



## **Regular Board of Directors Meeting**

Thursday December 9, 2021 at 3:00 p.m.  
2435 Wallace Avenue, Summerland CA 93067

### **NOTES**

This meeting will be held at the District's Office. Public may listen to the meeting telephonically by calling +1 669 900 6833 (San Jose) Meeting Code ID: 983 226 8568 or through the internet at <https://us02web.zoom.us/j/9832268568>. The public may attend the meeting, which follows social distancing protocols. Should you wish to participate in the meeting by offering comments on either non-agenda or agenda related items, please follow the instructions set forth in Item IV of the agenda.

Materials related to an item on this agenda, which are part of the agenda packet, are available for public inspection on the District's website at [www.summerlandsd.org](http://www.summerlandsd.org), or during normal business hours (7:30 a.m. - 4:00 p.m. weekdays) in the district's office.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board at (805) 969-4344. Notification 24-hours prior to the meeting will enable the Clerk of the Board to make reasonable arrangements to ensure accessibility to this meeting.

### **AGENDA**

- I. **CALL TO ORDER/ROLL CALL**
- II. **PLEDGE OF ALLEGIANCE**
- III. **ORGANIZATIONAL MEETING**
- IV. **APPROVAL OF THE AGENDA**  
The Board President will ask the Board, public, staff, and legal counsel if there are any additions and/or modifications to the Agenda.
- V. **PUBLIC COMMENT** [Non-Agenda Items]  
Those wishing to offer public comment must submit a speaker slip to the Clerk of the Board. Or when participation remotely: email comments to at [info@summerlandsd.org](mailto:info@summerlandsd.org) at least 30 minutes prior to the meeting, or provide a telephone number at 805-969-4344 to the Clerk of the Board (which the Clerk will call during the meeting and provide opportunity for such comment). Three- minute time limit will be imposed.
- VI. **APPROVAL OF THE MINUTES FOR THE REGULAR BOARD MEETING OF NOVEMBER 10, 2021 AND THE SPECIAL BOARD MEETINGS OF NOVEMBER 17, 2021 AND NOVEMBER 23, 2021**  
[Action Item]
- VII. **APPROVAL OF THE MONTHLY EXPENSES FOR NOVEMBER 2021, INCLUDING PAYROLL AND PETTY CASH** [Action Item]

**SUMMERLAND SANITARY DISTRICT  
Regular Board of Directors Meeting  
AGENDA**

**VIII. COMMITTEE REPORTS UPDATES**

- A. Finance Committee Report
- B. Administration, Operations & Personnel (AOP) Committee Report
- C. Ad Hoc/Rate Study Committee Report

**IX. CLOSED SESSION ITEM**

Conference with Legal Counsel – Existing Litigation – Government Code, § 54956.9(d)(1)  
*Lucinda Malott, etc. versus Summerland Sanitary District*, Santa Barbara Superior Court No. 18CV01923

**X. NEW BUSINESS ITEMS**

**A. Emergency Repair Report for the Replacement of Treatment Plant's Blowers as Authorized by Resolution 2021-08 [Action Item]**

Description: The Board will review the submitted staff report and the December 9, 2021 agreement with the proposal for the replacement of the Treatment Plant Blowers. The Board will be requested to approve the proposal and to give Operations Manager N. Aguilar Vega signature authorization to sign the contract.

Staff Recommendation: To approve the proposal.

**B. Emergency Repair Report for the Maintenance on the District's Outfall Pipeline as Authorized by Resolution 2021-09 [Non-Action Item]**

Description: The Board will review the submitted staff report.

**C. Repair of section of Main Sewer Line as Authorized by Resolution 2021-10 [Action Item]**

Description: The Board will review a report of completion as submitted by staff of the emergency repair as authorized by Resolution 2021-10 on November 23, 2021.

Staff Recommendation: That the Board declare that the emergency condition as described in Resolution 2021-10 is terminated as required by Public Contract Code Section 22050 (c) (1).

**D. LAFCO: Call for Nominations for and Notice of Election for LAFCO Regular Special District Member; Election Date is January 24, 2022 [Action Item]**

Description: The Board received a call for nominations and a notice of elections of a special district member to serve as the special regular member on LAFCO. The Board of Directors can make a nomination if a presiding officer is interested in the position.

**E. Financial Statements FY2020-21 and Management Report June 30, 2021 [Action Item]**

Description: The Board will receive a presentation of the Annual Financial Report and Management Report FY 2020-21 presented by Tracey Solomon, CPA of Bartlett, Pringle & Wolf, LLP. The Board will be requested to accept the Financial Statements as presented.

Staff Recommendation: To accept the Financial Statements as presented.

**SUMMERLAND SANITARY DISTRICT**  
**Regular Board of Directors Meeting**  
**AGENDA**

XI. **FINANCIAL STATUS REPORT NOVEMBER 2021** [Action Item]

The Board will receive a Financial Status and Cash Balances Reports for Funds 5215, 5216 & 5217 and can request staff for explanation. The Board will be asked to accept the report as presented.

XII. **OPERATIONS MANAGER REPORT**

The Operations Manager will provide a written report on operations, facility and collection system maintenance & affairs and will provide explanation where requested.

XIII. **DISTRICT ADMINISTRATIVE MANAGER REPORT**

The District Administrative Manager will provide a written report on District's administrative affairs and will provide explanation where requested.

XIV. **BOARD COMMUNICATIONS**

- A. Board Communications.
- B. Items for future Board meetings.
- C. Next Board meeting date.

XV. **ADJOURNMENT**

SUMMERLAND SANITARY DISTRICT  
BOARD OF DIRECTOR'S ORGANIZATIONAL MEETING

**A G E N D A**  
December 9, 2021

1. The Clerk of the Board Announces that:  
"Pursuant to law, this is the time and place for the meeting to organize the members as a Governing Board."
2. Election of a Board President  
Nominee: \_\_\_\_\_  
Motion to Approve: \_\_\_\_\_  
Seconded By: \_\_\_\_\_  
Approved: \_\_\_\_\_

**The Newly Elected President Presides**

3. Appointment of the Following Officers and Committees
  - a. Vice-President  
Appointee(s): \_\_\_\_\_  
Motion to Approve: \_\_\_\_\_  
Seconded By: \_\_\_\_\_  
Approved: \_\_\_\_\_
  - b. Secretary  
Appointee(s): \_\_\_\_\_  
Motion to Approve: \_\_\_\_\_  
Seconded By: \_\_\_\_\_  
Approved: \_\_\_\_\_
  - c. Secretary Pro Term  
Appointee(s): \_\_\_\_\_  
Motion to Approve: \_\_\_\_\_  
Seconded By: \_\_\_\_\_  
Approved: \_\_\_\_\_
  - d. Finance Committee  
Appointee(s): \_\_\_\_\_  
Motion to Approve: \_\_\_\_\_



Organizational Agenda  
December 9, 2021

Seconded By: \_\_\_\_\_

Approved: \_\_\_\_\_

e. **Administration & Operations & Personnel Committee**

Appointee(s): \_\_\_\_\_

Motion to Approve: \_\_\_\_\_

Seconded By: \_\_\_\_\_

Approved: \_\_\_\_\_

4. **Other Organizational Decisions to be made by the Board**

- a. Designate the dates, time and place for holding regular meetings, pursuant to the requirements of Government Code section 54954(a) and Health and Safety Code section 6488.

Dates: \_\_\_\_\_

Time: \_\_\_\_\_

Place: \_\_\_\_\_

5. **President Announces:**

"The organizational procedures are complete. The Statement of Facts shall be filed with the Secretary of State and the Santa Barbara County Clerk, pursuant to Government Code section 53051(a) and (b). "The Board will now proceed with the regular meeting for District business as set forth in the agenda."



## Minutes of the Regular Board of Directors Meeting

Wednesday November 10, 2021, at 3:00 p.m.

These are the minutes of the regular meeting of the Governing Board of the Summerland Sanitary District held the District's Office at 2435 Wallace Avenue, Summerland, California.

The public was able to listen to the meeting telephonically by calling +1 669 900 6833 (San Jose), code 983 226 8568 or through the internet at <https://us02web.zoom.us/j/9832268568>. The public was also allowed to attend the meeting with social distancing protocols.

The agenda notice for this meeting, including instructions for the public to provide comments and/or participate in the electronic meeting, was posted on the district's website and bulletin board and at the United States Post Office at least 72-hours in advance of the meeting.

PRESIDENT D. NOVIS CALLED THE REGULAR BOARD MEETING TO ORDER AT 3:06 p.m.

I. CALL TO ORDER/ROLL CALL

DIRECTORS PRESENT

JOLENE COLOMY  
DAVID NOVIS  
JOHN FRANKLIN  
JAMES WITMER  
MARTIN TUCKER

ALSO PRESENT

NOE AGUILAR VEGA	Operations Manager
MARJON SOUZA	District Administrative Manager
JANET MCGINNIS	District Legal Counsel

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF THE AGENDA

President D. Novis asked if there were any modifications and/or changes. Hearing none, the agenda was approved as submitted.

IV. PUBLIC COMMENT [NON-AGENDA ITEMS]

Three members of the public joined the meeting via Zoom, no public comments were given during the meeting, or submitted.

V. APPROVAL OF THE MINUTES FOR THE REGULAR BOARD MEETING OF OCTOBER 14, 2021  
[Action Item]

A motion was made by Director M. Tucker to approve the minutes of the Regular Board Meeting of October 14, 2021. The motion was seconded by Director J. Franklin, and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, D. Novis, M. Tucker, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

VI. APPROVAL OF THE MONTHLY EXPENSES FOR OCTOBER 2021, INCLUDING PAYROLL AND PETTY CASH [Action Item]

District Management answered the Board's questions and clarified information about pay out of bills. A motion was made by Director J. Franklin to approve the monthly expenses, including payroll and petty cash totaling \$83,900 for Fund 5215. The motion was seconded by Director J. Colomy, and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, D. Novis, M. Tucker, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

VII. COMMITTEE REPORTS

A. Finance Committee Report

The Finance Committee did not meet.

B. Administration, Operations & Personnel (AOP) Committee

The AOP Committee did not meet.

C. Ad hoc /Rate Study Committee

The Committee met with staff on November 8, 2021, at 11:00 a.m. Mr. Greg Clumpner (Rate Study Consultant) joined by phone briefly. Director J. Colomy reported that the Committee reviewed the previously discussed methodologies of rate calculations. Mr. Greg Clumpner provided the committee with a memo in which the three methodologies were explained:

1. Continue Using Current Fixed Charges: no reflection of water consumption as a proxy for effluent generation. This methodology has been used by the District in previous rate studies.

2. Updated Fixed Charges Consumption: data from Montecito Water District would be used to allocate costs to each customer class (residential and commercial, etc.). This methodology has been proposed by NBS in the rate study proposal. This proposal and methodology was approved by the Board.

3. Update Sewer Rates with a Volumetric Rate: In addition to the fixed charge, there would be a volumetric charge that would vary by customer based on their average winter consumption (for residential) and annual consumption for commercial customers. This third methodology was proposed by Mr. Clumpner as a possible alternative to the second methodology. The Rate Study Committee discussed the third methodology again with the conclusion that this would be very labor intensive and administrative burdensome. Large amounts of water, especially in a Single-Family Dwellings, is used to water gardens. Calculation the water usage for BOD determination would be difficult. The Committee recommended to the Board to keep the previously accepted rate methodology in which data from Montecito Water District would be used to allocate costs to each customer class (residential and commercial, etc.) and to not change the proposed methodology as communicated in the NBS Rate Study proposal. The Director J. Franklin handed out Ordinance No. 19 and informed the Board that the Committee reviewed this Ordinance with the previous four Ordinances that are still partially active. The Committee is advising the

Summerland Sanitary District  
Minutes Regular Board Meeting 11/10/2021

Board to combine the five Ordinances into one Ordinance. This Ordinance would be adopted during the Notice of Hearing for setting the new rates. Staff was directed to work with Legal Counsel on preparations to accomplish this.

The timetable was also reviewed and reflected adoption of the new proposed rates after January 1, 2022.

VIII. CLOSED SESSION

- A. Conference with Legal Counsel – Existing Litigation – Government Code, § 54956.9(d)(1) *Lucinda Malott, etc. versus Summerland Sanitary District*, Santa Barbara Superior Court No. 18CV01923
- B. Conference with Legal Counsel – Anticipated Litigation – Government Code, § 54956.9(d)(2) One matter: Claim of Catherine Conant – Government Code, § 54956.9(e)(2)(3)

At 3:35 p.m., Board President D. Novis announced the commencement of the closed session item A.

At 4:25 p.m., Board President D. Novis reported the following action taken:

Legal Counsel has been authorized to negotiate with Ms. Mallot and to respond to a pending settlement offer.

At 4:29 p.m., Board President D. Novis announced the commencement of the closed session item B.

At 4:42 p.m., Board President D. Novis reported that no action was taken.

IX. NEW BUSINESS ITEMS [Action-items]

- A. **[Proposed] Resolution No. 2021-08: Resolution of the Governing Board of Directors of the Summerland Sanitary District Declaring an Emergency Requiring Replacement of Treatment Plant's Blowers Numbered 1 and 2, Authorizing Remedial Work to be Performed Without Competitive Bidding, Declaring the Project to be Exempt from the Requirements of the California Environmental Quality Act, and Making Necessary Findings Therefor.**

The Board reviewed and considered adopting proposed Resolution 2021-08.

President Novis informed the Board that he spoke to Operations Manager N. Aguilar Vega during the agenda meeting discussing the price for replacement for one blower and directed him to request an additional quote for the purchase and installation of a 2nd blower with discount. Mr. Aguilar Vega was able to receive a substantial discount of about 50% for the 2<sup>nd</sup> blower as communicated in the staff report. The Board discussed the possibility of replacing all three blowers, since they are all the same age, and the discount was substantial.

Director M. Tucker's motion to adopt Resolution 2021-08 was seconded by Director J. Witmer. The Board held a discussion to include a quote for the third blower replacement. Director J. Franklin moved to adopt Resolution 2021-08 with the following amendment: To authorize Operations Manager N. Aguilar Vega to request a quote for the replacement,

purchase and installation of the third blower. If this quote contains a substantial discount, then the Board authorizes Mr. Aguilar Vega to include the replacement of the third blower in the emergency work. The motion was seconded by Director Colomy and passed with the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, D. Novis, M. Tucker, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

**B. Request for refund of Sewer Service Fee Overcharges from Property Owners 125 Colby Street and 2298 Whitney Avenue.**

The Board reviewed the refund email requests received from the property owners of 125 Colby Street and 2298 Whitney Avenue and considered refunds based on the District's Refund Policy under section 3.7 of Ordinance 18.

Director J. Colomy made a motion to approve the refunds based on the District's Refund Policy

\$2,472.69 to Ms. Bogaerts of 125 Colby Street and refund \$16,418.62 to Ms. Conant of 2298 Whitney Avenue. The refunds are based on the provided calculations (attachment C and D). The motion was seconded by Director M. Tucker and passed with the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, D. Novis, M. Tucker, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

**C. CSDA Bylaw Vote**

The Board of Directors are regular voting members of CSDA and have been requested to review the changes that are made to the CSDA Bylaws. The Board was requested to vote "yes" or "no" to the new proposed bylaws.

Director J. Franklin's motion to vote yes on the proposed bylaws as presented by CSDA was seconded by Director M. Tucker and passed with the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, D. Novis, M. Tucker, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

**X. FINANCIAL STATUS REPORT – OCTOBER 2021**

The Board received a Financial Status and Cash Balances Reports for Funds 5215, 5216, and 5217 and staff provided explanations as requested. The Board accepted the report as presented.

**XI. OPERATIONS MANAGER REPORT**

Operations Manager N. Aguilar Vega provided a written report and answered Board questions.

