



Regular Board of Directors Meeting

Thursday, July 13, 2023, at 3:00 p.m.

2435 Wallace Avenue, Summerland CA 93067

NOTES

This meeting will be held at the District's office at 2435 Wallace Avenue in Summerland. The 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 also attend the meeting. Should you wish to participate 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, or during normal business hours (8:00 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 help the Clerk make reasonable arrangements to ensure accessibility to this meeting.

AGENDA

- I. **CALL TO ORDER/ROLL CALL**
- II. **PLEDGE OF ALLEGIANCE**
- III. **APPROVAL OF THE AGENDA** [Action-item]
The Board President will ask the Board, public, and staff if there are any additions or modifications to the Agenda.
- IV. **PUBLIC COMMENT** [Non-Agenda Items]
The public may address the Governing Board on items of interest to the public that are not already on the agenda and are within the subject matter jurisdiction of the Board.
The three-minute time limit is pursuant to District regulation.
- V. **APPROVAL OF THE MINUTES FOR THE REGULAR BOARD MEETING OF JUNE 14, 2023**
[Action Item]
- VI. **APPROVAL OF THE MONTHLY EXPENSES FOR JUNE 2023, INCLUDING PAYROLL AND PETTY CASH** [Action Item]
- VII. **COMMITTEE REPORTS**
 - A. Finance Committee Report
 - B. Administrative, Operations & Personnel Committee Report
 - C. Ad-Hoc Dissolution and Annexation Committee Report
- VIII. **CLOSED SESSION ITEM**
Conference with Legal Counsel – Anticipated Litigation, Gov. Code, § 54956.9(d)(2) (*Radis Family Trust vs Summerland Sanitary District*)

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

IX. NEW BUSINESS ITEM

- A. Resolution 2023-05, Resolution of the Board of Summerland Sanitary District Ordering the Filing with the County Auditor of a Report of Sewer Service Charges for the Fiscal Year 2023-24 to be Placed on and Collected by Means of the County Tax Roll [Action Item]**

Description: The Board will review and consider adopting Resolution No. 2023-05.

Staff Recommendation: Staff recommends that the Board adopt Resolution No. 2023-05.

- B. Annexation and Dissolution Feasibility Analysis Proposals [Action Item]**

Description: The Ad Hoc Committee reviewed three Annexation and Dissolution Feasibility Analysis Proposals that were received from Ridgeline Municipal Strategies, L+T Municipal Consultant, and AP Triton. The Ad Hoc Committee will provide a report and will make a recommendation to approve the proposal from Ridgeline M.S.. The Board will be requested to approve the Proposal received from Ridgeline M.S. dated June 7, 2023.

X. FINANCIAL STATUS REPORT JUNE 2023 [Action Item]

The Board will receive Financial Status and Cash Balances Reports for Funds 5215, 5216, and 5217 and may ask staff for explanations. The Board will be asked to accept the reports as presented.

XI. OPERATIONS MANAGER REPORT

The Operations Manager will provide a written report on operations, facility, and collection system maintenance and affairs and will provide explanations as requested.

XII. ADMINISTRATIVE MANAGER REPORT

The Administrative Manager will provide a written report on the District's administrative affairs and will provide explanations as requested.

XIII. BOARD COMMUNICATIONS

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

XIV. ADJOURNMENT



V

Minutes of the Regular Board of Directors Meeting

Wednesday, June 14, 2023, at 3:00 p.m.

These are the minutes of the regular meeting of the Summerland Sanitary District Governing Board 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 invited to attend the meeting in person.

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.

VICE-PRESIDENT WITMER CALLED THE REGULAR BOARD MEETING TO ORDER AT 3:02 P.M.

I. CALL TO ORDER/ROLL CALL

DIRECTORS PRESENT

JOHN FRANKLIN

GARY ROBINSON

JAMES WITMER

ABSENT

JOLENE COLOMY

MARTIN TUCKER

OTHERS PRESENT

DAVID LEWIS

Operations Manager

MARJON (MAR) SOUZA

Administrative Manager

II. PLEDGE OF ALLEGIANCE

IV. APPROVAL OF THE AGENDA

Vice-President J. Witmer asked if there were any modifications and/or changes. Hearing no objections, the agenda was approved as submitted.

V. PUBLIC COMMENT [Non-Agenda Items]

No public comments were submitted in advance and no members of the public were present at the meeting location, or via Zoom.

VI. APPROVAL OF THE MINUTES FOR THE REGULAR BOARD MEETING OF MAY 11, 2023 [Action Item]

A motion was made by Director J. Franklin to approve the minutes of the Regular Board Meeting of May 11, 2023. The motion was seconded by Director G. Robinson, and was carried by the following roll call vote:

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

VII. APPROVAL OF THE MONTHLY EXPENSES FOR MAY 2023, 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. Franklin to approve the monthly expenses, including payroll and petty cash totaling \$80,327 for Fund 5215. The motion was seconded by Director G. Robinson, and was carried by the following roll call vote:

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

VIII. COMMITTEE REPORTS

A. Finance Committee Report

The Committee met on May 24, 2023, to review the draft budget FY2023-24. The Finance Committee will give its recommendations under Agenda item A. Budget Review and Approval.

B. Administration, Operations & Personnel (AOP) Committee

Did not meet.

C. Ad-Hoc Committee Annexation and Dissolution

Did not meet.

VIII. NEW BUSINESS ITEMS

A. Budget Review & Resolution No. 2023-02; Adopting of Operations Budget Fund 5215, Capital Facilities Budget Fund 5216, and Capital Replacement and Repair Budget Fund 5217 for FY2023-24 [Action Item]

The Board reviewed the proposed FY2023-24 Annual Budget for consideration. Director J. Franklin said that The Finance Committee discussed the proposed budget during its May 24th Committee Meeting and recommended a 4% COLA. The draft budget presented to the Finance Committee as prepared was accepted, with a couple of minor adjustments. The adjustments were incorporated into the budget as shown in Appendix A.

A motion was made by Director G. Robinson to approve Resolution No. 2023-02, Adopting of Operations Budget Fund 5215, Capital Facilities Budget Fund 5216, and Capital Replacement and Repair Budget Fund 5217 for FY2023-24. The motion was seconded by Director J.

Franklin, and was carried by the following roll call vote:

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

B. Resolution No. 2023-03; Setting the Date for a Hearing and Giving Notice Thereof of Election to Collect Sewer Serves Charges on the County Tax Roll [Action Item]

Summerland Sanitary District
Minutes Regular Board Meeting 06/14/2023

The Board reviewed Resolution No. 2023-03 for collecting sewer service charges on the County tax roll for the Fiscal year 2023-24.

A motion was made by Director J. Franklin to approve Resolution No. 2023-02, Adopting of Operations Budget Fund 5215, Capital Facilities Budget Fund 5216, and Capital Replacement and Repair Budget Fund 5217 for FY2023-24. The motion was seconded by Director G. Robinson, and was carried by the following roll call vote:

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

- C. Resolution No. 2023-04; Agreeing that the Alternate Method of Distribution of Property Tax Levies & Assessments is Applicable to Tax Levies Made by the County of Santa Barbara, State of California [Action Item]

The Board reviewed Resolution No. 2023-04; Agreeing that the alternate method of distribution of property tax levies & assessments is applicable to tax levies made by the County of Santa Barbara.

A motion was made by Director J. Franklin to approve Resolution No. 2023-02, Adopting of Operations Budget Fund 5215, Capital Facilities Budget Fund 5216, and Capital Replacement and Repair Budget Fund 5217 for FY2023-24. The motion was seconded by Director G. Robinson, and was carried by the following roll call vote:

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

- D. CSDA Board of Directors Election Ballot- Term 2024-2026- Coastal Network [Action Item]

The Board reviewed the information listed on the ballot for the CSDA Board of Directors Seat, term 2024-2026-Coastal Network.

A short discussion took place, and thereafter a motion was made by Director J. Franklin to vote for Ronald Stassi for Seat C- CSDA, Coastal Network. The motion was seconded by Director G. Robinson, and was carried by the following roll call vote:

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

- X. FINANCIAL STATUS REPORT – May 2023 [Action Item]

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

The report was accepted as submitted.

- IX. OPERATIONS MANAGER REPORT

Operations Manager D. Lewis provided a written report and answered Board questions.

Summerland Sanitary District
Minutes Regular Board Meeting 06/14/2023

X. ADMINISTRATIVE MANAGER REPORT

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

XI. BOARD COMMUNICATIONS

A. Board communications: None

B. Items for future Board meetings

C. The next regular board meeting is Thursday, July 14, 2023

XII. ADJOURNMENT

A motion was made by Director J. Witmer to adjourn the Regular Board Meeting at 3:50 p.m. and was seconded by Director J. Franklin and carried by three ayes and 2 absent votes.

Respectfully submitted:

Gary Robinson
Secretary

Date: July 13, 2023

Minutes prepared by M. Souza

Expenditure Transactions (Real-Time)

