RELIABLE SINCE 1921

583 San Ysidro Road
Santa Barbara, CA 93108-2124

Phone: 805.969.2271
Email: info@montecitowater.com
Web: montecitowater.com

MONTECITO WATER DISTRICT

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

TUESDAY, MAY 19, 2026
9:30 A.M.

AGENDA

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

Director Ken Coates presided and called the meeting to order at 9:33 a.m.

Directors present (In Person and via Zoom):
Directors Ken Coates, Tobe Plough, and Floyd Wicks participated in person. Directors Brian Goebel and Cori Hayman were absent.

Staff present (In Person and via Zoom):

Nick Turner, General Manager	Laura Camp, Public Information Officer
Adam Kanold, Asst. GM/Engineering Mgr.	Christina Perry, Administrative/HR Assistant
Emma Godinez, Business Manager	Ray Willefert, Financial Analyst/IT Specialist

Counsel present (In Person):
Walt Wendelstein, Wendelstein Law Group PC, District Counsel

Consultants present (In Person and via Zoom):
Kevin Kostiuk, Raftelis (In Person)
Lindsay Roth, Raftelis (via Zoom)

2. PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance.

3. PUBLIC FORUM

No members of the public were present.

4. CONSENT CALENDAR

The following items were approved or accepted by vote on one motion:

A. Meeting Minutes of April 28, 2026

B. Ratification of Disbursements for April 2026

C. Investment of District Funds and Cash Position as of April 30, 2026

D. Unaudited Financial Statements as of April 30, 2026

E. 2025 Annual Drinking Water Consumer Confidence Report

F. Report on District Staffing Vacancies Pursuant to Assembly Bill 2561

G. Authorize the Transfer of 900 Acre Feet of the District's 2026 Surplus State Water Project Table A Water to Homer LLC Pursuant to the 2024 *Water Management Program Agreement* at a unit price of $634.92/AF and a total amount of $571,428

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

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS

A. ACTION ITEM: Approval of Professional Services Contracts and Amendments for the Alder Creek Flume Repair Project

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

Director Plough moved to approve staff's recommendations as detailed in the staff report. The motion was seconded by Director Wicks and carried after a roll call vote with Directors Coates, Plough, and Wicks in favor and Directors Goebel and Hayman absent.

B. INFORMATIONAL: Customer Relations and Public Information Update

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

C. INFORMATIONAL: General Manager Report

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

6. DISTRICT BUSINESS REPORT

A. ACTION ITEM: Ratification of the Cachuma Conservation Release Board (CCRB) Fiscal Year 2027 Budget

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

Director Wicks moved to ratify the CCRB Fiscal Year 2027 Budget with the District's portion budgeted in the amount of $162,185. The motion was seconded by Director Plough and carried after a roll call vote with Directors Coates, Plough, and Wicks in favor and Directors Goebel and Hayman absent.

B. INFORMATIONAL: 10-Year Financial Plan Review in Connection with the Approved and Planned Annual Increase in Water Rates on July 1, 2026

Mr. Turner introduced the item. Kevin Kostiuk of Raftelis presented the Long-Range Financial Plan Review prepared by Raftelis. Lindsay Roth of Raftelis was also present to respond to questions. Staff, consultants, and Counsel responded to questions from the Board.

The Board directed staff to proceed with the required public notice of implementation of the approved and planned annual increase in water rates effective July 1, 2026.

C. INFORMATIONAL: Fiscal Year 2027 Budget Workshop

Mr. Turner and Ms. Godinez presented the item and responded to questions from the Board. The Board provided staff with feedback and direction.

The Board paused for a break at 11:31 a.m. and returned at 11:44 a.m.

D. INFORMATIONAL: Discussion of Proposed Resolution No. 2319 Establishing a Water Availability Charge (WAC) for Implementation of Water Distribution System Upgrades for Fiscal Year 2027

Mr. Turner presented the item.

The Board directed staff to proceed with the required public notice of Board consideration of Resolution No. 2319 on June 23, 2026 to continue a WAC for Fiscal Year 2027.

