RELIABLE SINCE 1921

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APPROVED

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

TUESDAY, JUNE 23, 2026
9:30 A.M.

AGENDA

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

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

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

Staff present (In Person and via Zoom):
Nick Turner, General Manager
Adam Kanold, Asst. GM/Engineering Mgr.
Emma Godinez, Business Manager
Laura Camp, Public Information Officer
Nick Kunstek, Groundwater Specialist
Christina Perry, Administrative/HR Assistant
Ray Willefert, Financial Analyst/IT Specialist

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

Special Counsel present (via Zoom):
Guillermo Frias, Best Best & Krieger LLP

Consultants present (In Person and via Zoom):
Robert Marks, Pueblo Water Resources, Inc. (In Person)
Ethan Knox, Rincon Consultants, Inc. (via Zoom)
Rosalyn Prickett, Rincon Consultants, Inc. (via Zoom)
Brett Bovee, WestWater Research (via Zoom)
Kirsten Plonka, Hazen and Sawyer (via Zoom)

Representatives present (In Person):
Brian Fallon, Fire Chief of Montecito Fire Protection District
Anthony Hudley, Battalion Chief of Montecito Fire Protection District

Public (via Zoom):
LM

2. PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance.

3. PUBLIC FORUM

No members of the public were present during this agenda item.

4. CONSENT CALENDAR

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

A. Meeting Minutes of May 19, 2026

B. Ratification of Disbursements for May 2026

C. Investment of District Funds and Cash Position as of May 31, 2026

D. Unaudited Financial Statements as of May 31, 2026

E. Waterworks Reports for April and May 2026

F. Construction Contract Change Orders for the Freehaven and Las Tunas Pipeline Replacement Projects

G. Authorize a single annual prepayment of the District's CalPERS Annual Unfunded Accrued Liability for Fiscal Year 2027 in the Amount of $661,898; Based on the June 30, 2024, Actuarial Valuation

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, Goebel, Hayman, Plough, and Wicks in favor.

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS

Item 5-C was moved for consideration before Item 5-A

C. BOARD ACTION: Authorize a Professional Services Contract with Pueblo Water Resources for Hydrogeologic Services in Connection with the Paden 2 Aquifer Storage and Recovery (ASR) Pilot Test Project

Mr. Kanold presented the item and introduced Robert Marks of Pueblo Water Resources, Inc. Staff and Mr. Marks responded to questions from the Board.

Director Plough moved to authorize the General Manager to execute a contract for Professional Services with Pueblo Water Resources for Hydrogeologic Services for the Paden 2 Aquifer Storage and Recovery Pilot Test Project for a not-to-exceed amount of $77,634.

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

Item 5-B was moved for consideration before Item 5-A

B. Proposed *2025 Urban Water Management Plan* and *Water Shortage Contingency Plan*

i. PUBLIC HEARING: Proposed *2025 Urban Water Management Plan* and *Water Shortage Contingency Plan*

President Goebel opened the Public Hearing at 9:54 a.m.

Directors Coates, Goebel, Hayman, Plough, and Wicks were present for the attendance roll call for the item.

Mr. Turner introduced the item. Rosalyn Prickett of Rincon Consultants, Inc. presented an overview of the proposed 2025 Urban Water Management Plan and Water Shortage Contingency Plan. Ethan Knox of Rincon Consultants, Inc. was also present for the item. Staff, Counsel, and Ms. Prickett responded to questions from the Board.

No public comments were made or received prior to or during the hearing. There being no public comment, President Goebel closed the Public Hearing at 10:06 a.m.

ii. BOARD ACTION: Adoption of Resolution No. 2320 Approving the District's *2025 Urban Water Management Plan* and *Water Shortage Contingency Plan*, and Authorizing Their filing with the California Department of Water Resources

Director Coates moved to adopt Resolution No. 2320 adopting the *2025 Urban Water Management Plan* and *Water Shortage Contingency Plan*, and authorize staff to submit the plans to the California Department of Water Resources for review and filing. The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

A. PUBLIC HEARING: Water Distribution System Capital Improvement Program; Annual Continuation of the Water Availability Charge (WAC) with no Proposed Change in the Assessment for the Coming Year, to be Collected on the Property Tax Roll as it has been Collected since Initiation in 1996

President Goebel opened the Public Hearing at 10:09 a.m. to hear and consider comments, objections and protests as required under Water Code Section 31032.3 regarding the continuation of the Water Availability Charge (WAC) for Fiscal Year 2027.