From 6/1/2023 to 6/30/2023

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	LI Acct	Description	Amount	Vendor	Vendor Name
JE - 0250428	6/15/2023		6400	Retirement Contr. Payroll 06-15-2023	5,667.95		
JE - 0250428	6/15/2023		6475	Retirement Healthcare Contr. retirees 06-15-2023	241.67		
JE - 0250582	6/20/2023		7901	Transfer out Fund 5215 (into Fund 5217)	314,322.00		
CLM - 0739711	6/22/2023		7763	Water May 2023	116.67	556712	MONTECITO WATER DISTRICT
CLM - 0739712	6/22/2023		7460	Electr. Tech Infl.&Effl flower meter serv.& calibr	690.00	226497	ELECTRICAL INSTRUMENTATION SERVICES
CLM - 0739705	6/23/2023		7363	Oil Change Mat Comp. Truck & New Windshield Wipers	132.14	178358	COAST AUTO PARTS
CLM - 0739708	6/23/2023		7121	Gloves 2 cases XL and XXL	414.28	069965	WINEMA INDUSTRIAL & SAFETY SUPPLY
CLM - 0739714	6/23/2023		7761	Electric Bill May 2 through May 31, 2023	5,055.40	767200	SOUTHERN CALIFORNIA EDISON
CLM - 0739719	6/23/2023		7653	Electrodes Pads for AED	76.02	639945	Zoll Medical Corporation
CLM - 0740668	6/28/2023		7121	499 Gallons of Sodium Hypochlorite	1,965.59	214614	UNIVAR SOLUTIONS USA INC
CLM - 0740671	6/28/2023		7110	Comp. Regular Board Meeting 06/14/2023	175.00	765907	John Franklin
CLM - 0740673	6/28/2023		7110	Comp. Regular Board Meeting 06/14/2023	175.00	091927	JAMES WITMER
CLM - 0740674	6/28/2023		7110	Comp. Regular Board Meeting 06/14/2023	175.00	167410	GARY W ROBINSON
CLM - 0740676	6/28/2023		7362	Weed-wacker trim line	23.32	151096	CARPINTERIA VALLEY LUMBER CO
CLM - 0740677	6/28/2023		7053	Monthly Charge Plant/Office Phone 6/13-07/12/23	245.69	075391	FRONTIER
CLM - 0740679	6/28/2023		7053	Monthly Charge LS Alarm Phones 6/13-7/12/2023	248.10	075391	FRONTIER
CLM - 0740698	6/28/2023		7763	Water usage Lines Cleaning MWD	26.93	790180	Summerland Sanitary District
CLM - 0740698	6/28/2023		7510	Monthly Payroll Program	70.00	790180	Summerland Sanitary District
CLM - 0741007	6/29/2023		7110	Comp. Finance Committee Meeting 06/29/2023	175.00	009934	JOLENE M COLOMY
CLM - 0741031	6/29/2023		7110	Comp. Finance Committee Meeting 06/29/2023	175.00	765907	John Franklin
CLM - 0740393	6/30/2023		6100	Regular Salaries June 16-30, 2023	15,553.01	790178	Summerland Sanitary District
CLM - 0740393	6/30/2023		6270	Standby June 16-30,2023	828.53	790178	Summerland Sanitary District
CLM - 0740393	6/30/2023		6300	Overtime June 16-30, 2023	190.76	790178	Summerland Sanitary District
CLM - 0740393	6/30/2023		6500	Medicare and Fica June 16-30, 2023	1,325.16	790178	Summerland Sanitary District
CLM - 0741032	6/30/2023		7110	Comp. Ad-Hoc A&D Meeting 06/29/2023	175.00	167410	GARY W ROBINSON
CLM - 0741034	6/30/2023		7110	Comp. Ad-Hoc A&D Meeting 06/29/2023	175.00	765907	John Franklin
CLM - 0741461	6/30/2023		7731	Gasoline July 2023	184.93	522736	McCormix Corporation
CLM - 0741541	6/30/2023		7404	FGL Lab testing 3/22-5/17/2023	2,333.00	270150	FGL ENVIRONMENTAL INC
CLM - 0741638	6/30/2023		7121	850 Gal of Sodium Hypochlorite	3,502.99	214614	UNIVAR SOLUTIONS USA INC

Petty
Cash
Exp.

Expenditure Transactions (Real-Time)

From 6/1/2023 to 6/30/2023

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
DJE - 0167481	6/30/2023		7761	Codor Install. UCSB Electr. Reimb. 7/1/22-6/30 /23	960.00		
DJE - 0167482	6/30/2023		7761	Codor Install. UCSB Electr. Reimb. 7/1/22-6/30 /23	-960.00		
JE - 0251137	6/30/2023		6400	Retirement Contr. Payroll 06-30-2023	5,546.68		
JE - 0251137	6/30/2023		6475	Retirement Healthcare Contr. retirees 06-30-2023	241.67		
JE - 0251234	6/30/2023		6100	Relocate EE Contr. SBCERS 4th Q 22 to 6100 Payroll	4,594.08		
JE - 0251234	6/30/2023		6400	Relocate EE Contr. SBCERS 4th Q 22 to 6100 Payroll	-4,594.08		
MIC - 0182667	6/30/2023		7763	Water delivery June 1, 2023	31.80	067307	CULLIGAN OF VENTURA COUNTY
MIC - 0182667	6/30/2023		7763	Water delivery June 15, 2023	31.80	067307	CULLIGAN OF VENTURA COUNTY
MIC - 0182667	6/30/2023		7763	Water delivery June 29, 2023	23.81	067307	CULLIGAN OF VENTURA COUNTY
Total SummerInd San Dist Running Exp					391,417.90		
					-314,322	Transfer to Fund 5217	
					77,096	Expenditures month of June 2023	

Expenditure Transactions (Real-Time)

For the month of July 2023

From 6/1/2023 to 6/30/2023

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	LI Acct	Description	Amount	Vendor	Vendor Name
CLM - 0735900	6/1/2023		7110	Comp. Agenda Setting Meeting 05/31/2023	175.00	009934	JOLENE M COLOMY
CLM - 0735902	6/1/2023		7731	Gasoline May 2023	94.54	522736	McCormix Corporation
CLM - 0735903	6/1/2023		7516	Dig alert ticket cost May 2023	7.00	828128	UNDERGROUND SERVICE ALERT
CLM - 0735906	6/1/2023		7362	Belt Press Room (Bee Removal) Wall Repair Material	94.95	151096	CARPINTERIA VALLEY LUMBER CO
CLM - 0735906	6/1/2023		7362	Belt Press Room (Bee Removal) Wall Repair Material	264.70	151096	CARPINTERIA VALLEY LUMBER CO
CLM - 0735906	6/1/2023		7362	Toilet Seat	62.12	151096	CARPINTERIA VALLEY LUMBER CO
CLM - 0735906	6/1/2023		7362	Painting Supplies for Mixer Protection Box	94.50	151096	CARPINTERIA VALLEY LUMBER CO
CLM - 0736305	6/5/2023		6600	Medical Benefits June 2023	5,237.75	002073	SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
CLM - 0736930	6/8/2023		7510	Call Center Service - June 2023	59.36	106048	CENTRAL COMMUNICATIONS
CLM - 0736932	6/8/2023		7510	Call Center Service - May 2023	44.65	106048	CENTRAL COMMUNICATIONS
CLM - 0736934	6/8/2023		7053	Internet June 2023	109.37	776537	COX COMMUNICATIONS - BUSINESS
CLM - 0736942	6/8/2023		7460	Instrument Calibration-Rebuild Instruments Probs	1,150.00	226497	ELECTRICAL INSTRUMENTATION SERVICES
CLM - 0736956	6/8/2023		7362	Honda Lawnmower, 3-year warranty	731.55	790180	Summerland Sanitary District
CLM - 0736956	6/8/2023		7430	CWEA Membership E.N.	202.00	790180	Summerland Sanitary District
CLM - 0736956	6/8/2023		7450	Mailing and household supplies	19.72	790180	Summerland Sanitary District
CLM - 0736956	6/8/2023		7454	Office 365 & Zoom videoconference monthly subscr.	24.24	790180	Summerland Sanitary District
CLM - 0736956	6/8/2023		7459	HP Desktop Comp. Software and Set-Up	1,037.50	790180	Summerland Sanitary District
CLM - 0736956	6/8/2023		7460	Email renewal 5 pack renewal Godaddy	334.80	790180	Summerland Sanitary District
MIC - 0181324	6/8/2023		7763	5 Gallons of bottled water May 3, 2023	23.81	067307	CULLIGAN OF VENTURA COUNTY
MIC - 0181324	6/8/2023		7763	5 Gallons of bottled water May 17, 2023	23.81	067307	CULLIGAN OF VENTURA COUNTY
JE - 0250162	6/9/2023		6475	HRA Administrative Fee - MAY 2023	13.50		
CLM - 0738334	6/15/2023		6100	Regular Salaries June 1-15, 2023	16,314.41	790178	Summerland Sanitary District
CLM - 0738334	6/15/2023		6270	Standby June 1-15, 2023	828.54	790178	Summerland Sanitary District
CLM - 0738334	6/15/2023		6500	Medicare and Fica June 1-15, 2023	1,370.90	790178	Summerland Sanitary District
CLM - 0738337	6/15/2023		7764	Trash Service May 2023	348.09	509950	MARBORG INDUSTRIES
CLM - 0738339	6/15/2023		7053	Phone Wireless June 2023	182.84	297454	VERIZON WIRELESS
CLM - 0738343	6/15/2023		7731	Gasoline April 2023	1,290.95	522736	McCormix Corporation
CLM - 0738351	6/15/2023		7363	Baldor Motor 5HP ECP3665T Flow Equalization	1,922.40	569122	Multi W Systems
DJE - 0166762	6/15/2023		7761	Codor Install. UCSB Electr. Reimb. 7/1/22-6/30 /23	-960.00		

credit
card
expenses

11

Mar Souza

VIII Closed
Session
Material

From:
Sent:
To:
Cc:
Subject:

John Armendariz
Tuesday, May 2, 2017, 2:41 PM
Joe Armendariz
City Council
RC 750

Hi Joe,

I checked in with the District's Admin. Mgr. & she informed me she was in communication with you on this subject. I think she will be the best and your most accurate source of info on the subject.

From: Joe Armendariz <joe.armendariz@cityofrc.org>
Date: May 2, 2017 at 12:02:25 AM PDT
To: John Armendariz
Subject: RE: 750

Hi John,

I hope this e-mail finds you well. I wanted to reach out to you today to discuss a matter at the Summerland Sanitary District. I have a client who owns property in the district and has raised a concern about the districts rate methodology, by referencing a recently settled lawsuit between the district and one of its property owners. My understanding is that the lawsuit centered around whether or not the district had stayed true to the terms of proposition 218 in handling the 2017 rate increase protest election. The lower court, according to what I understand, ruled the district had done so, while a higher court reversed that decision handing it back to the lower court with instructions, at which point the district settled the lawsuit.

I imagine that there are some limitations as to what you can and cannot say about this lawsuit, for obvious reasons...But I also thought I would start with you first, since you are the only member of the board that I actually know, and because I've always found you to be a fair and credible public official. Can we set up a time to discuss the situation?

Best,
Joe

<image001.png>

Joe Armendariz
Co-Director
Public & Civic Affairs
Mobile 805-990-2494
1330 Quarter Horse Trail
Orcutt, California 93455

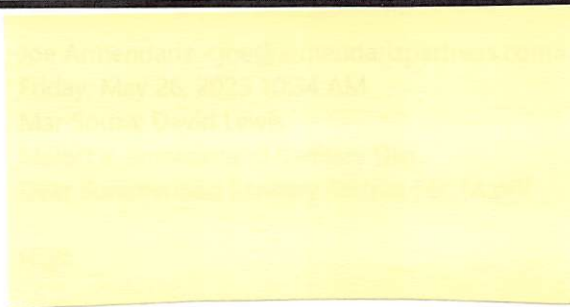
<image002.png>

<image003.png>

Mar Souza

From:
Sent:
To:
Subject:
Attachments:

Importance:



Friday, May 26, 2023

Dear Administrators of the Summerland Sanitary District,

I am writing to you on behalf of my clients, who own property located within the Summerland Sanitary District. Please see the attached letter from the Santa Barbara County Taxpayers Association (SBCTA) in reference to a potential violation of Proposition 218. The violation in question relates to the district's 2019 rate increase, which was the subject of a 2020 lawsuit and a subsequent settlement with property owners who brought that lawsuit, and merits the district's full and immediate attention.

My clients are deeply concerned over what they believe was a clear violation of Proposition 218, when in 2019, the district established a new rate structure based on what they believe was a flawed methodology. My clients hope this matter can be addressed in a respectful and collaborative way with active communication between them, their representatives, and the district.

