

SANTA YNEZ COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS

Minutes of the Regular Meeting
June 15, 2016
5:30 P.M.

PRESENT: David Higgins Barry Marks
 David Seymour Frank Mueller
 Carl Maler

ALSO

PRESENT: Jeff Hodge, General Manager
 Wendy Berry, Secretary-Treasurer
 Rick Battles, Legal Counsel
 See attached list for the public

1. **CALL TO ORDER:** The meeting was called to order at 5:35 p.m.
2. **ROLL CALL:** All Board members present
3. **PLEDGE OF ALLEGIANCE**
4. **DIRECTOR COMMENTS:** Director Seymour attended the monthly SBCSDA meeting and he stated there are some interesting bills from the State being introduced that pertain to all the Special Districts..
5. **PUBLIC COMMENTS:** Members of the public may address the Board on any items of interest within the subject matter and jurisdiction of the Board but not on its agenda today. (Government Code - § 54954.3) No Comments.
6. **PUBLIC HEARING ON ELECTING TO HAVE SEWER FEES AND CHARGES COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2016/2017.** The public hearing was opened at 5:37 p.m. and no written protests or public protests were filed so the public hearing was closed at 5:38 p.m.
7. **DISCUSSION OF WEST SANTA YNEZ ANNEXATION.** Jeff Hodge gave a presentation on the West SY Annexation. Many residents within the annexation area had many questions on the costs because those customers thought the LAFCO protest hearing notice said they would be forced to connect to sewer. Per Section 301 in the sewer code, the District cannot make the homeowner connect. Environmental Health Services (EHS) is the agency who deems septic system failed and decide if the home owner connects to sewer if its available or purchase an advanced septic system. The County of Santa Barbara adopted the Local Area Management Plan (LAMP) and it went into effect on January 1, 2016. The LAMP regulates the septic systems and if the septic system fails,

the homeowner either connects to sewer, if available or purchases an advanced treatment septic system. The advanced treatment septic systems cost approximately \$30,000 – \$40,000. The District voted to apply for annexation because it will save the homeowner money if they decide to connect to sewer. If the annexation gets approved each homeowner would pay approximately \$200 for the annexation fee vs. \$3000-\$5000 to annex each individual property if the homeowner wants to connect to the District's sewer system. West Santa Ynez was designated a special problems area from Santa Barbara County and with the LAMP requirements the District wanted to be proactive and provide the homeowners another option for sewage treatment. The District has an installment payment plan in place to put the capacity fees on the tax roll over a 20 year period. Public comments were opened at 5:53 p.m. and closed at 6:16 p.m. Public comments were reopened due to more questions and closed at 6:55 p.m. The questions asked by the public were: why did you decide to apply for annexation, when did you apply, what is the motivation to apply, what is the cost to connect, if there are sewer lines installed how long will it be before I connect and everyone else, do I have to connect, how much are the main trunk lines going to cost, is there any type of fee to be annexed, what is the monthly charge, how much does it cost to abandon the septic system and who pays for that, what are the design costs, what is the time frame for the engineering, why did the send out so many notices, why wasn't LAFCO, EHS and the State Water Board at the meeting and will they come to the next meeting.

8. **ADOPT RESOLUTION 16-05, OVERRULLING OBJECTIONS AND ADOPTING REPORT ON SEWER FEES AND CHARGES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2016/2017.** This Resolution is brought before the Board on an annual basis and allows the District to place the sewer fees on the property tax roll. A public hearing was held at 5:37 p.m. on June 15, 2016 and no written or verbal protests were submitted. Director Seymour motioned to adopt Resolution 16-05, overruling objections and adopting report on sewer fees and charges to be collected on the tax roll for fiscal year 2016/2017. Director Higgins seconded and the motion passed by a roll call vote: ayes; Seymour, Higgins, Maler, Marks, Mueller
9. **APPROVAL OF MINUTES:** Review for Board approval of the draft minutes of the Regular Meeting of May 18, 2016. Director Higgins motioned to approve the minutes of the Regular Meeting of May 18, 2016, Director Marks seconded and the motion passed with five ayes.
10. **VOUCHER PAYMENTS:** Review for Board ratification of the payments made from May 19, 2016 through June 15, 2016. Director Marks motioned to approve the voucher payments from May 19, 2016 through June 15, 2016, Director Higgins seconded and the motion passed with five ayes.
11. **ADOPTION OF ORDINANCE O-16-01, ORDINANCE OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ COMMUNITY SERVICES DISTRICT DETERMINING AMOUNT OF REAL PROPERTY TAX TO BE LEVIED WITHIN THE SANTA YNEZ COMMUNITY SERVICES DISTRICT IN THE**

