



**SANTA YNEZ COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS' REGULAR MEETING
Minutes of March 17, 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, Beard, Redfern Absent Van Pelt then joined the meeting at 5:41 p.m. by zoom. Staff Present: General Manager Jose Acosta, Secretary/Treasurer Wendy Berry, Rick Battles Legal Counsel joined the meeting by phone for the rate study and bank accounts.

3. PLEDGE OF ALLEGIANCE

4. DIRECTORS COMMENTS:

No comments

5. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

No public comment

6. CONSENT ITEMS:

- A. Approval of Regular Meeting Minutes of February 17, 2021.
- B. Approval of the Special Meeting Minutes of March 10, 2021
- C. Approval of the Finance Committee Meeting Minutes of March 11, 2021
- D. SYCSD Treasurer's Dashboard February Report
 1. Approval of Disbursements from February 13, 2021 to March 11, 2021
 2. Profit & Loss Budget Performance

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

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

7. ACTION ITEMS:

A. Rate Study: Discussion and approval of rate study presented by Clayton Tuckfield, rate consultant. At the February 17, 2021 regular Board meeting, your Board voted for Clayton

Tuckfield and Associates, rate consultant, to finalize the wastewater rate study with the option of 0% increase for the first year and 4.25% for the following four years for fiscal years 2021-22 through 2025-2026 and to have Clayton Tuckfield review the capacity fees.

The CSD conducts a wastewater rate study every 5 years. The previous wastewater rate study was approved and adopted on May 18, 2016 by District Ordinance O-16-02. The current wastewater rate study is due to expire on June 30, 2021. The abandonment of septic tanks is not included in the costs from the District and the property owners are responsible for all costs associated with a septic tank. Director D'Ambra motioned to approve the rate study with the change to include a graph for the rates presented by Joe Barget, Director Van Pelt seconded and the motion passed by a roll call vote:

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

B. Review, discussion and authorization of District's bank accounts:

Last year, Rabobank switched to Mechanics Bank. At that time, the District's checking account was switched from a flat fee service charge of \$75-115.00 based on wire and ach's to an analysis service charge based on bank balance and transactions. The service charges increased between \$166.40 - \$287.03, however the District did receive credits to offset the charges which brought the services fees down between \$91.77-\$150.95. The \$150.95 is February's bank service fees. With the District being on analysis, the District is charged for every transaction and then given an earning credit based on bank balance to offset the bank service charges, however this earning credit is subject to change based on the financial market and the interest earned in the accounts is used in their calculation to offset the fees. Based on the February analysis, the District would need \$1,028,000.00 in deposit with Mechanic's bank to avoid any fees and would not earn interest.

Montecito Bank and Trust would put us on an analysis service charge as well, but their rates and interest rates are more competitive. In their checking account the District would have to maintain an average balance of \$185,000.00 in order to avoid any fees. This would give us to direct deposit, ach and wire transactions and interest.

Five Star Bank is willing to give the District free checking, free services and also earn interest on the accounts. One reason is because the District has a money market with them that has a balance of \$3.8 million. One possible issue with Five Star Bank is that they are not local but they will provide a remote deposit machine to make deposits that will automatically credit to our account.

Director D'Ambra motioned for staff to open new bank accounts with Five Star Bank and bring back a Resolution for approval at the April meeting, Director Redfern seconded and the motion passed by a roll call vote:

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

C. Horizon Drive Mainline Project Updates: Staff is still waiting for the State to rank the projects, that have been submitted for financing. Once a ranking has been completed the CSD will have a better understanding of our status. Staff will reach out to CSDA for another rate quote. Hamner, Jewell and Associates is continuing in its efforts to finalize and the presentation of offer documents for two remaining property easements. Staff and Jennifer, of Hamner, Jewell and Associates, conducted an on-site visit at the Hart property, concerns and

suggestions were shared and have been reviewed by Staff. Final offer packages have been presented to both remaining easement property owners for consideration. The monitoring wells are showing the groundwater levels continuing to recede. The current groundwater levels are close to 18 feet below surface. The bid documents will be finalized, and staff will send out the invite to bid. The District Engineer will add to the bid documents a cutoff point, a due date for final addendums and have the District sign off on the plans. Staff recommends having a closed session. Board consensus is to hold the closed session on March 24, 2021 at 4:30 p.m.

