directors Glaser, Johnson, Newquist, Ohlmann, and Barrett

NAYES: None

ABSTAIN: None

ABSENT: None

**7. BUSINESS ITEMS**

**A. ORDINANCE NO. 25 – DIRECTOR COMPENSATION**

ON MONTION by Director Newquist, Seconded by Director Johnson, the Board voted to adopt Ordinance No. 25 – Director Compensation.

AYES: Directors Glaser, Johnson, Newquist, Ohlmann, and Barrett

NAYES: None

ABSTAIN: None

ABSENT: None

**B. PRESENTATION REGARDING LOCAL GOVERNMENT AGENCIES AND THEIR RELATIONSHIP TO ONE ANOTHER**

This item was continued to the next Regular Meeting.

**C. DISTRICT INVESTMENT COUNCIL PRESENTATION**

This item was continued to the next Regular Board Meeting.

**D. DISCUSSION OF FORENSIC AND COMPLIANCE AUDIT OF THE DISTRICT**

This item was continued to the next Regular Board Meeting.

**E. DISCUSSION OF A BOARD RETREAT**

This item was continued to the next Regular Board Meeting.

**F. DISCUSSION OF AN AD-HOC TO UPDATE THE BOARD POLICIES AND PROCEDURES**

This item was continued to the next Regular Board Meeting.

**G. DISCUSSION ON DISTRICT WEBSITE**

This item was continued to the next Regular Board Meeting.

**8. BOARD COMMUNICATIONS**

A. President Ellwood T. Barrett II authorized the General Manager to negotiate benefits and cost increases with the Represented and Unrepresented employees of the District and report back to the Board.

B. Items for future Board meeting – None

C. Next Regular Board Meeting Date – February 10, 2025

**9. ADJOURNMENT**

The meeting adjourned at 5:00 pm ON MOTION by Director Johnson, Seconded by Director Glaser.

These minutes were presented for approval at the Regular Board Meeting on February 10, 2025.

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Ellwood T. Barrett II, President

Minutes taken and prepared by:

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Stephen Williams  
Business and Administrative Manager/Clerk of the Board



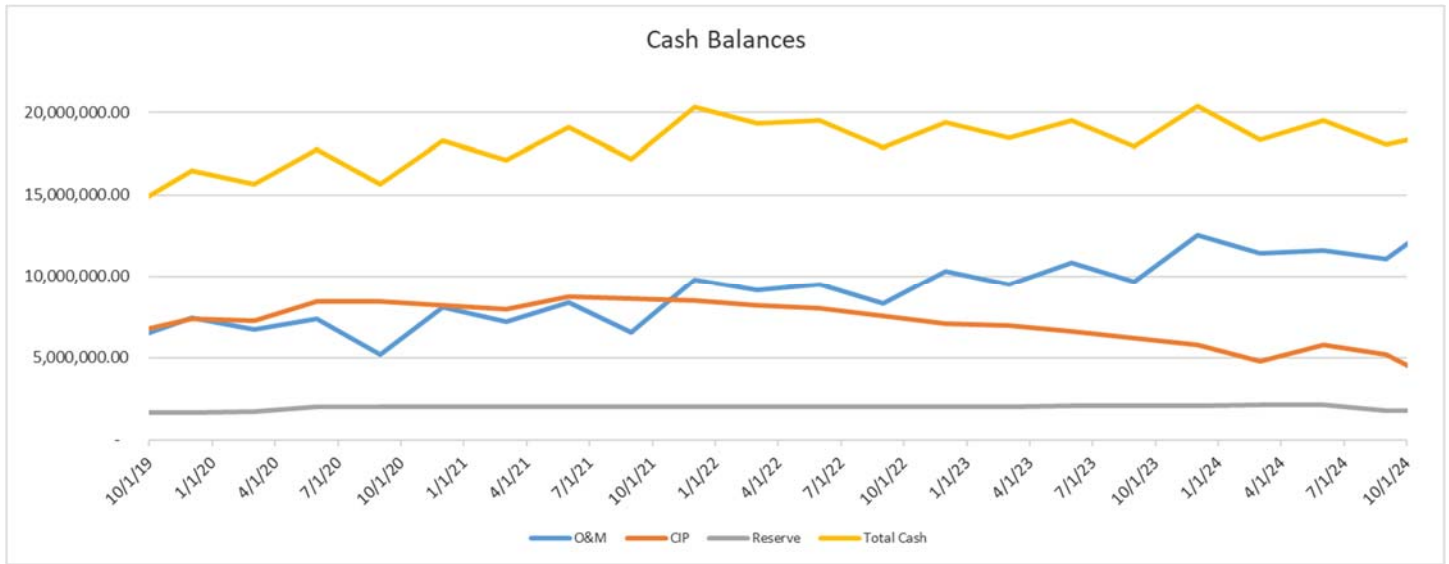
# **Fiscal Year 2024-25 Unaudited Quarterly Financial Summary Memo**

**For the Quarter Ended 12/31/2024**

## FINANCIAL HEALTH AND CASH POSITIONS

As of **December 31, 2024** the District is in a sound financial position. It maintains a healthy cash balance sufficient to cover its short term and long term obligations. The District also maintains a balance in excess of **\$2.25M** in Reserve funds, which is equal to approximately **5** months of Operations & Maintenance (O&M) expenditures (approximately **\$450,00** per month). Typical business practice is to hold at least 3-6 months of cash on hand for emergencies, along with adequate insurance holdings, and based on this metric the District is within that range with its operating reserves.

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



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

	Balance at 9/30/2024	Balance at 12/31/2024	Difference
<b>Operations &amp; Maintenance</b>	\$ 11,069,324	\$ 13,843,607	\$ 2,774,283
<b>Capital Improvement Projects</b>	5,198,895	3,252,858	(1,946,037)
<b>Reserve</b>	1,767,982	1,808,460	40,478
<b>Total Available Cash</b>	<u>\$ 18,036,201</u>	<u>\$ 18,904,925</u>	<u>\$ 868,724</u>

*Table 1. Fiscal Year 2024-25 Cash Comparison – Current Quarter vs. Prior Quarter*

## REVENUES

For **Fiscal Year 2024-25**, the District anticipated approximately **\$7.8M** in revenues between its two main revenue types: Operating and Non-operating revenue. The District receives approximately 96% of its revenues through two allocations from the County of Santa Barbara’s Property Tax apportionment, which occurs in December and April of each year. As a result, revenues look much lower for the current quarter as the District has yet to receive an allocation of its Sewer Service charges. This is to be expected and is inconsequential, the District has plenty of funds on hand to meet its obligations.

Table 2 below shows the breakdown of revenue received for the period ending **December 31, 2024**.

