

RELIABLE SINCE 1921

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Board of Directors
Brian Goebel, President
Cori Hayman, Vice President
Kenneth Coates, 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, AUGUST 25, 2026
9:30 A.M.

AGENDA

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

President Goebel called the meeting to order at 9:32 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.
Laura Camp, Public Information Officer
Christina Perry, Administrative/HR Assistant

Ray Willefert, Financial Analyst/IT Specialist
Chad Hurshman, Water Treatment &
Production Superintendent

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):

Joel Degner, Cachuma Operation and Maintenance Board (COMB) (via Zoom)
Janet Gingras, Cachuma Operation and Maintenance Board (COMB) (via Zoom)
Karl Meier, Wood Rodgers, Inc. (via Zoom)
Issam Najm, Water Quality Treatment Solutions (WQTS) (via Zoom)
Nancy Kogevinas, Sotheby's International Realty (via Zoom)
Olivia Ruest, Sotheby's International Realty (via Zoom)

Representatives present (In Person):

Brian Fallon, Montecito Fire Protection District Fire Chief
Anthony Hudley, Montecito Fire Protection District Operations Division Chief

Public (via Zoom):

andrewdbusch@gmail.com

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 June 23, 2026
- B. Ratification of Disbursements for June and July 2026
- C. Investment of District Funds and Cash Position as of July 31, 2026
- D. Unaudited Financial Report as of July 31, 2026
- E. Waterworks Reports for June and July 2026
- F. Ratification of Legal Services Agreement with Gibbs Giden Locher Turner Senet & Wittbrodt LLP for Special Legal Services Relating to the Possible Sale of Surplus Property
- G. Agreement For Termination of Water Rights Agreement Between 270 Toro Canyon Revocable Trust and Montecito Water District
- H. Temporary Construction Easements for the Highline Repair at Bella Vista

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

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS

- A. INFORMATIONAL: Presentation on the Sheffield Tunnel Pipeline Rehabilitation Project by the Cachuma Operations and Maintenance Board

Mr. Turner and Mr. Kanold introduced the item. Joel Degner of COMB presented an overview of the Sheffield Tunnel Pipeline Rehabilitation Projects with contributions from Janet Gingras of COMB. Staff and COMB representatives responded to questions.

Item 5-C through 5-E were moved for consideration before Item 5-B

- C. BOARD ACTION: Discuss, Accept and File the Highline Preliminary Planning & Design Report

Mr. Kanold introduced the item. Karl Meier of Wood Rodgers, Inc. presented the Highline Pipeline Preliminary Design Report. Staff and Mr. Meier responded to questions from the Board.

Director Plough moved to accept and file the 2026 Highline Preliminary Design Report. The motion was seconded by Director Wicks and carried after a roll call vote with Directors Coates, Goebel, Hayman, Plough, and Wicks in favor.

- D. BOARD ACTION: License Agreement with Montecito Fire Protection District for Temporary Use of the District's Terminal Reservoir Property to Support Emergency Response Operations

Mr. Turner presented the item. Fire Chief Brian Fallon and Operations Division Chief Anthony Hudley of the Montecito Fire Protection District addressed the Board and presented the District with a token of appreciation.

Director Coates moved to authorize the General Manager's execution of a License Agreement with the Montecito Fire Protection District for the temporary use of the District's Terminal Reservoir property. 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 11:09 a.m. and returned at 11:22 a.m.

- E. BOARD ACTION: Proposed Amendment No. 12 to the Professional Services Contract with Rincon Consulting Inc. for the Alder Creek Flume Reconstruction Project

Mr. Kanold presented the item.

Director Plough moved to authorize the General Manager to execute Contract Amendment No. 12 with Rincon Consultants for additional Permitting and Environmental Services for the Alder Creek Flume Repair Project for a not-to-exceed amount of \$56,820 of which 94% is reimbursable through the Federal Emergency Management Agency (FEMA). 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. BOARD ACTION: Review and Selection of Treatment Alternative to Manage Calcification at the District's Water Treatment Plants

Mr. Kanold presented the item with contributions from Issam Najm of Hazen and Sawyer, formerly Water Quality Treatment Solutions (WQTS). Staff and Mr. Najm responded to questions from the Board.

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

- F. INFORMATIONAL: Biennial Review of the District's Conflict of Interest Code

Counsel presented the item and responded to questions from the Board.

- G. INFORMATIONAL: Customer Relations and Public Information Update

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

H. INFORMATIONAL: General Manager Report

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

6. DISTRICT BUSINESS REPORT

A. INFORMATIONAL: Unaudited Financial Report as of June 30, 2026

Mr. Turner presented the Fiscal Year 2026 Year-End Unaudited Financial Report and responded to questions from the Board.

B. INFORMATIONAL: Cash Flow Forecast through June 30, 2026

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

The Board paused for lunch at 12:26 p.m. and returned at 1:08 p.m.

7. LEGAL MATTERS

A. Recent and Pending Legal Matters Review – Oral Report

No report.

The Board recessed to Closed Session at 1:08 p.m.

Director Plough left the meeting at 2:40 p.m. Director Hayman left the meeting at 2:45 p.m.

The Board returned to Open Session at 2:56 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 §54956.9(d)(2) Anticipated Litigation – 2 cases.

As to Item 7-D, the Board received an update from Counsel regarding two cases and no action was taken.

E. 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-E, the Board gave direction to the Real Property Negotiator and no action was taken.

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

Property: 2770 Bella Vista Drive

Agency Negotiator: Nicholas Turner, General Manager

Negotiating Parties: District and Potential Buyers

Under Negotiation: Price and Terms of Payment

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

8. DIRECTOR AND COMMITTEE REPORTS

- A. President's Report: Director Goebel reported no new items.
- B. Operations & Customer Relations Committee: Director Wicks reported that all relevant items were previously addressed.
- C. Finance Committee: Director Goebel reported that all relevant items were previously addressed.
- D. Strategic Planning Committee: Director Coates reported that no meeting was held.
- E. Central Coast Water Authority: Director Coates reported on meetings in Sacramento about subsidence and funding opportunities.
- F. Cachuma Operation and Maintenance Board: Director Hayman was absent during this item and Mr. Turner did not attend the most recent COMB meeting.
- 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 no new items.
- I. ACWA JPIA: Director Wicks reported that he will attend the ACWA JPIA Membership Summit starting November 30th, followed by the ACWA 2026 Fall Conference.
- J. CalDesal: Director Wicks reported that he will attend the Board meeting during the ACWA 2026 Fall Conference.
- K. Ad hoc Committee - Water Rights Opportunities: Director Coates reported no new items.
- L. Directors' List of Compensable and Reimbursable Meetings (Government Code §53232.1 and §53232.3) Directors Goebel, Coates, and Wicks reported meetings attended in August.

9. DIRECTOR REQUESTS

Director Goebel requested future discussion of the feasibility of recapturing water lost from the Ortega reservoir.

Director Goebel requested a future discussion regarding the Sheffield Tunnel Pipeline Rehabilitation Project, specifically covering the risks and mitigation of pipeline failure in Sheffield Tunnel, analysis of District reservoirs and the Ortega reservoir, and acceleration of the District's Aquifer Storage and Recovery (ASR) Project.

Director Coates requested an update on cybersecurity

Director Wicks requested a review of what assets are considered surplus.

10. ADJOURNMENT

The meeting was adjourned at 3:01 p.m.

ATTEST:



Nicholas Turner, Secretary

APPROVED:



Brian Goebel, Board President