I will be in further contact to discuss this matter. However, should the district have questions or concerns about the attached letter or why my clients believe the district's 2019 rate increase and rate increase methodology amounted to a violation of Proposition 218, don't hesitate to contact me directly at the number below to discuss potential remedies and solutions.

I thank you for your prompt attention to this important matter.

Sincerely,

Joe Armendariz



Joe Armendariz
Director, Government Affairs
Mobile 805-990-2494
1330 Quarter Horse Trail
Orcutt, California 93455





Friday, May 26, 2023

Dear Summerland Sanitary District:

At the Santa Barbara County Taxpayers Association (SBCTA), we are in communication with the Howard Jarvis Taxpayers Association (HJTA), and we are, thus, well aware of *Malott v. Summerland Sanitary District* (2020) 55 Cal.App.5th 1102. We are also aware of its subsequent settlement. Given that the case ended in settlement and was not a class action, we believe the district now has a duty to provide remedies to all other property owners similarly situated to Ms. Malott.

Providing such remedies is in the interests of the district and all its ratepayers. Other property owners in circumstances similar to Ms. Malott's should have their rates adjusted. It's the right thing to do and it will save the district on duplicative litigation expenses. These litigation expenses, representing the mistakes of the district, can and should be saved so that they do not unnecessarily increase rates any further.

As you know, following the published appellate decision in *Malott*, the district may not prohibit property owners from introducing expert testimony in court to show that their affordable and efficient property units do not cost the district as much as a five-bedroom home. It would be prudent to consider these cases proactively and resolve them in accordance with the Malott settlement.

We appreciate your consideration.

Sincerely,

Roy Reed
President

Thomas Widroe
Executive Director

CC: Jon Coupal, President, HJTA
Laura Dougherty, Director of Legal Affairs, HJTA
Joe Armendariz, Director of Government Affairs, Armendariz Partners
John Weigold, General Manager, Montecito Sanitary District
Craig Murray, General Manager, Carpinteria Sanitary District

Law Office of
Janet K. McGinnis

June 1, 2023

Mr. Joe Armendariz
Mr. Roy Reed
Mr. Thomas Widroe
Santa Barbara County Taxpayers Association
P.O. Box 20096
Santa Barbara, CA 93121

Re: Communications of May 26, 2023 to Summerland Sanitary District

Dear Messrs. Armendariz, Reed, and Widroe:


As counsel for Summerland Sanitary District, this letter responds to SBCTA's May 26, 2023 unsigned letter transmitted via Mr. Armendariz's e-mail to the District's Administrators. Going forward, please direct to this office all communications about matters referenced in those communications. As it is never my intention to communicate with represented parties, please route this letter to counsel, if SBCTA is represented.

No address is given on SBCTA's letterhead or website. This letter uses its address on the 2023 filed Form 990EZ. You are welcome to provide additional or preferred addresses for our communications.

Although none of you is a licensed attorney, Mr. Armendariz refers to "[his] clients" and your letter references unidentified property owners who SBCTA impliedly "represents." Please identify these property owner(s) or "clients" and support SBCTA's claim of representation or ask these people or entities and their counsel to direct requests to me. We may then discuss their contentions.

Thank you for your cooperation.

Very truly yours,


Janet K. McGinnis
Attorney at Law

cc: Ms. Marjon Souza
Mr. David Lewis

Mar Souza

From:
Sent:
To:
Cc:
Subject:

Good afternoon, Ms. McGinnis,

Thank you for replying to my email from last week. The mailing address for SBCTA is: PO Box 20096, SB, CA 93120.

SBCTA is not "represented." And as you pointed out in your response, neither am I an attorney. Pat and Maire Radis, owners of Radis Property Management, who own property (2241 Banner Ave.) within the district, are my clients. My firm handles government affairs for the Radis' various business interests in and around Santa Barbara County. The Radis' have asked me to assist them in this matter in hopes it can be handled without the expense or confrontational aspects typically associated when attorneys are involved.

I intend to speak to the District's board of directors during public comment at their meeting on the 8th to raise some of our concerns. It is my sincere hope, however, that this issue can be discussed cordially and resolved fairly and expeditiously without the need for or expense of formal legal representation. My clients would certainly prefer that. I don't know if that is possible at this point considering that the administrators for the District referred the letter from SBCTA to your office. However, if so, I welcome the opportunity to discuss this matter with you, or with Mr. Lewis, or with anyone else from the district.

The primary issue is the Lucinda Malott v. Summerland Sanitary District case that was heard on appeal in October 2020. The Appeals Court in the case left open the possibility that other property owners within the district may also be owed relief similar to that offered to Lucinda Malott. In that case, Malott argued that the District used a classification for service rate fees based upon a Schedule of Equivalent Dwelling Units (EDUs) without regard to the actual wastewater discharged from the parcel or the proportional cost of providing wastewater service to that parcel. The District then sought to bar Mallot's action for not first exhausting their administrative remedies. But as you know, the Appeals Court rejected this argument and held that *the amount of a governmentally imposed fee should not exceed the proportional cost of the service attributable to the parcel*. The court also clarified that the pleading should be judged by the substance of its allegations, regardless of its label.

This has left open the possibility that other property owners within the district are owed similar relief as was offered to Lucinda Malott, as it suggests that the District may be imposing unfair service rates without due consideration to the proportional costs of providing the service. Of further interest to my clients is the announced settlement that the District entered into with Ms. Mallot, which presumably addressed and resolved Ms. Mallot's original complaint. My clients are very simply of the opinion that to the extent the District violated Prop-218, a remedy is owed to more than just Lucinda Mallot and is in fact due to all affected property owners who sustained similar treatment by the District.

Moreover, the contention that the District violated Prop-218 was made by a third-party subject matter consultant, Ms. Lynn Takaichi, an expert on utility and wastewater service rates. Ms. Takaichi's declaration included facts and an assessment that:

- 1) The district's calculation of fees did not comply with current law;
- 2) The District improperly placed all residential users, whether single family homes or residents in multi-unit apartment buildings, within a single rate EDU category;
- 3) apartment buildings containing multiple units use 40 percent lower amounts of water than the actual water use of single-family homes; and
- 4) The district was overcharging apartment buildings, such as Malott's and the Radis', and undercharging single-family residences.

It isn't the Radis' intent to re-litigate the Mallot case but, rather, to have their concerns over their parcel's rate scheme addressed and resolved to their best understanding and satisfaction. If somebody from the District is available to talk with me by phone, I am available any time tomorrow between 10:30 a.m. and 2:00 p.m.

Best,

Joe Armendariz
805.990.2494

From: Janet K. McGinnis [mailto:janet@mcginnislawoffice.com]
Sent: Friday, June 2, 2017, 12:47 PM
To: Joe Armendariz [mailto:joe.armendariz@sanbarbaracounty.org]
Cc: msouza [mailto:msouza@sanbarbaracounty.org]; janet@mcginnislawoffice.com; herlandsd.org>
Subject: Yo

Dear Mr. Armendariz,

Please see the attached letter mailed yesterday. If SBCTA has another mailing address for communications, please advise.

Thank you.

Regards,

Janet McGinnis

Law Office of Janet K. McGinnis
924 Anacapa Street, Suite 1-M
Santa Barbara, CA 93101-2156
(805) 963-1865 (office)
(805) 450-7449 (cell)

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RESOLUTION NO. 2023-05

**RESOLUTION OF THE GOVERNING BOARD OF SUMMERLAND SANITARY DISTRICT
ORDERING THE FILING WITH THE COUNTY AUDITOR OF A REPORT OF
SEWER SERVICE CHARGES FOR THE FISCAL YEAR 2023-24 TO BE PLACED
ON AND COLLECTED BY MEANS OF THE COUNTY TAX ROLL**

WHEREAS, the Governing Board by its Ordinance No. 8 dated June 21, 1979, elected to collect certain of its sanitary sewer service charges by means of the County tax roll for each fiscal year;

and

WHEREAS, pursuant to Section 5473 of the Health and Safety Code, a written report was filed with the District, which report contains a description of each parcel of real property receiving sewer services and the charge for each parcel of said fiscal year; and

WHEREAS, pursuant to Section 5473.1 of the Health and Safety Code a hearing on said report was set for 3:00 p.m. on the 14th day of July 2023 at 2435 Wallace Avenue, Summerland, California; and

WHEREAS notice of said hearing was given by publication and mailing as required by Section 5473.1 and Proof of Publication and Affidavit are on file with the District; and

WHEREAS, at said time and place said hearing was held; and

WHEREAS, at said hearing the Governing Board of Summerland Sanitary District heard and considered all objections or protests to said report;

NOW, THEREFORE, BE IT RESOLVED:

1. That all of the recitals contained in the preamble to this Resolution are true;
2. That said written report shall be and it hereby is adopted and determined that each charge as set forth in said report is proper;
3. That the Clerk of this Governing Board and of this District shall, on or before the 28th day of July 2023, file or cause to be filed with the Auditor of the County of Santa Barbara a copy of said report, together with the statement endorsed thereon that said written report has been adopted by the Governing Board of Summerland Sanitary District;

4. That pursuant to Section 5473.4 of the Health and Safety Code, the Auditor of the County of Santa Barbara, State of California, shall enter the amounts of the charges against the respective lots or parcels of land as they appear on the current assessment roll;

5. That the amount of the charges shall constitute a lien against the lot or parcel of land against which the charge has been imposed as of noon on the first day of March 2023;

6. That the hearing is hereby concluded.

PASSED AND ADOPTED by the Governing Board of Summerland Sanitary District on the 14th day of July 2023 by the following vote, to wit:

AYES : _____

NAYS : _____

ABSENT : _____

ABSTENTIONS : _____

(SEAL)

JOLENE COLOMY, President
Board of Directors

ATTEST:

GARY ROBINSON, Secretary
Board of Directors

PROCEDURE TEXT
FOR PLACING SEWER CHARGES ON THE ASSESSOR ROLLS PUBLIC HEARING

- President:** "This is the time and place for a public hearing on the written report on file with the Summerland Sanitary District as to whether or not the sewer charges set forth in said report shall be placed on and collected by means of the County Tax Roll for the Fiscal Year 2021/2022."
- President:** "Clerk of the Board, please call the roll."
- Clerk of the Board:** Calls Roll: Director Colomy, Director Franklin, Director Robinson, Director Tucker, Director Witmer.
- Clerk of the Board:** "President Colomy - there are five (5) members present. This meets the 2/3's quorum required by State law to adopt the Resolution setting rates on the County Assessor's Rolls."
- President:** "Clerk of the Board, please file the **Notice of Hearing** and **Proof of Publication** with Secretary Colomy." (Please pause and allow the Clerk of the Board to deliver the documents to Secretary Colomy).
- President:** "The **Written Report** may be examined by anyone at this time. Clerk of the Board please identify the written report."
- President:** "Is there anyone present who desires to make any objections or protests to the report?"