- Mr. Aguilar Vega advised the Board that: In response to a question of President D. Novis he spoke to Goleta Sanitary District and was informed that the District moved from a "At-Large" elections to "District-Based" elections in response to a CVRA settlement.
- Last week an internal inspection of the Outfall pipeline took place. The Outfall pipe is 800 feet long and the inspection video camera could not pass the 92 feet mark due to blockage in the pipe. The pipe showed major internal corrosion (heavy corrosion and buildup). The crew was not able to inspect the 700 additional feet. Operations Manager N. Aguilar Vega showed the video that was taken of the inspection with the hired specialized camera that showed the alarming condition of the pipeline at 92ft. The effluent water is still able to flow through the pipe, but there is a very serious case of corrosion and action needs to be taken as soon as possible. N. Aguilar contacted MPM and was advised that it might be still possible to slip line. The outfall pipeline needs to be cleaned and then tested to see if slip lining is still possible. After discussion the Board decided that a special board meeting will be held next week to receive a presentation from Steve Simpson from MPM to inform the board of the process. The cleaning can be done through regular maintenance work. Legal Counsel asked if there is enough time to go out for bidding and get an RFP for the slip lining process. Noe Aguilar Vega said that this would take a lot of time and could uphold the project, a break in the pipeline was repaired earlier this year. He said that in his opinion the repair of pipe replacement should be treated as an emergency. A tentative date of Wednesday November 17<sup>th</sup> was agreed on for a special board meeting. Mr. Aguilar Vega will inform the board with an affirmative date and time as soon as possible.

**XII. DISTRICT ADMINISTRATIVE MANAGER REPORT**

District Administrative Manager M. Souza provided a written report and answered Board questions. Ms. M. Souza reported that she and Operations Manager Mr. N. Aguilar Vega were invited to listen in on the staff meeting of the regional collaboration project "Maximizing Montecito Water Reuse". Staff from MWD, CVWED and CSD an Carollo Engineering brainstormed on objectives and feasibilities. Staff attended this meeting on November 1, 2021, through Zoom.

**XIII. BOARD COMMUNICATIONS**

- A. Board communications:
- B. Items for future Board meetings: None discussed.
- C. The next Regular Board meeting date is December 9, 2021, at 3:00 p.m.

**XIV. ADJOURNMENT**

A motion made by Director J. Witmer to adjourn the Regular Board meeting at 5:30 p.m. was seconded by Director J. Franklin and carried by five ayes.

Respectfully submitted:

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Jolene Colomy  
Board Secretary

Date: December 9, 2021

Minutes prepared by M. Souza



## Minutes of the Special Board of Directors Meeting

Wednesday November 17, 2021, at 10:00 a.m.

These are the minutes of the special board meeting of the Governing Board of the Summerland Sanitary District. The Governing Board of the Summerland Sanitary District held a special meeting at 1145 Eugenia Place, Suite 101, Carpinteria CA 93013.

Public was able to listen to the meeting telephonically by calling +1 669 900 6833 (San Jose) 983 226 8568 or through the internet at <https://us02web.zoom.us/j/9832268568>. Public was also permitted at the meeting utilizing social distancing protocols.

The agenda notice for this meeting, including instructions for the public to provide comments and/or participate in the electronic meeting, was posted at the district's website, bulletin board, 1145 Eugenia Place Suite 101 in Carpinteria and at the post office at least 24-hours in advance of the meeting.

PRESIDENT D. NOVIS CALLED THE REGULAR BOARD MEETING TO ORDER AT 10:00 a.m.

I. ROLL CALL

DIRECTORS PRESENT

JOLENE COLOMY  
DAVID NOVIS  
JOHN FRANKLIN  
MARTIN TUCKER  
JAMES WITMER

ABSENT

-

ALSO PRESENT

NOE AGUILAR VEGA	Operations Manager
MARJON SOUZA	District Administrative Manager
STEVE SIMPSON	MPM Inc.
MICHELLE PASSINI	Beacon West Consulting
LARRY HUSKINS	Beacon West Consulting

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF THE AGENDA

President D. Novis asked if there were any modifications and/or changes to the agenda. Hearing none, the agenda was approved as submitted.

IV. PUBLIC COMMENT

No public comments were submitted, and no public was present via telephone, Zoom or at the meeting location.

V. ITEMS TO BE DISCUSSED [Action Item]

- A. [Proposed] Resolution No. 2021-09: Resolution of the Governing Board of Directors of the Summerland Sanitary District Declaring an Emergency Requiring Maintenance on the District's Outfall Pipeline , Authorizing Remedial Work to be Performed Without

**Competitive Bidding, Declaring the Project to be Exempt from the Requirements of the California Environmental Quality Act, and Making Necessary Findings Therefor**

A motion was made by Director J. Colomy to adopt Resolution No. 2021-09. The motion was seconded by Director J. Franklin, and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, D. Novis, M. Tucker, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

Resolution No. 2021-09 was signed and sealed.

**B. Review of Budgetary Proposal and Presentation by Mr. Simpson of Marine Project Management Inc.(MPM) for the Proposed Maintenance work (Internal Cleaning and Drifting) on the District's Outfall Pipeline**

The Board reviewed the MPM Outfall Maintenance Budgetary Cost Proposal to Perform Internal Cleaning and Drifting for approval.

Mr. Steve Simpson (MPM, Inc.) introduced himself and Michelle Passini from Beacon West Consulting. The Board received a presentation by Steve Simpson of MPM, Inc. and Michelle Passini (see the attached PowerPoint presentation slides for the complete presentation).

Mr. Simpson answered questions the board had about the maintenance and permitting process.

A motion was made by Director M. Tucker to approve the Outfall Maintenance Budgetary Cost Proposal as submitted. The motion was seconded by Director J. Witmer, and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, D. Novis, M. Tucker, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

**VI. ADJOURNMENT**

A motion was made by Director J. Witmer to adjourn the Special Board Meeting at 11:20 a.m.. The motion was seconded by Director J. Franklin and passed with five ayes.

Respectfully submitted:

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Jolene Colomy  
Board Secretary

Date: December 9, 2021

Minutes prepared by M. Souza





## Minutes of the Special Board of Directors Meeting

Tuesday November 23, 2021, at 1:00 p.m.

These are the minutes of the special board meeting of the Governing Board of the Summerland Sanitary District. The Governing Board of the Summerland Sanitary District held a special meeting at the District's Office at 2435 Wallace Avenue, Summerland CA.

Public was able to listen to the meeting telephonically by calling +1 669 900 6833 (San Jose) 983 226 8568 or through the internet at <https://us02web.zoom.us/j/9832268568>. Public was also permitted at the meeting utilizing social distancing protocols.

The agenda notice for this meeting, including instructions for the public to provide comments and/or participate in the electronic meeting, was posted at the district's website, bulletin board and at the post office at least 24-hours in advance of the meeting.

PRESIDENT D. NOVIS CALLED THE REGULAR BOARD MEETING TO ORDER AT 1:00 p.m.

I. ROLL CALL

DIRECTORS PRESENT

JOLENE COLOMY  
DAVID NOVIS  
JOHN FRANKLIN  
MARTIN TUCKER  
JAMES WITMER

ABSENT

-

ALSO PRESENT

NOE AGUILAR VEGA    Operations Manager  
MARJON SOUZA       District Administrative Manager

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF THE AGENDA

President D. Novis asked if there were any modifications and/or changes to the agenda. Hearing none, the agenda was approved as submitted.

IV. PUBLIC COMMENT

No public comments were submitted, and no public was present via telephone, Zoom or at the meeting location.

V. ITEMS TO BE DISCUSSED [Action Item]

- A. **[Proposed] Resolution No. 2021-10: Resolution of the Governing Board of Directors of the Summerland Sanitary District Declaring an Emergency Requiring Repair of a Certain Section of the Main Sewer Line, Authorizing Remedial Work to be Performed Without Competitive Bidding, Declaring the Project to be Exempt from the Requirements of the California Environmental Quality Act, and Making Necessary Findings Therefor**

The Board reviewed the staff report, inspection reports and the Tierra Contracting repair Proposal and considered adopting the proposed Resolution 2021-10.

President D. Novis updated the Board and explained the events that took place from the moment staff located the crack and offset in the main pipeline on Wallace Avenue until today. There has been close communication between him and the Operations Manager. President D. Novis reached out the office of Das Williams to expedite the permitting process that is being facilitated by the Operations Manager. President Novis said that the Board is more closely involved in the activities that are taken place at the District and that there is more transparency and collaboration with new management. President Novis encourages and welcomes this.

Operations Manager N. Aguilar Vega answered questions the Board had regarding the repair and showed location of the mainline offset and crack on the collections map. The pipeline is 16 feet deep. The crack is so severe that the pipeline could collapse at any moment, much of the town's sewage flows through this pipeline to the plant. The repair proposal shows the breakdown in cost: installation of a sewer bypass system of \$5,750 and the sewer repair and pipe replacement with a cost of \$26,795. The repair project is scheduled to start Monday November 29<sup>th</sup> and will take one week to complete. The project will not obstruct any traffic since it's runs parallel to the railroad tracks. President Novis recommended that Caltrans should be informed, which was noted. Director J. Witmer asked if a sleeve would have been possible; this is not possible since there is an offset and crack in the pipeline and therefor a section of the pipeline needs to be replaced. Operations Manager N. Aguilar Vega said that the mainline from Lillie Avenue up to the freeway 101 was videoed and there are a couple of spots in which a sectional liner will be installed. These are low in cost. There has been a more pro-active approach to videoing the District's collection system, and staff will continue videoing the collections system of which 1/3 is complete at this moment.

A motion was made by Director J. Colomy to adopt Resolution No. 2021-10. The motion was seconded by Director J. Witmer, and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, D. Novis, M. Tucker, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

Resolution No. 2021-10 was signed and sealed.

#### VI. ADJOURNMENT

A motion was made by Director J. Witmer to adjourn the Special Board Meeting at 1:35 p.m. The motion was seconded by Director J. Franklin and passed with five ayes.

Respectfully submitted:

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Jolene Colomy  
Board Secretary

Date: December 9, 2021

Minutes prepared by M. Souza

# Expenditure Transactions

November 2021

From 11/1/2021 to 11/30/2021

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund; Page Break At = Fund; Columns = Vendor

## Fund 5215 -- SummerInd San Dist Running Exp

Document	Post On	Dept	LIAcct	Description	Amount	Vendor	Vendor Name
CLM - 0658181	11/5/2021		7516	Dig alert ticket cost October 2021	14.85	828128	UNDERGROUND SERVICE ALERT
CLM - 0658183	11/5/2021		7763	Drinking water October 2021	15.61	067307	CULLIGAN OF VENTURA COUNTY
CLM - 0658184	11/5/2021		7510	Call Center Service - October 2021	40.25	106048	CENTRAL COMMUNICATIONS
CLM - 0658190	11/5/2021		7362	U-Bolts for safety rails	15.63	151096	CARPINTERIA VALLEY LUMBER CO
CLM - 0658194	11/5/2021		7460	Replaced Blower#2 transformer & fixed alarm issues	495.00	226497	ELECTRICAL INSTRUMENTATION SERVICES
CLM - 0658195	11/5/2021		7363	Plumbing parts for foam vacuum	160.44	116421	SITE ONE LANDSCAPE SUPPLY LLC
CLM - 0658195	11/5/2021		7362	Mat & pipe for fabrication of truck tool rack &	286.18	116421	SITE ONE LANDSCAPE SUPPLY LLC
CLM - 0658195	11/5/2021		7362	Pipe and material for aeration basin	54.01	116421	SITE ONE LANDSCAPE SUPPLY LLC
CLM - 0658202	11/5/2021		7110	Comp. Agenda Setting Meeting 11/04/2021	175.00	026964	DAVID NOVIS
JE - 0226653	11/9/2021		6475	HRA Administrative Fee - OCT 2021	9.00		
CLM - 0659087	11/12/2021		7121	500 Gallons of Sodium Bisulfite	1,587.34	214614	UNIVAR SOLUTIONS USA INC
CLM - 0659090	11/12/2021		7763	Water Oct 2021	146.10	556712	MONTECITO WATER DISTRICT
CLM - 0659092	11/12/2021		7764	Trash Service Oct 2021	342.28	509950	MARBORG INDUSTRIES
CLM - 0659095	11/12/2021		7053	Phone Wireless Oct 2021	203.77	297454	VERIZON WIRELESS
CLM - 0659097	11/12/2021		7110	Comp. Ad Hoc/ Rate Study Com. 11/8/2021	175.00	765907	John Franklin
CLM - 0659098	11/12/2021		7110	Comp. Ad Hoc/ Rate Study Com. 11/8/2021	175.00	009934	JOLENE M COLOMY
CLM - 0659103	11/12/2021		6600	Medical Benefits December 2021	6,106.87	002073	SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
CLM - 0659104	11/12/2021		7363	Battery for Backhoe, fuses, rear light	203.36	178358	COAST AUTO PARTS
CLM - 0659417	11/15/2021		6100	Regular Salaries Nov 1-15, 2021	16,786.73	790178	Summerland Sanitary District
CLM - 0659417	11/15/2021		6270	Standby Nov 1-15, 2021	476.56	790178	Summerland Sanitary District
CLM - 0659417	11/15/2021		6300	Overtime Nov 1-15, 2021	233.44	790178	Summerland Sanitary District
CLM - 0659417	11/15/2021		6500	Medicare and Fica Nov 1-15, 2021	1,414.94	790178	Summerland Sanitary District
JE - 0226734	11/15/2021		6400	Retirement Contr. Payroll 11-15-2021	7,744.73		
JE - 0226734	11/15/2021		6475	Retirement Healthcare Contr. retirees 11-15-2021	241.67		
CLM - 0659419	11/16/2021		7053	Internet and phone Oct 27 - Nov 26, 2021	281.42	776537	COX COMMUNICATIONS - BUSINESS
CLM - 0659420	11/16/2021		7363	Cap Screws	121.22	252171	Burbank Supply Co
CLM - 0659423	11/16/2021		7110	Comp. Regular Board Meeting 11/10/2021	175.00	009758	MARTIN TUCKER

11/1



# Expenditure Transactions

From 11/1/2021 to 11/30/2021

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund; Page Break At = Fund; Columns = Vendor

## Fund 5215 -- SummerInd San Dist Running Exp

Document	Post On	Dept	LIAcct	Description	Amount	Vendor	Vendor Name
CLM - 0659425	11/16/2021		7110	Comp. Regular Board Meeting 11/10/2021	175.00	026964	DAVID NOVIS
CLM - 0659426	11/16/2021		7110	Comp. Regular Board Meeting 11/10/2021	175.00	765907	John Franklin
CLM - 0659427	11/16/2021		7110	Comp. Regular Board Meeting 11/10/2021	175.00	091927	JAMES WITMER
CLM - 0659429	11/16/2021		7110	Comp. Regular Board Meeting 11/10/2021	175.00	009934	JOLENE M COLOMY
CLM - 0660006	11/17/2021		7731	Gasoline November 2021	142.69	522736	McCormix Corporation
CLM - 0660001	11/18/2021		7630	Sawzall	217.41	790180	Summerland Sanitary District
CLM - 0660001	11/18/2021		7362	USA/CA Flags & material for collection system	127.35	790180	Summerland Sanitary District
CLM - 0660001	11/18/2021		7363	PVC Tubing and Rubber Clamp-on-Cap	56.81	790180	Summerland Sanitary District
CLM - 0660001	11/18/2021		7450	Toner Cartridges Case Copy Paper, Office Supplies	346.79	790180	Summerland Sanitary District
CLM - 0660001	11/18/2021		7450	Household Supplies & broom	259.41	790180	Summerland Sanitary District
CLM - 0660001	11/18/2021		7450	Zoom & Microsoft 365 monthly subscription	23.24	790180	Summerland Sanitary District
CLM - 0660010	11/18/2021		7110	Comp. Special Board Meeting 11/17/2021	175.00	026964	DAVID NOVIS
CLM - 0660011	11/18/2021		7110	Comp. Special Board Meeting 11/17/2021	175.00	765907	John Franklin
CLM - 0660013	11/18/2021		7110	Comp. Special Board Meeting 11/17/2021	175.00	091927	JAMES WITMER
CLM - 0660014	11/18/2021		7110	Comp. Special Board Meeting 11/17/2021	175.00	009934	JOLENE M COLOMY
CLM - 0660015	11/18/2021		7324	Audit FY20-21 2nd bill	7,907.00	067460	BARTLETT PRINGLE & WOLF
CLM - 0660007	11/19/2021		7110	Comp. Special Board Meeting 11/17/2021	175.00	009758	MARTIN TUCKER
CLM - 0660016	11/19/2021		7324	Audit FY20-21 3rd bill	2,713.00	067460	BARTLETT PRINGLE & WOLF
CLM - 0660665	11/23/2021		7761	Electric Bill Oct 4 through November 1, 2021	3,413.47	767200	SOUTHERN CALIFORNIA EDISON
CLM - 0660668	11/23/2021		7053	Phone line liftstations 11/13 - 12/12/21	179.51	075391	FRONTIER
CLM - 0660670	11/23/2021		7053	Treatment Plant Phone lines 11/13- 12-12	201.90	075391	FRONTIER
CLM - 0661262	11/30/2021		6100	Regular Salaries Nov 16-30, 2021	16,809.21	790178	Summerland Sanitary District
CLM - 0661262	11/30/2021		6270	Standby Nov 16-30, 2021	391.46	790178	Summerland Sanitary District
CLM - 0661262	11/30/2021		6300	Overtime Nov 16-30, 2021	550.88	790178	Summerland Sanitary District
CLM - 0661262	11/30/2021		6500	Medicare and Fica Nov 16-30, 2021	1,432.71	790178	Summerland Sanitary District
JE - 0227242	11/30/2021		6400	Retirement Contr. Payroll 11-30-2021	7,744.73		
JE - 0227242	11/30/2021		6475	Retirement Healthcare Contr. retirees 11-30-2021	241.67		
Total SummerInd San Dist Running Exp					82,015.64		

Credit  
Card  
exp.