# OPERATIONS & MAINTENANCE BUDGET TO ACTUAL SUMMARY

## OPERATING AND NONOPERATING REVENUES

	2024-25 Budget	2024-25 Actuals	Difference
<b>Operating Revenues</b>			
Service Charges	\$ 6,500,000	\$ 3,681,765	\$ (2,818,235)
Connection Fees	125,000	215,313	90,313
Other Services	55,000	148,868	93,868
<b>Total Operating Revenues</b>	<b>\$ 6,680,000</b>	<b>\$ 4,045,946</b>	<b>\$ (2,634,054)</b>
<b>Nonoperating Revenues</b>			
Property Taxes	\$ 795,000	\$ 454,319	\$ (340,681)
Interest Income	350,000	283,402	(66,598)
<b>Total Nonoperating Revenues</b>	<b>\$ 1,145,000</b>	<b>\$ 737,721</b>	<b>\$ (407,279)</b>
<b>Total Revenues</b>	<b>\$ 7,825,000</b>	<b>\$ 4,783,668</b>	<b>\$ (3,041,332)</b>

*Table 2. Fiscal Year 2024-25 Budget to Actuals - Revenue*

### Operating and Non-operating Revenue Noteworthy Items:

- **Sewer Service Charges - The District’s primary source of revenues comes from Sewer Service Charges.** The District submitted all Sewer Service Charges to the County for inclusion on connected properties Property Tax bills in early July. This method saves a substantial amount of administrative time having to bill, collect, and reconcile over 3,000 sewer service bills to customers. Total amount reported to the Auditor-Controller’s Office was **\$6,580,918.25**.
- **Connection Fees –** The District has seen a higher number of connection fees in the current fiscal year, with increased activity for Accessory Dwelling Unit connections. Properties that connect this year will have their current fiscal year sewer service charges prorated and will be subsequently placed on the next fiscal years’ tax roll.
- **Other Services –** The District collects various fees as it relates to inspection services, sewer availability inquiries, engineering review services, agreements, and administrative certifications. These fees appear higher than anticipated for the **second quarter** due to a large inspection fee for 2500 East Valley Road (\$100,000), however a good amount of that will be paid out to Filippin during the life of the project. Staff does not anticipate any material overage in this revenue source.
- **Property Tax –** The District’s ½ of 1% Property Tax Revenue is collected in the same manner as the Sewer Service Charges. The County released an estimated property tax revenue figures in September and the District is expected to receive **\$816,646**, which is **\$21,646** higher than budgeted for **Fiscal Year 2024-25**. The District received its first allocation in the **second quarter** of **\$454,319**.
- **Interest Income –**The Fiscal Year 2024-25 budget was developed with the current high interest rate environment in mind coupled with dwindling cash balances as a result of CIP projects being worked on. Interest earnings are higher than anticipated, and staff expects to realize a much greater amount than budgeted.

## OPERATING EXPENDITURES

	2024-25 Budget	2024-25 Actuals	Difference	% of Budget
<b>Operating Expenditures</b>				
Salaries and Benefits	\$ 3,459,700	\$ 1,775,515	\$ 1,684,185	51%
Insurance	145,200	49,401	95,799	34%
Maintenance & Repairs	218,000	62,281	155,719	29%
Goods & Supplies	136,000	71,989	64,011	53%
Professional Services	297,000	101,990	195,010	34%
Administrative Costs	378,000	117,147	260,853	31%
Plant & Lab Operating Costs	735,300	247,506	487,794	34%
Safety, Training, & Travel	57,500	14,795	42,705	26%
Utilities	321,500	126,145	195,355	39%
<b>Total Operating Expenditures</b>	<b>\$ 5,748,200</b>	<b>\$ 2,566,771</b>	<b>\$ 3,181,429</b>	<b>45%</b>

*Table 3. Fiscal Year 2024-25 Budget to Actuals - Expenditures*

The District’s Operations and Maintenance expenditure budget is lower than what the District anticipated for the **second quarter**. Almost all categories are currently sitting well below than the 50% of the fiscal year that has passed. Some notable items are detailed below:

### Operating Expenditures Noteworthy Items:

- **6400 – CalPERS Contribution** – Every year the District elects to prepay its UAL in July rather than paying in monthly installments which saves the District approximately 3% of its total UAL costs. This large expenditure early in the year is causing the percentage of budget utilized to be high, however, based on the UAL payment and estimated contributions for the rest of the fiscal year the District expects to be slightly under budget at year end. Total UAL payments were made in July of **\$244,826**.
- **6620 – Workers’ Compensation** – Every July the District pays its expected Workers’ Compensation premium for the fiscal year with very minor payments made throughout the rest of the fiscal year. Based on the figures staff expects to be slightly under budget for **Fiscal Year 2024-25**.
- **7090 – Insurance-General Liability** - Two payments are made during the Fiscal Year for general liability insurance, the first coming in July and the second in the **third quarter**. Staff expects to come roughly in line with what was budgeted for the fiscal year with no material increases or decreases.
- **7094 – Insurance-Mobile Equipment** - Two payments are made during the Fiscal Year for general liability insurance, the first coming in July and the second in December. Staff expects to come roughly in line with what was budgeted for the fiscal year with no material increases or decreases.
- **7430 – Memberships** – This line item has spent its fiscal year budget but was anticipated to do so as all major District memberships have been accounted for. The District does not at this time anticipate any future material memberships to be entered into.
- **7464 – Professional Fees – Computer/GIS** – In the first quarter the District pays several annual software fees that utilize a good amount of the budget for the fiscal year, and as such is pushing the

percentage utilization much higher than the 25% of the year that has elapsed. Based on current estimates staff does not anticipate any material overages in this account.

- **7510 - Contracted Services/Labor** - The District paid its annual Smartcover System Service Warranty in September totaling **\$33,840**. This expenditure early in the year is causing the percentage of budget utilization to be high, however, this was planned for during the budget process and the remaining transactions are expected to be within the budgeted amount.
- **7653 – Chemicals** – Staff finalized a new contract at the end of the fiscal year for one of its chemical suppliers that will save 5% compared to the prior vendor. As such chemical costs are currently under budget for the current fiscal year.
- **7763 – Electricity** – The Board has expressed concern about electricity bills in the past. In **Fiscal Year 2023-24** the District was within **3%** of its budget, and is currently sitting slightly lower than expected in the current fiscal year at **42%**.

## CAPITAL IMPROVEMENTS PROJECTS

The District maintains separate Capital Improvement Project (CIP) accounts from its Operations and Maintenance funds. As of the end of the period the balance held in CIP accounts totals **\$3,326,207**, which is **\$1,872,688** less than the prior quarter. This is largely due to construction work done on the Districts’ FEMA/CalOES project sites.

The budget passed for **Fiscal Year 2024-25** utilizes estimates for the anticipated expenditures for CIP work including permitting, design, construction management, and all other costs associated with projects. The CIP budget passed by the Board this Fiscal Year totals **\$6,858,720**. The following table shows total budget and amount expended through the quarter by program.

Program	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
<b>Collections</b>	\$ 5,186,155	\$ 1,985,510
<b>Lift Stations</b>	\$ 610,000	\$ -
<b>Treatment &amp; Lab Facilities</b>	\$ 1,701,720	\$ 293,092
<b>Sewer Main Extens</b>	\$ 260,000	\$ -
<b>Sewer Main Extens</b>	\$ 150,000	\$ -
<b>Total</b>	<b>\$ 7,907,875</b>	<b>\$ 2,278,602</b>

*Table 4. Fiscal Year 2024-25 Budget to Actuals – Capital Improvement Program*

The following highlights noteworthy capital expenditures for **Q4** and **Attachment C** provides includes all CIP activity through the period ending **June 30, 2024**.