Note: At this time, hear all protests to the report. Ask each person to identify him or herself. Ask each one to identify the parcel about which the protest is made. (These protests must be entered in the minutes, including the name and the parcel)

- President:** "Clerk of the Board", are there sufficient protests to constitute a "majority protest" as specified by law?"

	Should there be majority protest: <u>Note:</u> If there are a number of protests (100's), the President should provide a recess to allow staff time to analyze the percentages.	Should there be no majority protest:
Clerk to the Board:	"President Colomy, there are sufficient protests to prevent the placement of these charges on the County Rolls."	"President Colomy, there is No Majority Protest."
President:	"Having received sufficient protests, I will entertain a motion to adopt by reference a resolution to terminate actions placing the charges on the Rolls. (Staff would prepare during the recess an appropriate resolution for execution.)"	"There being no majority protest, the hearing is now declared closed and a resolution ordering the filing of the report with the Auditor is ordered. May I have a motion and a second on this resolution?" Motion by _____ Second by _____ "Clerk to the Board may I have a roll call on the adoption of this Resolution?"
<u>Note:</u>	The Board cannot overrule a majority protest.	Even though no majority protest exists, the Board can still change the report and charges (in response to public comment) if it wished before it adopts the resolution. The Board can overrule any objections to the charges and adopt the report as is and file it.

- [**President:** If attendees are present: "Thank you for attending tonight's meeting."]

IX B/1



Proposal to Provide Financial Consulting Services to



Summerland Sanitary District

Annexation and Dissolution Fiscal Analysis



June 7, 2023

Ms. Marjon Souza
Summerland Sanitary District
2435 Wallace Avenue
Summerland, CA 93067

Mr. Craig Murray
Carpinteria Sanitary District
5300 Sixth Street
Carpinteria, CA 93013

Dear Ms. Souza and Mr. Murray,

Ridgeline Municipal Strategies, LLC ("Ridgeline") is pleased to submit this proposal to serve as a financial consultant to the Summerland Sanitary District (the "District") during the annexation and dissolution process.

Ridgeline is a California municipal advisory and financial consulting firm assisting public agencies with financial analysis, debt issuance, and pension cost optimization. Our team members have over 30 years of combined experience in addressing the financing needs of local communities. We have completed more than 150 municipal financings that raised over \$1 billion in proceeds and over 60 financial consulting assignments.

Our proposal is based on the Feasibility Administrative Task List ("Task List") provided by the District and incorporated herein as Appendix A. The proposal only covers Phase 1 Tasks and excludes Items 1.4 (Cost of Connection Facilities), 2.3 (Insurance Obligations), and 5 (Governance), per our discussion. The Human Resources analysis is limited to employee impacts and financial calculations and does not include needs assessment, quals and career path, and employee retaining efforts.

We propose the following project approach:

Develop an in-depth understanding of the District through staff interviews and review of appropriate documents, including, but not limited to audits, budgets, strategic plan, capital improvements program, rate and fee studies, and other documents.

Prepare a fiscal model and 5-10-year cash flow and reserves projections for the District operating on a stand-alone basis.

Calculate potential savings from the District's annexation into the Carpinteria Sanitary District.

The analysis will incorporate key areas identified in the Task List, including:

- Long-term debt and other long-term liabilities
- Rate and fee structures and revenues of both Districts
- Staffing levels and costs



The analysis will be documented in a series of tables and a report and will be presented to the District's Board.

The report and presentation will detail the financial projections and document savings opportunities and financial risks identified during the project.

We understand that the District will obtain and furnish necessary pension liability and transfer data from the Santa Barbara County Employees' Retirement System ("SBCERS") and the California Public Employees' Retirement System ("CalPERS"). Also, we will rely on the District to provide all necessary financial and operations data and information and facilitate communication with the appropriate personnel of SBCERS, CalPERS, LAFCO and other agencies, as may be necessary.

The proposed budget to complete the work outlined above is not-to-exceed \$24,855, as shown in Appendix B.

We look forward to working with you on this project. If you have any questions about this proposal, you can reach me at (916) 250-1590 and dsemenov@ridgelineuni.com.

Sincerely,

RIDGELINE MUNICIPAL STRATEGIES, LLC



Dmitry Semenov
Principal

APPENDIX A

SCOPE OF SERVICES

Summerland Sanitary District – Carpinteria Sanitary District
ANNEXATION & DISSOLUTION
FEASIBILITY ADMINISTRATIVE TASK LIST

Annexation of territory as authorized and in the manner provided by the Cortese-Knox-
Hertzberg Local Government Reorganization Act of 2000

Phase 1 Task list

1. FISCAL ANALYSIS

1. Funding Considerations
2. Working Capital and Reserves
3. Economies of Scale Projection
4. Cost of Connection Facilities (Phase 2) - **EXCLUDED**

2. OBLIGATIONS

1. Long-Term Debt
 - Municipal Finance Corporation loan of \$500K
2. Long-Term Liabilities
 - Compensated Absence - short term
 - Pension Unfunded Accrued Liability (UAL) / Outstanding Pension Liability
 - OPEB (retirement healthcare)
 - Casmalia Superfund Site (Tolling Agreement)
3. Insurance Obligations - **EXCLUDED**
 - SDRMA to CSRMA. Assumption issues.
 - Review loss history and liabilities:
 - Worker's Compensation
 - Liability Insurance

3. RATE AND FEE STRUCTURES / REVENUE

1. Sewer service charges
 - Rate schedule for Residential and Commercial
 - Lay-out of SSD user classifications
 - Settlement requirements
2. Development Impact Fees / Capital Recovery Charge
3. Other Fees & Charges / Miscellaneous Fees
4. Property Tax Revenues
5. Pending Development / Growth Projections

4. HUMAN RESOURCES

1. Current Staffing Level
2. Existing Staff – (Quals and career path) - **EXCLUDED**
3. Personnel and Employment Agreements - **EXCLUDED**
4. Salaries and Benefits Overview of SSD Staff
5. Impact of Annexation and Dissolution on Staff
6. Employee Retaining Efforts - **EXCLUDED**
7. Pension Transfer
 - SBCERS to CalPERS
 - No retirement healthcare benefit at CSD

5. GOVERNANCE - **EXCLUDED**

1. Proposed Annexation Territory - Boundary map (District-provided map will be included in the report)
 - Dissolution/Annexation: SSD Board would dissolve and CSD Board takes over responsibilities and becomes Lead Agency.
2. CSD Transitioning to By-District Elections
 - Adding SSD would affect District configuration – timing impacts
 - Interested SSD directors could run or be appointed to CSD District

Phase 2 Task List - **EXCLUDED**

6. FIXED ASSETS

1. Physical Assets
 - WWTP
 - Outfall
 - Pump Stations
 - Sewer lines
 - Manholes
 - Vehicles
 - Equipment
 - Floating Equipment
2. Condition assessment – Capital improvement needs
3. Residual value / Land value.

APPENDIX B

PROJECT BUDGET

The Scope of Services, as shown in Appendix A, will be compensated for on time and materials basis, **not to exceed the total budget of \$24,855**, as shown below. Invoices will be submitted to the District monthly, due and payable within 30 days. If there are material changes to the Scope of Services, a revised budget may be negotiated by a mutual written agreement.

	Task / Stage	Billing Rate	Hours	Budget
1	Fiscal Analysis:			
1.0	Project Initiation, Staff Interviews and Info Gathering			
	Associate	\$185	3	\$555
	Principal	\$290	4	\$1,160
1.1	Fiscal Model, Projections, and Report Development & Preparation			
	Associate	\$185	24	\$4,440
	Principal	\$290	20	\$5,800
2	Obligations Analysis:			
2.1	Long Term Debt Overview			
	Principal	\$290	2	\$580
2.2	Long Term Liabilities Overview			
	Compensated Absences	\$290	2	\$580
	Pension UAL	\$290	8	\$2,320
	OPEB	\$290	2	\$580
	Casmalia Superfund Site			
	Associate	\$185	2	\$370
	Principal	\$290	3	\$870
3	Rate and Fee Structures:			
3.1	Sewer service charges			
	Associate	\$185	3	\$555
	Principal	\$290	2	\$580
3.2	Impact Fees / Capacity Charge			
	Associate	\$185	3	\$555
	Principal	\$290	2	\$580
3.3	Other Fees & Charges			
	Associate	\$185	2	\$370
	Principal	\$290	1	\$290
3.4	Property Tax Revenues			
	Associate	\$185	4	\$740
	Principal	\$290	4	\$1,160
3.5	Growth Projections			
	Associate	\$185	1	\$185
	Principal	\$290	1	\$290
4	Human Resources:			
	Associate	\$185	3	\$555
	Principal	\$290	6	\$1,740
	TOTAL			\$24,855

The budget does not include any in-person meetings or presentations. If in-person meetings are required, they will be billed at \$2,160 per meeting (4 hours of time @ \$290/hr + \$1,000 travel fee). There will be no additional charges for virtual meetings.

The fiscal analysis results will be documented in a series of tables and graphs and a final report, which will be delivered in the PDF format.

APPENDIX C

DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION

RIDGELINE MUNICIPAL STRATEGIES, LLC

I. Introduction

Ridgeline Municipal Strategies, LLC (hereinafter, referred to as “Ridgeline”) is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2.

The MSRB is the primary rulemaking body for the municipal securities industry in general and municipal advisors in particular. Their website can be accessed at www.msrb.org. The website includes, among other things, the municipal advisory client brochure, which describes protections that are provided by the MSRB’s rules and the process for filing complaints with appropriate regulatory authorities. The municipal advisory client brochure can be accessed at:

<http://www.msrb.org/~/media/Files/Resources/MSRB-MA-Client-Brochure.ashx?la=en>.

In accordance with MSRB rules, this disclosure statement is provided by us to each client prior to the execution of our advisory agreement with written disclosures of all material conflicts of interests and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c)(ii). Ridgeline employs a number of resources to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest provided herein.

Fiduciary Duty

Ridgeline has a fiduciary duty to the Client and must provide both a Duty of Care and a Duty of Loyalty that includes the following.

Duty of Care:

- Exercise due care in performing its municipal advisory activities;
- Possess the degree of knowledge and expertise needed to provide the Client with informed advice;
- Make a reasonable inquiry as to the facts that are relevant to the Client’s determination as to whether to proceed with a course of action or that form the basis for any advice provided to the Client; and,
- Undertake a reasonable investigation to determine that we are not providing any recommendations on materially inaccurate or incomplete information.
- We must have a reasonable basis for:
 - Any advice provided to or on behalf of the Client;
 - Any representations made in a certificate that we sign that will be reasonably foreseeably relied upon by the Client, any other party involved in the municipal securities transaction or municipal financial product, or investors in the Client’s securities; and,
 - Any information provided to the Client or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

We must deal honestly and with the utmost good faith with the Client and act in the Client’s best interests without regard to the financial or other interests of Ridgeline. We will eliminate or provide full and fair disclosure (included herein) to the Client about each material conflict of interest (as applicable). We will not engage in municipal advisory activities with the Client, as a municipal entity, if we cannot manage or mitigate our conflicts in a manner that permits us to act in the Client’s best interest.

