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

FRIDAY, SEPTEMBER 1, 2023
9:30 A.M.

AGENDA

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

President Tobe Plough called the meeting to order at 9:31 a.m.

Directors present:

Directors Ken Coates, Brian Goebel, Tobe Plough, and Floyd Wicks participated in person.
Director Cori Hayman joined in person at 9:35 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

Counsel present:

Walt Wendelstein, Wendelstein Law Group PC, General Counsel (in person)
Linda Bauermeister, Barber & Bauermeister, Special Counsel (via Zoom)

Public present (via Zoom):

Noah Boland, Heal the Ocean
John Weigold, Montecito Sanitary District

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 with one motion:

- A. Meeting Minutes of June 27, 2023
- B. Payment of Bills for June & July 2023
- C. Investment of District Funds for June & July 2023
- D. Unaudited Monthly Financial Report for July 2023
- E. Waterworks Operations Reports for June & July 2023
- F. Award of contract for Preliminary Design and Environmental Review Services for the Highline Water Main Repair at Bella Vista to Wood Rodgers, Inc, for a total not-to-exceed amount of \$324,428.50

Director Plough clarified that work would only commence after approval of the project by FEMA/CalOES.

- G. Approval to purchase an emergency generator for the operation of the emergency release valves at Juncal Dam for the not to exceed amount of \$75,397.74.

Director Plough clarified that the not-to-exceed amount of purchase is \$57,397.74 and that the motion for this item is for approval for staff to execute the purchase of a replacement generator.

Director Coates moved to approve the Consent Calendar with aforementioned changes. The motion was seconded by Director Wicks 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. INFORMATIONAL: Quarterly Drought and Water Supply Update

Mr. Turner presented the update via PowerPoint and responded to questions from the Board.

- B. ACTION ITEM: Authorize the acquisition of Dam Failure Liability insurance through ACWA JPIA for Juncal Dam with a total coverage limit of \$9M and current annual premium of \$66,650

Mr. Kanold presented this item and responded to questions from the Board. Director Plough noted that the staff report should reflect the quoted annual policy premium of \$66,650, as presented in Attachment 1, rather than the \$65,650 stated in the staff report.

Director Coates moved to authorize the acquisition of Dam Failure Liability insurance with ACWA JPIA for Juncal Dam at an annual premium of \$66,650. The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- C. ACTION ITEM: Adoption of Resolution 2265 updating the District's policy for *Discontinuation of Water Service for Non-Payment* for Fiscal Year 2024

Mr. Turner presented this item and responded to questions from the Board. Director Plough requested that this item be revisited in committee in June 2024.

Director Goebel moved to adopt Resolution 2265. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- D. ACTION ITEM: Approval of two contract amendments for the Juncal Pipeline Repair Project; Rincon Consultants for a not to exceed amount of \$589,037 and Schock Contracting Corporation for a not to exceed amount of \$1,025,000

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

Director Goebel moved to approve staff's proposed contract amendments with Rincon Consultants and Schock Contracting Corporation for the Juncal Pipeline Repair Project. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- E. ACTION ITEM: Consideration and possible approval of proposal from Carollo to fund an expansion of the County of Santa Barbara's Recycled Water Study to include a Montecito Sanitary District (MSD) and Summerland Sanitary District (SSD) alternative partnership for recycled water

Mr. Turner introduced this item; staff and Strategic Planning Committee members responded to questions from the Board.

Director Wicks moved to fund the expansion of the County's study to include an evaluation of the SSD/Montecito partnership for recycled water with a maximum cap of \$30,000 and directed staff to pursue the remaining funding from the County of Santa Barbara, MSD, and SSD. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

With the consensus of the Board, Item 8 was addressed prior to Item 5-F 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 10:45 a.m.

The Board returned to Open Session at 12:05 p.m.

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

The Board received an update from Counsel and no action was taken

- C. CLOSED SESSION: Pursuant to Government Code Section 54957(a) Conference with Consultant – Public Services or Facilities

The Board received an update from Counsel and direction was given to staff.

- D. CLOSED SESSION: Pursuant to Government Code 54956.9(d)(2) Conference with Legal Counsel – Anticipated Litigation, 5 cases

As to 4 cases, the Board received an update from Counsel and no action was taken. As to the remaining case, the Board voted 5-0 to deny the claim and the claim will be made available for review pursuant to the requirements of the government code.

