



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

**TUESDAY, JUNE 26, 2018
2:00 P.M.**

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
Bob Cohen, General Counsel

Laura Camp, P. I. Coordinator
David Wong, Engineering Assistant
Lois Werner, Recording Secretary

Guests Present:

Ray Stokes, CCWA Executive Director
Bob Hazard, Montecito Journal
Vicki Hazard, 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

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

4. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

- A. INFORMATION ONLY: Presentation by Central Coast Water Authority Executive Director Ray Stokes on various State Water Project matters

Director Shaikewitz introduced Mr. Stokes who presented information on the State Water Project issues and responded to questions from Directors and members of the public.

- B. INFORMATION ONLY: Semi-Annual Groundwater Monitoring Program Report – Fall 2017 & Spring 2018

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

- C. BOARD ACTION: Adoption of Resolution No. 2164 placing in nomination Floyd Wicks as a member of the Region 5 Association of California Water Agencies

Mr. Turner presented this item. Following discussion it was moved by Director Plough, seconded by Director Shaikewitz and carried by the following roll-call vote to adopt Resolution No. 2164 placing Director Wicks in nomination for the Board of ACWA Region 5.

AYES: Directors Frye, Morgan, Plough, Shaikewitz, and Wicks

NOES: None

ABSENT: None

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

Mr. Kanold presented this report and responded to questions from Directors and members of the public.

- E. INFORMATION ONLY: Water Works Operations Report for May 2018

Mr. Turner presented this report.

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

- i. Annual 2017 Consumer Confidence Report;
- ii. Update on Water Availability Charge (WAC) for FY 2018/19;
- iii. Status of Application for Formation of a Groundwater Sustainability Agency (GSA);

- iv. Submittal of NOI to Semitropic to bank approx. 1,000AF of surplus water in 2018;
- v. Update on Capital Improvement Projects (Sycamore Canyon Road Water Main Replacement Project)

Mr. Turner and Mr. Kanold reported on the above District projects and activities.

5. DISTRICT BUSINESS REPORT

A. INFORMATION ONLY: Monthly Financial Reporting for May 2018

Mr. Smith presented this report and responded to questions from Directors and members of the public.

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

Mr. Smith presented this report and responded to questions from Directors and members of the public.

C. BOARD ACTION: Ratification of CCRB FY 2018/19 budget

This action had already been taken at a previous meeting and was not necessary at this meeting.

D. BOARD ACTION: Annual Budget Resolutions:

- I. Resolution No. 2165 – Determining that Charges, Rates and Fees Are Not “Proceeds of Taxes”;
- II. Resolution No. 2166 – FY 2018/19 Investment Policy;
- III. Resolution No. 2167 – Establishing Employee Classification and Salary

Mr. Smith presented the budget resolutions. It was moved by Director Shaikewitz, seconded by Director Wicks and carried by the following roll-call vote to adopt Resolutions 2165, 2166 and 2167 as presented:

AYES: Directors Frye, Morgan, Plough, Shaikewitz, and Wicks

NOES: None

ABSENT: None

E. BOARD ACTION: Adoption of Fiscal Year 2018/19 Budget

Mr. Turner and Mr. Smith presented the 2018/19 budget, which had been covered in depth at the Board Budget Workshop on May 30, 2018. 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 approve and adopt the FY 2018/19 Budget as presented.

6. DIRECTOR AND COMMITTEE REPORTS

- A. PRESIDENTS REPORT
Director Morgan did not have a report.
- B. CENTRAL COAST WATER AUTHORITY
Director Shaikewitz noted that Mr. Stokes has already reported on CCWA matters earlier in the meeting.
- C. SANTA BARBARA COUNTY SPECIAL DISTRICTS ASSOCIATION
Director Shaikewitz reported on the activities of the SBC-SDA.
- 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
Director Wicks reported that the Committee had reviewed main breaks, AMI, and the groundwater report.
- G. FINANCE COMMITTEE
Director Plough reported that the Finance Committee matters had been covered elsewhere in the agenda.
- H. APPEALS COMMITTEE
The Committee had not met.
- I. STRATEGIC PLANNING
The Committee had not met.