How We Identify and Manage Conflicts of Interest

Code of Ethics. Ridgeline requires all of its employees to conduct all aspects of our business with the highest standards of integrity, honesty and fair dealing. All employees are required to avoid even the appearance of misconduct or impropriety and avoid actual or apparent conflicts of interest between personal and professional relationships that would or could interfere with an employee's independent exercise of judgment in performing the obligations and responsibilities owed to a municipal advisor and our clients.

Policies and Procedures. Ridgeline has adopted policies and procedures that include specific rules and standards for conduct. Some of these policies and procedures provide guidance and reporting requirements about matters that allow us to monitor behavior that might give rise to a conflict of interest. These include policies concerning the making of gifts and charitable contributions, entertaining clients, and engaging in outside activities, all of which may involve relationships with clients and others that are important to our analysis of potential conflicts of interest.

Supervisory Structure. Ridgeline has both a compliance and supervisory structure in place that enables us to identify and monitor employees' activities, both on a transaction and firm-wide basis, to ensure compliance with appropriate standards. Prior to undertaking any engagement with a new client or an additional engagement with an existing client, appropriate municipal advisory personnel will review the possible intersection of the client's interests, the proposed engagement, our engagement personnel, experience and existing obligations to other clients and related parties. This review, together with employing the resources described above, allows us to evaluate any situations that may be an actual or potential conflict of interest.

Disclosures. Ridgeline will disclose to clients those situations that it believes would create a material conflict of interest, such as:

- 1) any advice, service or product that any affiliate may provide to a client that is directly related to the municipal advisory work of Ridgeline;
- 2) any payment made to obtain or retain a municipal advisory engagement with a client;
- 3) any fee-splitting arrangement with any provider of an investment or services to a client;
- 4) any conflict that may arise from the type of compensation arrangement we may have with a client; and
- 5) any other actual or potential situation that Ridgeline is or becomes aware of that might constitute a material conflict of interest that could reasonably be expected to impair our ability to provide advice to or on behalf of clients consistent with regulatory requirements.

If Ridgeline identifies such situations or circumstances, we will prepare meaningful disclosure describing the implications of the situation and how we intend to manage the situation. Ridgeline will also disclose any legal or disciplinary events that are material to a client's evaluation or the integrity of our management or advisory personnel. Ridgeline will provide this disclosure (or a means to access this information) in writing prior to starting our proposed engagement, and will provide such additional information or clarification as the client may request. Ridgeline will also advise clients in writing of any subsequent material conflict of interest that may arise, as well as the related implications, its plan to manage that situation, and any additional information such client may require.

II. General Conflict of Interest Disclosures

Disclosure of Conflicts Concerning the Firm's Affiliates

Ridgeline does not have any affiliates that provide any advice, service, or product to or on behalf of the Client that is directly or indirectly related to the municipal advisory activities to be performed by Ridgeline.

Disclosure of Conflicts Related to the Firm's Compensation

Ridgeline has not made any payments directly or indirectly to obtain or retain the Client's municipal advisory business.

Ridgeline has not received any payments from third parties to enlist Ridgeline's recommendation to the Client of its services, any municipal securities transaction or any municipal finance product.

Ridgeline has not engaged in any fee-splitting arrangements involving Ridgeline and any provider of investments or services to the Client.

From time to time, Ridgeline may be compensated by a municipal advisory fee that is or will be set forth in an agreement with the client to be, or that has been, negotiated and entered into in connection with a municipal advisory service. Payment of such fee may be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal or par amount of municipal securities or municipal financial product. While this form of compensation is customary in the municipal securities market, it may be deemed to present a conflict of interest since we may appear to have an incentive to recommend to the client a transaction that is larger in size than is necessary. Further, Ridgeline may also receive compensation in the form of a fixed fee arrangement. While this form of compensation is customary, it may also present a potential conflict of interest if the transaction ultimately requires less work than contemplated and we are perceived as recommending a more economically friendly pay arrangement. Finally, Ridgeline may contract with clients on an hourly fee basis. If Ridgeline and the client do not agree on a maximum amount of hours at the outset of the engagement, this arrangement may pose a conflict of interest as we would not have a financial incentive to recommend an alternative that would result in fewer hours. Ridgeline manages and mitigates all of these types of conflicts by disclosing the fee structure to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives, and financial circumstances.

Disclosure Concerning Provision of Services to State and Local Government, and Non-Profit Clients

Ridgeline regularly provides financial advisory services to state and local governments, their agencies, and instrumentalities, and non-profit clients. While our clients have expressed that this experience in providing services to a wide variety of clients generally provides great benefit for all of our clients, there may be or may have been clients with interests that are different from (and adverse to) other clients. If for some reason any client sees our engagement with any other particular client as a conflict, we will mitigate this conflict by engaging in a broad range of conduct, if and as applicable. Such conduct may include one or any combination of the following: 1) disclosing the conflict to the client; 2) requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, including the client's needs, objectives and financial circumstances; 3) implementing procedures that establishes a "firewall" that creates physical, technological and procedural barriers and/or separations to ensure that non-public information is isolated to particular area such that

certain governmental transaction team members and supporting functions operate separately during the course of work performed; and 4) in the rare event that a conflict cannot be resolved, we will withdraw from the engagement.

Disclosure Related to Legal and Disciplinary Events

As registered municipal advisors with the SEC and the MSRB, pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2, our legal, disciplinary and judicial events are required to be disclosed on our forms MA and MA-I filed with the SEC, in 'Item 9 Disclosure Information' of form MA, 'Item 6 Disclosure Information' of form MA-I, and if applicable, the corresponding disclosure reporting page(s). To review the foregoing disclosure items and material change(s) or amendment(s), if any, clients may electronically access Ridgeline filed forms MA and MA-I on the SEC's Electronic Data Gathering, Analysis, and Retrieval system, listed by date of filing starting with the most recently filed at www.sec.gov/edgar/searchedgar/companysearch.html.

Ridgeline does not have any legal or disciplinary events or disciplinary history on its Form MA and Form(s) MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations, and civil litigation. There have been no material changes to a legal or disciplinary event disclosure on any form MA or Form MA-I filed with the SEC.

Disclosure Related to Recommendations

If Ridgeline makes a recommendation of a municipal securities transaction or municipal financial product or it the review of a recommendation of another party is requested in writing by the Client and is within the scope of the engagement, Ridgeline will determine, based on the information obtained through reasonable diligence of Ridgeline whether a municipal securities transaction or municipal financial product is suitable for the Client. In addition, Ridgeline will inform the Client of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which Ridgeline reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Client; and,
- whether Ridgeline has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Client's objectives.

If the Client elects a course of action that is independent of or contrary to the advice provided by Ridgeline, Ridgeline is not required on that basis to disengage from providing services to the Client.

Disclosure Related to Record Retention

Pursuant to the SEC record retention regulations, Ridgeline is required to maintain in writing, all communications and created documents between Ridgeline and the Client for five (5) years.

III. Specific Conflicts of Interest Disclosures – Client

To our knowledge, following reasonable inquiry, as of the commencement of the Project, we are not aware of any actual or potential conflict of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the Client in accordance with applicable standards of conduct of MSRB Rule G-42. If we become aware of any potential conflict of interest that arises after this disclosure, we will disclose the detailed information in writing to the Client in a timely manner.

Ridgeline does not act as principal in any of the transactions related to its role / work on the Project.

Ridgeline does not have any other engagements or relationships that might impair Ridgeline's ability to either render unbiased and competent advice to or on behalf of the Client, or to fulfill our fiduciary duty to the Client, as applicable.



Lechowicz & Tseng
Municipal Consultants
(510) 545-3182
LTmuniconsultants.com

ANNEXATION & DISSOLUTION FEASIBILITY ANALYSIS PROPOSAL

June 21, 2023

Mr. Craig Murray, Carpinteria Sanitary District
Ms. Marjon (Mar) Souza, Summerland Sanitary District
P.O. Box 417
Summerland, CA 93067

Dear Ms. Mar Souza and Mr. Craig Murray,

Thank you for the opportunity to continue working with you and the Summerland Sanitary District (SSD or District) to provide an Annexation and Dissolution Feasibility Analysis. We enjoyed working with you to complete the District's Financial Plan and Rate Study and appreciate the potential opportunity to work with you again. Having worked closely with SSD in the past year, L&T is well-versed in the District's financial situation and we are well-equipped to provide a comprehensive analysis that can be used in the decision making process regarding the potential dissolution of SSD into Carpinteria Sanitary District. Our approach to the Annexation and Dissolution Feasibility Analysis will be to provide a report to the Carpinteria Sanitary District (CSD) fully documenting the existing administrative and financial landscape of SSD. L&T will assign Alison Lechowicz as project manager to provide continuity of service to the District and to expedite workflow.

SCOPE

Provided below is L&T's proposed scope of services. We remain flexible to add or remove tasks to meet the District's needs.

- 1) Fiscal Analysis: Review funding considerations, current working capital and reserves, and develop an economies of scale projection. Outline SSD's existing cost of service. We will work from the Rate Study Technical Memorandum provided in March and update as necessary with any new information.
- 2) Obligations: Review current long-term liabilities and evaluate debt service coverage. In addition, L&T will review information provided regarding compensated absences, unfunded accrued liability, and OPEB. L&T will rely upon retirement obligation data provided by SSD.
- 3) Existing Rate and Fee Structures / Revenues: We expect this task to be streamlined due to our prior rate study work with the District - Provide a comprehensive overview of existing sewer service charges and document all user classifications. Document settlement requirements related to the large apartment complex. Document other existing fees including development impact fees and various miscellaneous charges. This task will also include a review of pending development and growth projections.
- 4) Governance: Review the Municipal Service Review for SSD and CSD and include all pertinent information in the Feasibility Study including growth projections and population information for both agencies.

- 5) Draft and Final Reports: Prepare a draft report explaining the District's current financial situation and documenting all administrative considerations for the Carpinteria Sanitary District's potential annexation of the Summerland Sanitary District. Drafts will be revised as directed and resubmitted as the final report. All staff comments and input from elected officials will be incorporated and recommendations will be updated accordingly. The final report will serve as a transparency document for the Carpinteria Sanitary District.
- 6) Meetings & Presentations: As needed throughout the study, conduct conference calls or video calls with staff to review progress, answer questions, and revise the calculations. L&T will provide presentations to agency Boards, interested community members, and/or CSD staff. L&T will prepare PowerPoint files and accompanying documents in advance for project team review and inclusion with meeting materials. Our proposal assumes no in-person meetings.

STAFF ASSIGNMENT

Alison Lechowicz will be the principal-in-charge and lead financial analyst on this assignment. She will be assisted by staff analyst Sophia Mills. Principal Catherine Tseng will serve as a substitute for Ms. Lechowicz if needed.

