

SANTA YNEZ COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS

REGULAR MEETING MINUTES

February 15, 2017

5:30 P.M.

1070 Faraday, Santa Ynez, CA

BOARD MEMBERS PRESENT: David Higgins Frank Mueller
 David Seymour Karen Jones
 Carl Maler

OTHERS PRESENT: Frank and Mary Freinberg, Michael Larson, Chris Brown, Carol Kotechi, Kelly Gray, Ingerid Ekeland, David Asakath, Fred Partridge, Lauren and Jack Sepulveda, Bob D'ambra, Jaime Dietenhoffer, Paul Hood, Christopher Brady, Pat Gott, Jeanne Hollingsworth, Tom Juarez, Kelli Pappas, Gloria Vanttirtum, Corby Flemming, Greg and Vicki Lyon, Tom and Lynne Nelson, Hillary Houser, Alex Bennett, Bob Field, Mike Patarak, Winston Craven, Rose Petersen, Ron Benson.

1. **CALL TO ORDER:** President Seymour called the meeting to order at 5:30 p.m.
2. **ROLL CALL:** Maler, Higgins, Seymour, Mueller, Jones
3. **PLEDGE OF ALLEGIANCE:** Director Higgins led the pledge of allegiance.
4. **DIRECTOR COMMENTS:** Director Jones attended the February LAFCO meeting. Director Seymour also attended the same LAFCO meeting.
5. **PUBLIC COMMENTS:** Bob D'ambra asked why didn't the District confirm the capacity in the Solvang plant before going forward with the annexation because Solvang denied the capacity. He wanted to know why it couldn't be answered. Legal Counsel stated the question can be asked but it can't be discussed unless it is an agenda item
6. **AUDIT REPORT:** Chris Brown from Fedak and Brown presented the financial audit results for the fiscal year 2015/2016. Director Higgins motioned to accept the audit report from Fedak and Brown for the fiscal year 2015/2016. Director Mueller seconded and the motion passed by a roll call vote: ayes; Maler, Higgins, Seymour, Mueller, Jones.
7. **DISCUSSION AND ACTION REGARDING REQUEST PENDING BEFORE LOCAL AGENCY FORMATION COMMISSION (LAFCO) TO AMEND THE DISTRICT'S SPHERE OF INFLUENCE TO INCLUDE LOS OLIVOS.** In September 2015, the District was presented with over 140 signatures from Los Olivos residents requesting help with a sewer solution. Because of that interest, the SYCSD

Board of Directors voted to move forward to investigate how to do get sewer to Los Olivos in the best cost effective way. To do that, the District filed an application with LAFCO on January 25, 2016 to include Los Olivos in the District's Sphere of Influence ("SOI Application"). The application was filed so LAFCO could determine if the SYCSD should be the provider of sewer service to Los Olivos. To date, LAFCO had not taken action on the District's application. There is a pending petition to form a new community services district to provide sewer to Los Olivos ("LOCSD"). A letter was sent to LAFCO stating staff would recommend to the District's Board, the District take the position if LAFCO determines the LOCSD petition should be given priority and proceed first, SYCSD will not challenge that determination so long as the processing of the LOCSD's petition begins promptly and proceeds with reasonable diligence. Legal counsel and staff reviewed with the Board, the different options available for the District's SOI application. Director Higgins motioned for staff to send a letter to LAFCO advising that the District will not object if LAFCO decides to (i) process the LOCSD's petition first, and (ii) put the SOI application on hold in the meantime, Director Muller seconded and the motion passed by a roll call vote: ayes; Maler, Higgins, Seymour, Mueller, Jones.

8. **APPROVAL OF MINUTES:** Review for Board approval draft minutes of the Regular Meeting of October 19, 2016, December 21, 2016 and Wastewater Committee meeting of October 6, 2016. Director Seymour motioned to approve the minutes from the regular meeting of October 19, 2016, Director Higgins seconded and the motion passed with five ayes; Maler, Higgins, Seymour, Mueller, Jones. Director Higgins motioned to approve the minutes of the regular meeting of December 21, 2016, Director Jones seconded and the motion passed with four ayes and Director Mueller abstained because he did not attend the December meeting. Director Seymour motioned to approve the minutes from the Wastewater Committee meeting minutes from October 6, 2016, Director Higgins seconded and the motion passed with five ayes; Maler, Higgins, Seymour, Mueller, Jones.
9. **VOUCHER PAYMENTS:** Review for Board ratification payments made from December 21, 2016 through February 15, 2017. Director Higgins motioned to ratify the vouchers payments from December 21, 2016 through February 15, 2017, Director Jones seconded and the motion passed with five ayes; Maler, Higgins, Seymour, Mueller, Jones.
10. **APPOINTMENT TO COMMITTEES FOR 2017.** President Seymour appointed David Higgins and Karen Jones to the Finance/Budget Committee, Carl Maler and Frank Mueller to the Personnel Committee, and David Higgins and David Seymour to the Wastewater Committee.
11. **MID YEAR BUDGET REPORT:** The Board reviewed the mid-year financial report for the year ending December 31, 2016 and the mid-year budget adjustment of \$1500.00 to district lab testing. Director Higgins motioned to accept the mid-year budget report and approve the mid-year budget adjustment of \$1500.00 to the district lab fees, Director Seymour seconded and the motioned passed by a roll call vote: five ayes: Maler, Higgins,