- **C009 – Emergency Bypass Pumper** – The District purchased an emergency bypass pumper for use in the Wastewater Treatment Plant as well as out in the field. The pumper came in slightly less than staff anticipated with a total cost of **\$54,305.39**.



- **C010 – FEMA Rehabilitation – Design/Permitting** - The District substantially completed work on its 2023 Winter Storm FEMA projects and spent **\$1,566,674.03** during the quarter. Staff continues to engage with FEMA/CalOES on getting final FEMA approval and will continue to update the Board in the monthly General Manager’s report.
- **C011** – The District acquired a new tractor (**\$128,326.98**) and came in below what staff estimated during the budget process.
- **T018 – Clarifier Maintenance (Rollover)** – The District started work on its Swingfuser Headers replacement project and spent **\$48,800** on materials.

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

In May 2017 the District refunded its 2007 Certificates of Participation (COP). The District will make two payments on its bond during Fiscal Year 2024-25 totaling **\$919,900**. Of this total **\$710,000** will be applied to principal and **\$209,900** to interest. After all payments are made in Fiscal Year 2024-25 the remaining bond debt will be **\$4,970,000** and is expected to be paid off by July 1, 2030. The current interest rate paid is **5%**.

### **ANNUAL DEPRECIATION FUNDING**

Annually, District’s Operations & Maintenance accounts contribute to the Capital Replacement Fund. Typically, this contribution has been based on the prior fiscal year’s annual depreciation expense. The current year contribution based on the Fiscal Year 2023-24 Financial Audit, and that figure is approximately **\$1,285,000**. Staff will complete the transfer in the County’s Financial System at the end of the Fiscal Year.

#### **Attachments:**

- Attachment A – Quarterly Cash and Investments Holdings as of **12/31/2024**
- Attachment B – Quarterly Operations & Maintenance Expenditure Status Report as of **12/31/2024**
- Attachment C – Quarterly Capital Improvement Projects Expenditure Status Report as of **12/31/2024**
- Attachment D – Quarterly Investment Certification

**FY2024-25 Quarterly Cash and Investment Activity  
Quarter 2**

	<u>9/30/2024</u>	<u>Income</u>	<u>Interest</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Withdrawals</u>	<u>12/31/2024</u>	<u>Net Change</u>	<u>Comments</u>
<b>Investment Accounts</b>									
Cash with LAIF	16,378		166				16,544	166	
Charles Schwab	1,767,982	23,933					1,791,916	23,933	Investment Earnings: \$23,933
Cash with County-Operating	10,131,651	4,096,641	79,826		(750,000)	(97,850)	13,460,268	3,328,617	Property Tax/SSCs: \$4,096,641 Quarterly Interest: \$79,826 Transfer to MBT O&M (10/16/24): \$750,000 Debt Service Payment: \$97,850
Cash with County - Capital Replacement	4,012,622		29,919		(1,950,000)		2,092,541	(1,920,081)	Quarterly Interest: \$29,919 Transfer to MBT CIP (11/4/2024): \$1,250,000 Transfer to MBT CIP (11/22/2024): \$350,000 Transfer to MBT CIP (12/19/2024): \$350,000
Cash with County-Retiree Medical	192,571		1,435				194,006	1,435	Quarterly Interest: \$1,435
<b>Cash Accounts</b>									
MBT Operating account	612,474	386,898		750,000		(1,676,762)	72,610	(539,864)	Income: connection, permit, & other fees Transfers From County Oper: \$1,750,000 Transfers to MBT CIP (12/19/24): \$300,000 Withdrawals: O&M Expenses (A/P, Payroll)
MBT Capital Improvement account	187,141			2,250,000		(1,980,145)	456,996	269,855	Withdrawals: pmts on Capital Projects Transfers From County CIP: \$1,950,000 Transfers From MBT RW (County Closure): \$300,000
MBT Revolving fund account	211						211	-	Withdrawals: payments on O&M expenses for checks needed immediately
MBT Insurance Reimbursement Acct	115,789		473				116,262	473	Monthly Interest: \$482
MBT Recycled Water account	999,132		4,189		(300,000)		703,321	(295,811)	Monthly Interest: \$4,426 Transfer to MBT CIP (County Closure): \$300,000
District Petty Cash	250						250	-	
<b>Total Cash &amp; Investment accounts</b>	<b>18,036,201</b>	<b>4,507,472</b>	<b>116,009</b>	<b>3,000,000</b>	<b>(3,000,000)</b>	<b>(3,754,757)</b>	<b>18,904,926</b>	<b>868,724</b>	