AVAILABILITY

1. L&T is prepared to begin work upon your authorization to proceed. We commit to completing the Feasibility Study such that it can be available for CSD's consideration by October 2023.
2. All work will be performed by Lechowicz & Tseng Municipal Consultants. Alison Lechowicz will be placed in charge of the work and will devote time and effort to the project as needed.

PROJECT BUDGET

Lechowicz & Tseng Municipal Consultants' budget for this assignment is \$24,630. No in-person meetings are included. L&T will provide monthly invoices for time and materials. In-person meetings can be added for \$1,960 per meeting.

PROJECT TASKS	Lechowicz Principal \$195/hour	Mills Analyst \$120/hour	BUDGET
1. Fiscal Analysis	12	10	\$3,540
2. Obligations	10	8	\$2,910
3. Existing Rates, Fees, & Revenues	16	8	\$4,080
4. Governance	8	6	\$2,280
5. Draft & Final Reports	20	32	\$7,740
6. Meetings & Presentations (Virtual)	16	8	\$4,080
TOTAL	82	72	\$24,630

BILLING RATE SCHEDULE 2023

Lechowicz & Tseng's hourly rate is \$195 for principals and \$120 for staff analysts. Principal Alison Lechowicz will serve as project manager and be the primary consultant for the assignment. Ms. Lechowicz will be assisted by analyst Sophia Mills, if needed. No subconsultants are needed for this assignment. The professional time rate includes all overhead and indirect costs. Direct expenses incurred on behalf of the client will be billed at cost. Direct expenses include, but are not limited to:

- Travel, meals, lodging
- Printing and report binding
- Outside computer services or software development
- Automobile mileage
- Courier services and mailing costs
- Special legal services

L&T's hourly rate schedule is part of the quote for use in invoicing for progress payments and for any work that is requested by the District in addition to this scope of services.

DISCLOSURE

Lechowicz & Tseng Municipal Consultants has no conflicts of interest related to this assignment.

We have very much enjoyed working with the Summerland Sanitary District in the past, and we hope this proposal will constitute a suitable basis for our selection.

Very truly yours,

LECHOWICZ & TSENG MUNICIPAL CONSULTANTS



Alison Lechowicz, Principal
909 Marina Village Parkway #135
Alameda, CA 94501
(510) 545-3182
alison@LTmuniconsultants.com

Attachment: Engagement Letter

SIGNED FOR APPROVAL

Lechowicz & Tseng Municipal Consultants is authorized to conduct an Annexation and Dissolution Feasibility Analysis at a rate of \$195 per hour for principals and \$120 per hour for staff analysts. Direct expenses will be billed at cost, absent markup. The total not-to-exceed fee is \$24,630. No in-person meetings are included. In-person meetings can be added for \$1,960 per meeting.

By: _____

Date: _____

Mr. Craig Murray, Carpinteria Sanitary District
Ms. Marjon (Mar) Souza, Summerland Sanitary District
P.O. Box 417
Summerland, CA 93067

PHASE ONE: ANNEXATION & DISSOLUTION FEASIBILITY STUDY

SECTION ONE—PROJECT INITIATION & STAKEHOLDER ENGAGEMENT

Task 1-A: Project Initiation & Development of a Work Plan

Triton will facilitate a virtual meeting with the project teams from Summerland Sanitary District (SSD) and Carpinteria Sanitary District (CSD). The objective of this meeting will be to establish a comprehensive understanding of the project's goals and expectations. Triton's Project Manager will take the lead in developing and refining a proposed work plan that will serve as a guiding framework for the project team. This work plan will include the following key elements:

- Identification of Project Team Members
- Major Tasks
- Resource Allocation
- Evaluation Methods
- Constraints and Issues

This process yields several benefits. Firstly, it will establish strong working relationships between Triton's project team and the SSD and CSD project teams. Effective communication channels will be established, ensuring regular information exchange and updates. Additionally, the logistical needs of the project, such as data sharing, virtual meetings, and documentation requirements, will be identified and addressed, enabling smooth project coordination and collaboration.

By initiating the project with a well-defined work plan, Triton aims to foster a productive and cooperative environment, setting the stage for successful execution of the annexation and dissolution feasibility study.

Task 1-B: Procurement of Information & Data

AP Triton recognizes the criticality of obtaining pertinent information and data for the successful execution of the feasibility study. This task involves a thorough and comprehensive procurement process to gather the necessary documents and information relevant to the project. The obtained data will be extensively used in various analyses and the development of the final report. AP Triton will make sure to include thoroughly researched and relevant studies during the review process. The documents and information to be procured for this project include, but are not limited to, the following:

- Historical Data:
 - Past studies or reports related to the districts, including previous feasibility studies, financial analyses, or performance evaluations.
 - Historical data on sewer service charges, rate structures, and fee schedules.
 - Past annexation or dissolution efforts, if applicable.
- Financial Data:
 - Annual budgets and financial statements for both districts, including revenue sources, expenditures, and reserves.
 - Detailed information on outstanding debts, loans, and obligations.
 - Information on revenue sources, such as sewer service charges, property tax revenues, special taxes, and any other fees or charges.
- Operational Data:
 - Current organizational structure and staffing levels, including job descriptions and positions.
 - Staff salaries, benefits, and employment agreements.
 - Information on existing infrastructure, including sewer systems, treatment plants, and any planned or ongoing infrastructure projects.
 - Maintenance and operational records, including past and current service levels and performance metrics.
 - Standard Operating Guidelines (SOG), policies, and procedures.

- Legal and Governance Data:
 - Governing documents, bylaws, and regulations for both districts.
 - Annexation policies and procedures.
 - Information on any existing agreements or contracts with third parties.
 - Board meeting minutes and records.
 - Information on pending or ongoing legal matters related to the districts.
- Demographic and Development Data:
 - Demographic information for the areas served by both districts, including population size, growth projections, and demographic trends.
 - Information on existing and planned development projects within the annexation territory.
 - Land use plans, zoning maps, and any relevant planning documents.
- Other Relevant Information:
 - Insurance records and coverage details.
 - Environmental impact reports or assessments.
 - Local geographic information systems (GIS) data and shapefiles (specific details will be provided).
 - Inventory of physical assets (e.g., WWTP, outfall, pump stations, sewer lines, manholes, vehicles, equipment, floating equipment, etc.).
- Any other relevant data or information that may impact the feasibility of the annexation and dissolution.

By gathering and analyzing this comprehensive dataset, the feasibility study will have a solid foundation for assessing the financial, operational, legal, and governance aspects of the annexation and dissolution process, enabling AP Triton to provide informed recommendations and insights.

Task 1-C: Stakeholder Engagement

By actively engaging with stakeholders and analyzing their perspectives, AP Triton will ensure that the reorganization process is transparent, inclusive, and responsive to the needs and interests of all relevant stakeholders. This approach will foster greater understanding, build trust, and facilitate informed decision-making throughout the project.

AP Triton will work with the project team to identify and compile a list of relevant stakeholders. AP Triton will conduct virtual stakeholder interviews with key individuals representing different stakeholder groups. These interviews will allow for in-depth discussions and the collection of valuable insights and perspectives. This may include but is not limited to:

- Representatives from the Summerland SD and Carpinteria SD boards and staff
- Local government officials and agencies
- Community members and residents within the affected areas
- Environmental organizations and advocacy groups
- Business owners and commercial entities
- Labor unions representing district employees
- Other organizations with a vested interest in the reorganization

AP Triton will analyze the stakeholder engagement data to identify the key concerns, interests, and priorities of each stakeholder group and incorporate the stakeholder analysis into the feasibility study report, providing insights into the social, economic, and environmental impacts of the reorganization and recommendations for addressing stakeholder concerns.

SECTION TWO—EVALUATION OF CURRENT CONDITIONS

AP Triton's experienced team will conduct a thorough analysis of the provided data to facilitate the preparation of sphere of influence determinations for various options to address the reorganization of the Summerland Sanitary District with the Carpinteria Sanitary District.

Task 2-A: Fiscal Analysis

AP Triton's project team will conduct a comprehensive analysis of funding considerations, evaluate financial impacts, assess working capital and reserves, and project economies of scale. Triton will:

- Conduct a comprehensive analysis of funding considerations, including revenue sources and the potential financial impacts of the annexation and dissolution.
- Evaluate the working capital and reserves of both the Summerland Sanitary District and Carpinteria Sanitary District to determine their sufficiency for the transition.
- Project the economies of scale that may be achieved through the reorganization, identifying potential cost savings and operational efficiencies.

By conducting a thorough fiscal analysis, Triton aims to provide insights into the funding considerations, financial impacts, economies of scale, and cost assessment related to annexation and dissolution. These findings will enable informed decision-making and facilitate the development of a financially sustainable and efficient consolidated district.

Task 2-B: Rate and Fee Structure Analysis

AP Triton will analyze the rate and fee structures, as well as the revenue sources of both districts, in order to develop a sustainable and equitable rate schedule and assess the financial impact of the annexation and dissolution. This will include:

- Analyze the current sewer service charges and develop a rate schedule for residential and commercial users, taking into account equity and sustainability.
- Evaluate the development impact fees and capital recovery charges to ensure they align with the anticipated growth and development in the annexed territory.
- Assess other fees and charges, such as miscellaneous fees, and review their adequacy and appropriateness.

- Analyze property tax revenues and determine the potential impact of the annexation and dissolution on these revenues.
- Consider pending development and growth projections to anticipate future revenue streams.

Through a comprehensive analysis of rate and fee structures and revenue sources, Triton aims to ensure a fair and sustainable financial framework for the consolidated district. Triton will provide recommendations to optimize the rate and fee structures for the consolidated district's financial stability and long-term viability.

Task 2-C: Preliminary Evaluation of Capacity

AP Triton will conduct a preliminary evaluation of the capacity of Carpinteria facilities to receive and process effluent from the Summerland District. This evaluation will encompass various factors, including treatment plant capacity, mainline needs, and the cost of transporting effluent from Summerland to Carpinteria. By assessing these aspects, the task aims to project the financial needs required to ensure the sustainability of the reorganization. This will include:

- **Review existing data:** Collect and review available data on the treatment plant capacity of Carpinteria Sanitary District and the current effluent load from the Summerland District.
- **Evaluate treatment plant capacity:** Assess the treatment plant capacity of Carpinteria Sanitary District to determine its ability to handle the additional effluent from the Summerland District.
- **Analyze mainline needs:** Evaluate the mainline infrastructure, including sewer lines and pumping stations, to identify any necessary upgrades or expansions needed to accommodate the increased effluent flow. Assess the condition, capacity, and alignment of the existing infrastructure to determine its suitability for the proposed reorganization.
- **Transportation cost analysis:** Estimate the cost of transporting effluent from the Summerland District to the Carpinteria facilities.
- **Financial projection:** Based on the findings from the evaluation of capacity and transportation costs, project the financial needs required to sustain the reorganization.

