

SUMMERLAND SANITARY DISTRICT

2435 Wallace Avenue
Regular Board Meeting
Thursday November 2, 2017, at 5:00 p.m.

MEETING MINUTES

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

I. ROLL CALL

DIRECTORS PRESENT: BETTY FRANKLIN
JOHN FRANKLIN
DAVID NOVIS
MARTIN TUCKER

ABSENT: JOLENE COLOMY

ALSO PRESENT: MIKE SULLIVAN General Manager
MARJON SOUZA Clerk to the Board

PUBLIC: NONE

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF THE AGENDA

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

IV. APPROVAL OF THE MINUTES OF THE REGULAR BOARD MEETING OF OCTOBER 12, 2017

Director J. Franklin moved to approve the minutes as presented. The motion was seconded by Director Novis and passed with four ayes and one absent vote.

V. APPROVAL OF THE MONTHLY BILLS FOR OCTOBER 2017, INCLUDING PAYROLL AND PETTY CASH

General Manager Sullivan answered and clarified questions the Board asked about pay out of bills. Director Novis moved to approve the bills for October 2017, including payroll and petty cash, totaling \$73,439. The motion was seconded by Director B. Franklin and passed with four ayes and one absent vote.

VI. PUBLIC COMMENT

None

VII. COMMITTEE REPORTS

A. Finance Committee Report

The Finance Committee did not meet.

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

The AOP Committee did not meet.

C. Rated Study Committee Report

Director Novis stated that he and Director B. Franklin met with District staff and Kevin Kostiuk, rate study consultant, from Raftelis Consulting. Director Novis informed the Board members that the meeting was very informative. The rated study was performed with a 10-year projection instead of 5 years and proposed is a 3.5% rate increase. The financial plan includes the following per July 2018:

- A six-month operating reserve in general fund 5215;
- A capital facilities fund of approximately \$150,000;
- 1 million dollars in emergency funding.

The financial plan proposed to increase the emergency reserve fund from 1 million to 2.7 million by 2028 to cover unforeseen expenses and plant replacements.

Raftelis also advised to transfer one million from operating fund 5215 to 5216 as an unrestricted emergency fund. Another proposal is to phase out the lift station charges and absorb this as a general collection system operating expenses. A short discussion took place about this subject. Director J. Franklin asked who paid for the lift station in the past. Both commercial lift stations II and III were built and paid for by the property owners and was deeded to the District after 12 months. General Manager Sullivan said that he believed that lift station I was build and paid for by the District when the plant upgraded in 1992. More information will be searched for in District's archives and will be reported during the next board meeting.

Another item that was discussed were the administrative fees. These fees were calculated on actual costs, time and overhead. The fees were compared to Carpinteria Sanitary District. Director Novis went over the different administrative fees. The fees are not part of the Proposition 218 requirements.

The Board requested that any action items regarding the Rate Study shall be placed on the next month's meeting agenda, including an announcement of Notice of Hearing.

VIII. OLD BUSINESS
None

IX. NEW BUSINESS

A. Request for approval of interim position.

The Board was requested to approve the part-time position of Clerk of the Board/Office Assistant. Mrs. J. Kirkman has been proposed to fulfill this position for approximately 16-hours a week. Hourly wage was discussed and Mrs. Kirkman has been in training for about 12 hours so far.

Director B. Franklin moved to approve the part-time position for approximately 16- hours per week with the proposed hourly salary. The motion was seconded by Director J. Franklin with the amendment to approve retro-active payment for training hours. The motion passed with four ayes and one absent vote.

B. Request for approval of additional control to the Financial Information System (FIN).

The District received a letter from the Office of Auditor-Controller. The Board was requested to approve implementation of two departmental signatures for processing payments to secure additional financial control.

Director Novis moved to approve the additional control to FIN which will require two departmental signatures for processing payments from now on. The motion was seconded by Director J. Franklin and passed with four ayes and one absent vote.

The request letter was signed and dated by President Tucker.

C. Financial Report October 2017

The Board received a financial report of October 2017 for review. General Manager Sullivan gave explanation were requested. Director Novis made a motion to accept the report as presented. The motion was seconded by Director J. Franklin and passed with four ayes and one absent vote.

X OPERATIONS FACILITY AND COLLECTION REPORT

The General Manager provided a written report on operations, facility and collection maintenance. The District is waiting to hear back on the transfer of the deed of 2500 Wallace Avenue. On November 28, 2017, mediation is scheduled for the case Cecelia Lord v. Summerland Sanitary District at the law offices of Price, Postel & Parma. Report will be given at the December Board meeting.

XI ITEMS FOR FUTURE CONSIDERATION BY THE BOARD

Director Novis mentioned Director B. Franklin brought up the topic “recycled water” the Rate Study Committee meeting and that its worth further discussion. General Manager Sullivan said that this topic has been discussed extensively in the past. No major changes took place. The General Manager will compile a report about this topic and present it at the meeting in January 2018.

- Next Board meeting date: December 14, 2017.
- Request for announcement Notice of Hearing Rate Study with additional action items.
- Closed session pursuant to California Government Code Section 54956.6
Title: Pending Litigation
Santa Barbara Superior Court Case No.17CV01699
Cecelia Lord v. Summerland Sanitary District

XII ADJOURNMENT

The meeting was adjourned at 5:45 p.m.

Respectfully submitted:

Betty Franklin
Board Secretary

Date: _____

Minutes prepared by M. Souza