



SUMMERLAND SANITARY DISTRICT

2435 Wallace Avenue
Regular Board of Directors Meeting
Thursday February 21, 2019 at 5:00 p.m.

MINUTES

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

I. ROLL CALL

DIRECTORS PRESENT JOLENE COLOMY
 JOHN FRANKLIN
 DAVID NOVIS
 MARTIN TUCKER
ABSENT JAMES WITMER

ALSO, PRESENT MICHAEL SULLIVAN General Manager
 MARJON SOUZA Office Manager/Clerk to the Board
 Mr. Chris Goldblatt Fish Reef Project
 Mr. Lonnie Nelson Fish Reef Project

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF THE AGENDA

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

IV. PUBLIC COMMENT

None.

V. APPROVAL OF THE MINUTES OF THE REGULAR BOARD MEETING OF JANUARY 10, 2019

A motion was made by Director J. Colomy to approve the minutes for the regular board meeting. The motion was seconded by Director D. Novis and passed with four ayes and one absent vote.

VI. APPROVAL OF THE MONTHLY EXPENSES FOR THE MONTH OF JANUARY, INCLUDING PAYROLL AND PETTY CASH

General Manager M. Sullivan answered and clarified questions the Board had about pay out of bills. A motion was made by Director J. Colomy to approve the monthly bills, including payroll and petty cash totaling \$100,693. The motion was seconded by Director M. Tucker and passed with four ayes and one absent vote.

VII. COMMITTEE REPORTS

A. Finance Committee Report
The committee did not meet.

- B. Administration, Operations & Personnel (AOP) Committee Report
The committee did not meet

VIII. NEW BUSINESS

- A. Memorandum of Understanding (MOU) between Summerland Sanitary District and Fish Reef Project (FRP) and correspondence
The Board received a proposed MOU between Summerland Sanitary District and Fish Reef Project with a request for adopting the MOU. The Board also received correspondence between the District and FRP.

Director Colomy said that she will not state, express opinions, and will abstain from voting because this agenda item provides a potential conflict of interest since her husband is a commercial fisher.

Mr. Chris Goldblatt from Fish Reef Project handed out a Statement of Qualifications of Makai Ocean Engineering and a drawing of the ocean outfall pipeline titled Summerland Pipeline Reef Project. Mr. Golblatt said that there should not be any major hang-ups, a local contractor would lay the pipeline. Mr. Goldblatt said that the MOU is not a legally bound contract and is a general understanding with cooperation towards the next steps, which is raising funds, applying for a permit and the building stage. General Manager Sullivan said he liked the idea of an outfall that includes a fish habitat, but that there are many concerns. One of the concerns is the outfall lease and the General Manager referred to the correspondence with Drew Simpkin of the State Lands Commission. There seems to be many obstacles. The State Lands Commission is requiring all kinds of requirements and one of them is an initial deposit of \$15,000 from the Fish Reef Project to prepare an initial study. Mr. Goldblatt said that he discussed the correspondence with his legal council and said that dealing with the State Lands Commission should not be a problem. President J. Franklin and other Board members also expressed their concern towards the lease and financial liability. A project like this should also require a bond for long term financial liability. Since the Board just received additional information it was expressed that it was hard to absorb everything and to be asked to make a decision, especially since it's a major project and should not be taken lightly. The board agreed that the concept is a good one, but legal review is needed. It was also mentioned that taking on a big project like this for a small district is a point of concern. Mentioned was that maybe the Board needs to hear from the public, since the pipeline will be part of the fiscal responsibility of the citizens of Summerland that fall within the District's boundary. Director D. Novis said that it is a great concept, but frankly, Summerland Sanitary District is the wrong agency to handle it. The board said that it does not like that the District is being used as a test case; the project has not been done anywhere else and with such a small fiscal budget it might not be the right fit.

Director M. Tucker made a motion to table the discussion until the next meeting. After discussion about what purpose was and what would be accomplished by tabling it, the motion to table was defeated. President J. Franklin suggested a motion to disapprove granting an MOU. A motion was made by Director D. Novis to disapprove the MOU. The motion was seconded by Director M. Tucker and passed with the following votes: three in favor, one abstention and one absent.

President J. Franklin thanked both gentlemen for their time.

- B. Reimbursement Disclosure Report Summerland Sanitary District as required by Govt Code 53065.5. The Board received a disclosure report on Board & Employee reimbursement for 2018 and President J. Franklin acknowledged receipt of the report.

- C. Resolution 2019-01: Resolution of the Board of Directors closing 401(h) Plan for employees first employed on, or after January 1, 2013.

The Board was requested to adopt Resolution 2019-01. The District had previously taken action and adopted a written policy to close 401(h) system for new hires that were employed on, or after January 1, 2013. The County Retirement System requested to have this policy adopted into a Resolution.

Director J. Colomy made a motion to adopt Resolution 2019-01. The motion was seconded by Director D. Novis and passed with the following roll call: Director J. Colomy; Aye, Director D. Novis; Aye, Director J. Franklin; Aye, Director M. Tucker; Aye, Director J. Witmer was absent.

Resolution 2019-01 was signed and sealed.

- D. Call for Nominations for LAFCO regular and alternate Special District members.

The Board received information to consider nomination themselves for a seat at the Local Agency Formation Commission. Director D. Novis expressed an interest in joining the LAFCO Board. The Board agreed on submittal of an application of Director D. Novis for the LAFCO seat. Clerk of the Board Souza will contact Director D. Novis for further information on Monday February 25th.

- E. Rotation of President's Office/Board Member Term Limit Discussion

The Board received a report of staff findings and the memo was discussed. Director D. Novis said that he no longer wanted to discuss term limits and that this was about him not being elected as President for many years in a row. President J. Franklin said that this might have been due to a lack of confidence and some Brown Act Rules violations during the meetings that have been experienced over the years. The other Directors present expressed concern about Director D. Novis application of the Brown Act Rules at public meetings too. President J. Franklin said if Director D. Novis understands the Brown Act rules better and applies it during public meetings that his position could be changed.

Director D. Novis requested that the Rotation of Presidents office to be included for voting during the next Board meeting. This item will be included in the Board's Bylaws and Rules of Procedure.

- F. Financial Status Report January 2019

The General Manager submitted Financial Status and Cash Balances Reports for Funds 5215, 5216 & 5217 and gave explanation where requested. President J. Franklin confirmed receipt of the reports.

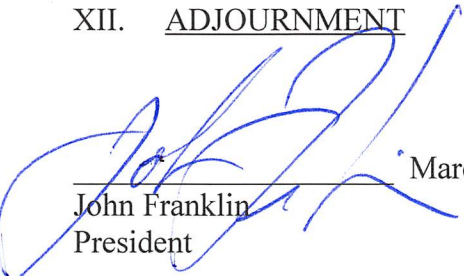
X. OPERATIONS FACILITY AND COLLECTION REPORT

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

XI. ITEMS FOR FUTURE CONSIDERATION BY THE BOARD

- The next Board meeting: March 14, 2019
- Board Bylaws and Rules of Procedure.

XII. ADJOURNMENT



March 14, 2019

John Franklin
President