FISCAL YEAR 2016/2017. Ordinance O-16-01 was introduced at the May 18, 2016 meeting. The amount of property tax to be determined is from the USDA Rural Development GO Bond that helped finance the construction of the District's sewer system in 1980. The amount of property tax to be levied is \$20,425.00. \$2,033.63 is paid by the six accounts that are billed on a monthly basis. Director Seymour motioned to adopt Ordinance O-16-01, Director Higgins seconded and the motion passed by a roll call vote: ayes; Seymour, Higgins, Maler, Marks, Mueller.

12. **ADOPT ORDINANCE O-16-03, ORDINANCE OF THE SANTA YNEZ COMMUNITY SERVICES DISTRICT DETERMINING AMOUNT OF CAPACITY FEES AND OTHER FEES.** This item was pulled from the agenda.
13. **ADOPT ORDINANCE O-16-04, ORDINANCE OF THE SANTA YNEZ COMMUNITY SERVICES DISTRICT AMENDING SEWER SERVICE CODE TO REVISE CAPACITY FEES.** This item was pulled from the agenda.
14. **ADOPT RESOLUTION 16-07, RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ COMMUNITY SERVICES DISTRICT FIXING, APPROVING AND ADOPTING THE BUDGET FOR FISCAL YEAR 2016/2017.** On June 9, 2016, the budget/finance committee reviewed the proposed budget for fiscal year 2016/2017. The projected reserve amount is \$140,500.00. Director Higgins motioned to adopt Resolution 16-07, fixing, approving and adopting the budget for fiscal year 2016/2017, Director Seymour seconded and the motion passed by a roll call vote: ayes; Higgins, Seymour, Maler, Marks, Mueller.
15. **ADOPT RESOLUTION 16-08, RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ COMMUNITY SERVICES DISTRICT APPROVING AND ADOPTING REVISED EMPLOYEE PAY SCHEDULE.** Every year the District reviews the Cost of Living Index (COLA) from the Los Angeles-Riverside-Orange County Area from April of the previous year to March of the current year. This year the COLA is 1.45%. Director Higgins motioned to adopt Resolution 16-08 approving and adopting revised employee pay schedule, Director Marks seconded and the motion passed by a roll call vote: ayes; Higgins, Seymour, Maler, Marks, Mueller.
16. **DIRECT STAFF TO SUBMIT A LETTER REQUESTING LAFCO TO VACATE THEIR DECISION REGARDING THE POSTPONEMENT TO THE DISTRICT'S SPHERE OF INFLUENCE APPLICATION.** On June 2, 2016, the LAFCO Commissioner's voted to postpone the District's application to include Los Olivos in the District's Sphere of Influence. There were approximately 40 letters in support of the Sphere of Influence changed that were not included in the Commissioner's packet that were submitted to LAFCO two days before the meeting. The SYCSD Board of Directors feels those people who signed those letters should be heard. Public comment was opened at 7:28. Residents of Los Olivos supported the Board asking to vacate because they want to be heard and the information that was left out is valuable. Other citizens of Los Olivos asked the Board not to ask to vacate the decision because they feel the information in those letters is inaccurate and progress is moving forward. Jay Richolson stated there are

two studies under way, one being funded by the County of Santa Barbara EHS that is using the previous study by AECOM and going deeper into it and then a financial feasibility study that will be completed mid- September. Public comments were closed at 7:42 p.m. The Board discussed their options. Public comments were reopened at 7:50 and closed again at 8:06. Director Seymour motioned to send a letter to LAFCO and the commissioners stating the Board was disappointed the letters didn't get included in the meeting and that it may have changed the outcome and ask for a response. Director Higgins seconded and the motion passed with five ayes.

