

RELIABLE SINCE 1921

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Board of Directors
Kenneth Coates, President
Brian Goebel, Vice President
Cori Hayman, Director
Tobe Plough, Director
Floyd Wicks, Director
General Manager and Board Secretary
Nick Turner

APPROVED
REGULAR MEETING MINUTES
of the
BOARD OF DIRECTORS
MONTECITO WATER DISTRICT
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA

TUESDAY, SEPTEMBER 24, 2024
9:30 A.M.

AGENDA

1. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM

President Coates called the meeting to order at 9:30 a.m.

Directors present:

Directors Ken Coates, Brian Goebel, and Floyd Wicks participated in person.

Director Tobe Plough joined the meeting in person at 9:33 a.m.

Director Cori Hayman joined the meeting in person at 9:44 a.m.

Staff present (In Person and via Zoom):

Nick Turner, General Manager
Adam Kanold, Asst. GM/Engineering Mgr.
Olivia Rojas, Business Manager
Laura Camp, Public Information Officer
Christina Perry, Administrative Assistant
Ray Willefert, Financial Analyst
Richard Romero, Distribution Superintendent

Cesar Limon, Distribution Chief Operator
Jesus Bautista, Distribution Operator III
John Carrillo, Distribution Operator II
Ryan Rodriguez, Distribution Operator II
Daniel Rodriguez, Distribution Operator II
Isaac Medina, Distribution Operator I

Counsel present (In Person):

Walt Wendelstein, Wendelstein Law Group PC, District Counsel

Special Counsel present (via Zoom):

Robert Donlan, Ellison Schneider Harris & Donlan LLP

Consultants (In Person and via Zoom):

Dr. Steven Bachman (in person)
Jared Solmons. Nigro & Nigro (via Zoom)
Paul Kaymark, Nigro & Nigro (via Zoom)
Georg Krammer, Gallagher (via Zoom)

Public (In Person and via Zoom)

Chris Albertson (in person)
Cade Harris (in person)

2. PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance.

3. PUBLIC FORUM

Chris Albertson addressed the Board concerning a relocated fire hydrant originally positioned at the intersection of Sycamore Canyon Road and Stoddard Lane. Mr. Albertson requested that the District cooperate with the Montecito Fire Protection District to replace the hydrant.

Item 5-A was addressed prior to the Consent Calendar, Item 4, as noted herein

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS

A. INFORMATIONAL: Discussion of Customer Service Line Inventory Results

Mr. Kanold presented the item and introduced staff involved in the Customer Service Line Inventory. The Board expressed appreciation and thanks for the Distribution Staff's efforts.

4. CONSENT CALENDAR

The following items were approved or accepted by vote on one motion unless a Board member requested separate consideration:

- A. Meeting Minutes of August 27, 2024
- B. Payment of Bills for August 2024
- C. Investment of District Funds as of August 31, 2024
- D. Unaudited Monthly Financial Report for August 2024
- E. Waterworks Reports for August 2024
- F. Receive and file the final *Office Property Master Plan*

The Board recognized and thanked Olivia Rojas and the accounting staff for their efforts regarding cash management.

Director Plough moved to approve the Consent Calendar. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS

Item 5-A was addressed prior to the Consent Calendar, Item 4, as noted herein

B. ACTION ITEM: Proposal from Dr. Steven Bachman to prepare the *2025 Future Demand and Water Supply Options Study*

Mr. Turner introduced Dr. Steven Bachman and his proposal to prepare the *2025 Future Demand and Water Supply Options* study. Mr. Turner and Dr. Bachman responded to questions from the Board.

Director Plough moved to authorize a contract with Dr. Steven Bachman to prepare the *2025 Future Demand and Water Supply Options* study. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

C. INFORMATIONAL: Customer Relations and Public Information Update

Ms. Camp presented the item and responded to questions from the Board.

D. INFORMATIONAL: General Manager Report

Mr. Turner presented the item and responded to questions from the Board.

6. DISTRICT BUSINESS REPORT

A. INFORMATIONAL: Update on audit of 2020 *Water Supply Agreement* with the City of Santa Barbara

Paul Kaymark and Jared Solmonsens, both of Nigro & Nigro, PC provided the Board with an update on the audit of the 2020 *Water Supply Agreement* with the City of Santa Barbara.

