

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, MAY 21, 2024
9:30 A.M.

Remote Meeting Location:

St. Orres Hotel
36601 S. Highway 1
Gualala, CA 95445

AGENDA

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

President Coates called the meeting to order at 9:35 a.m.

Directors present:

Directors Ken Coates, Brian Goebel, Cori Hayman, and Floyd Wicks participated in person.
Director Tobe Plough joined remotely via Zoom.

Staff present (In Person and via Zoom):

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

Counsel present (In Person):

Walt Wendelstein, Wendelstein Law Group PC, District Counsel

Consultants (In Person and via Zoom):

Karl Meier, Wood Rogers, Inc.	Tim Thompson, GSI Water
Iday Syachrani, Kayuga Solution	Lora Nichols, Fieldman, Rolapp & Associates, Inc.
Brett Bovee, WestWater Research	

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 unless a Board member requested separate consideration:

- A. Meeting Minutes of April 29, 2024
- B. Payment of Bills for April 2024
- C. Investment of District Funds as of April 30, 2024
- D. Unaudited Monthly Financial Report for April 2024
- E. Waterworks Reports for April 2024

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

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS

- A. INFORMATIONAL: Discussion of proposed Ordinance No. 99, an ordinance establishing water use efficiency policies and recommendations

Mr. Turner presented Ordinance 99 and responded to questions from the Board.

Item 5-B was addressed after Item 5-C as noted herein

- C. INFORMATIONAL: Discussion of the Draft *2024 Asset Management Plan* prepared by Wood Rodgers Inc.

Mr. Kanold introduced Iday Syachrani from Kayuga Solution and Karl Meier from Wood Rogers, Inc., who presented the item and responded to questions from the Board. The Board directed that a list of assets not covered by the plan be added as an appendix to the next version of the plan.

- B. Water Management Program Agreement with Homer LLC for the District's transfer (or sale) of surplus State Water Project water

Mr. Turner introduced Brett Bovee from WestWater Research, who presented an overview of the final Water Management Program Agreement with Homer LLC and responded to questions from the Board.

- i. ACTION ITEM: Consider a determination that the Water Management Program Agreement is categorically exempt from the California Environmental Quality Act (CEQA) and authorize the filing of a Notice of Exemption with the appropriate local and state agencies

Director Plough moved to determine that the Water Management Program Agreement is categorically exempt from the California Environmental Quality Act (CEQA) and to authorize the filing of a Notice of Exemption with the appropriate local and state agencies. The motion was seconded by Director Wicks and carried

after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- ii. ACTION ITEM: Discussion and possible approval of the Water Management Program Agreement with Homer LLC for the District's transfer (sale) of surplus State Water Project water

Director Plough moved for approval of the Water Management Program Agreement with Homer LLC for the District's transfer (sale) of surplus State Water Project water. 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 paused for a break at 11:17 a.m. and returned at 11:31 a.m.

- D. INFORMATIONAL: Discussion of the Evaluation of Injection of Potable Water in the Montecito Groundwater Basin

Mr. Kanold introduced Tim Thompson from GSI Water, who presented the evaluation and responded to questions from the Board.

The Board paused for lunch at 12:31 p.m. and returned at 1:09 p.m.

- E. ACTION ITEM: Authorization of a Cost Recovery Agreement with the United States Forest Service for the Juncal Pipeline Project resulting from the January 2023 Storms

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

Director Hayman moved to (1) approve a Cost Recovery Agreement with the United States Forest Service (Los Padres National Forest) for various permitting costs incurred by the United States Forest Service during the District's Juncal Pipeline Project, with execution contingent upon the pending Federal Emergency Management Agency approval of the Juncal Pipeline Project; and (2) approve payment costs in the amount of \$142,300 which are 95% reimbursable by the Federal Emergency Management Agency as part of the January 2023 declared disaster. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- F. INFORMATIONAL: Customer Relations and Public Information Update

Ms. Camp provided the update and responded to questions from the Board.

- G. INFORMATIONAL: General Manager Report

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

- H. INFORMATIONAL: Update on ASADRA funding for the Reservoir Retrofit and Replacement Project

Mr. Kanold introduced Lora Nichols from Fieldman, Rolapp & Associates, Inc. Mr Kanold presented the item, with input provided by Ms. Nicholas and responded to questions from the Board.

