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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

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

TUESDAY, JUNE 27, 2023
9:30 A.M.

AGENDA

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

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	Christina Perry, Administrative Assistant
Adam Kanold, Asst. GM/Engineering Mgr.	Ray Willefert, Financial Analyst
Olivia Rojas, Business Manager	Chad Hurshman, Treatment & Production Superintendent
Laura Camp, Public Information Officer	

Counsel present (In-Person):

Walt Wendelstein, Wendelstein Law Group PC, General Counsel

Public present (via Zoom):

None

Consultants present (In-Person and via Zoom):

Peter Cantle, Cachuma Conservation Release Board (CCRB)
Sam Bivins, Downey Brand, CCRB legal counsel

2. PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance at the Groundwater Sustainability Agency Special Board Meeting at 9:15 a.m.

3. PUBLIC FORUM

No public comments were made.

4. CONSENT CALENDAR

Following items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration:

- * A. Meeting Minutes of May 23, 2023
- * B. Payment of Bills for May 2023
- * C. Investment of District Funds for May 2023
- * D. Monthly Unaudited Financials for May 2023
- * E. Water Works Operations Reports for May 2023
- * F. 2022 Annual Drinking Water Consumer Confidence Report

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

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS

- *A. PUBLIC HEARING: Water Distribution System Capital Improvement Program; Annual continuation of the Water Availability Charge (WAC) with no proposed change in the assessment for the coming year, to be collected on the property tax roll as it has been collected since initiation in 1996.;
 - i. INFORMATIONAL: Status report on Water Availability Charge (WAC) Program and Capital Improvement Program;

Mr. Turner presented an overview of the WAC via PowerPoint and responded to questions from the Board.
 - ii. ACTION ITEM: Adoption of Resolution 2253 continuing the existing Water Availability Charge to fund water distribution system upgrades and ordering the filing of a report establishing the Water Availability Charge for FY 2024;

President Plough opened the hearing to receive and consider public comment, objections, and protests at 9:40 a.m. No public comments, objections, or protests were made, and none were received prior to the public hearing. The public comment, objection and protest portion of the hearing was closed at 9:43 a.m.

Director Coates moved to adopt Resolution 2253 continuing the existing WAC. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- * B. ACTION ITEM: Adoption of Resolution 2254 approving a second amendment of the Joint Exercise of Powers Agreement Creating the Central Coast Water Authority and finding such action exempt from the California Environmental Quality Act (CEQA);

Director Goebel moved to adopt Resolution 2254 approving a second amendment of the Joint Exercise of Powers Agreement. 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. INFORMATIONAL: Public Information Update

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

D. INFORMATIONAL: General Manager Report

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

With the consensus of the Board, Item 8 was addressed prior to Item 6 as noted herein.

8. LEGAL MATTERS

A. Recent and Pending Legal Matters Review – Oral Report

No report was made prior to closed session.

The Board recessed to Closed Session at 9:58 a.m.

The Board returned to Open Session at 11:41 a.m.

B. CLOSED SESSION: Pursuant to Government Code 54956.9(d)(2) Conference with Legal Counsel – Anticipated Litigation, 3 cases

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 matters 8-B and 8-C, the Board received an update from Counsel, direction was given to staff and Counsel, and no action was taken.

6. DISTRICT BUSINESS REPORT

* A. ACTION ITEM: Ratification of CCRB Fiscal Year 2024 Budget

Director Goebel moved for approval of the Cachuma Conservation Release Board (CCRB) Fiscal Year (FY) 2024 budget, subject to the production of a five-year strategic plan by CCRB during this fiscal year, as well as a year-end report for this fiscal year detailing progress relative to the strategic plan and the benefits provided by CCRB to each of its members during the fiscal year. The motion was seconded by Director Hayman and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

* B. Annual Budget Resolutions

- i. ACTION ITEM: Resolution 2255 Determining that Charges, Rates and Fees Are Not “Proceeds of Taxes” Under Article XIII B of the Constitution of the State of California;

Director Goebel moved to adopt Resolution 2255. The motion was seconded by Director Hayman and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- ii. ACTION ITEM: Resolution 2256 Adopting the Investment Policy for Fiscal Year 2024;

Counsel noted the following correction to the Investment Policy for FY 2024, included in Resolution 2256 as Attachment A: in Section 4 on page 3 of the policy, the position title of “Treasurer” is to be updated to “Business Manager (Chief Fiscal Officer)” so as to be consistent with the rest of the policy.

