



IV

Minutes of the Regular Board of Directors Meeting

Thursday, March 10, 2022, at 3:00 p.m.

These are the minutes of the regular meeting of the Governing Board of the Summerland Sanitary District held at 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 Post Office at least 72-hours in advance of the meeting.

PRESIDENT D. NOVIS CALLED THE REGULAR BOARD MEETING TO ORDER AT 3:01 p.m.

I. CALL TO ORDER/ROLL CALL

DIRECTORS PRESENT	JOLENE COLOMY	
	DAVID (DAVE) NOVIS	
	JOHN FRANKLIN	
	JAMES (JIM) WITMER	
ABSENT	MARTIN TUCKER	
ALSO, PRESENT	NOE AGUILAR VEGA	Operations Manager
	MARJON (MAR) SOUZA	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 no objections, the agenda was approved as submitted.

IV. PUBLIC COMMENT [NON-AGENDA ITEMS]

No public comments were submitted, and no member of the public was present via telephone or Zoom.

V. APPROVAL OF THE MINUTES FOR THE REGULAR BOARD MEETING OF FEBRUARY 10, 2022

[Action Item]

A motion was made by Director J. Colomy to approve the minutes of the Regular Board Meeting of February 10, 2022. The motion was seconded by Director J. Witmer, and was carried by the following roll call vote:

AYES:	4	J. Colomy, J. Franklin, D. Novis, J. Witmer
NOES:	0	None
ABSENT:	1	M. Tucker
ABSTAIN:	0	None

VI. APPROVAL OF THE MONTHLY EXPENSES FOR FEBRUARY 2022, INCLUDING PAYROLL AND PETTY CASH [Action Item]

District Management answered the Board's questions and clarified information about the payout of bills. A motion was made by Director J. Colomy to approve the monthly expenses, including payroll and petty cash totaling \$70,166 for Fund 5215 and \$3,500 for Fund 5217. The motion was seconded by Director J. Franklin, and was carried by the following roll call vote:

AYES:	4	J. Colomy, J. Franklin, D. Novis, J. Witmer
NOES:	0	None
ABSENT:	1	M. Tucker
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 Ad Hoc Committee, staff, and legal counsel met on February 24, 2022, via Zoom. Director Colomy reported the Committee reached conclusions that they wanted to share with the Board. The Committee is not comfortable with a rate methodology based solely on water usage, as it unfairly burdens ratepayers with yards even using the winter water use. With the draft study's proposed rates, the total sewer revenue will decrease by almost \$90,000 which means income loss and depletion of our reserves which are needed for upcoming capital projects. The District will also be unable to catch up with this year's high inflation. An increase of 44% for Single-Family to an unprecedented fee of \$1,698 was proposed to maintain the current sewer revenue. The Committee considers this an unacceptable increase. CASA is currently conducting a statewide flow/loading study. The Committee thinks it is ill-timed to go through the rate change process and wants to wait for the CASA study to be completed and then consider using its flow and loading information to revisit the District's rate-setting methodology.

The Ad Hoc Committee recommends that the rates adopted by Ordinance 19 remain in effect at this time. This recommendation should be an action item for the next regular board meeting on April 14, 2022. Director Witmer asked if the CASA study will be completed by next year. Director Colomy said that it's unknown for now, but the District still has one more 3.5% rate increase for the upcoming fiscal year 2022-2023. President Novis said that 90% of the water used in his household is used for landscaping and questioned the methodology as well. Director J. Witmer asked if the study methodology was done based on water usage and Director J. Franklin said that that was correct. Director J. Witmer asked why the sewer revenue would decrease by almost \$90,000. Administrative Manager M. Souza explained that the initial Single Family Dwelling rate proposed by the Rate Consultant was lowered at the request of the Committee from \$1,698 to \$1,412, and that reduction generated almost \$90,000 fewer revenues.

D. Ad hoc Committee for Grants & Financial Aid

President Novis reported that he, Director Colomy, and staff had met on March 8, 2022, to discuss funding opportunities which included a five-year or a 10-year loan quote provided by CSDA financing for \$450,000 or \$500,000.

The Committee recommended the \$500,000 loan with the 10-year term because this is half of the project cost, the interest rate is still reasonably low, and the annual payment is within the District's means.

Hillary Hauser of Heal the Ocean connected staff with Rob Morrow, a grant specialist for many other special districts. Staff met by phone with Mr. Morrow who reported there is no currently appropriate grant for the project, especially with the short timeline. He suggested the best grant funding opportunity might be through Salud Carbajal's Office. Staff will keep searching for grant opportunities and will follow up on the suggestion to contact Salud Carbajal's Office staff again.

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

At 3:18 p.m., Board President D. Novis announced the commencement of the closed session. During the closed session, he excused himself and turned the meeting over to Vice-President J. Colomy.

At 4:17 p.m., Vice-President J. Colomy announced that the Board had reconvened in open session and that this reportable action was taken during the closed session: the board gave authority to Counsel and its negotiation team for the mediation on April 27, 2022.