6. DISTRICT BUSINESS REPORT

Item 6-A was addressed after Item 8 as noted herein

B. INFORMATIONAL: Fiscal Year 2025 Budget Workshop

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

C. INFORMATIONAL: Discussion of proposed Resolution No. 2275 establishing a Water Availability Charge for implementation of water distribution system upgrades for Fiscal Year 2025

Mr. Turner presented the item and responded to questions from the Board. The Board directed Mr. Turner to proceed with any associated public noticing.

D. INFORMATIONAL: Discussion of proposed Resolution No. 2279 adopting an annual increase of Miscellaneous Fees for Fiscal Year 2025

Mr. Turner presented the item and responded to questions from the Board. The Board directed Mr. Turner to proceed with any associated public noticing.

E. INFORMATIONAL: Discussion of proposed Resolution No. 2280 adopting an annual increase of Capital Cost Recovery and Connection Fees for Fiscal Year 2025

Mr. Turner presented the item and responded to questions from the Board. The Board directed Mr. Turner to proceed with any associated public noticing.

F. INFORMATIONAL: Discussion of proposed Resolution No. 2282 adopting a Reserve Policy for Fiscal Year 2025

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

7. DIRECTOR AND COMMITTEE REPORTS

A. President's Report: Director Coates reported that Montecito Sanitary District (MSD) received the \$220,000 grant reimbursement for the joint preparation of the Enhanced Recycled Water Feasibility Study, and the District will receive payment from MSD for half this amount pursuant to an agreement between the parties. .

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: No meeting was held.

E. Central Coast Water Authority: No meeting was held.

F. Cachuma Operation and Maintenance Board: Director Hayman reported COMB's adoption of the Fiscal Year 2024-2025 Annual Operating Budget and noted the recognition of Mr. Turner by the COMB Board for his participation in the budget process.

- G. Cachuma Conservation Release Board: Director Plough reported that any relevant matters will be discussed in Closed Session and that a special CCRB Board meeting will be held in June to further discuss Solvang's Petition to Change Water Rights Permit 15878.
- H. Santa Barbara County Chapter of the California Special Districts Association: No meeting was held.
- I. ACWA JPIA: Director Wicks, along with Director Plough and Mr. Turner, attended the Region 5 Board meeting held on May 7th at the ACWA Spring Conference in Sacramento.
- J. CalDesal: Director Wicks, along with Director Plough and Mr. Turner, attended the CalDesal meeting held on May 8th at the ACWA Spring Conference in Sacramento.
- K. Ad hoc Committee - Legislative Matters: Director Wicks reported on a discussion in Sacramento with the District's lobbyist concerning a desalination credit as part of the urban water use objectives legislation.
- L. Ad hoc Committee - Development of Water Transfer Agreement with Homer LLC: Director Goebel reported that all relevant items were previously addressed.
- M. Ad hoc Committee – Water Rights Opportunities: No meeting was held.

8. LEGAL MATTERS

- A. Recent and Pending Legal Matters Review – No oral report
The Board recessed to Closed Session at 2:47 p.m.
The Board returned to Open Session at 3:06 p.m.
- B. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(1) Conference with Legal Counsel - Existing Litigation, City of Solvang Petition to Change Water Rights Permit 15878 before the State Water Resources Control Board Administrative Hearing Office.
As to Item 8-B, the Board received an update from Counsel and no action was taken.
- C. CLOSED SESSION: Pursuant to Government Code 54956.9(d)(2) Anticipated Litigation – 1 case.
As to Item 8-C, the Board received a report that a claim was settled according to the District's small claims resolution procedures and that the claim will be available for review pursuant to the terms of the Government Code.

6. DISTRICT BUSINESS REPORT (CONTINUED)

- A. ACTION ITEM: Ratification of the Cachuma Conservation Release Board Fiscal Year 2025 Budget
Director Plough moved to ratify the Fiscal Year (FY) 2025 budget for the Cachuma Conservation Release Board (CCRB), with the District's portion budgeted in the amount of \$188,365. The motion was seconded by Director Goebel and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

9. DIRECTOR REQUESTS

No requests were made.

10. ADJOURNMENT

The meeting was adjourned at 3:07 p.m.

ATTEST:



Nicholas Turner, Secretary

APPROVED:



Kenneth Coates, Board President