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Board of Directors
Tobe Plough, President
Kenneth Coates, Vice President
Cori Hayman, Director
Floyd Wicks, Director
Brian Goebel, 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, MAY 23, 2023
9:30 A.M.

AGENDA

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

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

Directors present:

Directors Ken Coates, Brian Goebel, Cori Hayman, Tobe Plough, and Floyd Wicks participated in person.

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

Ray Willefert, Financial Analyst

Counsel present (In-Person):

Walter Wendelstein, Wendelstein Law Group PC, General Counsel

Public present (via Zoom):

Lisa Marie Rivas (signed in as LMR)

Consultants present (In-Person and via Zoom):

Brett Bovee, WestWater Research

Bronwyn Bradbury, WestWater Research

Kevin Kostiuk, Raftelis

Lindsay Roth, Raftelis

2. PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance.

3. PUBLIC FORUM

No public comments were made.

4. CONSENT CALENDAR

The following items were approved or accepted by vote on one motion with no requests for separate consideration by any Directors:

- * A. Meeting Minutes of April 25, 2023
- * B. Meeting Minutes of May 2, 2023
- * C. Payment of Bills for April 2023
- * D. Investment of District Funds for April 2023
- * E. Monthly Unaudited Financials for April 2023
- * F. Water Works Operations Report for April 2023

Director Wicks 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. BOARD OF DIRECTORS

- * A. ACTION ITEM: Adoption of Resolution No. 2252 nominating Floyd Wicks for the Region 5 ACWA Board of Directors

Director Goebel moved to adopt Resolution No. 2252 nominating Floyd Wicks for the Association of California Water Agencies (ACWA) Region 5 Board of Directors. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- * B. ACTION ITEM: Designation of a Board Member to vote on the District's behalf in the ACWA elections for ACWA President and Vice-President, and Region 5 Board of Directors for the 2024-2025 Term.

Director Coates moved to designate Director Wicks to cast a vote on behalf of the District in the ACWA elections for the ACWA President, Vice-President, and the Region 5 Board of Directors for the 2024-2025 term. The motion was seconded by Director Hayman and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- * C. ACTION ITEM: Consideration of a modified Meeting Calendar for 2023

Director Hayman moved to adopt a modified meeting calendar for 2023, canceling regularly scheduled Committee and Board meetings in July and December 2023. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

6. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS

- A. INFORMATIONAL: Finalize the Groundwater Banking and Supplemental Water Acquisition evaluation prepared by WestWater Research

Mr. Bovee from WestWater Research presented the item via PowerPoint and responded to questions from the Board.

The Board paused for a break at 10:48 a.m. and returned at 10:57 a.m.

- B. INFORMATIONAL: Public Information Update

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

- C. INFORMATIONAL: General Manager Report

Mr. Turner presented this item; he and Mr. Kanold responded to questions from the Board.

7. DISTRICT BUSINESS REPORT

- A. ACTION ITEM: Ratification of Cachuma Conservation & Release Board (CCRB) annual budget for Fiscal Year 2024

This item was moved to follow closed session and was presented at 3:54 p.m.

- B. ACTION ITEM: Review of updated 10-yr Financial Plan in connection with the approved and planned annual increase in water rates on July 1, 2023

Kevin Kostiuk from Raftelis gave a presentation via PowerPoint and responded to questions from the Board. The Board supported staff proceeding with the public noticing required for the approved and planned annual increase in water rates effective July 1, 2023. No vote was necessary as the Board had previously approved current rates, including annual increases, in June 2020.

- C. INFORMATIONAL: Fiscal Year 2024 Budget Workshop

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

The Board paused for a break at 12:26 p.m. and returned at 12:57 p.m.

- D. ACTION ITEM: Discussion on unrestricted funds and potential uses of any surplus

Mr. Turner presented this item and responded to questions from the Board. No action was taken.

- E. INFORMATIONAL: Discussion on the proposed annual increase of Capital Cost Recovery and Connection Fees, and Miscellaneous Fees for Fiscal Year 2024

Mr. Turner presented this item and responded to questions from the Board. The Board supported staff proceeding with the required public noticing for the proposed increase in Capital Cost Recovery and Connection Fees, and Miscellaneous Fees for Fiscal Year 2024, both of which will be considered by the Board at its June 27, 2023, meeting.

8. DIRECTOR AND COMMITTEE REPORTS

- A. Presidents Report: No report.
- B. Central Coast Water Authority (CCWA): Director Coates reported that CCWA is considering an amendment to the Joint Exercise of Powers Agreement, which created the Central Coast Water Authority, to add express authority for CCWA to engage in water storage activities.
- C. Santa Barbara County Special Districts Association: Director Wicks reported that he attended the May 22, 2023, meeting of the Santa Barbara County Special Districts Association in Buellton. No further report was made.
- D. Cachuma Operation and Maintenance Board (COMB): Director Hayman reported that this winter Lake Cachuma received the second highest inflows since Bradbury Dam was constructed.
- E. Cachuma Conservation Release Board (CCRB): No report.
- F. Operations & Customer Relations Committee: No report.
- G. Finance Committee: No report.
- H. Strategic Planning Committee: Director Coates reported that the committee had a productive meeting with Carpinteria Valley Water District to discuss a regional recycled water project; next steps include the development of a Memorandum of Understanding between the two agencies and groundwater modeling.
- I. Legislative Ad hoc Committee: No report.

9. LEGAL MATTERS

A. Recent and Pending Legal Matters Review – Oral Report

Mr. Wendelstein reported that he attended the ACWA Spring Conference, and that the Legal Affairs Committee and Legislative Committee are acting in concert to develop amendments to pending water legislation.

The Board recessed to Closed Session at 2:18 p.m.

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

As to the three cases in item 9B, the Board received an update from Counsel, direction was given to staff, and no action was taken.

As to one case in item 9B, after discussion with Counsel and as authorized under the District's signatory policy, the Board gave direction to the General Manager to contract for a water pipeline replacement project located at 2332 Bella Vista Drive for the not-to-exceed amount of \$65,600 and to file a related CEQA Notice of Exemption.

C. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal counsel – Existing Litigation, Southern California Fire Cases JCCP No. 4965

As to item 9C, the Board received an update from Counsel and no action was taken.

The Board returned to Open Session at 3:53 p.m.

7. DISTRICT BUSINESS REPORT

(addressed out of order as noted herein)

A. ACTION ITEM: Ratification of Cachuma Conservation & Release Board (CCRB) annual budget for Fiscal Year 2024

Director Goebel moved to ratify the Fiscal Year (FY) 2024 budget for the Cachuma Conservation Release Board (CCRB), with the District's portion budgeted in the amount of \$157,080. The motion was seconded by Director Coates. After a unanimous roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting "No", the CCRB budget was not ratified.

10. DIRECTOR REQUESTS

The Board requested that the Operations and Customer Relations Committee review, at its June 2023 meeting, the Pilot Well Injection Project which is included in the draft FY 2024 Budget as part of the proposed Capital Infrastructure Projects.

The Board requested that the Finance Committee review, at its June 2023 meeting, the Water Supply Agreement and associated information, and discuss the City of Santa Barbara's proposed cost increases with City representatives.

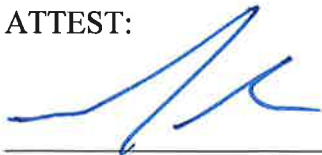
11. ADJOURNMENT

The meeting was adjourned at 3:55 p.m.

APPROVED:


Charles T. Plough, President

ATTEST:



Nicholas Turner, Secretary