17. **VOTE FOR ONE CANDIDATE FOR SEAT B CSDA BOARD COASTAL REGION.** On April 20, 2016, the Board of Directors adopted Resolution 16-03, placing Jeff Hodge in nomination as a member of the California Special District Association (CSDA) Board of Directors representing the Coastal Network. Jeff Hodge is supported by the Santa Barbara Chapter of the CSDA. Director Marks motioned to vote for Jeff Hodge for the CSDA Board of Directors, Director Higgins seconded and the motion passed with five ayes.
18. **REVIEW PROPOSED CSDA BYLAWS UPDATES AND VOTE BY MAIL WHETHER TO APPROVE THE UPDATES OR NOT.** The CSDA Board of Directors has approved recommended updates to the CSDA bylaws. The changes are i) general cleanup to reflect updates and organizational changes over the last two years ii) clarifying language to the CSDA Board nomination and election process to allow for electronic voting and iii) clarifying the language for the inclusion of electronic communication related to the CSDA bylaws amendments. Director Higgins motioned to vote for the proposed CSDA bylaws, Director Seymour seconded and the motion passed with five ayes.
19. **DISCUSSION AND POSSIBLE ACTION ON OPTIONS FOR BALLARD.** On May 18, 2016 the Board of Directors voted to begin community outreach for West Santa Ynez and Los Olivos. Jay Freeman stated at the June 2, 2016 LAFCO meeting he had collected 40 signatures in support of Ballard being included in the District's Sphere of Influence. Director Higgins motioned to write a letter to Supervisor Farr and include the 40 signatures that a former Third District Supervisor candidate received when he asked about connection to a sewer system. The letter to Supervisor Farr would ask the County to send information to Ballard regarding the septic system issues. Director Marks seconded and the motion passed with five ayes.
20. **APPROVE NOTICE OF COMPLETION FOR HWY 246 JACK AND BORE PROJECT 2016-01.** The Hwy 246 Jack and Bore project 2016-1 was completed on June 8, 2016 so the Notice of Completion needs to be filed with the County of Santa Barbara. Director Higgins motioned to approve the Hwy 246 Jack and Bore Project 2016-1 and approve the Notice of Completion. Director Seymour seconded the motion and it passed by a roll call vote: ayes; Higgins, Maler, Marks, Mueller, Seymour.
21. **STAFF REPORTS:**

A. Manager's Report-Staff will present a slide show of all the accomplishments from the projects that have been completed. The Chumash also received approval to use reuse water at the Live Oak Festival.

B. Legal Counsel Report – A new bill, SB 1292 is pending to change procedures on Grand Jury reports for Special Districts.

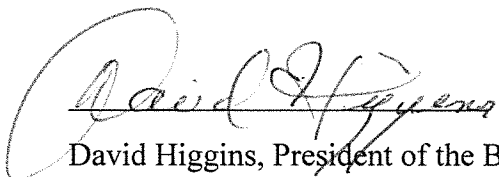
C. Secretary/Treasurer Report - None

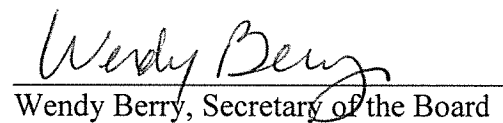
D. Committee Report – the Budget Committee met on June 9, 2016 and reviewed the 2016/2017 preliminary Budget.

22. **TENTATIVE AGENDA ITEMS FOR FUTURE MEETINGS:** Employee Handbook, Sewer Code, Design Specifications, Mainline Extension Agreement.

23. **ADJOURNMENT:** The meeting was adjourned at 8:58 p.m.

APPROVED:


David Higgins, President of the Board


Wendy Berry, Secretary of the Board