By conducting this preliminary evaluation of capacity, the study will gain insights into the feasibility and financial viability of integrating the Summerland and Carpinteria Sanitary Districts. The findings will inform decision-making processes and ensure that the reorganization plan aligns with the available infrastructure and financial resources for long-term sustainability.

Task 2-D: Obligations Analysis

AP Triton will review and analyze the long-term debt obligations, liabilities, and insurance obligations of both districts, assessing their impact on the annexation and dissolution process.

- Review and analyze the long-term debt obligations of both districts, including outstanding loans such as the Municipal Finance Corporation loan of \$500K.
- Evaluate long-term liabilities, including compensated absence, pension unfunded accrued liability (UAL)/outstanding pension liability, OPEB (retirement healthcare), and any obligations related to the Casmalia Superfund Site (Tolling Agreement).
- Review insurance obligations and assess any assumption issues related to the transfer from SDRMA to CSRMA. Analyze the loss history and liabilities associated with workers' compensation and liability insurance.

By conducting a comprehensive obligations analysis, Triton aims to provide a clear understanding of the long-term debt, liabilities, and insurance obligations of both districts. This analysis will help evaluate the financial implications and potential risks associated with the annexation and dissolution process, enabling informed decision-making and effective management of financial obligations in the consolidated district.

Task 2-E: Human Resources Assessment

AP Triton will assess the human resources aspects of both districts, including staffing levels, qualifications, contractual obligations, salaries, benefits, and the impact of the annexation and dissolution on staff.

- Evaluate the current staffing levels of both districts and analyze the organizational structure.
- Assess the qualifications and career paths of existing staff, identifying any gaps or areas of improvement.
- Review personnel and employment agreements to understand the contractual obligations and potential impacts of the annexation and dissolution.
- Analyze the salaries and benefits of Summerland Sanitary District staff and compare them to the corresponding positions in Carpinteria Sanitary District.

- Assess the impact of the annexation and dissolution on staff and develop strategies for staff retention and integration.
- Evaluate the pension transfer process, including transitioning from SBCERS to CalPERS, and consider the absence of retirement healthcare benefits at Carpinteria Sanitary District.

By conducting a thorough assessment of the human resources aspects, Triton aims to provide insights and recommendations for optimizing staff resources, ensuring equitable compensation and benefits, addressing potential impacts on staff during the annexation and dissolution, and facilitating a smooth transition process. The assessment will also consider the transfer of pension obligations and the absence of retirement healthcare benefits to provide a comprehensive understanding of the human resources landscape for the consolidated district.

SECTION THREE—GOVERNANCE RECOMMENDATIONS

Task 3-A: Governance Evaluation

The analysis will involve a detailed review of the proposal for reorganizing the two sanitary districts. Key aspects to be examined include:

- **Property Tax Revenue Attribution:** AP Triton will determine the property tax revenue attributable to the reorganized entity, considering factors such as assessed property values, tax rates, and any potential changes resulting from the reorganization. This assessment will provide crucial insights into the financial implications of the reorganization.
- **Legacy Costs and Pension Fund Transfer:** The analysis will address legacy costs associated with the pension fund(s) of the respective districts. This will include an evaluation of the pension obligations and any outstanding liabilities. Additionally, AP Triton will assess the process and implications of transferring from the 1937 Act system to the CalPERS system, ensuring a smooth transition and alignment with applicable regulations.
- **Governance Structure:** AP Triton will thoroughly examine the governance structure that would be in place following the reorganization. This includes assessing the composition and responsibilities of the governing board or authority that would oversee the consolidated sanitary district. By considering factors such as representation, decision-making processes, and accountability, AP Triton will help establish an effective and efficient governance framework.

By conducting this in-depth analysis, AP Triton will provide a more refined review of the reorganization proposal. The resulting information will serve as a foundation for meaningful discussions and engagements with the affected local agencies, stakeholders, and the public. AP Triton's expertise and insights will help inform decision-making processes and ensure that all relevant parties have a comprehensive understanding of the potential impacts and benefits associated with the proposed reorganization.

Task 3-B: Annexation & Dissolution Recommendations

AP Triton will provide recommendations related to the annexation and dissolution process, considering the proposed territory, transitioning process, governance structure, and potential opportunities for SSD and CSD directors.

- Review the proposed annexation territory and develop a boundary map for visual representation.
- Analyze the transitioning process for Carpinteria Sanitary District to adopt by-district elections and evaluate how the addition of Summerland Sanitary District would impact district configuration and timing.
- Assess the governance structure post-annexation, considering the dissolution of the Summerland Sanitary District Board and the Carpinteria Sanitary District Board assuming lead agency responsibilities.
- Explore potential opportunities for interested Summerland Sanitary District directors to run or be appointed to Carpinteria Sanitary District Board districts.

SECTION FOUR—DEVELOPMENT, REVIEW & DELIVERY OF REPORT

Task 4-A: Drafting the Final Report

AP Triton will diligently compile and organize all relevant information, prepare required documents, and ensure the clarity and coherence of the final report, including:

- All relevant information, analyses, and findings from the feasibility study, stakeholder input, and community engagement.
- Required documents, including the Sphere of Influence amendment, Plan for Service, Transition Plan, and Fiscal Impact Analysis.

AP Triton will ensure that the final report is clear, well-organized, and includes all necessary details and supporting data.

Task 4-B: Review with Stakeholders

By actively engaging stakeholders, seeking their feedback, and incorporating their input into the final report, AP Triton aims to ensure that the document accurately reflects their perspectives and addresses their concerns, fostering a collaborative and inclusive approach to the reorganization process. AP Triton will:

- Share the draft final report with stakeholders, including representatives from the SSD, CSD, and other relevant parties.
- Conduct virtual meetings or workshops to review the contents of the final report, seeking feedback and addressing any concerns or suggested corrections.
- Incorporate stakeholder input and make necessary revisions to the final report to ensure accuracy and alignment with stakeholders' expectations.

Task 4-C: Santa Barbara LAFCO Presentation

By preparing a comprehensive presentation, effectively communicating the key findings and recommendations, and addressing LAFCO's questions and concerns, Triton aims to present a compelling case for the reorganization and gain the support and approval of Santa Barbara LAFCO for the proposed changes. AP Triton will:

- Prepare a comprehensive presentation summarizing the final report and its key findings, determinations, and recommendations.
- Schedule a meeting with the Santa Barbara LAFCO staff to present the final application and provide an overview of the proposed reorganization.
- Clearly communicate the benefits, impacts, and feasibility of the reorganization based on the findings of the feasibility study and stakeholder input.
- Address any questions or concerns raised by the LAFCO staff and provide additional information or clarification as needed.

SECTION FIVE—PREPARATION & PRESENTATION OF LAFCO APPLICATION

Task 5-A: Final Application Submission

By preparing a comprehensive final application and engaging stakeholders throughout the review process, the reorganization proposal can be presented with clarity, addressing concerns, and incorporating valuable input. This will enhance the likelihood of obtaining approval from Santa Barbara LAFCO and successfully moving forward with the reorganization of the sanitary districts. AP Triton will:

- Incorporate any necessary revisions or corrections based on feedback received during the stakeholder review and LAFCO presentation.
- Prepare the final application package, including all required documents, forms, and supporting materials.
- Ensure that the application is complete, accurate, and complies with the guidelines and requirements set by Santa Barbara LAFCO.

ESTIMATED PROJECT TIMELINE & FEE PROPOSAL

Project Completion Timeline

Triton offers the following project timeline, which is subject to change based on the mutual agreement of Summerland Sanitary District, Carpinteria Sanitary District, and AP Triton. The timeline will not begin until Triton has been provided with all information and data necessary for the successful completion of the project. Triton will make every effort to complete the project in less time than anticipated.

Estimated Time to Complete the Project: 6–9 months

Project Fee Proposal

AP Triton, LLC presents the following formal cost proposal for the project outlined in the Scope of Work. The fee is inclusive of expenses:

Project Section	Fees & Expenses
Section 1: Project Initiation & Stakeholder Engagement	\$14,140
Section 2: Evaluation of Current Conditions	\$25,800
Section 3: Governance Recommendations	\$11,850
Section 4: Development, Review & Delivery of Report	\$15,050
Section 5: Preparation & Presentation of LAFCO Application	\$3,000
Proposed Project Fee (will not exceed):	\$69,840

Financial Status (Real-Time)

As of June 30, 2023

As of: 6/30/2023 (100% 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	6/30/2023 Fiscal Year Adjusted Budget	6/30/2023 Year-To-Date Actual	6/30/2023 Fiscal Year Variance	6/30/2023 Fiscal Year Pct of Budget
Revenues				
Taxes				
3010 -- Property Tax-Current Secured	260,000.00	290,416.48	30,416.48	111.70 %
3011 -- Property Tax-Unitary	0.00	4,130.16	4,130.16	--
3015 -- PT PY Corr/Escapes Secured	0.00	810.14	810.14	--
3020 -- Property Tax-Current Unsecd	10,000.00	9,996.27	-3.73	99.96 %
3023 -- PT PY Corr/Escapes Unsecured	0.00	189.58	189.58	--
3040 -- Property Tax-Prior Secured	0.00	55.33	55.33	--
3050 -- Property Tax-Prior Unsecured	0.00	203.10	203.10	--
3054 -- Supplemental Pty Tax-Current	3,500.00	12,160.46	8,660.46	347.44 %
3056 -- Supplemental Pty Tax-Prior	0.00	115.37	115.37	--
Taxes	273,500.00	318,076.89	44,576.89	116.30 %
Fines, Forfeitures, and Penalties				
3057 -- PT-506 Int, 480 CIOS/CIC Pen	0.00	14.00	14.00	--
Fines, Forfeitures, and Penalties	0.00	14.00	14.00	--
Use of Money and Property				
3380 -- Interest Income	2,000.00	7,383.98	5,383.98	369.20 %
Use of Money and Property	2,000.00	7,383.98	5,383.98	369.20 %
Intergovernmental Revenue-State				
4220 -- Homeowners Property Tax Relief	1,000.00	1,098.00	98.00	109.80 %
Intergovernmental Revenue-State	1,000.00	1,098.00	98.00	109.80 %
Charges for Services				
5091 -- Planning & Engrng-Plan Ck Fes	1,960.00	2,007.00	47.00	102.40 %
5430 -- Sanitation Services	1,065,078.00	1,065,794.00	716.00	100.07 %
5433 -- Inspection Fees	3,360.00	1,971.00	-1,389.00	58.66 %
5746 -- Administrative Revenue	2,940.00	3,248.00	308.00	110.48 %

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Financial Status (Real-Time)