7. APPEALS

A. ACTION ITEM: Water Loss Adjustment Appeal for Customer Acct #10-0065-01

Mr. Turner presented the item and responded to questions from the Board.

Director Goebel moved to uphold the decision by staff to reject the requested adjustment because it did not qualify for an adjustment under the District's Water Loss Adjustment Policy. The motion was seconded by Director Plough and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

The Board paused for a break at 10:39 a.m. and returned at 10:51 a.m.

8. DIRECTOR AND COMMITTEE REPORTS

A. President's Report: Director Coates reported that a meeting with Salud Carbajal is scheduled for October 16th to discuss USFS matters.

Director Coates requested that Mr. Turner report on a joint comment letter submitted to the State Water Resource Control Board concerning the Board's planned action to designate the groundwater basin in which Semitropic is located as probationary.

B. Operations & Customer Relations Committee: Director Goebel reported that all relevant items were previously addressed.

C. Finance Committee: Director Plough reported that all relevant items were previously addressed.

D. Strategic Planning Committee: Director Coates reported that all relevant items were previously addressed.

- E. Central Coast Water Authority: Director Coates reported that relevant items will be addressed in Closed Session.
- F. Cachuma Operation and Maintenance Board: Director Hayman reported on the following matters from the recent COMB meeting: lake elevation, fish passage repair at Rancho San Julien, and a Value Planning Study session on fish passage around Bradbury Dam conducted by the U.S. Bureau of Reclamation.
- G. Cachuma Conservation Release Board: Director Plough reported no relevant items.
- H. Santa Barbara County Chapter of the California Special Districts Association (CSDA): Director Wicks shared highlights from the 2024 CSDA Annual Conference he attended on September 9th - 12th.
- I. ACWA JPIA: Director Wicks will attend the combined ACWA and ACWA JPIA conferences starting December 2nd.
- J. CalDesal: Director Wicks reported no relevant items.
- K. Ad hoc Committee - Legislative Matters: Director Goebel formally recommended the dissolution of the Ad hoc Committee for Legislative Matters.
- L. Ad hoc Committee - Water Transfer Agreement with Homer LLC: Director Goebel had no report and Mr. Turner provided an update on the environmental review in connection with the June 24, 2024, Water Management Program Agreement between the District and Homer LLC.
- M. Ad hoc Committee – Water Rights Opportunities: Director Coates reported that a meeting with Solomon Hills is scheduled for October 1, 2024.

9. **LEGAL MATTERS**

A. Recent and Pending Legal Matters Review – Oral Report

Counsel has been working with Mr. Turner and Mr. Kanold on a number of matters, including an ASADRA Construction Contract and an evaluation of the cyber insurance coverage for the District.

The Board recessed to Closed Session at 11:22 a.m.

The Board returned to Open Session at 2:13 p.m.

Director Wicks exited the meeting at 12:58 p.m.

B. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(4) Conference with Legal Counsel – Anticipated Litigation – Initiation of Litigation; 2 cases,

As to Item 8-B, a discussion was held with District Counsel and no action was taken.

C. **CLOSED SESSION:** Pursuant to Government Code §54957.6 Conference with Labor Negotiators

Agency designated representative: Nicholas Turner, General Manager
Employee organization: SEIU

As to Item 8-C, a discussion was had with the Board, direction was given to the labor negotiator, and no action was taken.

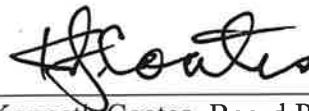
10. DIRECTOR REQUESTS

No director requests were made.

11. ADJOURNMENT

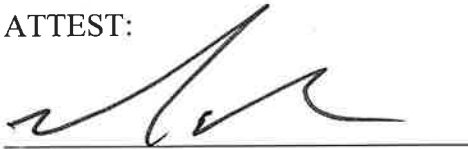
The meeting was adjourned at 2:17 p.m.

APPROVED:



Kenneth Coates, Board President

ATTEST:



Nicholas Turner, Secretary