# MONTECITO SANITARY DISTRICT OPERATIONS AND MAINTENANCE EXPENDITURE STATUS REPORT

FOR THE PERIOD ENDED 12/31/2024

		2024-25 BUDGET	2024-25 ACTUALS	VARIANCE	% OF BUDGET
<b>OPERATING EXPENDITURES</b>					
<b>SALARIES AND BENEFITS</b>					
6100	STAFF SALARIES	\$ 2,230,000.00	\$ 1,052,193.28	\$ 1,177,806.72	47%
6105	BOARD SALARIES	45,000.00	20,328.00	24,672.00	45%
6108	AUTO ALLOWANCE - GM	3,600.00	1,580.00	2,020.00	44%
6270	STANDBY PAY	54,600.00	25,500.00	29,100.00	47%
6300	OVERTIME	30,000.00	8,766.46	21,233.54	29%
6400	PERS CONTRIBUTION	430,000.00	347,060.01	82,939.99	<b>81%</b>
6410	EMPLOYEE BENEFITS	65,000.00	31,332.94	33,667.06	48%
6500	FICA CONTRIBUTION	145,000.00	65,390.59	79,609.41	45%
6510	MEDICARE	34,000.00	15,745.82	18,254.18	46%
6520	UNEMPLOYMENT TAX - STATE	3,500.00	361.31	3,138.69	10%
6600	GROUP MEDICAL - ACWA	275,000.00	132,562.13	142,437.87	48%
6605	RETIREE MEDICAL BENEFITS	23,000.00	6,444.80	16,555.20	28%
6610	LIFE INSURANCE - ACWA	6,500.00	2,600.00	3,900.00	40%
6615	DISABILITY INS - STANDARD	26,000.00	10,441.82	15,558.18	40%
6620	WORKER'S COMPENSATION	58,000.00	46,655.00	11,345.00	<b>80%</b>
6640	DENTAL INSURANCE - ACWA	19,000.00	5,472.08	13,527.92	29%
6650	UNIFORM SERVICE - MISSION	11,500.00	3,080.69	8,419.31	27%
<b>TOTAL SALARIES AND BENEFITS</b>		<b>\$ 3,459,700.00</b>	<b>\$ 1,775,514.93</b>	<b>\$ 1,684,185.07</b>	<b>51%</b>
<b>SERVICES AND SUPPLIES</b>					
7090	INS (GEN LIAB/AUTO/E&O) - CSRMA	\$ 88,000.00	\$ 39,323.49	\$ 48,676.51	<b>45%</b>
7091	PROPERTY INSURANCE	42,000.00	-	42,000.00	0%
7093	INS (EMP DISHONESTY BOND) - CSRMA	1,200.00	936.00	264.00	78%
7094	INS (MOBILE EQUIP) - CSRMA	14,000.00	9,142.00	4,858.00	<b>65%</b>
7110	EMPLOYEE PHYSICALS	2,500.00	700.00	1,800.00	28%
7121	PROPERTY MAINTENANCE	101,000.00	24,764.76	76,235.24	25%
7122	VEHICLE MAINTENANCE	15,000.00	7,761.00	7,239.00	52%
7126	COLL - EQUIPMENT RENTAL	1,000.00	-	1,000.00	0%
7127	COLL - SAFETY EQUIPMENT/SUPPLIES	8,000.00	1,544.90	6,455.10	19%
7129	LIFT STATION PARTS	32,000.00	8,928.32	23,071.68	28%
7133	VACCON EQUIPMENT & REPAIRS	15,000.00	7,274.68	7,725.32	48%
7134	CCTV EQUIPMENT/REPAIRS	15,000.00	5,669.42	9,330.58	38%
7136	COLL - MISC COLLECTION TOOLS	10,000.00	4,141.25	5,858.75	41%
7138	JETTER TRUCK EQUIP / REPAIRS	6,000.00	1,693.91	4,306.09	28%
7150	MECHANICAL MAINTENANCE	5,000.00	-	5,000.00	0%
7200	GENERAL OPERATING SUPPLIES	10,000.00	7,297.96	2,702.04	73%
7201	DRINKING WATER	2,500.00	984.64	1,515.36	39%
7202	GLOVES	8,000.00	1,814.07	6,185.93	23%
7205	COMMUNITY & EMPLOYEE GOODWILL	6,000.00	1,002.02	4,997.98	17%
7220	MAILING/SHIPPING EXPENSES	5,000.00	650.31	4,349.69	13%
7430	MEMBERSHIPS	40,000.00	40,622.00	(622.00)	102%
7440	MISCELLANEOUS EXPENSES	2,500.00	-	2,500.00	0%
7450	OFFICE EXPENSES	15,000.00	5,238.73	9,761.27	35%
7452	SCANNING & SHREDDING	10,000.00	-	10,000.00	0%
7454	BOOKS/SUBSCRIPTIONS/STUDY GUIDES	2,000.00	409.45	1,590.55	20%
7456	COMPUTER HARDWARE/SOFTWARE/LICENSING	45,000.00	13,970.10	31,029.90	31%
7461	PROFESSIONAL SERVICES/FEES - LEGAL	75,000.00	26,929.40	48,070.60	36%
7462	PROFESSIONAL FEES - ACCOUNTING	40,000.00	6,570.50	33,429.50	16%
7463	PROF SERVICES - ENGINEERING	100,000.00	12,512.50	87,487.50	13%
7464	PROFESSIONAL FEES - COMPUTER/GIS	60,000.00	49,242.27	10,757.73	<b>82%</b>
7466	PROF SERVICES - HUMAN RESOURCES	12,000.00	5,939.48	6,060.52	49%
7500	PUBLIC OUTREACH	10,000.00	795.75	9,204.25	8%
7506	ADMINISTRATIVE FEES	30,000.00	11,009.79	18,990.21	37%
7508	COLLECTION/TREATMENT FINES	10,000.00	-	10,000.00	0%
7510	CONTRACTED SERVICES/LABOR	95,000.00	59,265.38	35,734.62	<b>62%</b>
7530	ADS/NOTICES FOR PUBLICATION	3,000.00	895.70	2,104.30	30%
7610	FURNITURE/FIXTURES	15,000.00	1,881.53	13,118.47	13%
7641	NPDES PERMIT EXPENSES-LAB	17,000.00	20,773.12	(3,773.12)	122%
7645	NPDES PERMIT REQUIREMENTS - OPERATIONS	100,000.00	19,566.92	80,433.08	20%
7650	ELECTION EXPENSES	8,000.00	29.00	7,971.00	0%

7651	ANALYZER CHEMICALS	-	-	-	0%
7652	BIOSOLIDS DISPOSAL	70,000.00	30,868.57	39,131.43	44%
7653	CHEMICALS	300,000.00	129,234.80	170,765.20	43%
7654	GENERATOR SERVICE	10,000.00	1,487.06	8,512.94	15%
7655	HAZARDOUS MATERIALS DISPOSAL	2,000.00	261.40	1,738.60	13%
7656	PLANT EQUIPMENT RENTAL	5,000.00	-	5,000.00	0%
7657	PLANT MAINTENANCE MATERIALS	90,000.00	12,824.66	77,175.34	14%
7658	PLANT MAINTENANCE PROJECTS	5,000.00	-	5,000.00	0%
7659	PLANT SAFETY EXPENSES	5,000.00	502.92	4,497.08	10%
7661	POLYMER	10,000.00	-	10,000.00	0%
7662	SMALL TOOLS/EQUIP	4,000.00	2,209.58	1,790.42	55%
7670	SPECIAL PROJECTS	85,000.00	1,875.00	83,125.00	2%
7671	ASSET MANAGEMENT	186,800.00	40,900.00	145,900.00	22%
7675	COVID-19 EXPENSES	-	966.13	(966.13)	100%
7681	2023 WINTER STORM	-	-	-	100%
7700	LAB CONSUMABLES-SMALL EQUIPMENT	35,500.00	16,845.52	18,654.48	47%
7702	LAB EQUIPMENT MAINTENANCE	12,000.00	11,035.85	964.15	92%
7703	CONTRACT LAB ANALYSES	10,000.00	1,839.00	8,161.00	18%
7722	BOARD TRAINING/CONF REGISTRATION	2,500.00	460.00	2,040.00	18%
7723	BOARD MEETINGS/TRAVEL EXPENSES	5,000.00	2,289.35	2,710.65	46%
7724	STAFF TRAINING/CONF REGISTRN	15,000.00	2,988.82	12,011.18	20%
7725	STAFF TRAVEL EXPENSES	15,000.00	6,732.65	8,267.35	45%
7726	STAFF CERTIFICATIONS/LICENSES	8,000.00	1,329.00	6,671.00	17%
7727	OSHA REQUIRED TRAINING	5,000.00	-	5,000.00	0%
7728	SAFETY BOOT ALLOWANCE	4,500.00	878.35	3,621.65	20%
7729	APPAREL AND UNIFORMS	2,500.00	184.69	2,315.31	7%
7731	LOCAL MEETING EXPENSES	2,500.00	117.27	2,382.73	5%
7740	FUEL AND OIL	25,000.00	7,560.10	17,439.90	30%
7761	WATER	15,000.00	6,058.02	8,941.98	40%
7762	NATURAL GAS	5,500.00	967.52	4,532.48	18%
7763	ELECTRICITY	225,000.00	94,688.88	130,311.12	42%
7766	TRASH / RECYCLING	17,000.00	4,167.40	12,832.60	25%
7767	TELEPHONE - LOCAL/LD	22,000.00	6,456.25	15,543.75	29%
7768	TELEPHONE CELLULAR	12,000.00	6,246.69	5,753.31	52%
	<b>TOTAL SERVICES AND SUPPLIES</b>	<u>\$ 2,288,500.00</u>	<u>\$ 791,255.83</u>	<u>\$ 1,497,244.17</u>	<u>35%</u>
	<b>TOTAL OPERATING EXPENDITURES</b>	<u><u>\$ 5,748,200.00</u></u>	<u><u>\$ 2,566,770.76</u></u>	<u><u>\$ 3,181,429.24</u></u>	<u><u>45%</u></u>