Director Goebel moved to adopt Resolution 2256 with the aforementioned modification. The motion was seconded by Director Hayman and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- iii. ACTION ITEM: Resolution 2257 Rescinding Resolution No. 2234 and Establishing an Updated Employee Classification and Salary Range Schedule Effective with the Pay Period Beginning July 1, 2023;

Director Coates moved to adopt Resolution 2257. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- iv. ACTION ITEM: Resolution 2258 Adopting an Updated Schedule of Miscellaneous Fees and Charges;

Director Coates moved to adopt Resolution 2258. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- v. ACTION ITEM: Resolution 2259 Adopting an Updated Fixed Asset Disposal Policy

Director Goebel moved to adopt Resolution 2259. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- vi. ACTION ITEM: Resolution 2260 Rescinding Resolution 2236 and Establishing Capital Cost Recovery Fees and Connection Fees Effective July 1, 2023;

Director Goebel moved to adopt Resolution 2260. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

vii. ACTION ITEM: Resolution 2261 Adopting an Updated Reserve Policy;

Mr. Turner noted the following correction to the SWP Prefunding Reserve amounts listed on page 6 of the Reserve Policy, attached as Exhibit A to Resolution 2261: “The District’s SWP fixed payment for FY2024, as budgeted is \$4,352,473, and the monthly SWP prefunding amount is \$362,706.”

The Board recommended that the Finance Committee revisit the Reserve Policy in future rate study discussions.

Director Goebel moved to adopt Resolution 2261. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

viii. ACTION ITEM: Resolution 2262 Adopting an Updated Debt Management Policy;

Director Coates moved to adopt Resolution 2262. The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

ix. ACTION ITEM: Resolution 2263 Adopting a Updated Capitalization Policy;

Director Coates moved to adopt Resolution 2263. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

The Board recessed to lunch at 12:06 p. m. and returned to Open Session at 12:48 p.m.

* C. ACTION ITEM: Adoption of Resolution 2264 Adopting the Budget for Fiscal Year 2024

Director Coates moved to adopt Resolution 2264. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

7. DIRECTOR AND COMMITTEE REPORTS

- A. President’s Report: No report.
- B. Central Coast Water Authority: No report.
- C. Santa Barbara County California Special Districts Association: Director Wicks noted that he will attend the 2023 CSDA Annual Conference in August.
- D. Cachuma Operation and Maintenance Board: Director Hayman provided an update from the June 26th COMB Board meeting and shared COMB’s compliments concerning District staff.
- E. Cachuma Conservation Release Board: No report.
- F. Operations & Customer Relations Committee: Directors Wicks & Goebel provided an update on committee activity.

* Indicates attachment included for this item

- G. Finance Committee: Directors Plough & Hayman provided an update on committee activity.
- H. Strategic Planning Committee: Director Coates requested a joint meeting of the Strategic Planning Committees for the Montecito Sanitary District and the Montecito Water District to discuss the water recycling project timeline and potential collaboration options based on that timeline.
- I. Legislative Ad hoc Committee: No report.

9. DIRECTOR REQUESTS

Director Wicks requested an update on the development of a long-term water sales agreement with Homer LLC at a future board meeting.

It was the consensus of the Board that the next Regular meeting on August 22, 2023, be rescheduled as a Special meeting on September 1, 2023, at 9:30 a.m.

10. ADJOURNMENT

The meeting was adjourned at 1:30 p.m.

APPROVED:



Charles T. Plough, President

ATTEST:



Nicholas Turner, Secretary