



**REGULAR MEETING MINUTES  
OF  
BOARD OF DIRECTORS  
MONTECITO WATER DISTRICT  
583 SAN YSIDRO ROAD  
MONTECITO, CALIFORNIA**

**TUESDAY, FEBRUARY 20, 2018  
2:00 P.M.**

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

President Morgan called the meeting to order at 2:00 p.m.

Directors Present:

Directors, Samuel Frye, W. Douglas Morgan, Tobe Plough, Richard Shaikewitz, and Floyd Wicks

Directors Absent:

None

Staff Present:

Nick Turner, General Manager  
Daryl Smith, Business Manager  
Adam Kanold, Engineering Manager

Bob Cohen, General Counsel  
Lois Werner, Recording Secretary

Guests Present:

Adam Guise, Moss, Levy & Harzheim  
Bob Hazard, Montecito Journal  
Vicki Hazard, District customer

Sam Leno, District customer  
Ken Coates, District customer  
Rick Porter, District customer

**2. PUBLIC FORUM**

Mr. Porter addressed the Board on the subject of the lack of women on the Board and the subject of the cost of water served during January when there was a boil water notice.

### **3. CONSENT CALENDAR**

Following discussion it was moved by Director Plough, seconded by Director Frye and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve the Consent Calendar as presented.

### **4. BOARD OF DIRECTORS**

- A. BOARD ACTION: Director Meeting Compensation Adjustment beginning February 21, 2018

Mr. Turner presented this item. Following discussion it was moved by Director Plough, seconded by Director Shaikewitz and carried by the following roll-call vote to approve Resolution No. 2162, increasing Directors' meeting compensation by \$5 per meeting day, from \$150 to \$155:

AYES: Directors Frye, Morgan, Plough, Shaikewitz, and Wicks

NOES: None

ABSENT: None

### **5. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS**

- A. INFORMATION ONLY: Quarterly Drought and Water Supply Update

Mr. Turner presented this update via PowerPoint and responded to questions from Directors and members of the public.

- B. BOARD ACTION: Participation in the Central Coast Water Authority (CCWA) 2018 Supplemental Water Purchase Program and authorization of General Manager to purchase supplemental water through the 2018 SWPP purchase agreement when water is needed and an opportunity is made available

Mr. Turner presented this item and responded to questions from Directors and members of the public. Following discussion it was moved by Director Frye, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve participation in the CCWA 2018 Supplemental Water Purchase Program with an initial requested deliver goal of up to 3,000 AF of water and authorize the General Manager to enter into a binding agreement, when water is needed and an opportunity is made available, to purchase up to 3,000 AF of water through the 2018 SWPP with a not-to-exceed unit price of \$300/AF or total price of \$900,000.

- C. **BOARD ACTION:** Authorization to enter into an agreement with Central Coast Water Authority to deliver Semitropic Water Storage Program Water
- Mr. Turner presented this item and responded to questions from Directors and members of the public. Following discussion it was moved by Director Plough, seconded by Director Frye and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve entering into the "Agreement to Deliver Semitropic Water Storage Program Water" with CCWA.
- D. **BOARD ACTION:** Approval of a Professional Engineering Services contract with MNS Engineering for the preparation of Inundation Mapping and a Technical Study to support the Emergency Action Plan for Juncal Dam
- Mr. Kanold presented this item and responded to questions from Directors and members of the public. Following discussion it was moved by Director Frye, seconded by Director Shaikewitz and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to authorize District staff to engage in a Professional Engineering Services contract with MNS Engineering for the preparation of Inundation Mapping and a Technical Study to Support the Emergency Action Plan for Juncal Dam and allocate \$46,540 from unrestricted reserves for this work.
- E. **BOARD ACTION:** Ratification of purchase of temporary housing for Jameson Lake Caretaker
- Mr. Kanold presented this item and responded to questions from Directors. Following discussion it was moved by Director Shaikewitz, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to ratify the purchase of temporary housing to be used by the caretaker at Jameson Lake until permanent housing is constructed.
- F. **BOARD ACTION:** Proposed Emergency Response Contract Amendments
- Mr. Kanold presented this item and responded to questions from Directors and members of the public. Following discussion it was moved by Director Plough, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to ratify the emergency response contract amendments or construction and consulting service in accordance with District Resolution No. 2144.
- G. **BOARD ACTION:** Request for additional engineering staff support
- Mr. Kanold presented this item and responded to questions from Directors. Following discussion it was moved by Director Plough, seconded by Director Frye and carried with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to authorize management staff to hire an Engineering

Assistant as described in Exhibit A, Job Description, at the salary range described in Exhibit B, Salary Schedule. It is anticipated that the costs of this position will focus on disaster recovery projects and will be largely refunded through FEMA for at least the first year.