# Fiscal Year 2023-24 Capital Improvement Program (CIP)

Adopted by the Board on June 22, 2023

## Collections:

Project No.	Description	Estimated Project Cost	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
C001	Collection System Master Plan	\$ 175,000	\$ 175,000	\$ -
C003	2025 Sewermain CIPP Lining - Design	\$ 150,000	\$ 150,000	30,401
<b>C005</b>	<b>Large Diameter Sewer Main Rehabilitation</b>	<b>\$ 1,500,000</b>	<b>\$ 2,549,155</b>	26,254
C009	Emergency Bypass Pumper	\$ 60,000	\$ 60,000	54,305
C010	FEMA Rehabilitation - Design/Permitting	\$ 125,000	\$ 125,000	314,643
C010	FEMA Rehabilitation - Construction	\$ 1,100,000	\$ 1,100,000	1,399,931
C011	Tractor	\$ 150,000	\$ 150,000	128,327
C012	CCTV Camera and Transporter	\$ 65,000	\$ 65,000	-
C013	Combination Cleaner - Rollover	\$ 662,000	\$ 662,000	-
CMAN	Manhole Adjustments	\$ 75,000	\$ 75,000	22,743
CEME	Collection O/M Emergencies	Unknown	\$ 75,000	8,905
			<b>\$ 5,186,155</b>	<b>\$ 1,985,510</b>

## Lift Stations:

Project No.	Description	Estimated Project Cost	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
L001	Channel Lift Station Improvement	\$ 400,000	\$ 400,000	\$ -
L004	Bonnymede Lift Station Electrical Controls Upgrade	\$ 75,000	\$ 75,000	-
L005	Posilipo Lift Station Improvement	\$ 39,000	\$ 39,000	-
L007	Smartcover Upgrades	\$ 21,000	\$ 21,000	-
LEME	Lift Station Emergency Repairs	Unknown	\$ 75,000	-
			<b>\$ 610,000</b>	<b>\$ -</b>

**Treatment & Laboratory:**

Project No.	Description	Estimated Project Cost	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
T001	Wastewater Treatment Plant Project - Design and Eng.	\$ 1,000,000	\$ 1,000,000	\$ 3,572
T012	Clarifier Maintenance - Rollover	\$ 220,000	\$ 160,000	163,441
T014	Laboratory Dishwasher	\$ 11,000	\$ 11,000	-
T015	Diffusers	\$ 43,000	\$ 43,000	41,986
T016	Ras-Was Program Logic (PLC) Upgrade	\$ 70,000	\$ 70,000	-
T017	Flow Meters	\$ 40,000	\$ 40,000	-
<b>T018</b>	<b>Swingfuser Headers*</b>	\$ 177,720	<b>\$ 177,720</b>	48,800
TEQU	Treatment Equipment	\$ 50,000	\$ 50,000	-
TSCA	SCADA Maintenance	\$ 50,000	\$ 50,000	15,981
TEME	Treatment O/M Emergencies	\$ 100,000	\$ 100,000	19,311
			<b>\$ 1,701,720</b>	<b>\$ 293,092</b>

**Facilities:**

Project No.	Description	Estimated Project Cost	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
F004	Administration Building Improvements	\$ 30,000	\$ 30,000	\$ -
F007	Seismic and Materials Study	\$ 233,497	\$ 205,000	-
F008	Electric Vehicle Charging Station	\$ 25,000	\$ 25,000	-
<b>Facilities Subtotal</b>			<b>\$ 260,000</b>	<b>\$ -</b>

**Sewer Main Extensions:**

Project No.	Description	Estimated Project Cost	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
S001	Septic to Sewer Strategic Plan	\$ 150,000	\$ 150,000	\$ -
<b>Sewer Main Extensions Subtotal</b>		<b>\$</b>	<b>150,000</b>	<b>\$ -</b>

**Budget Adjustments**

Project **T018 - Swingfuser Headers** budget of \$177,720 was approved at the 11/12/2024 Board Meeting

Project **C005 - Large Diameter Sewer Main Rehabilitation** budget increase of \$1,049,155 was approved at the 11/20/2024 Board Meeting

Program	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
<b>Collections</b>	\$ 5,186,155	\$ 1,985,510
<b>Lift Stations</b>	\$ 610,000	\$ -
<b>Treatment &amp; Lab Facilities</b>	\$ 1,701,720	\$ 293,092
<b>Sewer Main Extensions</b>	\$ 260,000	\$ -
<b>Sewer Main Extensions</b>	\$ 150,000	\$ -
<b>Total</b>	<b>\$ 7,907,875</b>	<b>\$ 2,278,602</b>



# Montecito Sanitary District

1042 Monte Cristo Lane  
Santa Barbara, CA 93108

*A Public Service Agency*

Phone: (805) 969-4200  
[www.montsan.org](http://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, 2024**

As Treasurer of the Montecito Sanitary District, I, **Dorinne Johnson** 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, Charles Schwab, 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





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## MONTECITO SANITARY DISTRICT

### STAFF REPORT- 5D

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**DATE:** February 10, 2025

**TO:** Board of Directors

**FROM:** John Weigold, General Manager  
Bryce Swetek, Engineering Manager

**SUBJECT:** Protective Measures of District Facilities (January 2023 Storm) Project – Notice of Completion

**SUMMARY:** The project involved installation of angular boulders to protect District facilities at four different project sites, also known as the FEMA project.

**RECOMMENDATION:**

Staff recommends the Board of Directors accept Cushman has completed the project per Contract Documents and approve the issuance of a Notice of Completion for a total final project cost of \$1,541,262.99.

**BACKGROUND:** In January of 2023, District facilities became vulnerable to potential damage/failure due to a storm event. Staff classified these vulnerable facilities into the following projects:

- Project 1 - Manhole 616-4D
- Project 2 - Manhole 638-4C
- Project 3 - Pipe L333-7
- Project 4 - Pipe L380-5

Each project is a result of creekbank failures. The purpose of each project is to provide protective measures to the facilities to limit the possibility of damage and provide better long-term service

life. Together, these four projects are considered as the Protective Measures of District Facilities (January 2023 Storm) project (Protective Measures).

During a regular board meeting on January 13, 2025 the Board authorized the General Manager to approve expenditures of up to \$386,397.99 or 33.4% of the contract amount.

**DISCUSSION:** Staff, in coordination with its design/inspection team and District General Counsel, have determined Cushman has completed its obligations per the Contract Documents.

The following is a breakdown of expenses from Cushman’s work.

