



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

**TUESDAY, APRIL 17, 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:

Sam Leno, District customer
Pamela Leno, District customer
Ken Coates, District customer

Bob Hazard, Montecito Journal
Vicki Hazard, District customer
Ben Senauer, District customer

2. PUBLIC FORUM

Mr. Senauer thanked the Board and staff for the District's work bringing the system up after the January 9 disasters and for re-opening negotiations with the City of Santa Barbara on desal.

Mr. Dennis Naiman commented on water conservation communications from the District and the necessity of making better efforts to encourage water conservation by customers. He also thanked the District for quick action after the December and January disasters.

3. CONSENT CALENDAR

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 Consent Calendar as presented.

4. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS

- A. ACTION: Adoption of Resolution No. 2163 authorizing the submittal of an application to Department of Water Resource for a Basin Boundary Modification (SGMA) for the Montecito Groundwater Basin

Mr. Turner presented this item and responded to questions from Directors. Following discussion it was move by Director Shaikewitz, seconded by Director Plough and carried by the following roll-call vote to approve and adopt Resolution No. 2163 as presented:

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

NOES: none

ABSENT: none

- B. ACTION: Approval of an updated Memorandum of Understanding to participate in the Integrated Regional Water Management Program (IRWM) in Santa Barbara County

Mr. Turner presented this item and responded to questions from Directors and members of the public. Following discussion it was moved by Director Wicks, seconded by Director Shaikewitz and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to approve the updated Memorandum of Understanding for participation in the Integrated Regional Water Management Program for Santa Barbara County.

- C. ACTION: Thomas Fire/Debris Flow Emergency Response Contract Amendments

Mr. Kanold 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 Shaikewitz and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to ratify the contract amendments for Souza Construction emergency Jameson Lake highline repairs and access road clearing, Lash Construction emergency highline repairs and main break repairs, and Dudek emergency permitting with US Army Corps of Engineers and State Water Resources Control Board for highline repair work within creeks;

revising the not-to-exceed amounts to \$300,000, \$180,000, and \$50,000 respectively.

- D. INFORMATION ONLY: Drought and Quarterly Water Supply Update
Mr. Turner presented this report via PowerPoint and responded to questions from Directors and members of the public.
- E. INFORMATION ONLY: Water Works Operations Report for March 2018
Mr. Turner presented this report and responded to questions from Directors and members of the public.
- F. ACTION: Public Information Coordinator Employment Status Modification
Mr. Turner presented this item and responded to questions from Directors and members of the public. 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 reclassify the Public Information Coordinator position to full-time and adopt an updated position description including the title Public Information Officer.
- G. ACTION: Consideration for rescheduling Board and Committee meetings to accommodate more timely financial reporting
Mr. Turner presented this item and responded to questions from Directors and members of the public. 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 schedule regular Board meetings on the fourth Tuesday of each month, and such additional Tuesdays as the Board President and/or Secretary determine to be necessary based on the demands of District business; and set regular meetings of the Operations and Finance Committees for the week prior to the regular Board meeting on Monday and Tuesday respectively.
- H. INFORMATION ONLY: General Manager's Report (Oral)
Mr. Turner reported on the Supplemental water purchase – Mojave Water Agency
Mr. Kanold reported on the status of the Sycamore Canyon main replacement project.

5. DISTRICT BUSINESS REPORT

- A. INFORMATION ONLY: Monthly Financial Reporting for February 2018
Mr. Smith presented this report.
- B. INFORMATION ONLY: Monthly Financial Reporting for March 2018
Mr. Smith presented this report.

- C. INFORMATION ONLY: Review of Cash Flow Regarding Emergency Spending

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

- D. BOARD ACTION: Ratification of Cachuma Conservation Release Board 2018/19 Budget

President Morgan presented this item. It was moved by Director Frye, seconded by Director Plough and carried, with Directors Frye, Morgan, Plough, Shaikewitz, and Wicks voting in favor, to ratify the CCRB 2018/19 Budget.

6. LEGAL MATTERS

- A. 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

- B. 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

- C. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(2): Conference with Legal Counsel – Anticipated Litigation, 1 case

- D. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, State Water Resources Control Board adjudicatory proceeding regarding Cachuma Project water rights

The Board adjourned to closed session on the above items at 4:13 p.m.

The Board reconvened to open session at 5:36 p.m.

Report from closed session:

Item A: it was moved by Director Frye, seconded by Director Plough and carried on a vote of five to 0 to ratify a letter previously submitted to the California Legislature concerning potential immunity for investor-owned utilities for damages arising from utility-caused wildfires. A copy of the letter is available for review pursuant to Government Code 54957.1

Item B: an update was provided to the Board, and no action was taken.

Item C: The Board was provided with an update concerning a claim by Zenith Insurance Company, tendered on February 14, 2018. The claim was returned to Zenith for insufficiency on March 8, 2018 and no amendment or revision to the claim was made. The claim was therefore denied by operation of law pursuant to Government Code 912.4. A letter concerning the claim will be provided to Zenith

Insurance Company pursuant to Government Code 913. Finally, a copy of the claim will be available pursuant to Government Code 54957.5

Item D: an update was provided to the board, and no action was taken.

- E. Recent and Pending Legal Matters Review – Oral Report

7. DIRECTOR AND COMMITTEE REPORTS

- A. PRESIDENTS REPORT:

No report

- B. CENTRAL COAST WATER AUTHORITY:

Director Shaikewitz reported on the activities of the CCWA.

- C. SANTA BARBARA COUNTY SPECIAL DISTRICTS ASSOCIATION:

No report

- D. CACHUMA OPERATION AND MAINTENANCE BOARD:

No report

- E. CACHUMA CONSERVATION RELEASE BOARD:

No report

- F. OPERATIONS COMMITTEE:

No report

- G. FINANCE COMMITTEE:

There was brief discussion on the pending rate study.

- H. APPEALS COMMITTEE:

Directors Frye & Plough reported that they had heard one appeal the previous week and would be bringing it to the Board at the next regular meeting.

- I. STRATEGIC PLANNING:

The committee had not met.


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, May 22, 2018 or any future meeting.

9. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:48 p.m.

Approved:



W. Douglas Morgan, President

Attest:



Nick Turner, Secretary