



**SANTA YNEZ COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS' REGULAR MEETING
Minutes of May 19, 2021**

NOTE: This meeting was held via teleconference, pursuant to the Governor's Executive Order N-29-20 (March 17, 2020)

1. CALL TO ORDER-5:30 PM OPEN SESSION

President Jones called the meeting to order at 5:34 pm.

2. ROLL CALL:

Secretary Berry called the roll. Directors Present: Jones, D'Ambra, Redfern, Van Pelt Absent: Beard Staff Present: General Manager Jose Acosta, Secretary/Treasurer Wendy Berry, Rick Battles Legal Counsel joined the meeting by phone Director Beard arrived at 6:05 p.m.

3. PLEDGE OF ALLEGIANCE

4. DIRECTORS COMMENTS:

No Comments

5. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

None

6. REPORTS:

Solicit proposals for construction management services for the Horizon Drive project. All 3 proposals received will be presented to the Board for review and acceptance.

Collaboration with Staff to review, discuss and compile a draft budget for presentation to the Finance Committee and Board.

Assisted employee bargaining committee to setup initial meeting with the employee union representatives.

Communicate with contractors expecting to submit bids for the project. Work with district engineer to compile addendums for release. Ensuring all contractors questions and inquiries are responded to within each addendum.

Discussion with Kevin McKennon and Greg Lowe, regarding the upcoming retirement of Kevin from the CSD. Staff will be compiling the paperwork for recruitment to fill the vacancy of WWTP Chief Operator. Staff will recruit for a Grade III operator, also a Grade II operator with capability to acquire Grade III within one year from date of hire.

Received an inquiry from Mission Hills CSD regarding possible need to contract with CSD to serve a primacy agency with Grade III operator for record keeping and reporting purposes. MHCSO will reach back out once they confirm with SWRCB.

Contacted City of Solvang City Manager for formal letter retracting the City's request to have the CSD manage their WWTP and collection system operations and declining to reform the JWC.

B. Legal Counsel – City of Pismo and SLO Lafco. The City approved a 154 acre SFD housing project. Lafco required the City to sign an indemnity clause when processing the Lafco application. Lafco denied the application and the city developers sued Lafco. The indemnity clause applies to the application and the court decided the developers didn't have to pay Lafco's legal fees. AB 339 required agencies to facilitate attendance by telethon or video and included translating the meeting in other languages and the bill was amended to remove special districts.

C. Secretary/Treasurer Report – the Board needs to complete the ethics and sexual harassment training, the website is still being updated, and the Five Star checking account is open

D. Committee Report – The Finance Committee reviewed the draft budget. The only change was to change the Stadium to future expansion under Reserves. The AD Hoc committee met with the Teamsters for their initial meeting.

7. CONSENT ITEMS:

- A. Approval of Regular Meeting Minutes of April 21, 2021.
- B. Treasurer's April Report:
 - 1. Approval of Disbursements from April 16, 2021 through May 14, 2021
 - 2. Profit & Loss Budget Performance

Director Van Pelt motioned to approve the consent agenda as presented, Director Redfern seconded and the motion passed by a roll call vote:

AYES: Van Pelt, Redfern, Jones, D'Ambra Absent: Beard

8. PUBLIC HEARINGS:

Proposed Wastewater Rate Increase: The public hearing was opened at 5:55 p.m. and closed at 6:23 p.m. with no written protests. Don Kelleher voiced his concern on the increase rates because over a 4-year period the increase totals 17% and the public hearing notice was not clear. Andrew from Tyndall stated the rate study was not well organized and the District needs to look at other ways to bring rates down like getting more customers.