Original Contract Amount = \$1,154,865  
Change Order Amount = \$260,903.99  
Material Overrun Amount = \$125,494  
Subtotal for Additional Expenditures (CO+MO) = \$386,397.99  
Total Project Amount = \$1,541,262.99

The change orders and overruns for this project were discussed at the regular board meeting on January 13, 2025.

Staff notes that this Notice of Completion is a standard contractual proceeding between the District and Cushman. There are additional efforts on this project for Staff and its design team to complete, such as closing out permits with jurisdictional agencies, project site restoration work, and the FEMA/CalOES reimbursement process. A project completion summary, noting all costs/reimbursements, for the Board will be given when all work associated with the project is complete.

**Fiscal Impact** – This project was included in the Fiscal Year 2024-25 Capital Improvement Project budget at \$1,100,000. The original bid result was \$1,154,865.00. The final project amounted to \$1,541,262.99, which is an additional 33.4% of the original bid. While this additional amount is significant, it’s justifiable due to the necessary change orders and material overrun. Additionally, an average of 33.4% for this size and type of project is within a reasonable tolerance. Staff anticipate approximately 96% of the total contract amount will qualify for FEMA/CalOES reimbursement.

**Public Notice** – A Notice of Completion letter will be sent to the Cushman Contracting for the construction portion of the project.

**Goals and Objectives** – To file a Notice of Completion to close the project.

**Environmental Determination** – Project was Categorically exempt by CEQA.

**Analysis – Justifications:** Cushman has completed all their work in accordance with the Contract Documents. All invoices have been paid and both sides are ready to move forward with the official Notice of Completion.

**OTHER DEPARTMENTS INVOLVED:** Collections, Treatment, Administration

**ATTACHMENTS:**

1. Notice of Completion



# Montecito Sanitary District

1042 Monte Cristo Lane  
Santa Barbara, CA 93108  
General Manager: John Weigold

*A Public Service Agency*

PHONE: (805) 969-4200  
[www.montsan.org](http://www.montsan.org)  
[jweigold@montsan.org](mailto:jweigold@montsan.org)

February 10, 2025

Mr. Kyle Cushman  
Cushman Contracting Corporation  
P.O Box 147  
Goleta, CA 93116

SUBJECT: NOTICE OF COMPLETION – PROTECTIVE MEASURES OF DISTRICT FACILITIES (JANUARY 2023 STORM)  
BID NO. 2024-01

Dear Mr. Cushman:

I am pleased to inform you during our District's regularly scheduled board meeting on February 10, 2025, the Board of Directors accepted the Protective Measures of District Facilities (January 2023 Storm) project as complete. The one-year warranty period commenced on the date of Substantial Completion on November 6, 2024. As determined by the contract, the warranty period will end on November 6, 2025.

The price of \$1,541,262.99 has been determined to be the final cost for this contract. If you have any questions, please contact the District office at (805) 969-4200.

Sincerely,

John Weigold,  
General Manager



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---

## MONTECITO SANITARY DISTRICT STAFF REPORT – 6

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**DATE:** February 10, 2025  
**TO:** Board of Directors  
**FROM:** Aleks Giragosian, District Legal Counsel  
**SUBJECT:** Presentation Regarding Local Government Agencies and Their Relationship to One Another

---

### RECOMMENDATION

It is recommended that the Board:

- i) Receive a presentation from District Counsel regarding local government agencies and their relationship to one another.

### BACKGROUND

At the January 13, 2025 Regular Board Meeting District Legal Counsel brought forward a few potential topics to present to the Board for informational purposes. The Board expressed a desire to do so and as such this is the first topic item to be presented.

### FISCAL IMPACT

None

**ATTACHMENTS:** None



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## MONTECITO SANITARY DISTRICT STAFF REPORT – 7A

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**DATE:** February 10, 2025  
**TO:** Board of Directors  
**FROM:** John Weigold, General Manager  
**SUBJECT:** Board Discussion for the Consolidation of the Montecito Sanitary District with the Montecito Water District

**RECOMMENDATION:**

Staff recommends that the Board discuss the consolidation of the Montecito Sanitary District with the Montecito Water District.

**DISCUSSION:**

The Board received a final report and presentation on the Special District Collaboration and Consolidation Study from Raftelis consultants at the Board's July 26, 2023 meeting. Subsequent to that meeting, the Board considered and voted to disapprove the consolidation of the Montecito Sanitary District with the Montecito Water District at its October 12, 2023 Board meeting.

Staff recommends that the Board discuss the consolidation of the Montecito Sanitary District with the Montecito Water District

**ATTACHMENT:**

- A. Raftelis Special District Collaboration and Consolidation Study – Available on the District's website at:  
<https://www.montsan.org/files/37d77c355/ Board+Packet+2023.10.12.pdf>



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---

## MONTECITO SANITARY DISTRICT

### STAFF REPORT – 7B

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**DATE:** February 10, 2025  
**TO:** Board of Directors  
**FROM:** John Weigold, General Manager  
Stephen Williams, Business and Administrative Manager  
**SUBJECT:** District Investment Council

---

#### RECOMMENDATION

It is recommended that the Board:

- i) Receive a presentation from Staff on the Districts' investments; and
- ii) Taking such additional, related action that may be desirable.

#### ANALYSIS

The Board updated, adopted and approved the District's current Investment Policy, Resolution 2000-779 on August 14, 2000. This policy was reviewed by District Legal Counsel in June of 2023 when the District was considering making changes to its investment portfolio. That Policy was deemed to be up to date and relevant and is included as an attachment to this staff report.

At the June 22, 2023 Regular Board Meeting the Board heard Item 8A – Discussion on District Investments and made action that pursuant to the District's Investment Policy, the designated official for management of the District's Investment program was delegated to a committee made up of the General Manager, the District Administrator, and then Vice President Director Hogan. Director Martin was named as an alternate.

The council met over the course of several months and interviewed potential firms to begin investing the Districts' Reserve Funds. After consideration Charles Schwab was selected and an account was created for the District and funds transferred in the Amount of \$1,750,000. The current yield in that investment account is 4.24%.

The council then met to discuss an approach to further investments, drawing from the Districts' Investment Policy language to "...invest funds, with maximum security through diversification and prudence.." and decided to open an account with California CLASS, a Joint Powers Authority

investment pool built specifically for public agencies and managed in accordance with state law. This would then keep the Districts' funds in three main places: the County Treasury, Charles Schwab, and California CLASS. Resolution 2024-978 – Authorizing Transfer of Money From County Treasury was heard and approved by the Board at its November 20, 2024 Regular Board Meeting which was required by the County Treasurer prior to withdrawal and transfer to California CLASS. Transfer into the account is pending the signed resolution and the fund is currently yielding 4.39%. The County Treasury is currently yielding approximately 3.00%.

**FISCAL IMPACT**

To be determined.

**ATTACHMENTS:**

1. Resolution 2000-779 – Investment Policy



**RESOLUTION NO. 2000-779**  
**MONTECITO SANITARY DISTRICT**  
**INVESTMENT POLICY**  
**Repealing Resolution No. 1997-742**

**1.0 POLICY**

The Legislature of the State of California has declared that the deposit and investment of public funds by officials and local agencies is an issue of statewide concern (Government Code sections 53600.6 and 53630.1); and

The legislative body of a local agency may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of Government Code sections 5920 et. seq. and 53601 et seq.; and

The treasurer or fiscal officer of the Montecito Sanitary District shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting; (GC 853646(a)).

