



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

**TUESDAY, MAY 22, 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
Lois Werner, Recording Secretary

Guests Present:

Bob Hazard, Montecito Journal
Vicki Hazard, District customer
Pamela Leno, District customer

Sam Leno, District customer
Ken Coates, District customer
Matt Naftaly, Dudek

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 Frye, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve the Consent Calendar as presented.

4. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

- A. BOARD ACTION: Sustainable Groundwater Management Act (SGMA) – Proposed Basin Boundary Modification for the Montecito Groundwater Basin

Mr. Turner and Mr. Naftaly presented this item and responded to questions from Directors.

- B. BOARD ACTION: Employee Handbook – Labor Law and other Updates for 2018

Mr. Turner presented this item and responded to questions from Directors and members of the public. 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 approve the proposed updates to the Employee Handbook.

- C. INFORMATION ONLY: Progress update on implementation of permanent pipeline repairs and FEMA reimbursement (oral)

Mr. Kanold presented this item and responded to questions from Directors.

- D. INFORMATION ONLY: Water Works Operations Report for April 2018

Mr. Turner presented this report and responded to questions from Directors.

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

Mr. Turner reported on District projects and activities not covered elsewhere in the agenda.

5. DISTRICT BUSINESS REPORT

- A. INFORMATION ONLY: Monthly Financial Reporting for April 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 item and responded to questions from Directors and members of the public.

6. APPEALS

A. Lief Appeal of High Usage Charges, Account No. 06-0039-03

Director Frye presented this item for the Appeals Committee. Following discussion it was moved by Director Frye, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to deny this appeal for additional credit on a high usage charge and issue no further credit.

7. LEGAL MATTERS

A. 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

B. 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

C. CLOSED SESSSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Lori Ann Lieberman v. Southern California Edison, Santa Barbara Superior Court Case No. 18CV00185

D. CLOSED SESSSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Alex Briscoe v. Montecito Water District, Santa Barbara Superior Court Case No. 18CV02191

E. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(2): Conference with Legal Counsel – Anticipated Litigation, 12 cases

The Board adjourned to closed session on the above matters at 3:17 p.m.

The Board reconvened in open session at 4:42 p.m.

Report from closed session:

7-A – The Board received a report from Special Counsel Holly Whatley, of Colantuono Highsmith & Whatley; no action was taken

7-B – The Board received a report from General Counsel Robert M. Cohen; no action was taken

7-C – The Board received a report from Special Counsel Linda Bauermeister, of Barber & Bauermeister; no action was taken

7-D – the Board received a report from District Counsel and Linda Bauermeister of Barber & Bauermeister has been assigned to defend Montecito Water District in this litigation.

7-E – 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 Frye, seconded by Director Plough, concerning those claims as follows:

1. to reject the claim received on April 13, 2018 from John T. Richards, APLC on behalf of claimants: Kerry Moriarty, Geonine Scott
2. to reject the claim received on April 19, 2018 from Robertson & Associates, LLP on behalf of claimants: Francisco Ramos Zamora, Marta Ramos Tapia
3. To reject the claim received on April 19, 2018 from Robertson & Associates on behalf of claimant David S. Corey
4. to reject the claim received on April 19, 2018 from Robertson & Associates, LLP on behalf of claimants: Quentin Fleurat, Constance Fleurat Goetz, Christy Fleurat, Josseph Fleurat
5. to reject the claim received on April 30, 2018 from Denenberg Tuffley on behalf of claimants insurers of: Resort Hotel Association; San Ysidro BB Property LLC; SYR Service Company, LLC; SY Property, LLC; H. Ty Warner
6. to reject the claim received on April 30, 2018 from Denenberg Tuffley on behalf of claimant Lexington Insurance Company
7. to reject the claim received on April 30, 2018 from Denenberg Tuffley on behalf of claimant XL Insurance America, Inc.
8. to reject the claim received on April 30, 2018 from Denenberg Tuffley on behalf of claimant Armed Forces Insurance
9. to reject the claim received on May 7, 2018 from John T. Richards, APLC on behalf of claimant Old Town Hospitality, LLC
10. to reject the claim received on May 7, 2018 from John T. Richards, APLC on behalf of claimant 525 State Street Inc.

11. to reject the claim received on May 16, 2018 from the Law Offices of Joseph Liebman on behalf of claimants: A Good service Limo Company (Mark Jones & Rita Jones); Persona Neapolitan Pizza (Joseph Baurnel); Long Term Assets LLC (Steve Hermann); Somerset LLC (Steve Hermann); Montecito Avocado Ranch Owners Association (Managed by Bartlein & Co – Robert Bartlein as President); Juniper Cottage (Marie Ferris); BEC Builders, Inc. (Brian Crill – President); Perfume Plus Outlet (Ved Barkash)

12. as to the second claim received from The Law Offices of Joseph Liebman on May 16, 2018 on behalf of multiple claimants, the Board took no action and the claim will be returned as insufficient pursuant to Government Code 910.8 and 915.4.

F. Recent and Pending Legal Matters Review – Oral Report

Mr. Cohen had no legal matters to discuss with the Board in open session.

8. DIRECTOR AND COMMITTEE REPORTS

A. PRESIDENTS REPORT

Director Morgan reported on the election for Special District's Association LAFCO representative. The meeting lacked a quorum, so election was then done remotely (by mail and email). Final results will be tallied May 30.

B. CENTRAL COAST WATER AUTHORITY

Director Shaikewitz reported on the activities of the CCWA.

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 on the activities of the Operations Committee.

G. FINANCE COMMITTEE

Directors Morgan & Plough reported on the activities of the Finance Committee.

H. APPEALS COMMITTEE

Directors Frye & Plough reported that they had not met since the Leiff appeal and no appeals were currently pending.

I. STRATEGIC PLANNING

The committee had not met.

9. DIRECTOR REQUESTS

There were no requests from Directors for items other than regular agenda items for the next regular Board meeting scheduled for Tuesday, June 26, 2018 or any future meeting.

10. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:08 p.m.

Approved:



W. Douglas Morgan, President

Attest:



Nick Turner, Secretary