11091  
b10  
9x9

# Expenditure Transactions

From 11/1/2021 to 11/30/2021

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund; Page Break At = Fund; Columns = Vendor

## Fund 5216 -- Summerland San Cap Facilities

Document	Post On	Dept	LIAcct	Description	Amount	Vendor	Vendor Name
CLM - 0658193	11/5/2021		8300	Labor for CIP project Lfst. II&III back up alarm	1,245.00	226497	ELECTRICAL INSTRUMENTATION SERVICES
CLM - 0660004	11/18/2021		8300	New Sludge Polymer Mixer for Belt Press	4,897.24	569122	Multi W Systems
Total Summerland San Cap Facilities					6,142.24		

# Expenditure Transactions

From 11/1/2021 to 11/30/2021

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund; Page Break At = Fund; Columns = Vendor

## Fund 5217 -- SummerInd San Dist-Capital Rep

Document	Post On	Dept	LIAcct	Description	Amount	Vendor	Vendor Name
CLM - 0660664	11/23/2021		8300	Install new Outfall buoy and chain, shackles etc.	6,682.00	694225	Salty Dog Dive Service
Total SummerInd San Dist-Capital Rep					6,682.00		



X A

## Board of Directors Meeting

### STAFF REPORT

TO : Board of Directors

FROM : Operations Manager, Noe Aguilar Vega

DATE : December 9, 2021

RE : **Emergency Replacement of the Treatment Plants Blowers**

**REQUESTED ACTION:** For the board to approve the proposal for the replacement of all three of the district's blowers and authorize me to sign the blower replacement contract agreement.

**INFORMATION:** At the previous regular board meeting of Wednesday, November 10, 2021, the board declared an emergency for the replacement of two of the district's faulty blowers, per my request. I was requested by the board to get pricing for the replacement of all three of the treatment plants blowers and if a reasonable discount was provided the board would approve the replacement of all three of the treatment plants blowers. The reason for requesting a price for the replacement of the third blower is to be cost effective since the third blower will soon need to be replaced. The district will have a large cost saving by incorporating the third blower into the original two blower replacement proposal.

The cost for replacing one blower is \$82,375. The cost for replacing two blowers is \$122,125. The cost for replacing all three of the district's blowers is \$188,710. The district will have cost savings of \$58,415 all three blowers are replaced. The cost saving is calculated by multiplying the cost of replacing one blower by all three blowers which equals \$247,125, and then subtracting the discounted price of \$188,710 for all three blowers. The same discount that was applied to the second blower replacement was applied to the third blower replacement.

**RECOMMENDATION:** The replacement of the blowers is still an emergency. Board approval for the replacement of all three of the district's blowers and giving me signature authorization to sign the blower replacement contract is required to start the replacement as soon as possible.

Attachments: Cushman Contracting Blowers Replacement Proposal  
Blowers Replacement Contract Agreement



**GENERAL CONTRACTING SERVICES AGREEMENT  
BETWEEN THE SUMMERLAND SANITARY DISTRICT  
AND  
CUSHMAN CONTRACTING CORPORATION**

This Agreement is made and entered into effective December 9, 2021, between the SUMMERLAND SANITARY DISTRICT, a public agency ("District") and Cushman Contracting Corporation ("Contractor").

**RECITALS**

**WHEREAS**, District desires to enter into an agreement with Contractor whereby Contractor will perform certain urgent general contracting services, on a time and material basis, examples in and around the District's treatment plant located at 2435 Wallace Avenue, Summerland, California.

**NOW, THEREFORE**, based on the terms and conditions herein, the parties agree as follows:

**1. Scope of Services**

Contractor shall perform general contracting services requested by the Operations Manager, on a time and materials basis at the rates set forth in the attached Exhibit "A" incorporated by reference herein. No minimum level of services is guaranteed by this Agreement.

All work and services by Contractor shall be performed in a diligent and professional manner in accordance with all applicable codes.

**2. Term of Contract**

Unless otherwise earlier terminated as specified in Section 6, this Agreement shall commence on the date set forth above and shall expire on July 1, 2022.

**3. Independent Contractor Relationship**

It is expressly understood between the parties that no employee/employer relationship is intended, the relationship of Contractor to District being that of an independent contractor. District shall not be required to make any payroll deductions or provide Workers' Compensation Insurance coverage or health benefits to Contractor. Contractor is solely responsible for selecting the means, methods and procedures for performing its services hereunder as assigned by the District and for coordinating all portions of the work with Districts operations so the results will be satisfactory to District. Contractor will supply all tools and instruments required to perform its services under this Agreement.

**4. Compliance with Laws; Contractor's Status**

Contractor shall be solely responsible for giving all notices and complying with any and all applicable laws, ordinances, rules, regulations and lawful orders of any public authority relating to Contractor's work. Contractor represents and warrants that it is fully and currently licensed by the State of California to perform general contracting services of the type requested by the District.

**5. Payment to Contractor**

District shall pay Contractor on a time and materials basis, as set forth in Exhibit "A". Invoices shall be submitted to the District upon completion. District shall pay within thirty (30) days after receipt of invoices, with the exception of any disputed amounts which shall be withheld until resolution of the dispute.

Contractor shall include with its invoices an accounting and verification of reimbursable expenses claimed. All services shall be billed to the District on the Hourly Rate Schedule set forth in Exhibit "A". Such services shall be performed by Contractor only after its receipt of written authorization from District's approving such services. The Contractor's Hourly Rate Schedule as set forth in Exhibit "A" shall not change during the term of this Agreement.

No payment made under this Agreement shall be conclusive evidence of Contractor's performance of the Agreement, either wholly or in part, and no payment shall be construed to be an acceptance of Contractor's work.

**6. Termination of Contract**

Contractor specifically acknowledges and agrees that District may at any time during the term of this Agreement terminate Contractor's services with or without cause, and without penalty. Any termination or any special instructions hereunder from District shall be made in writing.

**7. Indemnification and Hold Harmless**

Contractor agrees to defend, indemnify and hold harmless District, and its directors, officers, agents and employees, from all liability, damages, costs, losses, claims and expenses (including attorneys' fees) resulting from the negligent acts, errors or omissions or willful misconduct of Contractor, any of its subcontractors, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except and only to the extent such liability, damages, costs, losses, claims or expenses are caused by the active negligence, sole negligence or willful misconduct of District or any of its directors, officers, agents, contractors or employees.

Submission of insurance certificates or submission of other proof of indemnification and hold harmless requirements does not relieve Contractor from liability under this indemnification and hold harmless section. The obligations of this indemnity section shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

**8. Worker's Compensation**

Contractor shall comply with all provisions of California Labor Code Section 3700 et. seq. and shall secure the payment of compensation to its employees. Contractor certifies that it is aware of its statutory obligations requiring it to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code. Contractor agrees and warrants that it will comply with its statutory obligations before commencing the performance of work on this contract.

**9. Prevailing Wages**

Contractor shall comply with the provisions of the California Labor Code pertaining to the payment of prevailing per diem wage rates (§1720 et. seq.). Pursuant to Labor Code §1773.2, a copy of the prevailing per diem wage rates in Santa Barbara County is on file with the District Administrative Manager. A copy of these rates will be furnished to any interested party upon request. The Contractor shall post copies of the prevailing wage schedule at the work site.

**10. Insurance**

Contractor shall procure and maintain for the duration of this Agreement insurance policies in accordance with the insurance requirements set forth in Exhibit "B," incorporated by reference herein.

**11. No Assignment**

This Agreement is a personal services contract and work hereunder shall not be delegated or assigned by Contractor to any person or entity without the advance written consent of District.

**12. Examination of Records**

Contractor agrees that District shall have access to and the right to examine at any reasonable time and on reasonable notice Contractor's documents, papers and records, including accounting records, relating to or involving this Agreement.

**13. Notice**

All notices or other official correspondence relating to contractual matters between the parties shall be made by depositing the same as first-class, postage paid mail addressed as follows:

To Contractor: Cushman Contracting Corporation  
P.O. Box 147  
Goleta, CA 93116-0147

To District: Summerland Sanitary District  
2435 Wallace Avenue  
P.O. Box 417  
Summerland, CA 93067-0417

or such other address as either party may designate hereinafter in writing delivered to the other party. All notices shall be agreed to have been received three (3) days after mailing.

**14. No Waiver**

No failure or delay by District in asserting any of District's rights and remedies as to any default of Contractor shall operate as a waiver of the default, of any subsequent or other default by Contractor, or of any of District's rights or remedies. No such delay shall deprive District of its right to institute and maintain any actions or proceeding which may be necessary to protect, assert or enforce any rights or remedies arising out of this Agreement or the performance of this Agreement.

**15. Partial Invalidity**

If any term, covenant, condition, or provision of this Agreement is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.

**16. Terms**

No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties. No oral understanding or agreement not incorporated herein shall be binding on any of the parties.

**17. Department of Industrial Relations**

No contractor or subcontractor may be listed on a bid proposal for a public works project unless they are registered with the Department of Industrial Relations. In addition, no contractor or subcontractor may be awarded a public works contract unless registered with the Department of Industrial Relations. All work performed under this Agreement shall be subject to compliance monitoring and enforcement by the Department of Industrial Relations.

In addition, Contractor shall post any job site notices required by Title 8 of the California Code of Regulations Section 16451.

**18. Incorporation of Recitals**

The foregoing recitals are incorporated herein as though fully set forth.

**19. California Law**

This Agreement shall be interpreted and construed pursuant to the laws of the State of California. Any dispute between the parties shall be filed and heard in a court of competent jurisdiction in the County of Santa Barbara.

**20. Additional Provisions**

Contractor agrees that no regular employee of District shall be employed by its firm during the period that this Agreement is in effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement the day and year first above written.

**SUMMERLAND SANITARY DISTRICT**

By: \_\_\_\_\_  
Noe Aguilar Vega, Operations Manager  
"District"

**CUSHMAN CONTRACTING CORPORATION**

By: \_\_\_\_\_  
\_\_\_\_\_  
"Contractor"

## **EXHIBIT "A"**

**Exhibit "A"**  
**Cushman Contracting Corporation**  
**P.O. Box 147**  
**Goleta, CA 93116-0147**

November 24, 2021

Summerland Sanitary District  
Attn: Mr. Noe Aguilar Vega  
Via email:naguilarvega@summerlandsd.org

Re: AERZEN BLOWER

Noe,

Thank you for offering Cushman Contracting Corporation the opportunity to submit a proposal for your upcoming project. Per our phone calls and site visit on 11-18-21 CCC will perform the following work for a lump sum amount of \$ 188,710

- Set up / Mobilize
  1. Site visits
  2. P/O'S , Contracts and Submittals
  3. Order 3ea blowers( per quote negotiated by SSD)
- Demo old blowers
  1. Disconnect and Safe off power
  2. Remove 3ea blowers and sound enclosures (plant to drain oil and contractor will dispose of units)
- Install new blowers
  1. Make up blower mechanical connection to existing header pipe
  2. Drill and epoxy anchors
  3. Install new vfd's and disconnect boxes to existing power supply.
  4. Land and terminate existing power supply to new equipment
- Startup and testing
  1. Onsite rep will inspect installation and sign off blowers for startup
  2. Onsite rep will perform startup and testing of units
  3. Onsite rep will train plant staff and deliver O&M manual
- Demobilize
  1. Clean up site

Note: In the event that additional work is needed outside this scope of work cost will be billed on a T&M basis. Proposal good for 30 days

Please feel free to call me at (805) 964-8661 if you have any questions  
Sincerely,

Cushman Contracting Corporation  
Blair Cushman

## **EXHIBIT "B"**

### **SUMMERLAND SANITARY DISTRICT INSURANCE REQUIREMENTS**

Contractor shall procure and maintain for the duration of the Agreement (and thereafter as specified herein) insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

#### **MINIMUM SCOPE OF INSURANCE**

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01).
2. Insurance Services Office form number CA 00 01 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California.
4. Employer's Liability Insurance.

#### **MINIMUM LIMITS OF INSURANCE**

Contractor shall maintain limits no less than:

1. General Liability (Including operations, products and completed operations, as applicable): \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

#### **DEDUCTIBLES AND SELF-INSURED RETENTION**

Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its directors, officers, employees, agents and volunteers, or (2) the Contractor shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration and defense expenses.

## **OTHER INSURANCE PROVISIONS**

**The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:**

1. The District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General Liability coverage shall be provided in the form of an Additional Insured endorsement (CG 20 10 11 85 or equivalent) to the Contractor's insurance policy, or as a separate owner's policy.

2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) day's prior written notice has been provided to the District.

## **WAIVER OF SUBROGATION**

Contractor hereby agrees to waive subrogation which any insurer of contractor may acquire from contractor by virtue of the payment of any loss. Contractor agrees to obtain an endorsement that may be necessary to effect this waiver of subrogation.

The Worker's Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Contractor, its employees, agents and subcontractors.

## **ACCEPTABILITY OF INSURERS**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the District. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

## **VERIFICATION OF COVERAGE**

The Contractor shall furnish the District with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the District, or on other than the District's forms provided those endorsements conform to District requirements and are acceptable to the District. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements. The District reserves the right to require complete, certified copies of all required



insurance policies, including endorsements effecting the coverage required by these specifications at any time.

#### **SUB-CONTRACTORS**

Contractor shall include all sub-Contractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.



## Board of Directors Meeting STAFF REPORT

TO : Board of Directors  
FROM : Operations Manager, Noe Aguilar Vega  
DATE : December 9, 2021  
RE : **EMERGENCY OUTFALL MAINTENANCE**

**INFORMATION:** On November 16, 2021, the Board declared an emergency requiring maintenance to be performed on the district's ocean outfall due to heavy internal corrosion that restricts the effluent from flowing through the pipeline. The emergency still exists, and the following steps will be taken commencing Monday December 6, 2021.

Marine Project Management (MPM) will start phase 1 of the outfall maintenance listed below.

### **Phase 1 Engineering and Planning**

1. Conduct planning and regulatory work to ensure the project can be conducted as a maintenance work item.
2. Develop the plan from regulatory level to project execution plan (PEP) level with appropriate contingencies.
3. Develop a detailed cost estimate and schedule.
4. Subcontract applicable services and equipment

MPM noted that the dive support vessel, Danny C, will probably not be available until on or about 1-15-22. Until then the previously listed steps will be taken in preparation for the maintenance execution once the Danny C is available.



