

SANTA YNEZ COMMUNITY SERVICES DISTRICT

A-36

Mailing Address: P.O. Box 667, Santa Ynez, CA 93460-0667 • (805) 688-3008

June 17, 2010

Presiding Judge Arthur A. Garcia
Santa Barbara Superior Court
312 E. Cook Street, Suite M
Santa Maria, CA 93454

COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS
2010 JUN 29 11:11:09

**Re: Response to Santa Barbara County Grand Jury Report
Currents and Undercurrents in the Santa Ynez Valley**

Dear Judge Garcia:

The purpose of this letter is to provide the responses of the Santa Ynez Community Service District (SYCSD) to Findings 1a and 1b contained in the recent Santa Barbara County Grand Jury report entitled "Currents and Undercurrents in the Santa Ynez Valley". Findings 1a and 1b, together with the District's responses, are set forth below.

FINDING 1a

Santa Ynez River Water Conservation District, Improvement District #1 and Santa Ynez Community Services District, each provide some form of water service and have separate governing boards, administration, staff, and legal counsel.

RESPONSE TO FINDING 1a

SYCSD disagrees with that portion of Finding 1a which states that the Santa Ynez River Water Conservation District, Improvement District #1 (ID No. 1) and SYCSD each provide some form of water service. SYCSD provides sewage collection, treatment and disposal service, while ID No. 1 provides potable water service. For nearly all legal and practical purposes, sewage and potable water are treated differently. Sewer and water agencies come under the jurisdiction of different regulatory agencies and are subject to entirely different legal requirements relating operations, permits, zoning compliance, operator certifications and similar matters. In addition, there are very few similarities with respect to the manner in which potable water and sewer services are provided. Moreover, water and sewer facilities involve significant differences with respect to their design, construction, operation, maintenance and repair.

SYCSD agrees with that portion of Finding 1a which states that ID No. 1 and SYCSD have separate governing boards, administration, staff, and legal counsel.

FINDING 1b

A merger of Santa Ynez River Water Conservation District, Improvement District #1 and Santa Ynez Community Services District, establishing a new single publicly accountable agency to

provide both water distribution and sewage collection that shares administrative and field staff, will provide opportunities for economic efficiencies.

RESPONSE TO FINDING 1b

SYCSD does not necessarily agree with Finding 1b. Although a merger of SYCSD and ID No. 1 might result in economic efficiencies, the issue would need to be thoroughly analyzed by a qualified consultant before any definitive conclusions in this regard can be reached. In this respect it should be noted that integrating the staff of SYCSD with the staff of ID No. 1 could be difficult in light of the large number of employees involved and differences relating to seniority, pay schedules, benefits and chains of command. In addition, as indicated under SYCSD's response to Finding 1a above, water and sewer agencies come under the jurisdiction of different regulatory agencies and are subject to different legal requirements. Moreover, due to (i) the differences in the services provided, (ii) public health considerations relating to potable water, and (iii) the differences in the rates and debt structures of the agencies, if there were a merger of the two districts, the water and wastewater activities, equipment and staff responsibilities would need to remain separate. This necessary separation could reduce the benefits of a merger.

It should also be noted that merging SYCSD and ID No. 1 would significantly increase the boundaries of the territory served by SYCSD. As a result, the Board of the merged agency would be elected from a larger area and by a larger population than is currently the case for SYCSD. Therefore, following a merger, the Board would be less representative of the Santa Ynez community and might be less responsive to the constituents residing within SYCSD's current boundaries.

SYCSD is committed to providing service to its constituents in the most cost effective, efficient, responsive and responsible manner possible. To that end, SYCSD would be willing to participate in a study as discussed above to determine if a merger of SYCSD and ID No. 1 would benefit the public.

* * * * *

Thank you for your consideration of these responses.

Sincerely,

SANTA YNEZ COMMUNITY
SERVICES DISTRICT



David Seymour,
Board President

cc Santa Barbara County Board of Supervisors