D. Newsletter: In June 2020, your Board approved sending out a semiannual newsletter. The first one was sent out June 2020. Board consensus is for staff to make the rate study info change and then send out the newsletter.

E. CSDA Board of Directors Call for Nominations Seat A Coastal Network: The CSDA leadership is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered three-year terms. Candidates must be affiliated with an independent special district that is a CSDA regular member in good standing and located within the geographic network that they seek to represent. The Board made no nominations however, Director Van Pelt may be interested and if so, staff will add this item to the special meeting agenda on March 24, 2021.

F. Approval of City of Solvang's final invoice for fiscal year 2019/2020: Staff received the final invoice and back up documentation from the City of Solvang. The District's total flows for the year were 45.269 million gallons which equates to 19.795% of the WWTP total flow. The district is responsible for their share of 19.795% of total expenses, administrative fees, and project costs under \$50,000.00. The following are the amounts reflective of these obligated costs: total annual expenditures, \$250,973, administrative fee, \$49,680, and capital costs under \$50k, \$14,308.00. For projects with capital costs over \$50,000.00 the District is responsible for 20% of the costs; the costs for this item were pertaining to the land acquisition for the WWTP upgrade, in the amount of \$14,391.00. The District pays \$20,000.00 per month to offset the costs, for a total of \$240,000.00. Total expenses, billed to the CSD, for the year were \$329,352.00, with the deposit of \$240,000.00, the CSD has a remaining balance of \$89,352.00.

Staff reviewed the final bill with the Finance Committee and then followed up with questions to send to Solvang for clarification. Director Beard motioned to approve the City of Solvang's final invoice for \$89,532.00, Director D'Ambra seconded, and the motion passed by a roll call vote:

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

8. INFORMATIONAL ITEMS:
None

9. REPORTS:

A. Manager's Report –

Communicated with City of Solvang City Administrator regarding the reformation of the Joint Wastewater Committee. Submitted a letter on behalf of the CSD, making the request. The request was mentioned at their March 8 Council meeting and will be formally presented, for consideration at their March 22, Council meeting.

City of Solvang awarded the contract for the Aeration system upgrade project to Cushman construction at their March 8 meeting. They will conduct a pre-construction walk through on May 6, CSD staff will be available to attend as well.

Staff has been working on registering the board for the CSDA Governance training on March 24-25. Also, submitting application for scholarships to cover the costs, saving the CSD the costs for these fees.

Collaborating with district engineer and legal counsel to finalize the bids documents and drawings for presentation and approval to the Board. Setting the timeline for the project, release for inviting bids, commencement dates, and completion dates.

Continued working with Hamner, Jewell and Associates regarding the easement procurements. General Manager and Hamner, Jewell and Assoc. Rep made a visit to speak with Mr. Hart on March 2. Mr. Hart made some suggestions and presented their concerns. The Harts have been presented with a final offer letter this past week.

Staff worked on completion of a final draft of the District newsletter that will be mailed out next week.

Conducted joint staff meeting with City of Solvang WWTP staff and Public Works Director. Discussed plant upgrades and collaboration for planning for the upcoming projects.

Communicated with Clayton Tuckfield, financial consultant regarding the final rate study documents and presentation for Board review and approval.

Prepared and attended Special Board meeting on March 10, to review, discuss and finalize bid document for Horizon Drive project. Also attended CSD Finance Committee meeting on March 11, to discuss City of Solvang final invoice and District switching of bank accounts.

Spoke with Jason Banta of City of Solvang, regarding final invoice for the CSD costs sharing for WWTP.

Each Director was awarded the CSDA scholarship for the Board training so the District will be reimbursed once the training is completed.

B. Legal Counsel's Report – The vote by a Board needs to be recorded and the American Rescue Plan Act allocates money to State, Cities and counties but can be transferred to special districts.

C. Secretary/Treasurer's Report – Staff will bring proposals for banking services to the March meeting, ethics and harassment training are due and 700 forms are due by April 1st.

D. Committee Reports – The finance committee met to review the City of Solvang's final bill.

10. ADJOURNMENT. Director Beard motioned to adjourn the meeting at 7:41 p.m.,

Director Redfern 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, April 21, 2021.

APPROVED:



Karen Jones, President Board of Directors

ATTEST:



Wendy Berry, Secretary Board of Directors