XC

## **Board of Directors Meeting STAFF REPORT**

TO : Board of Directors  
FROM : Operations Manager, Noe Aguilar Vega  
DATE : December 9, 2021  
RE : **Wallace Avenue Main Sewer Line Emergency Repair**

**INFORMATION:** On November 23, 2021, the Board declared an emergency requiring repair of a certain section of the main sewer line on Wallace Avenue between manhole's R9054 and R9053. On Monday, November 29<sup>th</sup> Tierra Contracting started mobilizing their equipment to the job site. On Tuesday November 30<sup>th</sup> excavation to expose the sewer mainline commenced. On Wednesday December 1<sup>st</sup> the damaged mainline was replaced with SDR 35 pipe. Staff videoed the new section of pipe and pipe alignment and condition of pipe was good. Tierra began to backfill the trench after staff's first video inspection. On Thursday December 2<sup>nd</sup> Tierra continued to backfill to grade. Thereafter, staff performed the final video inspection, and the new section of pipe met the district's standards.

**REQUESTED ACTION:** For the Board of Directors to declare that the emergency condition as described in Resolution 2021-10 is terminated as required by Public Contract Code Section 22050 (c) (1).

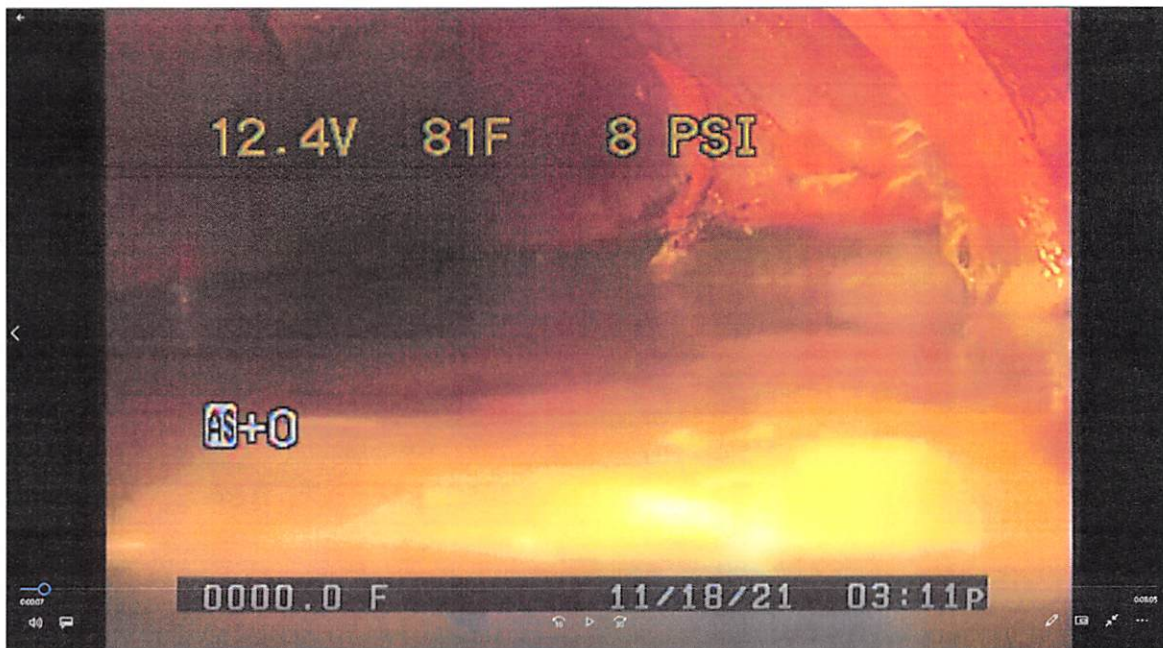
Attachments: Sewer Mainline Repair Before and After Snapshots  
Post Repair Pipeline Inspection Report

Images below are before and after snapshots of the repaired sewer mainline on Wallace Avenue between manholes R9054 and R9053.

Mainline offset and crack

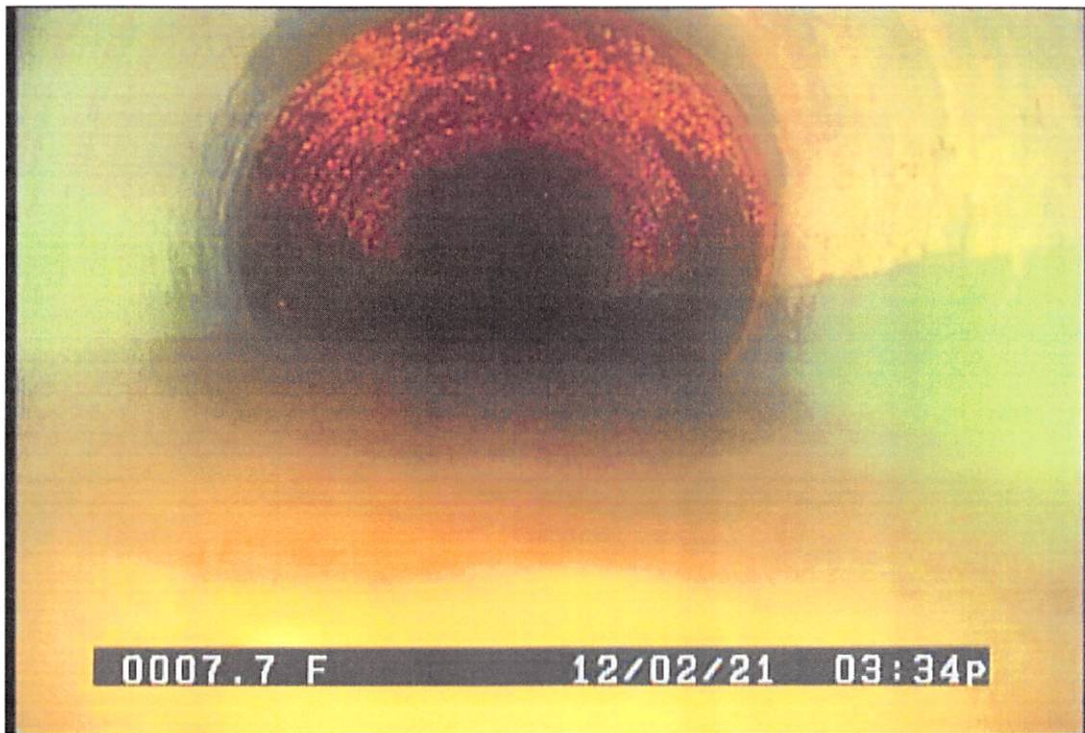


Mainline offset and crack





Mainline After repair



Section of cracked mainline



# Pipeline Inspection Report

## Asset Information

Upstream MH: R9054

USMH Depth: 16.0 ft.

Downstream MH: R9053

DSMH Depth: 8.0 ft.

Pipe Size: 8 in.

Material: VC

Street: Wallace Avenue

City: Summerland

System Owner: Summerland Sanitary District

Sewer Use: Sanitary

Length: 219.0 ft.

## Project Information

Project: Wallace Avenue mainline repair final

Job: Final Inspection

Survey Customer: Summerland Sanitary District

Comments:

## Inspection Information

Date: 02-Dec-2021 2:09 PM

Surveyed By: Noe Aguilar Vega, Ronnie Perez

Camera Direction: Downstream

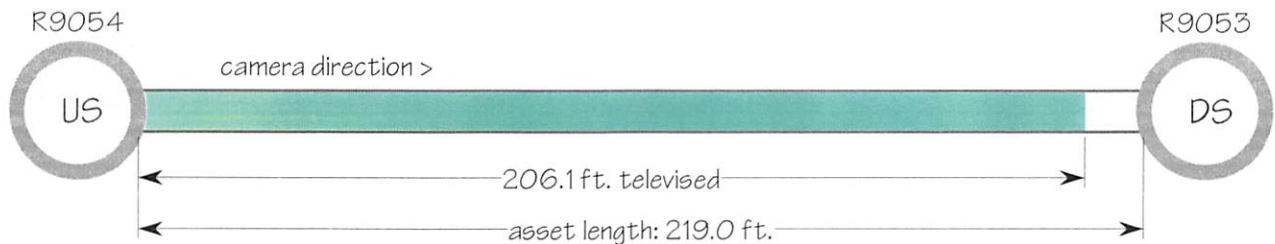
Purpose: Post Rehabilitation Survey

Pre-Cleaning: No Pre-Cleaning

Weather: Dry

Location Details: Mainline repair final inspection.  
Replacement of 11.5 feet of damaged

## Sketch



## Schematic Top View

R9054

Feet	Code	Clock	Length	Value	Description	Comment
------	------	-------	--------	-------	-------------	---------



007.7 PR

Point Repair

Point repair by Tierra Contracting.  
Pipe transition from SDR35 to clay.

Flow >

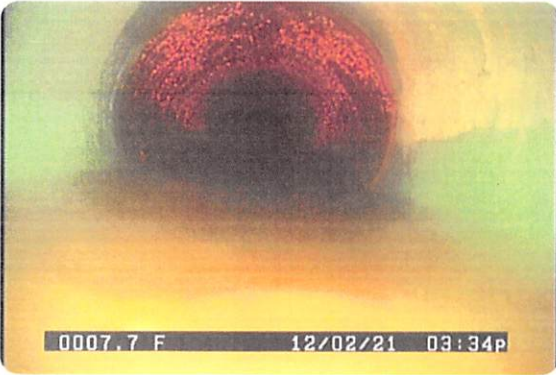
206.1 MH

Manhole

Manhole R9053. End of inspection.

R9053

## Snapshots



Point Repair at 007.7 feet | Point repair by Tierra Contracting. Pipe transition from SDR35 to clay.



Manhole at 206.1 feet | Manjole R9053. End of inspection.



# LAFCO

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## Santa Barbara Local Agency Formation Commission

105 East Anapamu Street ♦ Santa Barbara CA 93101

805/568-3391 ♦ FAX 805/568-2249

www.sblafco.org ♦ lafco@sblafco.org

November 22, 2021

TO: Members of the Independent Special District Selection Committee

SUBJECT: Nominations for and Election of Regular Special District Member to LAFCO;

### CALL FOR NOMINATIONS FOR AND NOTICE OF ELECTION FOR LAFCO REGULAR

### SPECIAL DISTRICT MEMBER; ELECTION DATE IS JANUARY 24, 2022

This is a Call for Nominations and Notice of Election of a special district member to serve as the special district regular member on LAFCO. It is recommended that this be placed on your Board's Agenda. The Election will be held at the Santa Barbara Chapter of the CSDA Annual Meeting on **January 24, 2022**, pending a quorum. The Committee is made up of the presiding officer of each district; however, if a presiding officer is unable to participate, a district board may appoint one of its members as an alternate to participate in the presiding officer's place, a copy of the meeting minutes showing the appointment needs to be presented.

A Nomination Form is attached and must be filled out and signed by the presiding officer of a district or, if that person is unable to participate, then by his or her alternate as designated by the district board. (See GC § 56332.) Nominations are requested by no later than January 14, 2022; however, nominations after that date, including at the January 24, 2022 meeting, will be accepted.

**Notice:** There will be no election if pursuant to Government Code section 56332(c)(2), "[at] the end of the nomination period, if only one candidate is nominated for a vacant seat, that candidate shall be deemed appointed" to the Commission.

**Alternative Procedure.** If more than one person is nominated and a quorum cannot be achieved at the January 24, 2022, meeting, the LAFCO Executive Officer will conduct a mailed ballot election.

1. **LAFCO Regular Special District Member.** The current term of office of the current Regular Special District Member ends on March 1, 2022. The term of office shall be four years or until the appointment and qualification of his or her successor. The new term of office ends on March 1, 2026.
2. **Voting Requirements.** The Independent Special District Selection Committee consist of the presiding officer of the legislative body of each independent special district. If the presiding officer of an independent special district is unable to participate in the nomination process or an election, the legislative body of the district may appoint one of its members as an alternate to participate in the presiding officer's place.
3. **Quorum; Majority Vote; Possible Runoff Election.** There are 38 special districts. For the election to be valid, at least 20 valid votes must be received. Election shall be by a majority of those voting, and not by plurality. In the event that a nominee does not receive a majority of votes cast, a runoff election shall be held between the two nominees receiving the highest number of votes.

Nominations for one Regular Special District Member should be submitted to the LAFCO Executive Officer, at the following address, faxed, or emailed by **January 14, 2022**. Nomination Forms are attached to this notice.

Santa Barbara Local Agency Formation Commission  
105 East Anapamu Street, Santa Barbara CA 93101  
FAX 805/568-2249  
Email Address: [lafco@sblafco.org](mailto:lafco@sblafco.org)

Please contact the LAFCO office if you have any questions.

Sincerely, \_\_\_\_\_



Mike Prater  
Executive Officer

Enc.

**SANTA BARBARA  
LOCAL AGENCY FORMATION COMMISSION**

<p style="text-align: center;"><b>NOMINATION FOR <u>REGULAR</u> SPECIAL DISTRICT MEMBER</b></p> <p style="text-align: center;"><i>Return to:</i> Executive Officer Santa Barbara LAFCO 105 East Anapamu Street, Room 407 Santa Barbara CA 93101 or FAX to (805) 568-2249 or email to <a href="mailto:lafco@sblafco.org">lafco@sblafco.org</a></p>	<p style="text-align: center;">LAFCO STAFF USE</p> <p>Date Received: _____</p>
<b>Please print in ink or type</b>	
<p><b>POSITION SOUGHT:</b>            Regular Special District Member</p>	
<p><b>NAME OF NOMINEE:</b> _____</p> <p><b>NOMINEE'S DISTRICT:</b> _____</p> <p><b>MAILING ADDRESS:</b></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>π Phone: Bus. _____ . Cell: _____</p>	
<p><b>SIGNATURE OF NOMINATOR:</b></p> <p>_____ Name of Independent Special District</p> <p>_____ Signature</p> <p>_____ Print Name</p> <p><b>Nominator Title (please check one)</b></p> <p><input type="checkbox"/>    Presiding Officer of the Special District Board</p> <p><input type="checkbox"/>    Presiding Officer's alternate as designated by Special District Board to vote or make a nomination in this election. (Gov. Code sec. 56332.)</p> <p><b>Date:</b> _____</p>	

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December 9, 2021

Board of Directors  
Summerland Sanitary District  
P.O. Box 417  
Summerland, CA 93067

We are pleased to present this letter related to our audit of the financial statements of Summerland Sanitary District (the District) for the year ended June 30, 2021. This letter is to inform the Board of Directors about significant matters related to the conduct of the annual audit so that it can appropriately discharge its oversight responsibility, and we can comply with professional standards.

The following summarizes various matters which must be communicated to you under auditing standards generally accepted in the United States of America.

**The Respective Responsibilities of the Auditor and Management**

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 3, 2021, which includes communication regarding the planned scope and timing of our audit and our identification of and planned audit response to significant risks of material misstatement. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.

**Significant Accounting Practices, Including Policies, Estimates and Disclosures**

The following is a list of the matters, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

*Preferability of Accounting Policies and Practices*

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

*Alternative Treatments Discussed with Management*

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.

*Adoption of, or Change in, Accounting Policies*

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.

*Significant or Unusual Transactions*

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

*Management's Judgments and Accounting Estimates*

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the District's financial statements:

Useful Lives of Capitalized Assets and Depreciation

The District assigns useful lives to capital assets of between 5 and 50 years. The District depreciates the assets on a straight-line basis. The actual useful lives of these assets could differ from the assigned lives.

Other Postemployment Benefits

In accordance with GASB Statement No. 75, each participating cost-sharing employer is required to report its proportionate share of the collective net OPEB liability, OPEB expense, and deferred outflows/inflows of resources. SBCERS actuaries calculated these amounts in accordance with the parameters of GASB 75.

### Net Pension Liability

In accordance with GASB Statement No. 68, each participating cost-sharing employer is required to report its proportionate share of the collective net pension liability, pension expense, and deferred outflows/inflows of resources. SBCERS actuaries calculated these amounts in accordance with the parameters of GASB 68.

### Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. The definition includes adjustments which were not recorded by the District because they are not material to the current financial statements but might be potentially material to future financial statements.

The following adjustments were recorded after the initial trial balance was provided:

- \$29,968 to include cash accounts not recorded by the County.
- \$12,220 to accrue accounts payable at year end.
- \$23,908 to record the disposal of fixed assets during the year.

### Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

### Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

### Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

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Board of Directors, Summerland Sanitary District  
December 9, 2021  
Page 4

**Significant Difficulties Encountered in Performing the Audit**

We did not encounter any difficulties in dealing with management during the audit.