As of: 6/30/2023 (100% 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	6/30/2023 Fiscal Year Adjusted Budget	6/30/2023 Year-To-Date Actual	6/30/2023 Fiscal Year Variance	6/30/2023 Fiscal Year Pct of Budget
Charges for Services	1,073,338.00	1,073,020.00	-318.00	99.97 %
Revenues	1,349,838.00	1,399,592.87	49,754.87	103.69 %
Expenditures				
Salaries and Employee Benefits				
6100 -- Regular Salaries	441,950.00	428,212.54	13,737.46	96.89 %
6270 -- Stand-by Pay	19,000.00	19,302.05	-302.05	101.59 %
6300 -- Overtime	4,500.00	4,623.01	-123.01	102.73 %
6400 -- Retirement Contribution	160,358.00	133,687.15	26,670.85	83.37 %
6475 -- Retiree Medical OPEB	6,000.00	6,041.71	-41.71	100.70 %
6500 -- FICA Contribution	35,263.00	34,588.53	674.47	98.09 %
6600 -- Health Insurance Contrib	82,563.00	65,909.39	16,653.61	79.83 %
6900 -- Workers Compensation	16,264.00	11,472.82	4,791.18	70.54 %
Salaries and Employee Benefits	765,898.00	703,837.20	62,060.80	91.90 %
Services and Supplies				
7030 -- Clothing and Personal	2,550.00	2,592.20	-42.20	101.65 %
7053 -- Telephone Service Local	8,420.00	9,234.80	-814.80	109.68 %
7090 -- Insurance	54,000.00	53,168.41	831.59	98.46 %
7110 -- Directors Fees	15,000.00	16,100.00	-1,100.00	107.33 %
7121 -- Operating Supplies	35,400.00	40,951.73	-5,551.73	115.68 %
7324 -- Audit and Accounting Fees	25,200.00	21,703.75	3,496.25	86.13 %
7362 -- Building Maintenance	8,000.00	7,087.78	912.22	88.60 %
7363 -- Equipment Maintenance	15,500.00	17,845.12	-2,345.12	115.13 %
7404 -- Public Health Lab Serv	24,370.00	27,429.00	-3,059.00	112.55 %
7430 -- Memberships	8,675.00	8,321.00	354.00	95.92 %
7450 -- Office Expense	3,800.00	4,901.89	-1,101.89	129.00 %
7454 -- Books & Subscriptions	530.00	234.40	295.60	44.23 %
7459 -- IT Professional Services	4,000.00	2,726.67	1,273.33	68.17 %

Financial Status (Real-Time)

As of: 6/30/2023 (100% 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	6/30/2023 Fiscal Year Adjusted Budget	6/30/2023 Year-To-Date Actual	6/30/2023 Fiscal Year Variance	6/30/2023 Fiscal Year Pct of Budget
7460 -- Professional & Special Service	44,005.00	35,066.91	8,938.09	79.69 %
7508 -- Legal Fees	35,000.00	14,713.00	20,287.00	42.04 %
7510 -- Contractual Services	9,475.00	7,846.94	1,628.06	82.82 %
7516 -- Permitting Services	9,740.00	10,190.74	-450.74	104.63 %
7530 -- Publications & Legal Notices	600.00	250.00	350.00	41.67 %
7546 -- Administrative Expense	3,600.00	3,094.76	505.24	85.97 %
7630 -- Small Tools & Instruments	500.00	333.57	166.43	66.71 %
7653 -- Training Fees & Supplies	7,700.00	6,087.72	1,612.28	79.06 %
7671 -- Special Projects	400.00	400.00	0.00	100.00 %
7730 -- Transportation and Travel	1,000.00	383.02	616.98	38.30 %
7731 -- Gasoline-Oil-Fuel	3,500.00	3,265.36	234.64	93.30 %
7761 -- Electricity	43,000.00	57,218.07	-14,218.07	133.07 %
7763 -- Water	2,620.00	2,594.95	25.05	99.04 %
7764 -- Refuse	4,250.00	4,513.55	-263.55	106.20 %
Services and Supplies	370,835.00	358,255.34	12,579.66	96.61 %
Expenditures	1,136,733.00	1,062,092.54	74,640.46	93.43 %
Other Financing Sources & Uses				
Other Financing Uses				
7901 -- Oper Trf (Out)	0.00	314,322.00	-314,322.00	--
Other Financing Uses	0.00	314,322.00	-314,322.00	--
Other Financing Sources & Uses	0.00	-314,322.00	-314,322.00	--
SummerInd San Dist Running Exp	213,105.00	23,178.33	-189,926.67	10.88 %

Financial Status (Real-Time)

As of: 6/30/2023 (100% 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	6/30/2023 Fiscal Year Adjusted Budget	6/30/2023 Year-To-Date Actual	6/30/2023 Fiscal Year Variance	6/30/2023 Fiscal Year Pct of Budget
Revenues				
Use of Money and Property				
3380 -- Interest Income	1,500.00	2,251.31	751.31	150.09 %
Use of Money and Property	1,500.00	2,251.31	751.31	150.09 %
Charges for Services				
5432 -- Connection Fees	12,385.00	12,083.00	-302.00	97.56 %
Charges for Services	12,385.00	12,083.00	-302.00	97.56 %
Revenues	13,885.00	14,334.31	449.31	103.24 %
Expenditures				
Capital Assets				
8300 -- Equipment	25,000.00	26,588.87	-1,588.87	106.36 %
Capital Assets	25,000.00	26,588.87	-1,588.87	106.36 %
Expenditures	25,000.00	26,588.87	-1,588.87	106.36 %
Summerland San Cap Facilities	-11,115.00	-12,254.56	-1,139.56	110.25 %

Financial Status (Real-Time)

As of: 6/30/2023 (100% 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	6/30/2023 Fiscal Year Adjusted Budget	6/30/2023 Year-To-Date Actual	6/30/2023 Fiscal Year Variance	6/30/2023 Fiscal Year Pct of Budget
Revenues				
Use of Money and Property				
3380 -- Interest Income	3,000.00	12,152.10	9,152.10	405.07 %
Use of Money and Property	3,000.00	12,152.10	9,152.10	405.07 %
Revenues	3,000.00	12,152.10	9,152.10	405.07 %
Expenditures				
Services and Supplies				
7671 -- Special Projects	0.00	58,914.78	-58,914.78	--
Services and Supplies	0.00	58,914.78	-58,914.78	--
Capital Assets				
8300 -- Equipment	128,300.00	153,881.13	-25,581.13	119.94 %
8400 -- Infrastructure	800,000.00	352,668.49	447,331.51	44.08 %
Capital Assets	928,300.00	506,549.62	421,750.38	54.57 %
Expenditures	928,300.00	565,464.40	362,835.60	60.91 %
Other Financing Sources & Uses				
Other Financing Sources				
5910 -- Oper Trf (In)-General Fund	0.00	314,322.00	314,322.00	--
5920 -- Gain/Loss Sale Capital Assets	0.00	20,000.00	20,000.00	--
Other Financing Sources	0.00	334,322.00	334,322.00	--
Other Financing Sources & Uses	0.00	334,322.00	334,322.00	--
SummerInd San Dist-Capital Rep	-925,300.00	-218,990.30	706,309.70	23.67 %
Net Financial Impact	-723,310.00	-208,066.53	515,243.47	28.77 %

Cash Balances (Real-Time)

As of June 30, 2023

As of: 6/30/2023
Accounting Period: OPEN

Selection Criteria: Fund = 5215,5216, 5217

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

Fund	6/1/2023 Beginning Balance	Month-To-Date Cash Receipts (+)	Month-To-Date Treasury Credits (+)	Month-To-Date Warrants and Wire Transfers (-)	Month-To-Date Treasury Debits (-)	6/30/2023 Ending Balance
5215 -- SummerInd San Dist Running Exp	1,132,150.44	960.00	41,573.88	0.00	405,482.29	769,202.03
5216 -- Summerland San Cap Facilities	215,190.45	0.00	0.00	0.00	0.00	215,190.45
5217 -- SummerInd San Dist-Capital Rep	1,095,007.61	0.00	314,322.00	0.00	0.00	1,409,329.61
Total Report	2,442,348.50	960.00	355,895.88	0.00	405,482.29	2,393,722.09

SUMMERLAND SANITARY DISTRICT

Regular Board of Directors Meeting July 13, 2023

Operations Manager Report

OPERATIONS AND FACILITY MAINTENANCE:

- Daily meter readings and sample collection being performed by staff for regulatory compliance and process control.
- Staff attended the Tri-County CWEA June Training Workshop in Ventura.
- On June 22nd the monthly Self-Monitoring Report (SMR) for May 2023 was submitted to the California Regional Water Quality Control Board (CRWQCB) in CIWQS, with no permit violations. The monthly "No Spill Certification" was also submitted to CIWQS.
- Attended the monthly SAMA meeting that was held in Santa Barbara.
- Staff completed weekly grounds maintenance and landscape work including mowing, weed whacking, blowing, edging, and raking. Repairs to the irrigation system were made by staff.
- The County of Santa Barbara's cleaning efforts on the storm drain, that runs under the west side of the treatment plant property, were completed. Repairs on the interior of the pipeline are completed.
- The data logger that the Electrical/Instrumentation Service Technician installed has proven effective. The influent flow data is being forwarded to Carollo Engineering for system hydraulic analysis. (SB County reuse study)
- Operations staff attended safety training on Crain, Hoisting, and Rigging Safety.
- Received the Simi annual Biosolids lab analysis. Submitted the Title 22 Certification for the report.

COLLECTION SYSTEM / LIFT STATIONS:

- Staff continued monthly FOG (Fats, Oils, and Grease) inspections at restaurants in town. All restaurant grease traps inspected were working properly.
- Staff made periodic rounds of the collection system to check for any problems, primarily checking the hot spot manholes to ensure proper flow.
- Scheduled line jetting was performed on potential hot spots. In-house training on the hydro-jetting equipment also took place at the same time.
- SB County completed the resurfacing on Calle Culebra. Staff inspected two manholes and one cleanout that were removed and reinstalled matching the new pavement level. The main line was also hydro-jetted and inspected with CCTV to ensure that no issues occurred during the street work.
- The lights on the Jetter Trailer were failing. Staff rewired the trailer with all new lights.

SUMMERLAND SANITARY DISTRICT

Regular Board of Directors Meeting July 13, 2021 District Administrative Manager Report

New Connection Request for Single Family Dwelling and ADU

110 Montecito Ranch Lane

Will Serve Letter Request for remodeling of a Single-Family Dwelling

15 Lookout Park

Administration (tasks outside the regular scope of work)

- Prepared Property Tax Roll Sewer Fee Charges FY2023-24.
- Uploaded Budget and new SSMP on District's website.
- Published Notice of Hearing in Santa Barbara News-Press on July 16 and July 23, 2023. Proof of Publication is on file.
- Submitted year-end reports, capitalization schedules, accrual schedules, and other reports to the auditor. The auditor assisted with the creation of closing Journal Entries. Completed all closing journal entries in the Financial Information System.

Scheduled days off:

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