



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

**TUESDAY, SEPTEMBER 25, 2018
2:00 P.M.**

AGENDA

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

Robert M. Cohen, General Counsel
Laura Camp, P. I. Coordinator
Lois Werner, Recording Secretary

Guests Present:

Bob Hazard, Montecito Journal
Donna Senauer, District customer

Ken Coates, District customer
Jeff Kerns, District customer

2. PUBLIC FORUM

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

3. CONSENT CALENDAR

It was moved by Director Frye, seconded by Director Wicks and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve items A and C of the Consent Calendar as presented. 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 approve item B of the Consent Calendar as presented.

4. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

- A. BOARD ACTION: Approval to obtain financing for Smart Metering Program through Holman Capital Corporation

Mr. Turner and Mr. Smith presented this item and responded to questions from Directors. 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 pursue obtaining financing for the implementation of District's Smart Meter Program through Holman Capital Corporation.

- B. BOARD ACTION: Smart Metering Program – Determination of Categorical Exemption from California Environmental Quality Act (CEQA)

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 make the determination that the Smart Meter Program is categorically exempt from environmental review pursuant to the requirements of CEQA as set forth on the Notice of Exemption and authorize staff to file the Notice of Exemption from CEQA with the County of Santa Barbara Clerk of the Board.

- C. BOARD ACTION: Algaecide and Herbicide Application at Jameson Lake for Maintenance Purposes - Determination of Categorical Exemption from California Environmental Quality Act (CEQA)

Mr. Kanold presented this item and responded to questions from Directors. 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 make a determination that the algaecide and herbicide application at Jameson Lake for Maintenance purposes is categorically exempt from environmental review pursuant to the requirements of CEQA as set forth in the Notice of Exemption and

authorize staff to file the Notice of Exemption from CEQA with the County of Santa Barbara Clerk of the Board.

- D. INFORMATION ONLY: Water Works Operations Report for August 2018
Mr. Turner presented this report and responded to questions from Directors.
- E. BOARD ACTION: Adoption of Resolution No. 2170 amending the District's Conflict of Interest Code
Mr. Turner and Mr. Cohen presented this item and responded to questions from Directors. Following discussion it was moved by Director Plough, seconded by Director Shaikewitz and carried by the following roll-call vote to adopt Resolution No. 2170 as presented:
AYES: Directors Frye, Morgan, Plough, Shaikewitz, and Wicks
NOES: None
ABSENT: None
- F. INFORMATION ONLY: Progress update on implementation of permanent pipeline repairs and FEMA reimbursement
Mr. Kanold presented this item and responded to questions from Directors and members of the public.
- G. INFORMATION ONLY: General Manager's Report (Oral)
Mr. Turner reported on District operations and projects not covered elsewhere in the agenda.

5. DISTRICT BUSINESS REPORT

- A. INFORMATION ONLY: Unaudited District Monthly Financial Reporting for August 2018
Mr. Smith presented this report and responded to questions from Directors and members of the public.
- B. BOARD ACTION: Deficit Charges from USBR
Mr. Smith presented this item and responded to questions from Directors. 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 staff to proceed with a full payment of all USBR deficit charges due by October 10, 2018 in the amount of \$172,833 from unrestricted operating reserves.

C. **BOARD ACTION: Additional Charges from CCWA (DWR)**

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 staff to proceed with the full payment of the State Water Project Transportation Minimum OMP&R supplemental charges to Central Coast Water Authority for an amount not to exceed \$1,035,258, to be made in two installments of \$517,629 due on January 1 and June 30, 2019.

6. DIRECTOR AND COMMITTEE REPORTS

- A. PRESIDENTS REPORT
- B. CENTRAL COAST WATER AUTHORITY
- C. SANTA BARBARA COUNTY SPECIAL DISTRICTS ASSOCIATION
- D. CACHUMA OPERATION AND MAINTENANCE BOARD
- E. CACHUMA CONSERVATION RELEASE BOARD
- F. OPERATIONS COMMITTEE
- G. FINANCE COMMITTEE
- H. APPEALS COMMITTEE

In the interest of time, the Director and Committee Reports above were postponed to the October regular Board meeting.

I. **STRATEGIC PLANNING**

Directors Shaikewitz & Wicks reported on their discussions of the feasibility of recycled wastewater use in the District having received the preliminary report from the consultant. The final report will likely be presented to the Board in November.

7. LEGAL MATTERS

- A. **CLOSED SESSION:** Pursuant to Government Code Section 54956.9(d)(2) Conference with Legal Counsel – Anticipated Litigation, 1 case
- B. **CLOSED SESSION:** Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, SOUTHERN CALIFORNIA FIRE CASES, JCCP No. 4695

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

The Board reconvened in open session at 5:06 p.m.

Report out of closed session:

On item A — the Board received a report from District Counsel, Robert M. Cohen, and voted 5 to 0 on a motion by Director Plough, seconded by Director Frye, to reject the claim received on August 24, 2018 from Southern California Edison. The claim will be made available for public inspection pursuant to Government Code 54956.9 and 54957.5.

On item B — the Board received a report from litigation counsel Linda Bauermeister, and there is no action to report.

C. Recent and Pending Legal Matters Review – Oral Report

Mr. Cohen had no legal matters to bring to the Board's attention in open session.

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, October 23, 2018 or any future meeting.

9. ADJOURNMENT

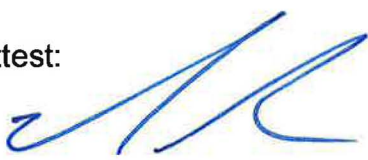
There being no further business to come before the Board, the meeting was adjourned at 5:09 p.m.

Approved:



W. Douglas Morgan, President

Attest:



Nick Turner, Secretary