**Management Representations**

In conjunction with the audit of the financial statements, we have been provided a letter of certain representations from management dated December 9, 2021.

**Conclusion**

This report is intended solely for the information and use of the Board of Directors and management it is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to Summerland Sanitary District.

Very truly yours,

**BARTLETT, PRINGLE & WOLF, LLP**  
*Certified Public Accountants and Consultants*

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**SUMMERLAND  
SANITARY DISTRICT  
June 30, 2021 and 2020  
FINANCIAL STATEMENTS**



**BARTLETT, PRINGLE & WOLF, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS



## SUMMERLAND SANITARY DISTRICT

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### TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1 - 2
Management's Discussion and Analysis.....	3 - 9
Basic Financial Statements:	
Statement of Net Position.....	10
Statement of Revenues, Expenses and Changes in Net Position.....	11
Statement of Cash Flows.....	12
Notes to Financial Statements.....	13 - 31
Required Supplementary Information:	
Santa Barbara County Employees' Retirement System – Schedule of Summerland Sanitary District's Proportionate Share of the Net Pension Liability.....	32
Santa Barbara County Employees' Retirement System – Schedule of Summerland Sanitary District's Contributions.....	33
Other Post-Employment Benefits (OPEB) Plan – Schedule of Changes in the Net OPEB Liability and Related Ratios.....	34

## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors  
Summerland Sanitary District:**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Summerland Sanitary District (the District) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and state regulations governing special districts; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements of California Special Districts*. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2021 and 2020, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

### **Other Matter**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9, the Santa Barbara County Employees' Retirement System – Schedule of Summerland Sanitary District's Proportionate Share of the Net Pension Liability on page 32, the Santa Barbara County Employees' Retirement System – Schedule of Summerland Sanitary District's Contributions on page 33, and the Other Postemployment Benefits (OPEB) Plan – Schedule of Changes in the Net OPEB Liability and Related Ratios on page 34, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Santa Barbara, California  
December 9, 2021

**SUMMERLAND SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Summerland Sanitary District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2021 and 2020. We encourage readers to consider the information presented here in conjunction with the District's financial statements and related notes, which follow this section.

**Financial Statements**

This discussion and analysis provides an introduction and a brief description of the District's financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. The District's financial statements include four components:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements

The statement of net position includes all the District's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. Net position may be displayed in the categories:

- Net Investment in Capital Assets
- Restricted Net Position
- Unrestricted Net Position

The statement of net position includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The statement of revenues, expenses and changes in net position presents information which shows how the District's net position changed during the year. All of the current year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statement of revenues, expenses and changes in net position measures the success of the District's operations over the past year and determines whether the District has recovered its costs through user fees and other charges.

The statement of cash flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operating
- Non-capital financing
- Capital and related financing
- Investing

This statement differs from the statement of revenues, expenses and changes in net position because the statement of cash flows accounts only for transactions that result in cash receipts or cash disbursements.

**SUMMERLAND SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Financial Statements (Continued)**

The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements. The notes to the basic financial statements can be found on pages 13 through 31.

**Financial Highlights**

- The District's net position increased by 2.4% or \$89,228 to \$3,800,655 in fiscal year 2021 as a result of operating loss of \$203,879, non-operating income of \$263,702, and capital contributions of \$29,405. In the prior year, the District's net position increased by 6.1% or \$214,581 to \$3,711,427 in fiscal year 2020 as a result of operating loss of \$186,316, non-operating income of \$291,007, and capital contributions of \$109,890.
- The District's operating revenues increased by 2.9% or \$30,040 in fiscal year 2021. In the prior year, operating revenues increased by 0.9% or \$9,165.

**Financial Analysis of the District**

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The statement of net position and the statement of revenues, expenses and changes in net position reports information about the District in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

**Statement of Net Position**

One can think of the District's net position – the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources – as a way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State wastewater standards.

The District has an Operations Fund, a Restricted Capital Facilities Fund, and an Unrestricted Board Designated Fund for Capital Replacement and Repair (respectively fund 5215, 5216 and 5217).

The District's net position at June 30, 2021 totaled \$3,800,655 compared to \$3,711,427 at June 30, 2020. The activity attributable to the changes in net position can be found on the statement of revenues, expenses and changes in net position.

**SUMMERLAND SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Condensed Statement of Net Position**

The following is a summary of the District's statement of net position as of June 30, 2021 compared to June 30, 2020:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	2,092,412	1,820,888	\$ 271,524
Restricted assets	250,276	342,877	(92,601)
Capital assets, net	2,555,016	2,589,792	(34,776)
Other assets	-	1,664	(1,664)
Total assets	<u>4,897,704</u>	<u>4,755,221</u>	<u>142,483</u>
<b>Deferred Outflows of Resources:</b>			
Deferred pensions	417,746	364,223	53,523
Deferred other post-employment benefits	39,739	11,805	27,934
Total deferred outflows of resources	<u>457,485</u>	<u>376,028</u>	<u>81,457</u>
<b>Liabilities:</b>			
Current liabilities	17,196	46,349	(29,153)
Long-term liabilities	1,427,565	1,258,618	168,947
Total liabilities	<u>1,444,761</u>	<u>1,304,967</u>	<u>139,794</u>
<b>Deferred Inflows of Resources:</b>			
Deferred pensions	84,575	94,760	(10,185)
Deferred other post-employment benefits	25,198	20,095	5,103
Total deferred inflows of resources	<u>109,773</u>	<u>114,855</u>	<u>(5,082)</u>
<b>Net Position:</b>			
Net investment in capital assets	2,555,016	2,589,792	(34,776)
Restricted	250,277	311,461	(61,184)
Unrestricted	995,362	810,174	185,188
Total net position	<u>\$ 3,800,655</u>	<u>\$ 3,711,427</u>	<u>\$ 89,228</u>

Assets and deferred outflows of resources of the District exceed liabilities and deferred inflows of resources by \$3,800,655 as of June 30, 2021 and \$3,711,427 as of June 30, 2020.

A large portion of the District's net position (67% and 70% as of June 30, 2021 and June 30, 2020, respectively) reflects its net investment in capital assets used to acquire those assets that are still outstanding. The District uses these capital assets to provide sewer service to customers within the District's service area; consequently, these assets are *not* available for future spending.

Restricted net position as of June 30, 2021 and June 30, 2020 was \$250,277 and \$311,461, respectively, and is restricted for capital outlay.

At the end of the fiscal years 2021 and 2020, the District shows a positive balance in its unrestricted net position of \$995,362 and \$810,174, respectively, which may be utilized in future years. As of June 30, 2021 and June 30, 2020, \$1,350,227 and \$754,302, respectively, in fund 5217 designated by the board for capital replacement and repair.

**SUMMERLAND SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Statement of Net Position (Continued)**

The following is a summary of the District's statement of net position as of June 30, 2020 compared to June 30, 2019:

	<u>2020</u>	<u>2019</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 1,820,888	1,639,153	\$ 181,735
Restricted assets	342,877	303,605	39,272
Capital assets, net	2,589,792	2,543,720	46,072
Other assets	1,664	1,664	-
Total assets	<u>4,755,221</u>	<u>4,488,142</u>	<u>267,079</u>
<b>Deferred Outflows of Resources:</b>			
Deferred pensions	364,223	364,746	(523)
Deferred other post-employment benefits	11,805	4,694	7,111
Total deferred outflows of resources	<u>376,028</u>	<u>369,440</u>	<u>6,588</u>
<b>Liabilities:</b>			
Current liabilities	46,349	17,489	28,860
Long-term liabilities	1,258,618	1,222,440	36,178
Total liabilities	<u>1,304,967</u>	<u>1,239,929</u>	<u>65,038</u>
<b>Deferred Inflows of Resources:</b>			
Deferred pensions	94,760	99,649	(4,889)
Deferred other post-employment benefits	20,095	21,158	(1,063)
Total deferred inflows of resources	<u>114,855</u>	<u>120,807</u>	<u>(5,952)</u>
<b>Net Position:</b>			
Net investment in capital assets	2,589,792	2,543,720	46,072
Restricted	311,461	303,605	7,856
Unrestricted	810,174	649,521	160,653
Total net position	<u>\$ 3,711,427</u>	<u>\$ 3,496,846</u>	<u>\$ 214,581</u>

Assets and deferred outflows of resources of the District exceed liabilities and deferred inflows of resources by \$3,711,427 as of June 30, 2020 and \$3,496,846 as of June 30, 2019.

A large portion of the District's net position (70% and 73% as of June 30, 2020 and June 30, 2019, respectively) reflects its net investment in capital assets used to acquire those assets that are still outstanding. The District uses these capital assets to provide sewer service to customers within the District's service area; consequently, these assets are *not* available for future spending.

Restricted net position as of June 30, 2020 and June 30, 2019 was \$311,461 and \$303,605, respectively, and is restricted for capital outlay.

**SUMMERLAND SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Statement of Net Position (Continued)**

At the end of the fiscal years 2020 and 2019, the District shows a positive balance in its unrestricted net position of \$810,174 and \$649,521, respectively, which may be utilized in future years. As of June 30, 2020 and June 30, 2019, \$754,302 and \$649,412, respectively, of the unrestricted balance was designated and reserved by the board for capital replacement and repair.

**Statement of Revenues, Expenses and Changes in Net Position**

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal year. Net position increased by \$89,228 for the fiscal year ended June 30, 2021 and increased by \$214,581 for the fiscal year ended June 30, 2020. Following is a summary of the District's statement of revenues, expenses and changes in net position for the year ending June 30, 2021 compared to June 30, 2020:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 1,054,535	\$ 1,024,495	\$ 30,040
Non-operating revenues	293,107	400,897	(107,790)
Total revenues	<u>1,347,642</u>	<u>1,425,392</u>	<u>(77,750)</u>
Expenses:			
Operating expenses	1,096,555	1,062,440	34,115
Depreciation	161,859	148,371	13,488
Total expenses	<u>1,258,414</u>	<u>1,210,811</u>	<u>47,603</u>
Change in net position	89,228	214,581	(125,353)
Net position, beginning of year	<u>3,711,427</u>	<u>3,496,846</u>	<u>214,581</u>
Net position, end of year	<u>\$ 3,800,655</u>	<u>\$ 3,711,427</u>	<u>\$ 89,228</u>

In 2021 the District's total revenues decreased by \$77,750 primarily due to contributed capital of the Ortega Ridge Road mainline extension in the amount of \$109,890 that was contributed in 2020 and was not a reoccurring revenue. Total expenses increased by \$47,603 primarily due to facilities expenses, including depreciation, supplies, insurance and electricity.



**SUMMERLAND SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Statement of Revenues, Expenses and Changes in Net Position (Continued)**

Following is a summary of the District's statement of revenues, expenses and changes in net position for the year ending June 30, 2020 compared to June 30, 2019:

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 1,024,495	\$ 1,015,330	\$ 9,165
Non-operating revenues	400,897	285,147	115,750
Total revenues	<u>1,425,392</u>	<u>1,300,477</u>	<u>124,915</u>
Expenses:			
Operating expenses	1,062,440	1,036,190	26,250
Depreciation	148,371	148,251	120
Total expenses	<u>1,210,811</u>	<u>1,184,441</u>	<u>26,370</u>
Change in net position	214,581	116,036	98,545
Net position, beginning of year	<u>3,496,846</u>	<u>3,380,810</u>	<u>116,036</u>
Net position, end of year	<u>\$ 3,711,427</u>	<u>\$ 3,496,846</u>	<u>\$ 214,581</u>

In 2020 the District's total revenues increased by \$124,915 primarily due to contributed capital of the Ortega Ridge Road mainline extension. Total expenses increased by \$26,370 primarily due to pension cost.

**Property and Equipment**

Changes in property and equipment for fiscal year ending June 30, 2021 were as follows:

	<u>Balance 2020</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Non-depreciable assets	\$ 2,525	\$ -	\$ -	\$ 2,525
Depreciable assets	5,405,541	127,083	(23,908)	5,508,716
Accumulated depreciation	<u>(2,818,274)</u>	<u>(161,859)</u>	<u>23,908</u>	<u>(2,956,225)</u>
Total property and equipment, net	<u>\$ 2,589,792</u>	<u>\$ (34,776)</u>	<u>\$ -</u>	<u>\$ 2,555,016</u>

**SUMMERLAND SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Property and Equipment (Continued)**

Changes in property and equipment for fiscal year ending June 30, 2020 were as follows:

	<b>Balance 2019</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Balance 2020</b>
Non-depreciable assets	\$ 2,525	\$ -	\$ -	\$ 2,525
Depreciable assets	5,255,476	196,387	(46,322)	5,405,541
Accumulated depreciation	(2,714,281)	(148,371)	44,378	(2,818,274)
Total property and equipment, net	<u>\$ 2,543,720</u>	<u>\$ 48,016</u>	<u>\$ (1,944)</u>	<u>\$ 2,589,792</u>

At the end of fiscal years 2021 and 2020, the District's investment in capital assets net of accumulated depreciation amounted to \$2,555,016 and \$2,589,792, respectively. This investment in capital assets includes land, sewage treatment facilities, subsurface lines, ocean outfall lines and equipment. Capital assets additions during 2021 include \$96,307 for subsurface lines, \$4,336 for sewage treatment facilities and \$26,440 for equipment additions. During 2020, additions include \$109,890 for subsurface lines and \$86,497 for equipment additions. Additionally, capital assets deletions during 2021 include \$23,908 for equipment with accumulated depreciation amounted to \$23,908. During 2020 capital assets deletions include \$27,548 for sewage treatment facilities, \$4,983 for subsurface lines and \$13,791 for equipment with accumulated depreciation amounted to \$44,378.

**Conditions Affecting Current Financial Position**

Management is unaware of any conditions, which could have a significant impact on the District's current financial position, net position or operating results in terms of past, present and future.

**Requests for Information**

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Administrative Manager at 2435 Wallace Avenue, Summerland, CA 93067.