Directors Coates, Goebel, Hayman, Plough, and Wicks were present for the attendance roll call for the item.

i. INFORMATIONAL: Status report on Water Availability Charge (WAC) Program and Capital Improvement Program

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

No public comments or written protests were made, and none were received prior to the hearing. There being no public comment, President Goebel closed the Public Hearing at 10:17 a.m.

ii. ACTION ITEM: Adoption of Resolution No. 2319 Continuing the Existing Water Availability Charge to Fund Water Distribution System Upgrades and Ordering the Filing of a Report Establishing the Water Availability Charge for Fiscal Year 2027

Director Plough moved to adopt Resolution 2319 continuing a Water Availability Charge for implementation of water distribution system upgrades and ordering the filing with the County auditor of a report for Fiscal Year 2027 to be placed on and collected by means of the county tax roll. 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. Highline Repair Project

Mr. Kanold presented the Proposed Environmental Determination and Award of Construction Phase Contracts for the Highline Repair at Bella Vista.

i. The Board considered the Final Initial Study – Mitigated Negative Declaration (IS-MND), the Mitigation Monitoring and Reporting Program (MMRP), and other information contained in the administrative record, for the Highline Repair at Bella Vista Project (Project). No comments were received during the public review process.

ii. BOARD ACTION: Make a finding based on the administrative record including the Final Initial Study - Mitigated Negative Declaration (IS-MND) and Mitigation Monitoring and Reporting Program (MMRP) that no substantial evidence exists in the record that this project will have a significant effect on the environment if the mitigation measures in the IS-MND and MMRP are implemented

Director Plough moved to make the finding as recommended by staff and noted in the staff report. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

iii. BOARD ACTION: Adopt the IS-MND and MMRP, Prepared in Compliance with California Environmental Quality Act (CEQA) and State CEQA Guidelines, and Designate the District's office, Located at 583 San Ysidro Road, Montecito, California 93108 as the Custodian of Documents and Record of Proceedings

Director Plough moved to adopt the IS-MND and MMRP. The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

iv. BOARD ACTION: Authorize a Construction Contract with American Pipeline Services for the Highline Repair Project for the Not to Exceed Amount of $743,250

Director Plough moved to award a construction contract for the Highline Repair at Bella Vista to American Pipeline Services for a not-to-exceed amount of $743,250. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

v. BOARD ACTION: Authorize Amendment No. 1 to the Professional Services Contract with Wood Rodgers for Construction Phase Services for the Highline Repair Project for the Not to Exceed Amount of $116,823

Director Plough moved to authorize the Professional Services Contract Amendment No. 1 to Wood Rodgers for construction phase services related to the Highline Repair at Bella Vista for a not-to-exceed amount of $116,823. 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: License Agreement with Montecito Fire Protection District for the Temporary Use of the District's East Valley Road Pump Station Property to Support Emergency Response Operations

Mr. Turner presented the item with contributions from Brian Fallon, Fire Chief of Montecito Fire Protection District. Staff, Mr. Fallon, and Counsel responded to questions from the Board.

Director Plough moved to:

a) Establish a licensing fee of $100 per year; and

b) Authorize the General Manager to execute the License Agreement with Montecito Fire Protection District (MFPD) for the temporary use of Montecito Water District's (District) East Valley Pump Station property, located at 2297 East Valley Road, as an up-staffing location for MFPD during periods of elevated fire danger, Red Flag Warnings, and other significant weather events.

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

The Board paused for a break at 10:57 a.m. and returned at 11:12 a.m.

F. INFORMATIONAL: Customer Relations and Public Information Update

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

G. INFORMATIONAL: General Manager Report

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

6. DISTRICT BUSINESS REPORT

A. ACTION ITEM: Annual Budget Resolutions

Annual Budget Resolutions Nos. 2321 through 2330, as Items 6-A-i through 6-A-x, were adopted by vote in two motions as noted herein:

i. Resolution No. 2321 Determining that Charges, Rates and Fees Are Not "Proceeds of Taxes" Under Article XIII B of the Constitution of the State of California

ii. Resolution No. 2322 Adopting the Investment Policy for Fiscal Year 2027

iii. Resolution No. 2323 Establishing an Employee Classification and Salary Range Schedule Effective with the Pay Period Beginning July 11, 2026

vi. Resolution No. 2326 Adopting a Fixed Asset Disposal Policy for Fiscal Year 2027

vii. Resolution No. 2327 Adopting a Reserve Policy for Fiscal Year 2027

viii. Resolution No. 2328 Adopting a Debt Management Policy for Fiscal Year 2027

ix. Resolution No. 2329 Adopting a Capitalization Policy for Fiscal Year 2027

x. Resolution No. 2330 Adopting a Water Loss Adjustment Policy for Fiscal Year 2027