9. ACTION ITEMS:

A. Adopt Resolution 21-02, Resolution of the Board of Directors of the Santa Ynez Community Services District approving preliminary environmental review form, authorizing filing of notice of exemption, and setting forth findings relating to sewer

service charges. The District adopted the California Environmental Quality Act (CEQA) Guidelines by Resolution 10-05. CEQA was enacted in 1970 as a system of checks and balances for land-use development and management decisions in California. The District's Environmental Committee has conducted a preliminary review of the Ordinance and has concluded that the adoption thereof is exempt from environmental review under the California Environmental Quality Act ("CEQA") pursuant to Section 21080(b)(8) of the Public Resources Code and Section 15273 of Title 14 of the California Code of Regulations. The Committee determined the proposed rate increase is exempt under CEQA. If Resolution No. 21-02 is approved by your Board, staff will file a Notice of Exemption (NOE) with the County Clerk Office. Director Beard motioned to adopt Resolution 21-02, approving preliminary environmental review form, authorizing filing of notice of exemption and setting forth findings relating to sewer service charges, Director Van Pelt seconded, and the motion passed by a roll call vote.

AYES: Beard, Van Pelt, Jones, Redfern, D'Ambra

B. Adopt Ordinance O-21-01, Ordinance of the Santa Ynez Community Service District approving an increase in sewer service charges: Sewer rates need to be evaluated every five years unless needed earlier. The final rate study, completed by Tuckfield and Associates was presented and approved by the Board at their March 17, 2021 meeting. The proposed study included a 0% increase for FY 2021/22 and 4.25% for the following four fiscal years. With the approval of the rate study the District must allow a public hearing to be conducted, allowing for public input. A public hearing was held at 5:30 p.m. on May 19, 2021 and no written protests against the proposed rate increase were presented. The Ordinance needs to be passed by a 2/3 vote. Director D'Ambra motioned to adopt Ordinance O-21-01, Director Beard seconded and the motion passed by a roll call vote:

AYES: Beard, Van Pelt, D'Ambra, Jones, Redfern

C. Adopt Resolution 21-03, resolution of the Board of Directors of the Santa Ynez Community Services District electing to have sewer fees and charges collected on the tax roll for the fiscal year 2021-2022, directing the preparation and filing report, fixing the time and place for public hearing, and providing the notice thereof: Approving this Resolution is the first step in the process for electing to place the sewer fees and other related fees on the tax roll. The next steps are preparing the report and holding a hearing, and then approving the report. The tax roll report is due to the County of Santa Barbara no later than the first week of August. This resolution needs 2/3 vote to pass. Director Van Pelt motioned to adopt Resolution 21-03, Director D'Ambra seconded and the motion passed by a roll call vote:

AYES: Beard, Van Pelt, D'Ambra, Redfern, Jones

D. Horizon Drive Mainline Project Updates:

Staff has reached out to CSDA for an updated loan term sheet to present to the Board for approval on the final estimated project costs of \$1,200,000.00.

All three easements have been signed by the property owners. Further status is pending bid approvals and project moving forward. At the time the project is awarded payment for the easements can be made to the property owners.

The monitoring wells are reflective of the dry conditions in the area. Both wells are showing no standing water currently.

Two addendums to the bid documents were released, extending the opening date from Friday May 7, 2021 to Tuesday May 11, 2021. Staff has received 3 proposals for construction management services and will be presenting these to the Board for approval. The project will also require the service of a soils engineering firm, to monitor the soils testing and compaction throughout the project. Staff has asked the District engineer to solicit quotes from various firms. The quotes will be presented at the June Board meeting for review, discussion and approval.

The bid opening was postponed due to the needed addendums needing to be released and bids to be modified to reflect the requested changes. The bids were opened on Tuesday May 11, 2021 and being presented this evening for Board review, discussion and selection.

E. Award contract for the Horizon Drive mainline extension project: Board consensus was to pull this item until the special meeting June 2, 2021. Staff will request another quote from CSDA in the amount of \$1,300,000 to cover 10% contingency, Clayton Tuckfield can present the Horizon Drive capacity fees at the special meeting June 2, 2021 so the Horizon Drive residents can be notified and participate in the meeting to see the capacity fee cost changes due to the increased bid amounts.

F. Review and approve agreement for construction management services for the Horizon Drive Mainline Project: Board consensus was to pull this item until the special meeting on June 2, 2021.