It shall be the policy of the Montecito Sanitary District to invest funds, with maximum security through diversification and prudence, in a manner which will provide the highest investment return, while meeting the daily cash flow demands of the entity and conforming to all statutes governing the investment of Montecito Sanitary District funds.

**2.0 SCOPE**

This investment policy applies to all financial assets of the Montecito Sanitary District. These funds are accounted for in the annual District audit and include: Operating Fund, Capital Project Fund, Emergency Fund, Bond Reserve Fund, and Compensated Absence Fund

Funds not included in the policy include deferred compensation funds.

**3.0 PRUDENCE**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probably safety of their capital as well as the probably income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (GC 853600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individuals security's credit risk or market price changes, provided deviations from expectations are reported to the Governing Board in a timely fashion and appropriate action is taken to control adverse developments.

#### **4.0 Objectives**

As specified in GC 853600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the primary objectives, in priority order, of the investment activities shall all be:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the Montecito Sanitary District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities, or by institutional management, do not exceed the income generated from the remainder of the portfolio.
2. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the Montecito Sanitary District to meet all operating requirements which might be reasonable anticipated.
3. **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

#### **5.0 DELEGATION OF AUTHORITY**

Authority to manage the investment program is derived from Government Code sections 53600, et seq. Management responsibility for the investment program is hereby delegated to the designated official, who shall establish, subject to Board approval, written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the designated official. The designated official, subject to Board approval, shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of Government Code section 53600.3, the designated official is a trustee and a fiduciary subject to the prudent investor standard.

#### **6.0 ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

**7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

The designated official will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the Montecito Sanitary District shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the designated official shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the Montecito Sanitary District's account with that firm has reviewed the Montecito Sanitary District's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Montecito Sanitary District that are appropriate under the terms and conditions of the Investment Policy.

**8.0 AUTHORIZED AND SUITABLE INVESTMENTS**

The Montecito Sanitary District is empowered by Government Code 53601 et seq to invest in the following:

- A. Bonds issued by the Montecito Sanitary District or by any department, board, agency or authority created by the District.
- B. United States Treasury Bills, Notes & Bonds or Certificates of Indebtedness.
- C. Registered state warrants or treasury notes or bonds issued by the State of California.
- D. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.
- E. Obligations issued by Agencies or Instrumentality of the U S Government.
- F. Bankers Acceptances with a term not to exceed 270 days. Not more than 40% of invested funds can be invested in Bankers Acceptances and no more than 30% of invested funds can be invested in the bankers acceptances of any single commercial bank.

- G. Prime Commercial Paper of U S Corporations with assets greater than \$500 million with a term not to exceed 180 days and the highest ranking issued by Moody's Investors Service or Standard & Poor's Corp. Purchases of eligible commercial paper may not represent more than 10% of the outstanding papers of an issuing Corporation. Commercial paper cannot exceed 15% of total invested funds, provided, that if the average maturity of all Commercial paper does not exceed 31 days, up to 30% of invested funds can be invested in Commercial paper.
- H. Negotiable Certificates of Deposit issued by federally or state chartered banks or associations. Not more than 30% of invested funds can be invested in certificates of deposit.
- I. Repurchase/Reverse Repurchase Agreements of any securities authorized by this Section. Securities purchased under these agreements shall be no less than 102% of market value. (See special limits in GC 853601(i).
- J. Medium term notes (not to exceed 5 years) of U S corporations rated "A" or better by Moody's or S&P. Not more than 30% of invested funds can be invested in medium term notes.
- K. Share of beneficial interest issued by diversified management companies (Money Market Mutual Funds) investing in the securities and obligations authorized by GC 853601. Such Funds must carry the highest rating of at least two of the three largest national rating agencies. Not more than 10% of invested funds can be invested in Money Market Mutual Funds.
- L. Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements.
- M. Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.
- N. Any mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five years. Securities in this category must be rated AA or better by a nationally recognized rating service. Not more than 30% of invested funds may be invested in this category of securities.
- O. Any other investment security authorized under the provisions of GC 853601.

\*\*\*\*\*

Also, see GC 853601 for a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. GC 853601 is attached and included by reference in this investment policy.

*Prohibited Investments:* Under the provisions of GC 853601.6 and 853631.5, the Montecito Sanitary District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

## **9.0 COLLATERALIZATION**

All certificates of deposits must be collateralized by U S Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under GC 853601(I)(2).

## **10.0 SAFEKEEPING AND CUSTODY**

All security transactions entered into by the Montecito Sanitary District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the Montecito Sanitary District by book entry, physical delivery or by third party custodial agreement as required by GC 853601.

## **11.0 DIVERSIFICATION**

The Montecito Sanitary District will diversify its investments by security type and institution. It is the policy of the Montecito Sanitary District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- (a) Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- (b) Maturities selected shall provide for stability of income and liquidity.
- (c) Disbursement and payroll dates shall be covered through maturities investments, marketable U S Treasury bills or other cash equivalent instruments such as money market mutual funds.

## **12.0 REPORTING**

In accordance with GC 853646(b)(1), designated official shall submit to each member of the Board of Directors a quarterly investment report. The report shall include a complete description

of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Montecito Sanitary District by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in CGC 853646(e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy, (2) the Montecito Sanitary District will meet its pool expenditure requirements for the next six months as required by GC 853646(b), and (3) the designated official shall maintain a complete and timely record of all investment transactions.

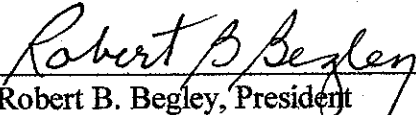
**13.0 INVESTMENT POLICY ADOPTION**

The Investment Policy shall be adopted by resolution of the Montecito Sanitary District. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

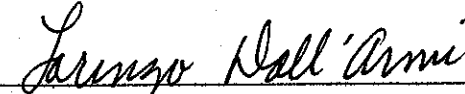
**ADOPTED AND APPROVED:** August 14, 2000

<b>AYES:</b>	Arnold, Begley, Cannata, Clark, Dall'Armi
<b>NAYS:</b>	None
<b>ABSENT:</b>	None
<b>ABSTAIN:</b>	None

(District Seal)

  
Robert B. Begley, President

**ATTEST:**

  
Lorenzo Dall'Armi, Secretary

**Attachment:** Government Code Section 53601, et seq., effective 1-1-96.

**INVESTMENTS AUTHORIZED UNDER CALIFORNIA  
GOVERNMENT CODE SECTION 53601**

CGC Section	Investment Type	Maximum Maturity	Authorized Limit (%)	Required Rating
53601(a)	Local Agency Bonds	5 Years	None	None
53601(b)	U.S. Treasury Bills, Notes or Bonds	5 Years	None	None
53601(c)	State Registered Warrants, Notes or Bonds	5 Years	None	None
53601(d)	Notes & Bonds of other Local Calif. Agencies	5 Years	None	None
53601(e)	U.S. Agencies	5 Years	None	None
53601(f)	Bankers Acceptances <sup>1</sup>	270 Days	40%	None
53601(g)	Prime Commercial Paper <sup>2</sup>	180 Days	15% or 30%	A1/P1
53601(h)	Negotiable Certificates of Deposit	5 Years	30%	None
53601(i)	Repurchase & Reverse Repurch. Agreements*	1yr./92 days	None/20%	None
53601(j)	Medium Term Corporate Notes	5 Years	30%	A
53601(k)	Money Market Mutual Funds & Mutual Funds**	5 Years	20%	2-AAA
53601(m)	Collateralized Bank Deposits	5 Years	None	None
53601(n)	Mortgage Pass-Through Securities	5 Years	20%	AA
16429.1	Local Agency Investment Fund (LAIF)	N/A	None	None
53601(d)	County Pooled Investment Funds	N/A	None	None

- \* See California Government Code Section 53601 (I) for limits on use of reverse repurchase agreements.
- \*\* Mutual Funds maturity may be defined as the weighted average maturity; money market mutual funds must have an average maturity of 90 days or less, per SEC regulations.