7. LEGAL MATTERS

- A. CLOSED SESSION: Pursuant To Government Code Section 54956.9(d)(2)
Conference with Legal Counsel – Anticipated Litigation, 6 cases
- B. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1)
Conference with Legal Counsel – Existing Litigation, Francisco Ramos Zamora, et.al. v. Southern California Edison, et.al., Santa Barbara Superior Court Case No. 18CV02743
- C. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1)
Conference with Legal Counsel – Existing Litigation, Old Town Hospitality, et.al. v. Southern California Edison, et.al., Santa Barbara Superior Court Case No. 18CV02958
- D. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1)
Conference with Legal Counsel – Existing Litigation, Kerry Moriarty, et.al.

v. Southern California Edison, et.al., Santa Barbara Superior Court Case No. 18CV02185

- E. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, David S. Corey, et.al. v. Southern California Edison, et.al., Santa Barbara Superior Court Case No. 18CV02945
- F. 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
- G. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Patrick M. Nesbitt, et.al. v. Montecito Water District, Santa Barbara Superior Court Case No. 1371221

The Board adjourned to closed session on the above matters at 4:40 p.m.

The Board reconvened in open session at 5:28 p.m.

Report out of closed session:

With regard to Item A, the Board received a report from General Counsel Robert M. Cohen and reviewed multiple claims received by the District and arising out of the mudslide event of January 9, 2018. The Board voted 5 to 0 on a motion by Director Plough, seconded by Director Frye, concerning those claims as follows:

1. to reject the claim received on June 4, 2018 from Corey Luzaiche/de Ghetaldi & Riddle LLP on behalf of claimant Michael Fox.
2. to reject the amended claim received on June 4, 2018 from Joseph Liebman/The Law Offices of Joseph Liebman on behalf of multiple claimants, which claimants are specifically identified on the claim form and available for review.
3. To reject the claim received on June 6, 2018 from James Scafide/Scafide Law Firm on behalf of claimant Estate of Bunphoem Taylor.
4. to reject the claim received on June 6, 2018 from James Scafide/Scafide Law Firm on behalf of claimant Estate of Richard Taylor.
5. to reject the claim received on June 21, 2018 from Joseph Liebman/The Law Offices of Joseph Liebman on behalf of claimants: Mary Firestone; James Napper Tandy II; Ever Tandy; Dorothy Duffy, individually and as trustee of the Duffy Family Survivor's Trust; Doug Large and Laurie Large, individually and as trustees for the Douglas Bruce Large and Laurie Charlene Large Revocable Trust dated December 15, 2005; Peri Thompson; Christopher P. Gabriel and Diane M. Gabriel, individually

and as trustees for the Gabriel Family Trust of 1999, established on April 19, 1999; and Ingrid I. Gabriel, individually and as trustee for the Gabriel Family Trust UDT, date June 28, 1977.

With regard to Item B, the Board received a report from General Counsel Robert M. Cohen; no action was taken.

With regard to Item C, the Board received a report from General Counsel Robert M. Cohen; no action was taken.

With regard to Item D, the Board received a report from General Counsel Robert M. Cohen; no action was taken.

With regard to Item E, the Board received a report from General Counsel Robert M. Cohen; no action was taken.

With regard to Item F, the Board received a report from General Counsel Robert M. Cohen; direction was given to Counsel.

With regard to Item G, the Board received a report from General Counsel Robert M. Cohen; no action was taken and direction was given to Counsel.

H. Recent and Pending Legal Matters Review – Oral Report

Mr. Cohen did not have any legal matters to report to the Board 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, July 24, 2018 or any future meeting.

9. ADJOURNMENT

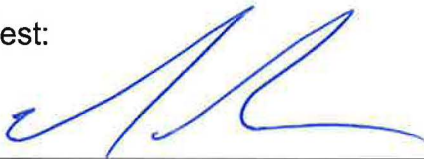
There being no further business to come before the Board, the meeting was adjourned at 5:32 p.m.

Approved:



W. Douglas Morgan, President

Attest:



Nick Turner, Secretary