



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

TUESDAY, MARCH 20, 2018
Adjourned to

**MONDAY, MARCH 26, 2018
9:00 A.M.**

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

President Morgan called the meeting to order at 9:00 a.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

Bob Cohen, General Counsel
Lois Werner, Recording Secretary

Guests Present:

Bob Hazard, Montecito Journal
Ken Coates, District customer

Rebecca Bjork, City of Santa Barbara

2. PUBLIC FORUM

There were no members of the public present who wished to speak on matters not on the agenda.

3. CONSENT CALENDAR

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

4. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

- A. **BOARD ACTION:** Update on Phase 1 negotiations with City of Santa Barbara on a Long Term Water Supply Agreement and approval to proceed with Phase 2 negotiations

Mr. Turner 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 Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor to authorize the execution of Funding Agreement Amendment No.1 (City of Santa Barbara Agreement No. 25,665) with exclusion of section 2-B, environmental studies, appropriating up to \$302,714.85 for Phase II work (Conveyance Pipeline Negotiations and Design) on an as-needed basis to the extent the \$150,000 remaining from Phase I is insufficient to cover Phase II work and authorize staff to proceed with Phase II of negotiations.

- B. **INFORMATION ONLY:** Report on Future Storm Preparedness

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

- C. **INFORMATION ONLY:** Progress update on implementation of permanent pipeline repairs and FEMA reimbursement

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

- D. **BOARD ACTION:** LAFCO Special District Commissioner Election (candidates)

Director Shaikewitz reported to the Board that Judy Ishkanian is the only candidate for the Santa Barbara County Special Districts Association representative to LAFCO.

- E. **BOARD ACTION:** Proposed modification of existing easement for Terminal Reservoir Property

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 Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor to authorize the execution of the Easement Agreement for the District's Terminal Reservoir Property.

- F. INFORMATION ONLY: Water Works Operations Report for January 2018 and February 2018

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

- G. BOARD ACTION: Proposed Emergency Response Contract Amendments

Mr. Turner 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 Plough and carried with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor to ratify amendment of the existing emergency contract with Souza Construction, increasing the amount of the contract to \$275,892.

- H. BOARD ACTION: Approval of Award of Contract for Engineering Design and Construction Support Services for Permanent Highline Repairs to Cannon Corporation for \$361,384

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 Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to authorize the award of contract for Design and Construction Support Services for Transmission Main Repairs to Cannon Corporation and the allocation of \$361,384 from unrestricted reserves for this contract.

- I. BOARD ACTION: Approval of Award of Contract for CEQA Documentation Services for Permanent Highline Repairs for \$40,000

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 Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to authorize the award of contract for CEQA Documentation to Tetra Tech and the allocation of \$40,00 for this contract.

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

Mr. Turner reported on District activities and projects not covered elsewhere in the agenda.

5. DISTRICT BUSINESS REPORT

- A. INFORMATION ONLY: Monthly Financial Reporting for January 2018

Mr. Smith presented this item.

B. INFORMATION ONLY: Review of Cash Flow Regarding Emergency Spending

Mr. Smith presented this item and responded to questions from Directors.

6. LEGAL MATTERS

A. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Montecito Water District et al v. Southern California Edison, Santa Barbara Superior Court Case No. 18CV01222

B. CLOSED SESSSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Lori Ann Lieberman v. Southern California Edison, Santa Barbara Superior Court Case No. 18CV00185

C. CLOSED SESSION: Pursuant to Government Code Section 54957 (Personnel Exemption), Employee Performance Evaluation - General Manager

The Board adjourned to closed session at 11:48 a.m.

The Board reconvened to open session at 12:50 p.m.

Report from closed session:

Item A: The Board received a report from Special Counsel, John Fiske, of Baron & Budd; no action was taken.

Item B: The Board received a report from District Counsel; no action was taken.

Item C: The Board conducted an employee performance evaluation of the General Manager.

Action taken in open session:

It was moved by Director Plough, seconded by Director Shaikewitz and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to increase the General Manager's salary to \$200,000 annually.

D. Recent and Pending Legal Matters Review – Oral Report

Mr. Cohen reported on legal matters of interest to the Board

7. DIRECTOR AND COMMITTEE REPORTS

A. PRESIDENTS REPORT: Director Morgan reported that he would be voting on the Special Districts' rep to LAFCO and then joining Director Shaikewitz at the Special Districts meeting.

- 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 Special Districts Association.
- 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
- F. OPERATIONS COMMITTEE
The Committee had not met.
- G. FINANCE COMMITTEE
Directors Morgan & Plough reported that they are working with the rate consultants.
- H. APPEALS COMMITTEE
The Committee had not met.
- I. STRATEGIC PLANNING
Directors Shaikewitz & Wicks reported that their items had been covered elsewhere in the meeting.

8. DIRECTOR REQUESTS

There were no requests from Directors for items other than regular agenda items for the next regular Board meeting scheduled for Tuesday, April 17, 2018 or any future meeting.

9. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:32 p.m.

Approved:



W. Douglas Morgan, President

Attest:



Nick Turner, Secretary