<sup>1</sup> No more than 30% of surplus funds may be invested in Bankers Acceptances of any one commercial bank.  
<sup>2</sup> 30% if dollar weighted average maturity of all commercial paper does not exceed 31 days. Commercial paper issuers must be organized and operating w/i U.S. and have total assets in excess of \$500 million, and have "A" or higher rating for issuer's debt, other than commercial paper, by Moody's or Standard and Poor's. Purchases may not exceed 10% of outstanding paper of an issuing corporation.



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## MONTECITO SANITARY DISTRICT

### STAFF REPORT – 7C

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**DATE:** February 10, 2025  
**TO:** Board of Directors  
**FROM:** John Weigold, General Manager  
Stephen Williams, Business and Administrative Manager  
**SUBJECT:** Investment of District Funds

---

#### RECOMMENDATION

It is recommended that the Board:

- i) Authorize the Investment Council to invest the remaining Recycled Water Funds (\$1,004,751.61); and
- ii) Taking such additional, related action that may be desirable.

#### BACKGROUND

At the November 14, 2019 Regular Board Meeting, the Board voted to set up a Recycled Water Project bank account with Montecito Bank and Trust and fund it with \$1,190,000. That account would be utilized over the next several years mainly to pay for a Recycled Water Pilot Project as well as a Joint Recycled Water Feasibility Study with the Montecito Water District.

As of January 31, 2025 the account has a balance of \$1,004,751.61 and currently earns 1.78% interest on a monthly basis. Recycled Water activities have been indefinitely postponed, and as such, staff recommends moving these funds to a higher yielding account.

#### FISCAL IMPACT

Greater interest/investment returns.

**ATTACHMENTS:** None





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## MONTECITO SANITARY DISTRICT STAFF REPORT – 7D

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**DATE:** February 10, 2025  
**TO:** Board of Directors  
**FROM:** John Weigold, General Manager  
**SUBJECT:** Discussion of Forensic and Compliance Audit of the District

---

### RECOMMENDATION

It is recommended that the Board:

- i) Discuss hiring an accounting firm to perform a forensic and compliance audit of the District; and
- ii) Taking such additional, related action that may be desirable.

### BACKGROUND

The Board requested to discuss hiring an accounting firm to perform a forensic and compliance audit of the District finances.

### FISCAL IMPACT

To be determined.

**ATTACHMENTS:** None



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## MONTECITO SANITARY DISTRICT

### STAFF REPORT – 7E

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**DATE:** February 10, 2025  
**TO:** Board of Directors  
**FROM:** John Weigold, General Manager  
**SUBJECT:** Discussion of a Board Retreat

---

#### RECOMMENDATION

It is recommended that the Board discuss setting a date and time for a Board Retreat.

#### BACKGROUND

At the January 13, 2025 Regular Board Meeting the Board expressed an interest in setting up a retreat to discuss strategic plans. This has been agendaized to determine a date and time for said meeting and to give further direction to staff.

#### FISCAL IMPACT

None

**ATTACHMENTS:** None



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## MONTECITO SANITARY DISTRICT

### STAFF REPORT – 7F

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**DATE:** February 10, 2025  
**TO:** Board of Directors  
**FROM:** Aleks Giragosian, District Legal Counsel  
**SUBJECT:** Discussion of an Ad Hoc to Update the Board Policies and Procedures Manual

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#### RECOMMENDATION

It is recommended that the Board discuss creating an Ad Hoc to update the Board Policies and Procedures Manual.

#### BACKGROUND

At the January 13, 2025 Regular Board Meeting the Board expressed a desire to update the Board Policies and Procedures Manual (Manual).

The current Manual was adopted at the December 9, 2021 Regular Board Meeting and has been attached for reference.

#### FISCAL IMPACT

None

#### ATTACHMENTS:

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



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

## *District's Mission Statement*

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

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# 1. Role of the Board of Directors

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

## 2. Board Election/Appointment

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

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

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

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

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

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

## 3. Board Organization

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

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

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

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

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

### Standing and Ad Hoc Committees

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



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

### **District Representation in Organizations**

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

## **4. Board Memberships**

### **Appropriate Memberships**

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

### **Appointment of Representative**

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

### **Representation Limitation**

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

## 5. Board Meetings

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

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

### Meeting Structure

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

### Regular Meetings

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

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

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

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

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

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

### Special Meetings

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

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

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

### **Emergency Meetings**

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

An "emergency" includes any of these situations:

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

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

### **Use of Legal Counsel**

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

### **Closed Sessions**

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

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

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

### **Quorum Required**

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

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

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

## **6. Board Compensation**

### **Board/Committee Meetings**

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

### **Conference/Seminar**

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

### **Other Authorized Meetings**

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

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

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

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

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

## **7. Board Travel**

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

### **Vendor/Consultant Benefits**

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

### **Registration**

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

### **Transportation**

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

### **Lodging**

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

### **Meals**

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

## **8. Conflict of Interest**

### **Statement of Economic Interests**

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

### **State Regulations**

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

### **Compliance Requirements**

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

### **Abstaining from Voting**

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

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

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

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

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

### **Incompatible Offices**

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

## **9. Board Training**

### **Ethics Training**

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

### **Sexual Harassment Training**

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

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

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

## **10. Revision Log**

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

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

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



# Montecito Sanitary District

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

Phone: (805) 969-4200  
[www.montsan.org](http://www.montsan.org)

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## MONTECITO SANITARY DISTRICT

### STAFF REPORT – 7G

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**DATE:** February 10, 2025  
**TO:** Board of Directors  
**FROM:** John Weigold, General Manager  
**SUBJECT:** Discussion on District Website

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#### RECOMMENDATION

It is recommended that the Board:

- i) Discuss the District’s website; and
- ii) Taking such additional, related action that may be desirable.

#### BACKGROUND

At the January 13, 2025 Regular Board Meeting the Board expressed a desire to discuss the District’s Website.

Staff recommends the Board consider directing the Board’s Public Information Committee to assist in identifying information and/or materials to place on the website for public consumption.

#### FISCAL IMPACT

None

#### ATTACHMENTS:

1. None