- E. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Central Coast Water Authority et. al. v. Santa Barbara County Flood Control and Water Conservation District, et. al, Santa Barbara Superior Court Case No. 21CV02432

The Board received an update from Counsel and no action was taken

The Board recessed to lunch at 12:06 p.m. and returned to Open Session at 12:46 p.m.

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS (CONTINUED)

- F. ACTION ITEM: Adoption of Resolution 2266 designating the District’s authorized Agent for all matters pertaining to financial disaster assistance

Director Goebel moved to adopt Resolution 2266. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

With the consensus of the Board, Item 5-G was addressed after Item 6-E as noted herein.

- H. ACTION ITEM: Contract award to Wood Rodgers for the preparation of Preliminary Design Report for the Highline Replacement Project

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

Director Wicks moved to award Wood Rodgers the contract for the preparation of a Preliminary Design Report for the Highline Replacement Project. The motion was seconded by Director Hayman and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- I. INFORMATIONAL: Public Information Update

No questions were received from the Board regarding the update contained in the packet.

- J. INFORMATIONAL: General Manager Report

No questions were received from the Board regarding the report contained in the packet.

- K. ACTION ITEM: Authorization of administrative adjustments to customer payment plans

The Board confirmed the General Manager’s discretion for administrative adjustments and direction was given to staff. No further action was required or taken.

6. DISTRICT BUSINESS REPORT

A. INFORMATIONAL: Unaudited Monthly Financial Report for June 2023 (Year-End)

Ms. Rojas presented the item via PowerPoint and answered questions from the Board.

B. INFORMATIONAL: Unit Cost of Water for Fiscal Year 2023

Mr. Turner presented the item and answered questions from the Board.

C. ACTION ITEM: Ratification of Payment of CalPERS Annual Unfunded Accrued Liability as of June 30, 2020 Actuarial Valuation

Ms. Rojas presented the item and answered questions from the Board.

Director Goebel moved to ratify the payment of the CalPERS Annual Unfunded Accrued Liability. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

D. BOARD ACTION: Adoption of Resolution No. 2267 updating the list of authorized signatories on District accounts at American Riviera Bank

Mr. Turner presented the item and answered questions from the Board.

Director Goebel moved to adopt Resolution No. 2267. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

E. BOARD ACTION: Proposed Revision #1 of the Fiscal Year 2024 Adopted Budget

Ms. Rojas presented the item and answered questions from the Board.

Director Goebel moved to approve proposed Revision #1 of the Fiscal Year 2024 Adopted Budget. The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS (CONTINUED)

G. INFORMATIONAL: Continued Discussion on Special District Consolidation

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

7. DIRECTOR AND COMMITTEE REPORTS

A. President's Report: Director Plough proposed the formation of an Ad Hoc Committee to review a potential agreement with Homer LLC. Directors Goebel was appointed to the committee. Director Wicks was appointed pending consideration of any conflicts.

B. Central Coast Water Authority: Director Coates provided an update to the Board.

C. Santa Barbara County Chapter of the California Special Districts Association: Director Wicks noted that he attended the CSDA Annual Conference on August 28th.

- D. Cachuma Operation and Maintenance Board: Director Hayman provided an update to the Board.
- E. Cachuma Conservation Release Board: Director Plough provided an update to the Board.
- F. Operations & Customer Relations Committee: Directors Wicks & Goebel reported that all relevant items were previously addressed.
- G. Finance Committee: Directors Plough & Hayman reported that all relevant items were previously addressed.
- H. Strategic Planning Committee: Directors Coates & Plough reported that all relevant items were previously addressed.
- I. Legislative Ad hoc Committee: Directors Goebel provided an update to the Board.

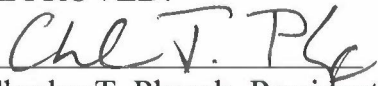
9. DIRECTOR REQUESTS

Director Coates requested that the Finance Committee consider due diligence procedures for major suppliers.

10. ADJOURNMENT

The meeting adjourned at 2:51 p.m.

APPROVED:



Charles T. Plough, President

ATTEST:



Nicholas Turner, Secretary