E. INFORMATIONAL: Discussion of Proposed Resolution No. 2324 Adopting a Schedule of Miscellaneous Fees and Charges for Fiscal Year 2027

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

The Board directed staff to proceed with the required public notice of Board consideration of Resolution No. 2324 on June 23, 2026 to adopt a Schedule of Miscellaneous Fees and Charges for Fiscal Year 2027.

F. INFORMATIONAL: Discussion of Proposed Resolution No. 2325 Adopting Capital Cost Recovery Fees and Connection Fees Effective July 1, 2026

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

The Board directed staff to proceed with the required public notice of Board consideration of Resolution No. 2325 on June 23, 2026 to adopt Capital Cost Recovery Fees and Connection Fees effective July 1, 2026.

The Board paused for lunch at 11:56 a.m. and returned at 12:30 p.m.

7. LEGAL MATTERS

A. Recent and Pending Legal Matters Review – Oral Report

No report.

The Board recessed to Closed Session at 12:30 p.m.

The Board returned to Open Session at 12:57 p.m.

B. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(4) Conference with Legal Counsel – Initiation of Litigation; 1 case

As to Item 7-B, the Board received an update from Counsel and no action was taken.

C. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Montecito Water District v. Miradero LLC, Santa Barbara Superior Court Case No.26CV00403

As to Item 7-C, the Board received an update from Counsel and no action was taken.

D. CLOSED SESSION: Pursuant to Government Code §54959.8 Conference with Real Property Negotiators

Property: State Water Project Assets
Agency Negotiator: Nicholas Turner, General Manager
Negotiating Parties: Solomon Hills Developer
Under Negotiation: Price and Terms of Payment

As to Item 7-D, the Board received an update from the Real Property Negotiator and no action was taken.

8. DIRECTOR AND COMMITTEE REPORTS

A. President's Report: Director Goebel was absent and no items were reported by presiding Director Coates.

B. Operations & Customer Relations Committee: Director Wicks reported that items were previously addressed.

C. Finance Committee: Director Hayman was absent.

D. Strategic Planning Committee: Director Coates reported that no meeting was held.

E. Central Coast Water Authority: Director Coates reported that a meeting of the CCWA Board of Directors will be held on May 28, 2026.

F. Cachuma Operation and Maintenance Board: Director Hayman was absent. Mr. Turner reported attending the COMB Board of Directors meeting with Director Hayman on May 18, 2026, during which the COMB Fiscal Year 2026-27 Operating Budget was adopted with the District's allocation at 11.50% and projected obligation increasing to 1.2 million. It was also reported that, as of May 12, 2026, Bradbury Dam has experienced the wettest four-year period since construction.

G. Cachuma Conservation Release Board: Director Plough reported that the CCRB Board is waiting for a schedule from the U.S. Bureau of Reclamation (USBR) for work on permitting, and that he worked with Ms. Godinez to improve accounting matters.

H. Santa Barbara County Chapter of the California Special Districts Association: Director Wicks reported that the CSDA 2026 Annual Conference will be held in August.

I. ACWA JPIA: Director Wicks Director Wicks reported attending the ACWA JPIA Board meeting at the Spring Membership Summit on May 4, 2026.

Director Plough also reported attending a program with Mr. Turner and Counsel about Groundwater Banking during the ACWA 2026 Spring Conference.

J. CalDesal: Director Wicks reported attending the CalDesal Board meeting while at the ACWA 2026 Spring Conference.

K. Ad hoc Committee: Water Rights Opportunities: Director Coates reported that items were previously addressed.

L. Directors' List of Compensable and Reimbursable Meetings (Government Code §53232.1 and §53232.3): Directors Plough and Wicks reported meetings attended in May.

9. DIRECTOR REQUESTS

None.

10. ADJOURNMENT

The meeting was adjourned at 1:13 p.m.

APPROVED:

Brian Goebel, Board President

ATTEST:

Nicholas Turner, Secretary