



SUMMERLAND SANITARY DISTRICT

2435 Wallace Avenue

Regular Board of Directors Meeting

Thursday, February 8, 2018, at 12:00 p.m.

MINUTES

THE MEETING WAS CALLED TO ORDER AT 12:01 P.M. BY PRESIDENT TUCKER.

I. ROLL CALL

DIRECTORS PRESENT: JOLENE COLOMY
BETTY FRANKLIN
DAVID NOVIS
MARTIN TUCKER
JOHN FRANKLIN

ALSO, PRESENT

MIKE SULLIVAN
SHARON SAMSKI

General Manager
Office Manager/Clerk to the Board

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF THE AGENDA

Director J. Colomy moved to approve the Agenda. The motion was seconded by Director J. Franklin and passed with five ayes.

IV. PUBLIC COMMENT

None

V. PUBLIC HEARING ON PROPOSED SEWER SERVICE RATE INCREASE PURSUANT TO ARTICLE XIII D, CALIFORNIA CONSTITUTION (Proposition 218) BOARD ACTION FOLLOWING HEARING

President Tucker opened the Public Hearing concerning the proposed increase to the District's Sewer Service Fees pursuant the requirements of Proposition 218. President Tucker invited any person who wished to testify, protest or otherwise offer comments as to the proposed increase. No public was present.

The record showed that in accordance with Proposition 218 and its implementing statutes, notice of the proposed increase and this hearing was mailed on December 20, 2017, to all record owners of identified parcels subject to the charge. Notice has also been published in a newspaper of general circulation, printed and published within the District on December 19, 2017. President Tucker read

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that at the end of this hearing the Board of Directors will consider adoption of Ordinance No. 19, authorizing an increase in the Sewer Service rate of \$1,060 for each equivalent residential unit with an increase of 3.5% for the next four fiscal years. Anyone wishing to present the District with written opposition to these rate changes must do so before the close of this public hearing. One written protest per parcel, filed by an owner or tenant of the parcel, shall be counted in calculating whether a majority protest exists to this proposed increased charge.

These rates would become effective on July 1, 2018 of each year through June 2023. This charge per parcel for FY 2018/19, \$1,060 for FY 2019/20, \$1098 for FY 2020/21, \$1,137 for FY 2021/22, \$1,177 for FY 2022/23, \$1,219.

The Summerland Sanitary District engaged the firm Raftelis Financial Consultants, Inc to analyze the District's charges and it has rendered a written report and recommendation which will be made a part of the record of these proceedings. The report dated December 4, 2017 is available for public review on the district's web site. Mr. Kevin Kostiuk of Raftelis Financial Consultants, Inc was invited to summarize his findings and answer any questions that the Board might have. The Board did not have any questions. Mr. Kostiuk said that the District is in overall good financial shape and capital reserves are adequate based upon the adoption of the 3.5% rate increase for the next four fiscal years. After the rate study survey, an increase was recommended to build up capital replacement budget. Mr. Kostiuk said most of the costs of operating this waste water treatment facility are fixed costs.

To certify the results of the Proposition 218 majority protest process authorizing an increase in the District's Sewer Service Fees, Clerk of the Board Samski reported that there were 474 parcels notified in the Summerland Sanitary District and the District received one written protest letter. The Clerk to the Board, Sharon read the one protest letter received from Orval and Leann Madden from 2150 Ortega Ranch Lane of Summerland. There was no majority objection from the public to increase the District Sewer Service Fees, no public was present.

To certify the results of the Proposition 218 majority protest process authorizing an increase in the District's Sewer Service Fees, President Tucker at this time asked for a motion to adopt Ordinance No. 19. Director J. Franklin moved to approve the motion to adopt Ordinance 19. The motion was seconded by D. Novis. President Tucker voted aye, Director Novis voted aye, Director B. Franklin voted aye, Director Colomy voted aye. Director J. Franklin voted aye. The vote was five in favor, and none opposed. Ordinance 19 was signed and sealed.

VI. APPROVAL OF THE MINUTES OF THE REGULAR BOARD MEETING OF DECEMBER 14, 2017

D. Novis moved to approve the minutes for the regular board meeting of December 14, 2017. The motion was seconded by Director J. Colomy and passed with five ayes.

VII. APPROVAL OF THE MONTHLY EXPENSES FOR THE MONTH OF DECEMBER 2017 & JANUARY 2018, INCLUDING PAYROLL AND PETTY CASH

General Manager Mike Sullivan answered and clarified questions the Board had about pay out of bills. Director J. Franklin moved to approve the monthly bills, including payroll and petty cash, totaling \$70,230.88. The motion was seconded by D. Novis and passed with five ayes.

VIII. NEW BUSINESS

- A. General Manager Mike Sullivan updated the Board on Wastewater Recycling development within the Wastewater Industry and the Summerland Sanitary District. There are no changes in the requirements and no changes in the general irrigation plan. J. Colomy asked about natural disaster insurance due to the recent events with the Thomas Fire and Montecito Mudslide. General Manager Sullivan stated the facility does not have this type of insurance coverage.
- B. Financial Report FY 2016/17. General Manager Sullivan discussed the financial report. J. Colomy thanked General Manager Sullivan and asked if there were additional comments from the Board; there were none.

IX. MANAGER'S REPORT

The General Manager provided a written report on operations, facility and collection maintenance.

X. ITEMS FOR FUTURE CONSIDERATION BY THE BOARD

- Next Board Meeting date: March 8, 2018 @ 5:00 pm.

XI. ADJOURNMENT

The meeting was adjourned at 12:50 p.m. by a motion from D. Novis and seconded by J. Franklin.

Respectfully submitted:

Martin Tucker
President

Date: _____

Minutes prepared by S. Samski