H. **BOARD ACTION:** Appointment of voting representative – LAFCO Special District Commissioner Election

Mr. Turner presented this item and responded to questions from Directors. Following discussion it was moved by Director Shaikewitz, seconded by Director Morgan and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to Director Shaikewitz as MWD's voting representative for the 2018 Special Districts LAFCO Commissioner election to be held March 26, 2018 if President Morgan is not able to attend.

I. **INFORMATION ONLY:** Water Works Operations Report for November 2017 thru December 2017

Mr. Turner presented these reports and responded to questions from Directors and members of the public.

J. **INFORMATION ONLY:** General Manager's Report (Oral)

Mr. Turner did not have anything specific to report on District activities and projects not covered elsewhere on the agenda.

## **6. DISTRICT BUSINESS REPORT**

A. **INFORMATION ONLY:** Monthly Financial Reporting for November 2017

Mr. Smith presented this report and responded to questions from Directors and members of the public.

B. **INFORMATION ONLY:** Monthly Financial Reporting for December 2017

Mr. Smith presented this report and responded to questions from Directors and members of the public.

C. **BOARD ACTION:** Receive, Accept and File 2016/17 Annual Audited Financial Statements

Mr. Guise of Moss, Levy & Hartzheim LLP, presented the annual audit. Following discussion it was moved by Director Frye, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to accept and file the Audited Financial Statements for the Fiscal Years ending June 30, 2017 and 2016.

E. **BOARD ACTION: Approve January 2018 Meter Charge Forgiveness**

Mr. Smith presented this item and responded to question from Directors and members of the public. Following discussion it was moved by Director Frye, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to authorize staff to waive the billing of meter service charges for all customers for the month of January.

F. **BOARD ACTION: Authorization to utilize Board Assigned Reserves**

Mr. Smith presented this item and responded to questions from Directors and members of the public. Following discussion it was moved by Director Shaikewitz, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to authorize the use of funds from both the Reserve for Emergencies and the Reserve for Operations.

G. **INFORMATION ONLY: Overview of Cash Flow Regarding Emergency Spending**

Mr. Smith presented this item and responded to questions from Directors and members of the public.

**7. MONTECITO WATER DISTRICT FINANCING CORPORATION**

A. **BOARD ACTION: Adjourn to annual meeting of the Montecito Water District Financing Corporation**

The Board adjourned to the meeting of the MWDFC at 4:17 p.m.

The Board reconvened the regular meeting of the MWD Board at 4:23 p.m.

**8. LEGAL MATTERS**

A. **CLOSED SESSION:** Pursuant to Government Code Section 54956.9(d)(1): Conference with Legal Counsel – Existing Litigation, Lori Ann Liebermann v. Southern California Edison Company et al., Santa Barbara Superior Court Case No. 18CV00185;

B. **CLOSED SESSION:** Public Employee Discipline/Dismissal/Release– Government Code Section 54957

The Board adjourned to closed session on the two matters above at 4:24 p.m.

The Board reconvened to open session at 5:28 p.m.

Report from closed session:

Item A — the Board received a report from Counsel; no action was taken.

Item B — it was moved by Director Plough, seconded by Director Frye and carried on a vote of 5-0 to separate a Distribution Operator 2 from the District. The Board gave direction to staff to take the necessary action to finalize separation.

- C. Recent and Pending Legal Matters Review – Oral Report  
Mr. Cohen had no legal matters to report in open session.

## **9. DIRECTOR AND COMMITTEE REPORTS**

A. PRESIDENTS REPORT

Director Morgan reported that he would attend the SB City Council meeting with Mr. Turner on February 27.

B. CENTRAL COAST WATER AUTHORITY

Director Shaikewitz reported on the activities of CCWA.

C. SANTA BARBARA COUNTY SPECIAL DISTRICTS ASSOCIATION

Director Shaikewitz reported on the activities of the SBC-SDA

D. CACHUMA OPERATION AND MAINTENANCE BOARD

Director Morgan reported on the activities of COMB.

E. CACHUMA CONSERVATION RELEASE BOARD

Director Morgan reported on the activities of CCRB. An Executive Director has been hired for CCRB.

F. OPERATIONS COMMITTEE

Directors Frye & Wicks reported that the activities of the Operations Committee had been covered elsewhere in the agenda.

G. FINANCE COMMITTEE

Directors Morgan & Plough reported that the activities of the Finance Committee had been covered elsewhere in the agenda

H. APPEALS COMMITTEE

Directors Frye & Plough reported that the Appeals Committee did not meet.

J. STRATEGIC PLANNING

Directors Shaikewitz & Wicks reported on the activities of the Strategic Planning Committee.

**10. DIRECTOR REQUESTS**

There were no requests from Directors for items other than regular agenda items for the next regular Board meeting scheduled for Tuesday, March 20, 2018 or any future meeting.

**11. ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 5:40 p.m.

Approved:

  
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W. Douglas Morgan, President

Attest:

  
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Nick Turner, Secretary