

**SUMMERLAND SANITARY DISTRICT**

2435 Wallace Avenue  
Special Board Meeting  
Thursday, December 11, 2013, at 5:00 p.m.

**MEETING MINUTES**

THE MEETING WAS CALLED TO ORDER AT 5:01 P.M. BY VICE-PRESIDENT J. FRANKLIN.

**I. ROLL CALL**

DIRECTORS PRESENT: BETTY FRANKLIN  
JOHN FRANKLIN  
DAVID NOVIS  
MARTIN TUCKER

ABSENT: JOLENE COLOMY

ALSO PRESENT: JIM McMANUS General Manager  
MARJON SOUZA Clerk to the Board  
ANTHONY TREMBLEY Legal Counsel SSD

PUBLIC: SEE ATTACHED SIGN-IN SHEET

**II. APPROVAL OF THE AGENDA**

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

**III. PLEDGE OF ALLEGIANCE**

**IV. APPROVAL OF THE MINUTES OF THE REGULAR BOARD MEETING NOVEMBER 14, 2013**

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

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

General Manager McManus answered and clarified questions the Board asked about pay out of the bills. Secretary B. Franklin moved to approve the bills for November 2013, including payroll and petty cash, totaling \$87,876. The motion was seconded by Director Tucker and passed with four ayes and one absent vote.

**VI. PUBLIC COMMENT**

*Ms. Cepkauskas* was present for what she feels is an over charge of sewer service fees for her property. Ms. Cepkauskas submitted a letter to the District asking for a partial, retro-active refund of sewer service fees per the date of property purchase. The Board did not receive the letter in time to add as an agenda item and will do so for the next Board meeting.

*Mr. J. Smith* said that Summerland Sanitary District will be receiving a claim if the District's position has not changed in regards to his request for lower annual sewer service charges for apartment units. Mr. Smith said that he would like to give the District a proposal that he discussed with his client: Summerland Sanitary District will receive a claim, and he is proposing the issue be submitted to a mediator.

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*Mr. J. Malott* said that he concurred with Mr. Smith and if he did not hear anything after tomorrow that the Summerland Sanitary District should expect to receive a claim. Mr. Smith said that he hopes that the Board understands the nature of his requests. Mr. Malott is looking for a fair share of billing, and he said that his property is not billed fairly.

*Mr. Ise* is employed at the County of Santa Barbara Assessor's office as an appraiser. Mr. Ise asked the following question: How is it possible that the Summerland Sanitary District taxes something that is not a legal, permitted unit? According to the Assessor's office, it is not legal to tax illegal units. Mr. Ise wondered if the District has the enforcement to do so, and deemed it highly unlikely. Mr. Ise gave some examples of unfair billing, questioning that one bathroom, one bedroom houses are billed the same as a six bathroom, six bathroom houses. Mr. Ise owns a duplex in Summerland and said he has only two tenants yet he gets billed twice compared to single-family dwellings. Mr. Ise spent time at his work comparing the County of Santa Barbara records and the Summerland Sanitary District user fee charge and found many inconsistencies. He referred to lot splits and new construction and said that oftentimes the District is not aware of changes made to the property. Mr. Ise said that he understood from staff that the District's database is out of date, and said that he wanted to see an update as soon as possible.

*Mr. Smith* (accepted Mr. Radis three minutes speaker time) mentioned a lawsuit that was filed at the Santa Barbara Superior Court and recently certified as a class action suit. Mr. Smith said that this case against the Montecito Water District is virtually identical to what was discussed here today. He said that he was asking the Board to consider what the District constituents are saying: they are asking for justice.

*Mr. Ise* (accepted Mrs Radis three minutes speaker time) advised the District to reach out to the County for resolving discrepancies. He also pointed out small duplexes charges that are double the sewer fees as single family dwelling and expressed that he does not think this is fair. He wants to see the District database updated.

*Mr. Van Koppen* is property owner of ten units and said that he sent a letter expressing that he is overcharged. Mr. Van Koppen compared a local restaurant to his property and said he is paying more sewer fees and felt this was unfair. He expressed that the system is unfair, one bedroom owners are overcharged, and he hopes that this injustice will be settled outside the court system.

*Mrs. Goff* said she has been fighting for lower sewer fees for thirty years, opining that the method on which the annual sewer charges are based is incorrect and should be based on the amount of effluent that comes out of the property, calculated with a small fixed amount. Mrs. Goff feels that she has overpaid for many years and that the charges that she pays for her duplex does not make sense; she said that she is willing to take it up legally. She feels that the assessment made by District is out of line and has many court cases to prove so. She questioned the money handling at the District and expressed her frustration and anger.

*Ms. L. Malott* requested a bigger meeting room where public can sit down and gave some meeting place suggestions. She said her tenants are in 500-sft apartments and are unfairly paying to subsidize for all the people who have huge homes.

COMMITTEE REPORTS

A. Finance Committee Report

The committee did not meet.

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

The committee did not meet.

C. Ad Hoc Committee - Review Annual Sewer Service Rates

The committee did not meet.

D. Ad Hoc Committee - Effluent Water Reclamation

The committee did not meet.

VIII. NEW BUSINESS

A. Financial Report FY2012-13 and Management Report June 30, 2013.

The Board received a presentation of the Annual Financial Report and Management Report FY 2012-13 presented by Tracey Solomon, CPA of Bartlett, Pringle & Wolf, LLP. The Board was requested to approve the Financial Statements as presented.

Ms. Solomon introduced herself and handed out two letters and draft financial statements FY2012-13, explaining the contents of the letters and noting that there were no significant disagreements found during the audit. Ms. Solomon answered some of the questions asked by the Directors. The Financial Statements were then explained, and questions were answered by Ms. Solomon.

Mr. Trembley requested that any reference to the term “sewer service assessments” on page 13 and elsewhere in the report should be changed to “sewer service charges” to correctly reflect District revenue source. Ms. Solomon will replace wording where necessary in the Financial Statements and will send an updated draft for approval to General Manager McManus and a representative letter.

Secretary B. Franklin moved to approve the Financial Statements as presented with the exception of the discussion to modify the wording to correctly reflect the District revenue source. General Manager McManus will be authorized to finalize the Financial Statements as sent if it meets his approval. The motion was seconded by Mr. Tucker and passed by four ayes and one absent vote.

IX. MANAGER’S REPORT

The General Manager provided a written report on operations, facility and collection maintenance and gave explanation where needed. Director Novis requested a copy of the General Manager's employment contract. Clerk of the Board Souza made a copy of the contract and gave it to Director Novis.

X. CLOSED SESSION:

Conference with Legal Counsel -Anticipated Litigation

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): one case [District’s 2013-2014 sewer service charges]

Vice-President J. Franklin announced at 6:24 p.m. that the board would enter into closed session.

XI. RECONVENE INTO OPEN SESSION [Government Code Section 54957.7]

Disclosure of action(s) taken in closed session, as applicable [Government Code Section 54957.1]

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The Board reconvened into open session at 7:04 pm at this time. Vice President J. Franklin reported that there was no action taken during the closed session.

XII ITEMS FOR FUTURE CONSIDERATION BY THE BOARD

- Next Board meeting is January 9, 2014
- Ms. Cepkauskas' request for a refund retro-active per the date of property purchase
- Closed session: anticipated litigation

VII. ADJOURNMENT

A motion to adjourn was made by Director Tucker and seconded by Secretary B. Franklin. The meeting was adjourned at 7:08 pm.

Respectfully submitted:

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Betty Franklin  
Board Secretary

Date: \_\_\_\_\_

Minutes prepared by M. Souza