G. Proposed draft budget for fiscal year 2021-2022.

Sewer Revenue. Per the approve rate study, the sewer fees will not be increased the 2021/2022 fiscal year so the sewer fees will be \$76.67 per SFD per month. The District received all its property tax revenue from the County at the end of April and the total sewer fee revenue is \$1,159,000 which includes the 10 accounts that receive a bill from the District every month and tax roll revenue. The District also receives a sewer benefit fee from each parcel of \$49.28 per parcel for approximately \$38,000 per year. To date, the District has received \$37,914 which also includes the 10 accounts that receive a bill from the district every month and the tax roll revenue. This sewer benefit fee is for having sewer available to the property whether the parcel is connected or not. The sewer benefit fee is projected at \$38,000 which is the same as the approved budget for 20/21. This fee is placed on the tax roll and we will collect it when property taxes are paid.

Non-Operating Income. Projected to decrease by \$10,500 or 4% as compared to 20/21 budget from a decrease in interest income. Property tax should be approximately \$185,000 or 91% of the non-operating income. WWTP and Tribe admin fees decreased due to actual expenses for 20/21 decreasing and less staff time being spent at the WWTP.

Contract Agencies. The contract agencies admin fees will decrease by a total of \$1,460.00 from a decrease in expenses from the Tribe and WWTP expenses. Staff time is estimated to decrease, insurance increasing and the overhead contribution fee being included in the line items. The overhead contribution is a fee to the tribe and WWTP based on certain line items in the District's budget such as, office supplies and office machines. The District charges an administration fee of 10% to the Tribe and 5% to the WWTP. The total admin fee is based on the total expense the District pays for operation of the WWTP and Tribe collection system. These costs are estimated by actual expenses from previous years and can vary considerably.

Expense Categories

This draft of the budget has operating expenses (less capital) increase by \$10,950.00 or 1% when compared to the 20/21 approved budget. The increase in expenses comes from an increase in computer operations for the new accounting software, fuel tank at the 246 pumpstation, increase in vehicle repairs and increase in insurance. The expenses are based on budget to actual prior history and what the district's needs are for the upcoming year. There is very little flexibility to reduce expenses such as insurance, chemicals, supplies, equipment maintenance, lab testing, audit, and permits. We must always look for ways to reduce operating costs.

Personnel Cost. Current staff level of six full-time employees remains in the budget. There is no change in the retirement 13.65% for the 457 and 401a account. The total personnel budget will remain the same from the 20/21. However, the District will be negotiating this year. Per the current MOU that expires in June, the cost-of-living increase is based on the September cost of living index and effective January 1 of each year.

Utilities. Projected to stay the same as compared to the 20/21 budget.

Operations Expenses. There are a few increases within this section for the following purposes:

Insurance increase due to adding Golden Inn equipment and facilities to district policy.

R&M Vehicles- The 2004 Chevy truck will need several repairs to ensure the vehicle remains safe for operation, if the Board decides to postpone purchase of a replacement vehicle.

Pump Station- Highway 246 pump station should have a larger fuel tank installed, to ensure adequate supply is available in the event of an emergency or power outage. PG&E has announced several times they may have planned power outages, that can last between 3-5 days. The current fuel tanks do not allow adequate supply, in the event fuel stations or delivery are unavailable.

General and Administrative. Projected to stay the same as the 20/21 budget.

Debt. The District does not hold any debt

Transfer to Reserves. Staff is projecting two sewer connections not including Horizon Drive connections. It is projected to transfer \$380,312.00 from revenue/expense to the reserve account.

The Board reviewed the draft budget and authorized staff to bring the final draft budget to the regular Board meeting June 16, 2021.

9. INFORMATIONAL ITEMS:

None

10. ADJOURNMENT. Director Beard motioned to adjourn the meeting at 8:26 p.m., Director Van Pelt seconded, and the motion passed by a roll call vote:

AYES: Beard, Jones, D'Ambra, Redfern, Van Pelt

The next regular Board of Director's meeting is scheduled for Wednesday, June 16, 2021.

APPROVED:

Karen Jones, President Board of Directors

ATTEST:

Wendy Berry, Secretary Board of Directors