**DRAFT**

**SUMMERLAND SANITARY DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 2,090,492	\$ 1,815,320
Interest receivable	1,920	5,568
Total current assets	<u>2,092,412</u>	<u>1,820,888</u>
Restricted assets:		
Cash and cash equivalents, restricted (Note 2)	250,043	341,804
Interest receivable, restricted	233	1,073
Total restricted assets	<u>250,276</u>	<u>342,877</u>
Property and equipment:		
Total property and equipment	5,511,241	5,408,066
Accumulated depreciation	<u>(2,956,225)</u>	<u>(2,818,274)</u>
Net property and equipment (Notes 1 and 3)	<u>2,555,016</u>	<u>2,589,792</u>
Other assets:		
Other receivable	-	1,664
Total assets	<u>4,897,704</u>	<u>4,755,221</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred pensions (Note 4)	417,746	364,223
Deferred other post-employment benefits (Note 5)	39,739	11,805
Total deferred outflows of resources	<u>457,485</u>	<u>376,028</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	17,196	46,349
Total current liabilities	<u>17,196</u>	<u>46,349</u>
Long-term liabilities:		
Accrued compensated absences (Note 1)	24,399	23,781
Other accrued expenses (Note 7)	153,000	153,000
Net pension liability (Note 4)	1,043,070	906,106
Other post-employment benefits liability (Note 5)	207,096	175,731
Total long-term liabilities	<u>1,427,565</u>	<u>1,258,618</u>
Total liabilities	<u>1,444,761</u>	<u>1,304,967</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred pensions (Note 4)	84,575	94,760
Deferred other post-employment benefits (Note 5)	25,198	20,095
Total deferred inflows of resources	<u>109,773</u>	<u>114,855</u>
<b>NET POSITION</b>		
Net investment in capital assets	2,555,016	2,589,792
Restricted	250,277	311,461
Unrestricted	995,362	810,174
Total net position	<u>\$ 3,800,655</u>	<u>\$ 3,711,427</u>

*See accompanying notes*

**DRAFT**

**SUMMERLAND SANITARY DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Service charges	\$ 1,012,298	\$ 976,035
Connection fees	28,566	37,880
Inspection fees	5,371	3,696
Administrative revenue	8,300	6,884
Total operating revenues	<u>1,054,535</u>	<u>1,024,495</u>
Operating expenses:		
Salaries and benefits	779,077	791,210
Facilities	124,165	93,226
Services and supplies	193,313	178,004
Depreciation	161,859	148,371
Total operating expenses	<u>1,258,414</u>	<u>1,210,811</u>
Operating loss	<u>(203,879)</u>	<u>(186,316)</u>
Non-operating revenues (expenses):		
Property taxes	261,357	253,513
Gain (loss) on disposal of assets	6,382	(1,947)
Investment earnings	(4,037)	39,441
Net non-operating income	<u>263,702</u>	<u>291,007</u>
Change in net position before contributions	59,823	104,691
Capital contributions	<u>29,405</u>	<u>109,890</u>
Change in net position	89,228	214,581
Net position, beginning of year	<u>3,711,427</u>	<u>3,496,846</u>
Net position, end of year	<u>\$ 3,800,655</u>	<u>\$ 3,711,427</u>

*See accompanying notes*

**DRAFT**

**SUMMERLAND SANITARY DISTRICT  
STATEMENT OF CASH FLOWS  
For the Years Ended June 30, 2021 and 2020**

	2021	2020
Cash Flows from Operating Activities:		
Cash received from customers	\$ 1,056,199	\$ 1,024,495
Cash payments to suppliers for goods and services	(346,631)	(242,370)
Cash payments to employees for services	(696,669)	(767,572)
Net cash provided by operating activities	12,899	14,553
Cash Flows from Noncapital Financing Activities:		
Proceeds from property taxes	261,357	253,513
Net cash provided by noncapital financing activities	261,357	253,513
Cash Flows from Capital and Related Financing Activities:		
Additions-equipment	(26,440)	(86,497)
Additions-subsurface lines	(66,902)	-
Additions-disposal plant	(4,336)	-
Net cash used by capital and related financing activities	(97,678)	(86,497)
Cash Flows from Investing Activities:		
Investment earnings	451	42,314
Proceeds from sale of long-term asset	6,382	-
Net cash provided by investing activities	6,833	42,314
Net change in cash	183,411	223,883
Cash and restricted cash and equivalents at beginning of period	2,157,124	1,933,241
Cash and restricted cash and equivalents at end of period	\$ 2,340,535	\$ 2,157,124
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (203,879)	\$ (186,316)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	161,859	148,371
Decrease (increase) in:		
Other receivable	1,664	-
Deferred outflows	(81,457)	(6,588)
Increase (decrease) in:		
Accounts payable	(29,153)	28,860
Net pension liability	136,964	57,512
Other post-employment benefits	31,365	14,052
Deferred inflows	(5,082)	(5,952)
Accrued compensated absences	618	(35,386)
Net cash provided by operating activities	\$ 12,899	\$ 14,553

*See accompanying notes*

**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies**

**A) Organization and Operations of the Reporting Entity**

Summerland Sanitary District (District) was formed in 1957, under the provisions of the Sanitary District Act of 1923 Health and Safety Code, State of California, Section 6400, et seq. The District is located in an area generally known as Summerland in Santa Barbara, California. The District was organized to provide sewage collection and treatment for residents within the District's geographical boundaries.

The District is governed by a Board of Directors consisting of five members elected at large. The Directors serve with minimal compensation for attendance at official board meetings or services as adopted through resolution 2015-01. The Board employs and is assisted by a Operations Manager, Administrative Manager, and such other personnel as are required to operate the District.

**B) Basis of Accounting and Measurement Focus**

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through use charges for sewer services and connection fees. Revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and the producing and delivering of goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges for sewer services and connection fees. Operating expenses of the District include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District is responsible for funding all of its expenses, regardless of the operation or non-operating classification.

The financial statements of the District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**C) Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**D) Budgetary Policies**

The District prepares an annual budget which estimates major sources of revenue to be received during the fiscal year, as well as estimated expenditures needed for operation of District facilities.

**E) Property Taxes and Sewer Service Charges**

Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations. Secured property taxes are levied on July 1 and become delinquent on December 10 and April 10, for the first and second installments, respectively. Unsecured personal property taxes are collected in one installment and become delinquent August 31.

Property taxes and sewer service charges are allocated on the County of Santa Barbara's annual tax bills to property owners who receive sewer service by the District. The County of Santa Barbara Tax Collector's Office collects the property taxes and sewer charge payments from the property owners and transfers the collection to the District's operating fund held with the County Treasurer's Office. During fiscal year 1994, the District adopted the *Teeter Plan* as defined under California Revenue and Taxation Code. Under the Teeter Plan, the District receives from the County 99.5% of the annual assessed secured and unsecured property taxes and 100% of its annual sewer service charges for the year, with the County responsible for the collection of any delinquent property taxes and sewer service charges. Therefore, the County receives the benefits of collecting all penalty and interest charges on the delinquent property taxes and sewer service charges; hence, no accrual for uncollected property taxes and sewer service charges is recorded at year-end.

**F) Compensated Absences**

***Vacation Accrual***

Employees are encouraged to use their accrued vacation benefits each calendar year. Full and part-time employees may accrue up to a maximum of two times their annual accrual amount as indicated below based upon full-time employment.

<u>Years of Service Completed</u>	<u>Maximum Vacation Accrual</u>
Up to 4 years	160 hours
5 to 9 years	240 hours
10 to 14 years	320 hours
15+ years	400 hours



SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**F) Compensated Absences (Continued)**

In the event an employee's earned but unused vacation benefit reaches the maximum accrual that is allowed, vacation benefits will cease to accrue until the employee takes enough vacation to lower the maximum accrual entitlement. Vacation benefit accruals will then resume up to the maximum time allowed.

***Sick Leave Pay Out***

Upon retirement from the District through the County Retirement System, all accrued unused sick leave up to a maximum of 80 (eighty) hours shall be paid to the employee in accordance with the following schedule:

<u>Years of Service Completed</u>	<u>Sick Leave Pay Out</u>
Up to 10 years	50%
10 to 20 years	75%
20+ years	100%

Sick leave pay will be calculated based on the employee's current regular hourly rate of pay. Accumulated sick leave over 80 (eighty) hours will be rolled over to the retirement system for service time credit.

Employees who voluntarily resign before retirement through the County Retirement System or are discharged from District service are not eligible for sick leave pay-out of any accrued and unused sick leave hours. If the employee is rehired within one year of the initial separation due to voluntary resignation before retirement through the County Retirement System or discharge from District service, all previously unused sick leave will be reinstated.

As of June 30, 2021 and 2020 compensated absences were \$24,399 and \$23,781, respectively.

**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**G) Property and Equipment**

Property and equipment acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$1,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Sewage treatment facilities – 5 to 50 years
- Subsurface lines – 5 to 50 years
- Ocean outfall lines – 8 to 20 years
- Equipment – 3 to 30 years

**H) Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, and is classified into three components as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.

Restricted – This component of net position consists of assets which are legally restricted by outside parties for use for a specific purpose.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” Board designated net position represents unrestricted assets which are segregated by the Board of Directors for specific future uses.

When an expense is incurred for purposes for which both unrestricted and restricted resources are available for use, it is the District's policy to apply restricted assets first, then unrestricted resources.

**I) Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Summerland Sanitary District's proportionate share of the Santa Barbara County Employees' Retirement System (Retirement System) plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**J) Postemployment Benefits Other than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the total OPEB liability of the District and additions to/deductions from the District's OPEB liability have been determined on the same basis. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms.

**K) Future Governmental Accounting Standards Board (GASB) Pronouncements**

The Governmental Accounting Standards Board Statements listed below will be implemented in future financial statements. These statements will be evaluated by the District to determine if they will have a material impact to the financial statements once effective.

Statement No. 87 *"Leases"*

The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)

Statement No. 89 *"Accounting for Interest Cost Incurred Before the End of a Construction Period"*

The requirements of this statement are effective for periods beginning after December 15, 2020. (FY 21/22)

**Note 2 – Cash and Cash Equivalents**

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**Authorized Deposits and Investments**

The District has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions. Investments are to be made in the Santa Barbara County Pooled Investment Fund (SBCPIF).

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon liquidation or sale of investments.

Cash and cash equivalents are classified in the statement of net position as of June 30, as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents, unrestricted	\$ 2,090,492	\$ 1,815,320
Cash and cash equivalents, restricted capacity fees	250,043	341,804
Total	<u>\$ 2,340,535</u>	<u>\$ 2,157,124</u>

**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**Note 2 – Cash and Cash Equivalents (Continued)**

Cash and cash equivalents as of June 30, consist of the following:

	<u>2021</u>	<u>2020</u>
Deposits held with financial institutions	\$ 29,968	\$ 29,773
Deposits held with Santa Barbara County Pooled Investment Fund (SBCPIF)	2,310,567	2,127,351
Total	<u>\$ 2,340,535</u>	<u>\$ 2,157,124</u>

**Santa Barbara County Pooled Investment Fund**

The cash with the County of Santa Barbara is managed by the County Treasurer's Office. Sewer service charges and property taxes collected for the District are deposited in the District's operating account (fund). The majority of expenses of the District are processed through this account. The Pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like Pool. California Government Code statutes and the County Treasury Oversight Committee set forth the various investment policies that the County Treasurer must follow. All participants in the Pool are allocated their proportionate share of the net realized earnings on investments quarterly based upon each participant's average daily cash balance. Unrealized gains and losses are also apportioned quarterly to participants based upon the participant's ending cash balance. Credit and market risk is unknown for the District's Pool share. The fair value of the Pool is based on the value of the Pool shares.

The County of Santa Barbara's bank deposits are either federally insured or collateralized in accordance with the California Government Code. Pool detail is included in the County of Santa Barbara's Comprehensive Annual Financial Report (CAFR). Copies of the CAFR may be obtained from the County of Santa Barbara Auditor-Controller's Office – 105 E. Anapamu Street, Santa Barbara, CA 93101.

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depositor financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. The District had deposits with bank balances of \$29,968 as of June 30, 2021. Of the bank balance, up to \$250,000 is federally insured, any balance over \$250,000 is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**Note 2 – Cash and Cash Equivalents (Continued)**

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as SBCPIF).

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has the greater its fair value is sensitive to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The SBCPIF is considered to have a maturity of less than 12 months.

**Note 3 – Property and Equipment**

Property and equipment additions during 2021 include \$4,336 for sewage treatment facilities, \$96,307 for subsurface lines and \$26,440 for equipment additions. Additionally, property and equipment deletions during 2021 include \$23,908 for equipment. Changes in capital assets during 2021 were as follows:

	<b>Balance 2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance 2021</b>
Non-depreciable assets:				
Land	\$ 2,525	\$ -	\$ -	\$ 2,525
Total non-depreciable assets	2,525	-	-	2,525
Depreciable assets:				
Sewage treatment facilities	2,915,581	4,336	-	2,919,917
Subsurface lines	1,708,252	96,307	-	1,804,559
Ocean outfall lines	52,961	-	-	52,961
Equipment	728,747	26,440	(23,908)	731,279
Total depreciable assets	5,405,541	127,083	(23,908)	5,508,716
Accumulated depreciation	(2,818,274)	(161,859)	23,908	(2,956,225)
Total depreciable assets, net	2,587,267	(34,776)	-	2,552,491
Total capital assets, net	\$ 2,589,792	\$ (34,776)	\$ -	\$ 2,555,016

**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**Note 3 – Property and Equipment (Continued)**

Property and equipment additions during 2020 include \$109,890 for subsurface lines and \$86,497 for equipment additions. Additionally, property and equipment deletions during 2020 include \$27,548 for sewage treatment facilities, \$4,986 for subsurface lines and \$13,791 for equipment. Changes in capital assets during 2020 were as follows:

	<b>Balance 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance 2020</b>
Non-depreciable assets:				
Land	\$ 2,525	\$ -	\$ -	\$ 2,525
Total non-depreciable assets	2,525	-	-	2,525
Depreciable assets:				
Sewage treatment facilities	2,943,129	-	(27,548)	2,915,581
Subsurface lines	1,603,345	109,890	(4,983)	1,708,252
Ocean outfall lines	52,961	-	-	52,961
Equipment	656,041	86,497	(13,791)	728,747
Total depreciable assets	5,255,476	196,387	(46,322)	5,405,541
Accumulated depreciation	(2,714,281)	(148,371)	44,378	(2,818,274)
Total depreciable assets, net	2,541,195	48,016	(1,944)	2,587,267
Total capital assets, net	\$ 2,543,720	\$ 48,016	\$ (1,944)	\$ 2,589,792

**Note 4 – Retirement Plan**

**General Information about the Pension Plans**

**Plan Descriptions** –The District is a member of Santa Barbara County’s cost sharing multiple-employer defined benefit pension plan, which is administered by the Santa Barbara County Employees’ Retirement System (Retirement System). On April 28, 1994, the Board of Directors approved and adopted Resolution No. 1984-01, allowing the employees of the District to join the Santa Barbara County Employees’ Retirement System. The Retirement System was organized under the provision of the 1937 County Employees Retirement Act on January 1, 1944.

The District currently participates in General Plan 5B for employees who started prior to January 1, 2013, and PEPRA Plan 8 for employees who started on or after January 1, 2013. All plans provide benefits as defined by law upon retirement, death or disability of members based upon a combination of age, years of service, final average salary (generally the 12 highest paid consecutive months), and the benefit options selected. Cost-of-living adjustments after retirement are provided in these plans.



SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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**Note 4 – Retirement Plan (Continued)**

***Fiduciary Responsibility*** –The Retirement System is controlled by its own Retirement Board, which acts as a fiduciary agent for the accounting and control of the member and employee contributions and investment income. The Retirement System issues its own Comprehensive Annual Financial Report which includes note disclosures and required supplementary information for the pension plan. This may be obtained online at [www.sbcers.org](http://www.sbcers.org) or by writing to the Santa Barbara County Employees' Retirement System at 3916 State Street, Suite 210, Santa Barbara, CA 93105.

***Benefits Provided*** –All pension plans provide benefits, in accordance with CERL regulations, upon retirement, disability or death of members. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing 5 years of retirement service credit (5 year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning 5 years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Differences between expected or actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service related disability benefits are based upon final average compensation or retirement benefits (if eligible). Non-service related disability benefits are based on 1) years of service and final average compensation or 2) retirement benefits (if eligible). Death benefits are based upon a variety of factors including whether the participant was retired or not. Annual cost-of-living adjustments (COLAs) after retirement are provided in all plans. COLAs are granted to eligible retired members each April based upon the Bureau of Labor Statistics Average Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County area as of the preceding January 1 and is subject to an annual maximum dependent upon the provisions of the plans.

Specific details for the retirement, disability or death benefit calculations and COLA maximums for each of the pension plans are available in the separately issued SBCERS' Comprehensive Annual Financial Report (CAFR).

***Contributions*** – Per Article 16 of the Constitution of the State of California, contribution requirements of the active employees and the participating employers are established and may be amended by the SBCERS Board of Retirement. Depending upon the applicable plan, employees are required to contribute a certain percent of their annual pay. For each of the plans, the District's contractually required contribution rate for the years ended June 30, 2021 and 2020, was a specified percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Additional amounts required to finance any unfunded accrued liability are the responsibility of the plan sponsors. Active members are plan members who are currently accruing benefits and/or paying contributions into the applicable plan.

**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**Note 4 – Retirement Plan (Continued)**

The employer and employee contribution rates in effect at June 30, 2021 (measurement date June 30, 2020), are summarized as follows:

	<u>General Plan 5B</u>	<u>PEPRA Plan 8</u>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 57	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-62	52-67
Monthly benefits, as a % of eligible compensation	0.6681% to 1.3093%	0.0100% to 0.0250%
Required employee contribution rates	6.03% - 12.23%	8.43% - 9.34%
Required employer contribution rates	37.06%	30.74% - 31.66%

The Plans' provisions and benefits in effect at June 30, 2020 (measurement date June 30, 2019), are summarized as follows:

	<u>General Plan 5B</u>	<u>PEPRA Plan 8</u>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 57	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-62	52-67
Monthly benefits, as a % of eligible compensation	0.6681% to 1.3093%	0.0100% to 0.0250%
Required employee contribution rates	5.86% - 12.15%	8.31% - 9.30%
Required employer contribution rates	35.56%	29.03% - 30.02%

***Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

As of June 30, 2021 and 2020, the Summerland Sanitary District reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Net Pension Liability	\$ 1,043,070	\$ 906,106

For the year ended June 30, 2021, the net pension liability of all of the Plans is measured as of June 30, 2020, and the total pension liability for all Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, updated to June 30, 2020.