Director Coates moved to adopt Resolution Nos. 2321, 2322, 2323, 2326, 2327, 2328, 2329, 2330 by vote on one motion. The motion was seconded by Director Plough and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

iv. Resolution No. 2324 Adopting a Schedule of Miscellaneous Fees and Charges for Fiscal Year 2027

v. Resolution No. 2325 Adopting Capital Cost Recovery Fees and Connection Fees Effective July 1, 2026

President Goebel opened a Public Hearing at 11:22 a.m. to hear public comment regarding Resolution Nos. 2324 and 2325.

No public comments were made and none were received prior to the hearing. There being no public comment, President Goebel closed the Public Hearing at 11:23 a.m.

Director Plough moved to adopt Resolution Nos. 2324 and 2325 by vote on one motion. The motion was seconded by Director Coates and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

B. ACTION ITEM: Resolution No. 2331 Adopting the Fiscal Year 2027 Operating Budget And Capital Improvement Program Budget

Ms. Godinez presented the Fiscal Year 2027 Budget. Staff responded to questions from the Board.

Director Coates moved to adopt Resolution No. 2331 adopting the Fiscal Year 2027 Operating Budget And Capital Improvement Program Budget. The motion was seconded by Director Plough and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

7. LEGAL MATTERS

A. Recent and Pending Legal Matters Review – Oral Report

No report.

B. BOARD ACTION: Amendment to the Contract with Wendelstein Law Group PC for General Counsel Services

The Board noted that there has been no change in the billing rate for General Counsel services with Wendelstein Law Group PC, formerly Cohen & Burge LLP, since 2015.

Director Plough moved to authorize the General Manager's execution of a Contract Amendment with Wendelstein Law Group PC for General Counsel Services. The motion was seconded by Director Wicks and carried after a roll call vote, with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

The Board paused for lunch at 11:44 a.m. and returned at 12:30 p.m.

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

The Board returned to Open Session at 2:42 p.m.

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

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

D. 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-D, the Board received an update from Counsel and no action was taken.

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

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

F. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(2) Anticipated Litigation – 2 cases.

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

G. 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-G, the Board received an update from the Real Property Negotiator and no action was taken.

8. DIRECTOR AND COMMITTEE REPORTS

A. President's Report: President Goebel reported meeting with Mr. Turner and Counsel regarding the Water Supply Agreement with the City of Santa Barbara concerning the Charles E. Meyer Desalination Plant, and meeting with Mr. Turner, Mr. Kanold, Counsel, and Special Counsel Robert Donlan of Wanger Jones Helsley PC regarding the Alder Creek Flume Reconstruction Project.

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

C. Finance Committee: Director Hayman reported no new items.

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

E. Central Coast Water Authority: Director Coates reported that no meeting was held.

F. Cachuma Operation and Maintenance Board (COMB): Director Hayman reported that she has been re-elected as Vice President of the COMB Board for Fiscal Year 2027; that the COMB Board discussed the Sheffield Tunnel Pipeline Rehabilitation Project; and that COMB Engineer/Operations Division Manager Joel Degner will attend the August 25, 2026, Board meeting to discuss the Infrastructure Improvement Plan.

G. Cachuma Conservation Release Board: Director Plough reported that all relevant items were previously addressed.

H. Santa Barbara County Chapter of the California Special Districts Association: Director Wicks reported that no meeting was attended.

I. Association of California Water Agencies Joint Powers Insurance Authority: Director Wicks reported that no meeting was held.

J. CalDesal: Director Wicks reported that no meeting was held.

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

L. Directors' Compensable & Reimbursable Meetings (Government Code §53232.1 and 53232.3): President Goebel reported meetings attended in June.

9. DIRECTOR REQUESTS

President Goebel requested a briefing on how to manage supply disruptions through the Sheffield Tunnel Pipeline.

President Goebel requested that the Strategic Planning Committee consider the Paden 2 Aquifer Storage and Recovery (ASR) Pilot Test Project and strategic application to the Regional Water Quality Control Board (RWQCB) for a pilot injection well permit.

10. ADJOURNMENT

The meeting was adjourned at 2:54 p.m.

APPROVED:

Brian Goebel, Board President

ATTEST:

Nicholas Turner, Secretary