IX. OLD BUSINESS ITEMS

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

The Board reviewed the submitted staff report. Operations Manager N. Aguilar Vega said that the two blowers have been ordered and should arrive next month. Until the completion of the installation, the emergency condition still exists.

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

The Board reviewed the submitted staff report. Operations Manager N. Aguilar Vega said that the first phase of the Ocean Outfall Pipeline Maintenance is still scheduled on or around June 15, 2022 and that the emergency condition, as described in Resolution 2021-09, still exists.

X. NEW BUSINESS ITEMS

A. LAFCO Municipal Service Review (MSR) Survey and Questionnaire [Non-Action Item]

Staff included a copy of the MSR Survey and Questionnaire in the agenda packet.

Administrative Manager M. Souza reported that the service area of the Summerland Cottages is not shown on the District's boundary map. Staff contacted Mike Prater, LAFCO Director, who advised staff to include the missing area in the MSR questionnaire and the service area will be included in the boundary map thereafter.

Other questions are, "Have consolidation or reorganization with others been considered in the past 5 years?" "Would this evaluation benefit your agency?" The Board discussed that Montecito Sanitary District and Montecito Water District have contracted with Raftelis Financial to explore and gather information to examine if consolidation would benefit the districts. If consolidation is recommended and approved by both Boards then Montecito Sanitary District would merge with Montecito Water District. Montecito Water District has a service area boundary that overlaps with Summerland Sanitary District. Summerland Sanitary District's Board could opt to merge, or LAFCO might require the District to merge.

Some questions are very open-ended. For example, "Has climate change affected your agency?" "Do you have a Climate Action plan?" Operations Manager N. Aguilar Vega said that developing a climate change plan will be required with the new NPDES permit and the District will start developing its plan later.

B. CSDA Finance Corporation loan quotes for the financing of the District's Ocean Outfall Pipeline Rehabilitation Project [Action Item]

The Board received four loan quotes for the (partial) financing of the Ocean Outfall Pipeline Rehabilitation Project. The Board was requested to approve and agree to one of the provided loan quotes. The Ad Hoc Committee recommended a \$500,000 loan for a 10-year term.

A motion was made by Director J. Franklin to agree and sign the provided CSDA loan \$500,000 loan with a 10-year term. The motion was seconded by Director J. Witmer, and was carried by the following roll call vote:

AYES:	3	J. Colomy, J. Franklin, J. Witmer
NOES:	0	None
ABSENT:	2	D. Novis, M. Tucker
ABSTAIN:	0	None

Vice-President J. Colomy signed the CSDA quote for the 10-year term \$500,000 loan for approval and agreement.

C. Staff Report – Consolidation Study Montecito Water District and Montecito Sanitary District [Non-Action Item]

The Board received an oral report from the District Administrative Manager regarding the Consolidation Study between Montecito Water District and Montecito Sanitary District. As discussed earlier, this possible consolidation may affect Summerland Sanitary District.

X. FINANCIAL STATUS REPORT – FEBRUARY 2022

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

A motion was made by Director J. Colomy to accept the Financial Status Report of February 2022. The motion was seconded by Director J. Witmer, and was carried by the following roll call vote:

AYES:	3	J. Colomy, J. Franklin, J. Witmer
NOES:	0	None
ABSENT:	2	D. Novis, M. Tucker
ABSTAIN:	0	None

VIII. OPERATIONS MANAGER REPORT

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

- An emergency backup high water level alarm system was installed at lift station 3, which completes the capital facilities project.
- A staff member injured himself on the job when he fell backward and hurt his leg. He was out on worker's compensation for a week and returned to work this week fully recovered.
- The Operations Manager from Goleta Sanitary District contacted Mr. N. Aguilar Vega regarding a proposed study for a "Regional Biosolids Drying Facility" to produce compost. If this comes to fruition, then the Summerland Sanitary District can have biosolids hauled to Goleta rather than by Liberty Composting, for cost-saving. There is a discussion that the biosolids could be removed from the digesters directly into a tanker and hauled to the Goleta Sanitary District, omitting the process of removal of the biosolids via sludge belt press.

IX. ADMINISTRATIVE MANAGER REPORT

Administrative Manager M. Souza provided a written report and answered Board questions.

- The District completed the final sewer inspection of 2740 Montecito Ranch Place and added the parcel to the customer database.

XI. BOARD COMMUNICATIONS

- A. Board communications: None
- B. Items for future Board meetings. The Ad Hoc Committee recommends that the rates adopted by Ordinance 19 remain in effect and possibly wait for the CASA flow & loading study to be completed for analyzing future annual sewer fee rates.
- C. The next Regular Board Meeting date is Thursday, April 14, 2022, at 3:00 p.m.

XII. ADJOURNMENT

A motion was made by Director J. Witmer to adjourn the Regular Board meeting at 4:58 p.m. and was seconded by Director J. Franklin and carried by three ayes and two absent votes.

Respectfully submitted:



Jim Witmer
Board Secretary

Date: April 14, 2022

Minutes prepared by M. Souza