

SUMMERLAND SANITARY DISTRICT

2435 Wallace Avenue
Regular Board of Directors Meeting
Thursday, November 14, 2013, at 5:00 p.m.

MINUTES

THE MEETING WAS CALLED TO ORDER AT 5:00 P.M. BY PRESIDENT COLOMY.

I. ROLL CALL

DIRECTORS PRESENT: JOLENE COLOMY
BETTY FRANKLIN
JOHN FRANKLIN
MARTIN TUCKER

ABSENT: DAVID NOVIS

ALSO PRESENT: JIM McMANUS General Manager
BILL HAIR Legal Counsel
MARJON SOUZA Clerk to the Board

PUBLIC: SEE ATTACHED SIGN IN SHEET

II. APPROVAL OF THE AGENDA

Director J. Franklin made a motion to approve the agenda. The motion was seconded by Director Tucker and passed with four ayes and one absent vote.

III. PLEDGE OF ALLEGIANCE

IV. APPROVAL OF THE MINUTES OF THE REGULAR BOARD MEETING AUG 8, 2013

Secretary B. Franklin moved to approve the minutes of the Board meeting. The motion was seconded by Director Tucker and passed with four ayes and one absent vote.

V. APPROVAL OF THE MONTHLY BILLS OCTOBER, 2013, INCLUDING PAYROLL AND PETTY CASH

General Manager McManus answered and clarified questions the Board asked about pay out of the bills. Director Tucker moved to approve the bills for October 2013, including payroll and petty cash, totaling \$107,759. The motion was seconded by Director J. Franklin and passed with four ayes and one absent vote.

VI. PUBLIC COMMENT

Ms. Cepkauskas requested clarification of procedure on how to enforce Resolution 2012-5. President Colomy said that if Ms. Capkauskas is able to stay until the Manager's Report on the agenda, this request can be discussed. Ms. Cepkauskas said she is able to do so.

Mr. J. Malott said that for the last five months the Summerland apartment owners have appeared in front of the SSD Board to discuss what he considers unfair non-proportional billing practices by the Summerland Sanitary District. Mr. Malott had presented a proposal to the Board members, Legal Counsel and General Manager to adopt proportional billing based on water usage. During the last five months, the District installed a committee that met once with a two-month delay. This committee returned to the Board advising that the District consider giving one bedroom apartments a 15%

reduction. Mr. Malott asserted that this 15% reduction does not come close to the amount of overbilling, and further asserted that it does not meet the law that states that the district can only bill for proportional use. He feels that the fact that SSD proposed a reduction shows that the District realizes that there is an unfairness in the billing process. Mr. Malott said that he and the apartment owners had several discussions with board members and he prepared evidence of deeply unfair billing for apartments. Mr. Malott distributed a memo which was titled Revision of Summerland Sanitary District (SSD) Billing for its Services. Mr. Malott explained that the memo is a brief of what is expected from the SSD Board at this moment. Mr. Malott further asserted that if the Board of Summerland Sanitary District does not take action and adopt a proportional billing system at the next Board meeting, legal action will be taken by December 12, 2013.

Mr. Smith said that he did not want to intimidate the Board with a lawsuit and that he wanted to work with the SSD Board but was unable to do that. He said that the law requires not to exceed proportional charge. Mr. Smith noted that during the board meeting of October 10, 2013, District legal counsel, Mr. Hair, said that Mr. Smith misquoted the law. Mr. Smith said that he took this comment seriously and performed more research and found out that he, himself, felt he did quote the law correctly and that asserted the District was not in compliance with the "proportional requirement which requires that no fee or charge imposed upon any person or parcel as an incident of property ownership shall exceed the proportional cost of service attributable to the parcel." Mr. Smith referred the court *City of Palmdale versus Palmdale Water District* and referred to the memo and court examples for supporting his case.

Mr. Ise informed the board that he has two full baths in his house and is currently assessed for two annual sewer user fees. He said that he would like to understand the assessed fixed charges for annual sewer fees and when he talked to District's staff it was still not clear to him. He mentioned that he has had one person living in one unit and another person living in the other unit. He said that he did not see consistency in the sewer fee charges to other homes in the Summerland area when he performed research in the County of Santa Barbara assessor's database. He said that he would like to receive an answer from the SSD Board. President Colomy requested General Manager McManus respond to his question in writing. Since this is a public comment item, no response can be given at this time but President Colomy requested Mr. Ise to return to the next board meeting if his questions were not answered to his satisfaction.

VII. COMMITTEE REPORTS

A. Finance Committee Report

The committee did not meet.

B. Administration, Operations & Personnel (AOP) Committee Report

The committee met twice; once regarding the General Manager's contract for which all Board members signed before the start of the Board meeting. Only the change in hours expected to work was changed, from 8 a.m. - 5 p.m. to 7 a.m. - 4:30 p.m. The AOP committee also met earlier today to discuss employee benefits and plan to meet again before the December 2013 meeting.

C. Ad Hoc Committee - Review Annual Sewer Service Rates

Director J. Franklin informed the Board members that the committee did not meet due to an absent member. However he and the General Manager have been seeking advise, collecting information and performing research in regards to the subject. There is no other recommendation at this time.

D. Ad Hoc Committee - Effluent Water Reclamation

The committee did not meet.

VIII. NEW BUSINESS

A. Financial Report

The Board received a financial report first quarter 2013 for acceptance.

Secretary B. Franklin made a motion to accept the first quarter 2013 report for acceptance. The motion was seconded by Director J. Franklin and passed with five ayes and one absent vote.

IX. MANAGER'S REPORT

The General Manager provided a written report on operations, facility and collection maintenance. General Manager McManus first informed the Board that Ms. Cepkauskas contacted the District to receive more information on how Resolution 2012-5 was being enforced and what the 50% residential building modification entails. The Board discussed that the overall 50% threshold is for building modification and not for replacement of equipment like a water heater, but Ms. Cepkauskas reminded the Board that the 50% threshold should include anything that requires a permit to be pulled from the County of SB. General Manager McManus said that the District will not be informed if a resident pulls a permit for building modification unless it has to do with the sewer. He is willing to put in his calendar a monthly reminder to check if any permits are pulled by the Banner property owner and to keep a spreadsheet with permit information and projects completed. So far, there have been modifications totaling \$4,150 to Ms. Westbrook's property, or about 4.25% of the 50% threshold of recorded structure value of \$97,570. Ms. Cepkauskas asked if this procedure could stay in place should the current General Manager leave the District; the Board and General Manager agreed to this. President Colomy thanked Ms. Cepkauskas for attending the meeting. General Manager McManus proceeded with the report.

X. CLOSED SESSION:

Conference with Legal Counsel- Anticipated Litigation

*Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9:
(potential cases I)*

The Board went into closed session at 5:55 p.m. and returned into open session at 6:15 PM
President Colomy reported that there was no action taken during the closed session.

XII. ITEMS FOR FUTURE CONSIDERATION BY THE BOARD

- Next Board meeting is December 12, 2013
- Closed Session: Anticipated Litigation.

VIII. ADJOURNMENT

A motion to adjourn was made by Secretary B. Franklin and seconded by Director Tucker. The meeting was adjourned at 6:17 PM.

Respectfully submitted:

Betty Franklin
Board Secretary

Date: _____

Minutes prepared by M. Souza