Seymour, Mueller, Jones.

12. **TREASURERS REPORT** – Staff submitted and reviewed the quarterly cash position for the period ending December 31, 2016. LAIF's interest rate was .68% and the LAIF earned \$229.94 in interest, the Money market account earned \$904.37 in interest, and the CD's earned \$956.18 in interest.
13. **APPROVE THE RMC CONTRACT FOR PROFESSIONAL SERVICES.** At the October 19, 2016 regular Board meeting, the Board approved as-needed technical support with the inclusion of the District's standard. RMC and the District's legal counsel negotiated changes to the inclusion. Director Higgins motioned to approve the final contract with RMC for as-needed technical support, Director Jones seconded and the motion passed by a roll call vote: ayes, Maler, Higgins, Seymour, Mueller, Jones.
14. **STAFF REPORTS:**
 - **A. Manager's Report**

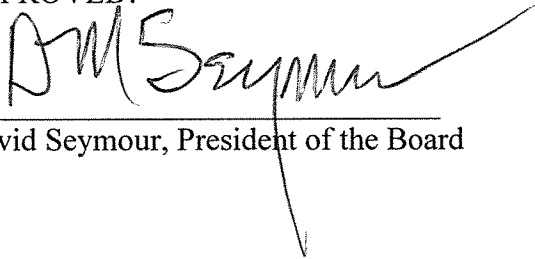
Monthly Flows - see attached charts. As you can see the flows vary greatly. A portion can be accounted for due to the recent rains. The other variation we believe to be meter/installation error or other yet to be determined cause(s) at the Fjord Lift Station in Solvang. The Board approved having RMC Engineering firm to investigate this matter further at the December Board meeting.
 - **Facilities Grant** – The final draft of the Facilities Feasibility Study from RMC in expected to be completed in March, it hasn't been finalized yet because of the pending application to include Los Olivos in the District's Sphere.
 - **Update Connection Fee study** – This project is about 75% complete at this time. With the West SY, the District can determine the real cost to connect. The District asked to purchase an additional 120,000 gallons of capacity not to serve West SY but to have as a buffer for wet weather flows. The District has enough capacity to serve the District's entire Sphere of Influence and annexed areas.
 - **Santa Barbara CSDA monthly meeting** – The next CSDA meeting will be held at the Santa Ynez Valley Marriott, Monday, February 27, 2016 at 5:30 p.m.
- B. Legal Fees**

Public agency invoices from attorneys, if a legal matter is pending and active the invoices don't need to be disclosed because they are exempt.
- C. Secretary Report**
 - The 700 Form is due by April 1, 2017.
 - Each Director needs to complete the sexual harassment prevention training and education training. You can complete the training through the CSDA website.
 - February 25, 2017 will be a valley wide document shred day.
- D. Committee Reports:** The Wastewater Committee had a meeting with the City of Solvang Wastewater Committee on January 31, 2017. Ryan Touissant and Joan

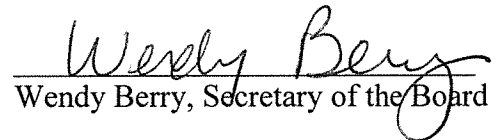
Jamieson are the members for Solvang. The District does not have access to the Joint Conveyance Facility at Fjord Drive and the District's line. The District is paying 20% of what Solvang is doing. The flow meter was not measuring the flows correctly due to the buildup on the pipes which took years to accumulate. Solvang will provide the District staff with a key so the District can clean the line, but the key has not been provided as of today's date.

15. **TENTATIVE AGENDA ITEMS FOR FUTURE MEETINGS:** Employee Handbook, Sewer Code, Design Specifications, Mainline Extension Agreement, revise water softener ordinance.
16. **ADJOURNMENT:** Director Seymour adjourned the meeting at 8:19 p.m.

APPROVED:



David Seymour, President of the Board



Wendy Berry, Secretary of the Board