For the year ended June 30, 2020, the net pension liability of all of the Plans is measured as of June 30, 2019, and the total pension liability for all Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, updated to June 30, 2019.

**SUMMERLAND SANITARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 4 – Retirement Plan (Continued)**

The District's proportion of the net pension liability was based on a projection of their long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for all Plans with actuarial valuation dates of June 30, 2019 and 2018 (measurement dates June 30, 2020 and 2019, respectively) were as follows:

For the Year Ended June 30, 2021 (Measurement Date June 30, 2020)		For the Year Ended June 30, 2020 (Measurement Date June 30, 2019)	
Proportion - June 30, 2019	0.1062%	Proportion - June 30, 2018	0.0982%
Proportion - June 30, 2020	0.0988%	Proportion - June 30, 2019	0.1062%
Change - Increase (Decrease)	<u>-0.0074%</u>	Change - Increase (Decrease)	<u>0.0080%</u>

For the years ended June 30, 2021 and 2020, the District recognized pension expense of \$208,641 and \$199,924, respectively.

At June 30, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2021		June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 135,385	\$ -	\$ 146,781	\$ -
Differences between actual and expected experience	-	(12,554)	-	(31,333)
Changes in assumptions	42,650	(17,645)	91,688	(18,950)
Investment return	119,258	-	-	(34,338)
Changes in employer's proportion and difference between the employer's contributions and the employer's proportionate share of contributions	75,442	(54,376)	105,791	(10,139)
Net differences between projected and actual earnings on plan investments	45,011	-	19,963	-
	<u>\$ 417,746</u>	<u>\$ (84,575)</u>	<u>\$ 364,223</u>	<u>\$ (94,760)</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

Employer contributions of \$135,385 reported at June 30, 2021 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**Note 4 – Retirement Plan (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30:	Amount
2022	\$ 66,326
2023	50,543
2024	47,499
2025	33,418
2026	-
Thereafter	-
	\$ 197,786

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2020 and 2019 actuarial measurement date were determined using the following actuarial assumptions:

	For the Year Ended June 30, 2021	For the Year Ended June 30, 2020
Valuation Date	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019
Actual Cost Method	Entry Age	Entry Age
Actuarial Assumptions		
Administrative expenses	Plan expenses base of \$5.3 million for the fiscal year ending June 30, 2020, to be split between employees and employers based on their share of the overall contributions, with wage inflation increases of 3.00% each year.	Plan expenses base of \$5.5 million for the fiscal year ending June 30, 2019, to be split between employees and employers based on their share of the overall contributions, with wage inflation increases of 3.00% each year.
Discount rate	7.00%	7.00%
Inflation	3.00%	3.00%
COLA Increases:		
Basic COLA	2.75%	2.75%
Post-Retirement COLA	2.60%	2.60%
Projected Salary Increase	3.00% plus merit component	3.00% plus merit component
Investment Rate of Return	7.00% (1)	7.00% (1)
Post-Retirement Mortality	Sex distinct 2014 CalPERS Healthy Annuitant Mortality Tables, with generational improvements using Projection Scale MP-2016	Sex distinct 2014 CalPERS Healthy Annuitant Mortality Tables, with generational improvements using Projection Scale MP-2016

(1) Net of pension plan investment expense

The actuarial assumptions used in the June 30, 2019, updated to the June 30, 2020 valuation, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2016.

**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**Note 4 – Retirement Plan (Continued)**

The long-term expected rate of return on pension plan investments (7.0 percent) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for the years ended June 30, 2021 and 2020 in the following table:

Asset Class	For the Year Ended June 30, 2021		For the Year Ended June 30, 2020	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Emerging markets equity	7%	9.25%	7%	8.25%
Developed market non-U.S. equity	11%	7.00%	11%	5.75%
Private equity	10%	8.00%	10%	7.00%
Broad US equity	19%	5.30%	19%	4.30%
Core fixed income	17%	0.50%	17%	1.25%
Custom non-core fixed income	11%	5.10%	11%	3.50%
Custom real return	15%	5.00%	15%	3.90%
Custom real estate	10%	4.55%	10%	4.30%
Cash	0%	-0.50%	0%	-0.25%
<b>Total</b>	<b>100%</b>		<b>100%</b>	

**Discount Rate** – The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**Note 4 – Retirement Plan (Continued)**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the District’s proportionate share of the net pension liability for all Plans, calculated using the discount rate for all Plans, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

For the Year Ended June 30, 2021		For the Year Ended June 30, 2020	
1% Decrease	6.0%	1% Decrease	6.0%
Net Pension Liability	\$ 1,584,483	Net Pension Liability	\$ 1,516,482
Current Discount Rate	7.0%	Current Discount Rate	7.0%
Net Pension Liability	\$ 1,043,070	Net Pension Liability	\$ 906,106
1% Increase	8.0%	1% Increase	8.0%
Net Pension Liability	\$ 583,611	Net Pension Liability	\$ 407,720

***Pension Plan Fiduciary Net Position*** – Detailed information about each pension plan’s fiduciary net position is available in the separately issued SBCERS CAFR.

**Note 5 – Other Post-Employment Benefits (OPEB)**

***Plan Description*** – The District is a member of Santa Barbara County’s cost sharing multiple-employer defined benefit postemployment healthcare plan (OPEB Plan), which is administered by the Santa Barbara County Employees’ Retirement System (Retirement System). The OPEB Plan provides medical benefits to eligible retired employees, as well as to their eligible dependents, pursuant to California Government Code Section 31694 et. seq.

The Retirement System issues its own Comprehensive Annual Financial Report which includes note disclosures and required supplementary information for the OPEB Plan. This may be obtained online at [www.sbcers.org](http://www.sbcers.org) or by writing to the Santa Barbara County Employees’ Retirement System at 3916 State Street, Suite 210, Santa Barbara, CA 93105.

***Plan Benefits*** – The District participates in the Santa Barbara County Employees’ Retirement System (SBCERS) which negotiates health care contracts with providers for its participating retired members of the Retirement System. Retirees are offered the same health plans as active employees, as well as enhanced senior plans for retirees on Medicare. Retiree premiums are rated separately from active employees; as such, the District does not have a retiree premium implicit rate subsidy.

Pursuant to the OPEB Plan, the District has determined to provide a monthly insurance premium subsidy of \$15 (whole dollars) per year of credited service from the 401(h) account for Eligible Retired Participants participating in the health insurance plan. The monthly insurance premium subsidy is applied directly by the Retirement System to pay the premium and is not paid to the retiree or other party. The maximum amount paid in any month does not exceed the premium; any

**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**Note 5 – Other Post-Employment Benefits (OPEB) (Continued)**

amount in excess of the premium is forfeited. If an Eligible Retired Participant does not participate in the health insurance plan, then the Retirement System reimburses the Eligible Retired Participant for other medical care expenses. The maximum monthly amount paid is \$4 (whole dollars) per year of credited service.

If a member is eligible for a disability retirement benefit, the member can receive a monthly health plan subsidy of \$187 (whole dollars) per month or a subsidy of \$15 (whole dollars) per month per year of service, whichever is greater. This subsidy is treated as a nontaxable amount to the disabled recipient.

Survivors of Eligible Retired Participants (spouses and dependents) continue to receive a subsidy proportionate to their percentage of the retiree's pension benefit (if any).

**Funding Policy** – The contribution requirements of plan members and the District are established and may be amended by the District and its board of directors. The required contribution is based on projected pay-as-you-go financing requirements. The District pays 100% of costs on behalf of the eligible participants.

**Net OPEB Liability** – As of June 30, 2021, the District reported a net OPEB liability of \$207,096. The net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, updated to June 30, 2020.

**Actuarial Assumptions** – The total OPEB liability measured as of June 30, 2020 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase rate	3% plus an additional longevity and promotion increase compounded based on years of service.
Investment rate of return	7.0%, net of investment expense.
Healthcare cost trend rates	The Healthcare Cost Trend Rate is not applicable because the total cost of health benefits is not valued. Only the monthly benefit provided is valued using the assumption that no future increase will be granted to the amount.
Future retiree plan election	55% - monthly subsidy of \$15 per year of service; 45% - \$4 cash benefit option.
Mortality rates	Mortality rates are based on the sex distinct CalPERS Healthy Annuitant Mortality Tables or CalPERS Disable Annuitant Mortality Tables (as applicable), with Generational improvement using Projection Scale MP-2019 from a base year of 2009.

**SUMMERLAND SANITARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 5 – Other Post-Employment Benefits (OPEB) (Continued)**

The actuarial assumptions used in the valuation as of June 30, 2019, updated to June 30, 2020, were based on 1) the demographic assumptions determined in the actuarial experience study of July 1, 2016 – June 30, 2019 for the Pension Plan, 2) implementation of the OPEB Funding Policy, and 3) current experience for OPEB Plan election by retirees. As the benefit for the OPEB plan is a fixed payment per year of service that is currently lower than the premiums paid for coverage, and is expected to remain so into the future, no age related costs are required to be developed.

**Discount Rate** – The discount rate used to measure the total OPEB liability was 2.21 percent. The discount rate used at the June 30, 2020 measurement date assumed that contributions will continue based upon the current OPEB Funding Policy. The OPEB plan's long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability** – The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e. Fair value of Plan assets), and the net OPEB liability during the measurement period ending on June 30, 2020 for the District's proportionate share.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2020 (Measurement Date June 30, 2019)	\$ 175,731	\$ -	\$ 175,731
Changes Recognized for the Measurement Period:			
Service cost	5,410	-	5,410
Interest	6,161	-	6,161
Difference between expected and actual experience	(9,505)	-	(9,505)
Changes of assumptions	34,134	-	34,134
Contributions - employer	-	5,000	(5,000)
Contributions - member	-	-	-
Benefit payments	(4,835)	(4,835)	-
Administrative expense	-	(165)	165
Net Changes	31,365	-	31,365
Balance at June 30, 2021 (Measurement Date June 30, 2020)	\$ 207,096	\$ -	\$ 207,096



**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**Note 5 – Other Post-Employment Benefits (OPEB) (Continued)**

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*** – The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020.

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 236,839	\$ 207,096	\$ 182,486
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	<u>\$ 236,839</u>	<u>\$ 207,096</u>	<u>\$ 182,486</u>

For the measurement period ended June 30, 2019.

	1% 2.50%	Discount 3.50%	1% 4.50%
Total OPEB Liability	\$ 200,364	\$ 175,731	\$ 155,359
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	<u>\$ 200,364</u>	<u>\$ 175,731</u>	<u>\$ 155,359</u>

***OPEB Plan Fiduciary Net Position*** – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued SBCERS financial report.

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*** – For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$14,578. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. At June 30, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2021		June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 6,044	\$ -	\$ 4,621	\$ -
Differences between expected and actual experience	-	(12,822)	-	(5,361)
Changes in assumptions	33,695	(12,376)	7,184	(14,734)
	<u>\$ 39,739</u>	<u>\$ (25,198)</u>	<u>\$ 11,805</u>	<u>\$ (20,095)</u>

Employer contributions of \$6,044 reported at June 30, 2021 as deferred outflows of resources related to contributions subsequent to measurement date will be recognized as a reduction of OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**Note 5 – Other Post-Employment Benefits (OPEB) (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	<u>Amount</u>
2022	\$ 2,051
2023	2,051
2024	2,051
2025	4,409
2026	(517)
Thereafter	(1,548)
	<u>\$ 8,497</u>

**Note 6 – Risk Management**

**Insurance and Claims**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The District, as a member of the Special District Risk Management Authority (SDRMA), has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources. SDRMA's purpose is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2021, the District participated in the liability and property programs of the SDRMA.

Settled claims have not exceeded any of the coverage amounts in any of the last two fiscal years and there were no reductions in the District's insurance coverage during the year ending June 30, 2021. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include amounts for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2021.

**Global Pandemic**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the District operates.

SUMMERLAND SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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**Note 7 – Commitments and Contingencies**

In the ordinary course of conducting business, various legal matters may be pending, however, in the opinion of the District's management, the ultimate disposition of these matters will have no significant impact on the financial position of the District.

The District has been notified by the U.S. Environmental Protection Agency (EPA) that it is considered a Potentially Responsible Party to the Casmalia Disposal Site (Site), an inactive commercial hazardous waste treatment, storage, and disposal facility. The District is one among thousands of waste generators that contributed waste to the Site.

On January 2, 2000, the EPA made a *de minimis* settlement offer to the District and other former customers of the Site. The settlement is being offered to waste contributors of the minimal amounts of waste in comparison to the other waste at the Site, and of the minimal amounts of toxic or other hazardous effects of the waste in comparison to other waste at the Site. The EPA has offered the *de minimis* parties the opportunity to fully resolve their liability in exchange for cash payments based on the volume of waste sent to the Site each year.

The District, along with the other members represented in the *de minimis* settlement offer, has not yet accepted the EPA's offer. The *de minimis* group has uncovered numerous deficiencies in the proposed settlement offer that need to be addressed. Consequently, the *de minimis* group has proposed a counter settlement offer, which the District believes the EPA will accept. This liability for the District was estimated not to exceed \$153,000 which was accrued and recorded by the District.

**Note 8 – Significant Non-Cash Capital and Related Financing Activities**

The District received contributions of capital for a mainline extension on Whitney Avenue in the amount of \$29,405 during fiscal year ended June 30, 2021.

The District received contributions of capital for a mainline extension on Ortega Ridge Road in the amount of \$109,890 during the fiscal year ended June 30, 2020.

**Note 9 – Subsequent Events**

Subsequent events have been evaluated through December 9, 2021 the date that the financial statements were available to be issued.

***DRAFT***

## **REQUIRED SUPPLEMENTARY INFORMATION**

**DRAFT**

**SUMMERLAND SANITARY DISTRICT  
SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF SUMMERLAND SANITARY DISTRICT'S  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
Last 10 Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Valuation date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the net pension liability	0.0988%	0.1062%	0.0982%	0.0865%	0.0880%	0.0881%	0.0935%
Proportionate share of the net pension liability	\$ 1,043,070	\$ 906,106	\$ 848,594	\$ 813,766	\$ 739,828	\$ 641,040	\$ 570,666
Covered payroll	\$ 418,370	\$ 433,121	\$ 388,149	\$ 347,798	\$ 337,744	\$ 328,613	\$ 338,923
Proportionate share of the net pension liability as percentage of covered payroll	249.3%	209.2%	218.6%	234.0%	219.0%	195.1%	168.4%
Plan fiduciary net position as a percentage of the total pension liability	75.2%	78.9%	77.6%	74.9%	75.2%	77.7%	80.5%

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2020 measurement date.

Net pension liability as a percentage of covered payroll demonstrates the relative size of the unfunded liability by expressing it in terms of current personnel expenditures.

\* Fiscal year 2015 was the 1st year of implementation.

**DRAFT**

**SUMMERLAND SANITARY DISTRICT  
SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF SUMMERLAND SANITARY DISTRICT'S CONTRIBUTIONS  
Last 10 Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 135,385	\$ 146,781	\$ 141,649	\$ 121,519	\$ 108,337	\$ 103,582	\$ 98,716
Contributions in relation to the actuarially determined contribution:	\$ 135,385	\$ 146,781	\$ 141,649	\$ 121,519	\$ 108,337	\$ 103,582	\$ 98,716
Contribution deficiency (excess)	-	-	-	-	-	-	-
Covered payroll	\$ 398,183	\$ 418,370	\$ 433,121	\$ 388,149	\$ 347,798	\$ 337,744	\$ 328,613
Contributions as a percentage of covered payroll	34.00%	35.08%	32.70%	31.31%	31.15%	30.67%	30.04%

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2020-21 were derived from the June 30, 2019 valuation report.

\* Fiscal year 2015 was the 1st year of implementation.

**DRAFT**

**SUMMITLAND SANITARY DISTRICT  
OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
Last 10 Years\***

	2021	2020	2019	2018
Total OPEB Liability	\$ 5,410	\$ 5,741	\$ 5,464	\$ 6,437
Service cost	6,161	6,281	5,937	5,013
Interest on the total OPEB liability	(9,505)	(1,439)	(4,575)	-
Difference between expected and actual experience	34,134	7,982	(5,964)	(16,507)
Changes of assumptions	(4,835)	(4,513)	(4,513)	(4,614)
Benefit payments	31,365	14,052	(3,651)	(9,671)
Net change in the total OPEB liability	175,731	161,679	165,330	175,001
Total OPEB liability - beginning	207,096	175,731	161,679	165,330
Total OPEB liability - ending (a)	\$ 207,096	\$ 175,731	\$ 161,679	\$ 165,330
Plan Fiduciary Net Position	\$ 5,000	\$ 4,688	\$ 4,731	\$ 4,847
Contributions - employer	-	-	-	-
Net investment income	-	-	-	-
Benefit payments	(4,835)	(4,513)	(4,513)	(4,614)
Administrative expenses	(165)	(175)	(218)	(233)
Net change in the plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending (a) - (b)	\$ 207,096	\$ 175,731	\$ 161,679	\$ 165,330
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 418,370	\$ 433,121	\$ 388,149	\$ 347,798
Net OPEB liability as a percentage of covered payroll	49.50%	40.57%	41.65%	47.54%
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Valuation date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016

Notes to Schedule:

\* Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

# Financial Status (Real-Time) Report for Month Ending November 30, 2021

As of: 11/30/2021 (42% Elapsed)  
Accounting Period: OPEN

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 5215 -- SummerInd San Dist Running Exp

Line Item Account	6/30/2022 Fiscal Year Adjusted Budget	11/30/2021 Year-To-Date Actual	6/30/2022 Fiscal Year Variance	6/30/2022 Fiscal Year Pct of Budget
<b>Revenues</b>				
<b>Taxes</b>				
3010 -- Property Tax-Current Secured	240,000.00	44,663.81	-195,336.19	18.61 %
3011 -- Property Tax-Unitary	0.00	0.01	0.01	--
3015 -- PT PY Corr/Escapes Secured	0.00	195.02	195.02	--
3020 -- Property Tax-Current Unsecd	9,500.00	8,976.65	-523.35	94.49 %
3023 -- PT PY Corr/Escapes Unsecured	0.00	98.98	98.98	--
3040 -- Property Tax-Prior Secured	0.00	-28.85	-28.85	--
3050 -- Property Tax-Prior Unsecured	0.00	89.41	89.41	--
3054 -- Supplemental Pty Tax-Current	3,500.00	1,307.00	-2,193.00	37.34 %
3056 -- Supplemental Pty Tax-Prior	0.00	-142.79	-142.79	--
Taxes	253,000.00	55,159.24	-197,840.76	21.80 %
<b>Fines, Forfeitures, and Penalties</b>				
3057 -- PT-506 Int, 480 CIOS/CIC Pen	0.00	1.14	1.14	--
Fines, Forfeitures, and Penalties	0.00	1.14	1.14	--
<b>Use of Money and Property</b>				
3380 -- Interest Income	7,500.00	536.53	-6,963.47	7.15 %
3381 -- Unrealized Gain/Loss Invstmnts	872.00	-127.35	-999.35	-14.60 %
Use of Money and Property	8,372.00	409.18	-7,962.82	4.89 %
<b>Intergovernmental Revenue-State</b>				
4220 -- Homeowners Property Tax Relief	1,000.00	0.00	-1,000.00	0.00 %
Intergovernmental Revenue-State	1,000.00	0.00	-1,000.00	0.00 %
<b>Charges for Services</b>				
5091 -- Planning & Engrng-Plan Ck Fes	2,800.00	0.00	-2,800.00	0.00 %
5430 -- Sanitation Services	1,047,721.00	-18,909.31	-1,066,630.31	-1.80 %
5433 -- Inspection Fees	4,800.00	123.00	-4,677.00	2.56 %

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# Financial Status (Real-Time)

As of: 11/30/2021 (42% Elapsed)  
Accounting Period: OPEN

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 5215 -- SummerInd San Dist Running Exp

Line Item Account	6/30/2022 Fiscal Year Adjusted Budget	11/30/2021 Year-To-Date Actual	6/30/2022 Fiscal Year Variance	6/30/2022 Fiscal Year Pct of Budget
5746 -- Administrative Revenue	4,200.00	464.00	-3,736.00	11.05 %
Charges for Services	1,059,521.00	-18,322.31	-1,077,843.31	-1.73 %
Revenues	1,321,893.00	37,247.25	-1,284,645.75	2.82 %
<b>Expenditures</b>				
<b>Salaries and Employee Benefits</b>				
6100 -- Regular Salaries	423,718.00	169,235.99	254,482.01	39.94 %
6270 -- Stand-by Pay	12,500.00	4,425.20	8,074.80	35.40 %
6300 -- Overtime	4,200.00	1,607.52	2,592.48	38.27 %
6400 -- Retirement Contribution	161,254.00	69,983.88	91,270.12	43.40 %
6475 -- Retiree Medical OPEB	6,000.00	2,461.70	3,538.30	41.03 %
6500 -- FICA Contribution	33,371.00	13,704.92	19,666.08	41.07 %
6600 -- Health Insurance Contrib	80,095.00	36,818.24	43,276.76	45.97 %
6900 -- Workers Compensation	17,304.00	12,661.75	4,642.25	73.17 %
Salaries and Employee Benefits	738,442.00	310,899.20	427,542.80	42.10 %
<b>Services and Supplies</b>				
7030 -- Clothing and Personal	2,100.00	2,218.29	-118.29	105.63 %
7053 -- Telephone Service Local	8,440.00	4,486.07	3,953.93	53.15 %
7090 -- Insurance	42,554.00	42,481.46	72.54	99.83 %
7110 -- Directors Fees	15,000.00	8,225.00	6,775.00	54.83 %
7121 -- Operating Supplies	32,800.00	11,582.84	21,217.16	35.31 %
7324 -- Audit and Accounting Fees	24,000.00	17,978.25	6,021.75	74.91 %
7362 -- Building Maintenance	8,000.00	2,935.47	5,064.53	36.69 %
7363 -- Equipment Maintenance	30,000.00	8,589.34	21,410.66	28.63 %
7404 -- Public Health Lab Serv	24,200.00	8,721.16	15,478.84	36.04 %
7430 -- Memberships	8,530.00	4,315.00	4,215.00	50.59 %
7450 -- Office Expense	4,000.00	1,416.91	2,583.09	35.42 %

# Financial Status (Real-Time)

As of: 11/30/2021 (42% Elapsed)  
Accounting Period: OPEN

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 5215 -- SummerInd San Dist Running Exp

Line Item Account	6/30/2022 Fiscal Year Adjusted Budget	11/30/2021 Year-To-Date Actual	6/30/2022 Fiscal Year Variance	6/30/2022 Fiscal Year Pct of Budget
7454 -- Books & Subscriptions	213.00	246.29	-33.29	115.63 %
7459 -- IT Professional Services	4,000.00	800.86	3,199.14	20.02 %
7460 -- Professional & Special Service	44,400.00	3,123.69	41,276.31	7.04 %
7508 -- Legal Fees	45,000.00	2,120.15	42,879.85	4.71 %
7510 -- Contractual Services	8,240.00	379.33	7,860.67	4.60 %
7516 -- Permitting Services	9,560.00	550.15	9,009.85	5.75 %
7530 -- Publications & Legal Notices	600.00	267.50	332.50	44.58 %
7546 -- Administrative Expense	3,600.00	0.00	3,600.00	0.00 %
7630 -- Small Tools & Instruments	500.00	217.41	282.59	43.48 %
7653 -- Training Fees & Supplies	6,300.00	302.50	5,997.50	4.80 %
7671 -- Special Projects	8,800.00	8,800.00	0.00	100.00 %
7730 -- Transportation and Travel	1,000.00	388.88	611.12	38.89 %
7731 -- Gasoline-Oil-Fuel	2,900.00	930.57	1,969.43	32.09 %
7761 -- Electricity	41,000.00	20,344.98	20,655.02	49.62 %
7763 -- Water	2,560.00	868.25	1,691.75	33.92 %
7764 -- Refuse	4,200.00	1,702.79	2,497.21	40.54 %
Services and Supplies	382,497.00	153,993.14	228,503.86	40.26 %
Expenditures	1,120,939.00	464,892.34	656,046.66	41.47 %
<b>Changes to Fund Balances</b>				
<b>Decrease to Restricted</b>				
9797 -- Unrealized Gains	128.00	127.35	-0.65	99.49 %
Decrease to Restricted	128.00	127.35	-0.65	99.49 %
Changes to Fund Balances	128.00	127.35	-0.65	99.49 %
SummerInd San Dist Running Exp	201,082.00	-427,517.74	-628,599.74	-212.61 %

# Financial Status (Real-Time)

As of: 11/30/2021 (42% Elapsed)  
Accounting Period: OPEN

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 5216 -- Summerland San Cap Facilities

Line Item Account	6/30/2022 Fiscal Year Adjusted Budget	11/30/2021 Year-To-Date Actual	6/30/2022 Fiscal Year Variance	6/30/2022 Fiscal Year Pct of Budget
<b>Revenues</b>				
<b>Use of Money and Property</b>				
3380 -- Interest Income	2,000.00	239.99	-1,760.01	12.00 %
3381 -- Unrealized Gain/Loss Invstmnts	-27.00	-26.13	0.87	96.78 %
Use of Money and Property	1,973.00	213.86	-1,759.14	10.84 %
<b>Charges for Services</b>				
5432 -- Connection Fees	12,317.00	0.00	-12,317.00	0.00 %
Charges for Services	12,317.00	0.00	-12,317.00	0.00 %
Revenues	14,290.00	213.86	-14,076.14	1.50 %
<b>Expenditures</b>				
<b>Capital Assets</b>				
8200 -- Structures&Struct Improvements	10,000.00	0.00	10,000.00	0.00 %
8300 -- Equipment	20,000.00	12,387.68	7,612.32	61.94 %
Capital Assets	30,000.00	12,387.68	17,612.32	41.29 %
Expenditures	30,000.00	12,387.68	17,612.32	41.29 %
<b>Changes to Fund Balances</b>				
<b>Decrease to Restricted</b>				
9797 -- Unrealized Gains	27.00	26.13	-0.87	96.78 %
Decrease to Restricted	27.00	26.13	-0.87	96.78 %
Changes to Fund Balances	27.00	26.13	-0.87	96.78 %
Summerland San Cap Facilities	-15,683.00	-12,147.69	3,535.31	77.46 %

# Financial Status (Real-Time)

As of: 11/30/2021 (42% Elapsed)  
Accounting Period: OPEN

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 5217 -- SummerInd San Dist-Capital Rep

Line Item Account	6/30/2022 Fiscal Year Adjusted Budget	11/30/2021 Year-To-Date Actual	6/30/2022 Fiscal Year Variance	6/30/2022 Fiscal Year Pct of Budget
<b>Revenues</b>				
<b>Use of Money and Property</b>				
3380 -- Interest Income	3,000.00	1,294.60	-1,705.40	43.15 %
3381 -- Unrealized Gain/Loss Invstmnts	-141.00	-140.32	0.68	99.52 %
Use of Money and Property	2,859.00	1,154.28	-1,704.72	40.37 %
Revenues	2,859.00	1,154.28	-1,704.72	40.37 %
<b>Expenditures</b>				
<b>Capital Assets</b>				
8200 -- Structures&Struct Improvements	10,000.00	9,598.44	401.56	95.98 %
8300 -- Equipment	120,000.00	8,964.66	111,035.34	7.47 %
8400 -- Infrastructure	15,000.00	18,715.00	-3,715.00	124.77 %
Capital Assets	145,000.00	37,278.10	107,721.90	25.71 %
Expenditures	145,000.00	37,278.10	107,721.90	25.71 %
<b>Changes to Fund Balances</b>				
<b>Decrease to Restricted</b>				
9797 -- Unrealized Gains	141.00	140.32	-0.68	99.52 %
Decrease to Restricted	141.00	140.32	-0.68	99.52 %
Changes to Fund Balances	141.00	140.32	-0.68	99.52 %
SummerInd San Dist-Capital Rep	-142,000.00	-35,983.50	106,016.50	25.34 %
Net Financial Impact	43,399.00	-475,648.93	-519,047.93	-1,095.99 %



# Cash Balances As of November 30, 2021

As of: 11/30/2021  
Accounting Period: OPEN

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund

Fund	11/1/2021 Beginning Balance	Month-To-Date Cash Receipts (+)	Month-To-Date Treasury Credits (+)	Month-To-Date Warrants and Wire Transfers (-)	Month-To-Date Treasury Debits (-)	11/30/2021 Ending Balance
5215 -- SummerInd San Dist Running Exp	364,370.74	0.00	45,042.12	0.00	110,516.21	298,896.65
5216 -- Summerland San Cap Facilities	244,571.73	0.00	0.00	0.00	6,518.70	238,053.03
5217 -- SummerInd San Dist-Capital Rep	1,320,522.19	0.00	0.00	0.00	6,682.00	1,313,840.19
Total Report	1,929,464.66	0.00	45,042.12	0.00	123,716.91	1,850,789.87

**SUMMERLAND SANITARY DISTRICT**

Regular Board of Directors Meeting December 9, 2021

**Operations Manager Report**

**OPERATIONS AND FACILITY MAINTENANCE:**

- Daily water meter readings being performed by staff. Water usage normal.
- On November 24, 2021, the monthly reports for October 2021 were sent in via CIWQS an automated online program on a timely basis with no violations to report.
- On November 15, 2021, Salty Dog Dive Service replaced the old outfall marker buoy and worn chain with new buoy and chain. This is a capital replacement project that was budgeted for this fiscal year and has now been completed.
- Compiled treatment plant data for the last three fiscal years per rate consultant Greg Clumpner's request. The data will be used for the new rate study and included the last three fiscal year averages for Flow, BOD and TSS. The treatment plant data for the beginning of this fiscal year up to October 2021 was also included.
- Staff and the Board had lunch in town at The Nugget in recognition of receiving the Excellence in Safety McMurchie award from SDRMA.
- Staff sanded and painted traffic control sign stands.
- Staff operated the belt press for 8 hours.
- Staff completed weekly grounds maintenance and landscape work which consists of mowing, weed whacking, blowing, edging, and raking. Grounds are watered weekly during dry months with reclaimed water.

**COLLECTION SYSTEM / LIFT STATIONS:**

- Filed encroachment permit application with the County of Santa Barbara Public Works Department in preparation for the Wallace Avenue mainline repair.
- Staff completed cleaning the districts entire gravity fed collection system.
- Staff conducted various onsite inspections of the emergency mainline repair on Wallace Avenue.
- Staff continued monthly FOG (Fats, Oils and Grease) inspections at restaurants in town. All restaurants were complying.
- Staff made periodic rounds of the collection system to check for any problems, primarily checking the hot spot manholes to ensure proper flow activity.
- Staff conducted daily rounds at all lift stations to check for proper operation including the checking of each lift station's emergency generator and filling generators with fuel if necessary and performed maintenance.
- Staff cleaned 3,622 feet of sewer mainline.
- Staff videoed 2,003 feet of sewer mainline.

**SUMMERLAND SANITARY DISTRICT****Regular Board of Directors Meeting December 9, 2021  
District Administrative Manager Report**

- Sent out a letter on November 12, 2021 with an announcement for a site inspection to all the commercial properties and a request to contact the District. Many commercial businesses called for an appointment and received a visit from District staff. Commercial properties that did not contact the District will receive a site visit during the week of December 6<sup>th</sup>.
- Refunds payments were processed to Ms. Bongaerts of 125 Colby Street and Ms. Conant 2298 Whitney Avenue. Ms. Conant received the certified 'claim denial' letter. The 'claim denial' template was provided by Legal Counsel.
- Uploaded the Rate Study Model with requested financial information, customer database layout and other pertinent information for the Rate Study Analysis to Greg Clumpner of NBS.org.

**Proposed scheduled days off:**

**December 27, 2021 through January 5, 2021**