



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

**TUESDAY, JANUARY 22, 2019  
9:30 A.M.**

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

President Wicks called the meeting to order at 9:30 a.m.

Directors Present:

Directors, Kenneth Coates, Brian Goebel, Cori Hayman, Tobe Plough, 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  
Chad Hurshman, Treatment  
Superintendent  
Lois Werner, Recording Secretary

Guests Present:

Richard Shaikewitz, District customer  
Jeff Kerns, District customer  
Rob Morrow, Woodard & Curran  
Carrie Poytress, MSD

Keith Berry, District customer  
Giana Magnoli, Noozhawk  
Bob Hazard, Montecito Journal  
Vicki Hazard, District customer

**2. PLEDGE OF ALLEGIANCE**

Those present recited the Pledge of Allegiance.

**3. PUBLIC FORUM**

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

#### **4. CONSENT CALENDAR**

Following discussion it was moved by Director Plough, seconded by Director Hayman and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, to approve the Consent Calendar with one correction to the Minutes of December 18, 2018.

#### **5. BOARD OF DIRECTORS**

- A. **BOARD ACTION:** Adoption of Resolution No. 2174 adjusting Director meeting compensation beginning January 23, 2019

Mr. Turner presented this item and responded to questions from Directors. Following discussion it was moved by Director Coates, seconded by Director Plough and carried by the following roll-call vote to approve Resolution No. 2174 as amended:

AYES: Directors Coates, Goebel, Hayman, Plough, and Wicks

NOES: None

ABSENT: None

ABSTAIN: None

#### **6. DISTRICT OPERATIONS AND GENERAL MANAGER'S REPORTS**

- A. **BOARD ACTION:** Recycled Water Implementation Plan

Mr. Turner presented this item and responded to questions from Directors. Mr. Cohen noted that District Manager Nick Turner had received an email on January 20, 2019 from Charles Newman concerning the possibility of some Directors having a conflict of interest on the issue of recycled water. A copy of the email is available for review at the District upon request. Following discussion, including discussion of conflict of interest issues, it was moved by Director Goebel seconded by Director Hayman and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, to pursue the recommended Recycled Water Project — non-potable reuse to large irrigation users, with the option of indirect potable reuse pending a hydrogeologic investigation of the Montecito Basin — consistent with the Recycled Water Feasibility Plan and 2015 Urban Water Management Plan.

- B. **INFORMATION ONLY:** Semiannual Groundwater Monitoring Report

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

C. INFORMATION ONLY: Water Quality Monitoring & Sampling Presentation

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

D. INFORMATION ONLY: Quarterly Drought & Water Supply Update

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

E. INFORMATION ONLY: Water Works Operations Report for December 2018

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

F. BOARD ACTION: Employee Handbook for 2019

i. Adoption of the Updated Employee Handbook for 2019

ii. Adoption of the Anti-harassment, Anti-Discrimination and Anti-Retaliation Policy acknowledgement and receipt form

Mr. Turner and Mr. Cohen presented this item. Following discussion it was moved by Director Plough, seconded by Director Coates and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, to adopt the Updated Employee Handbook for 2019 as presented and to adopt the Anti-harassment, Anti-discrimination and Anti-retaliation Policy acknowledgement and receipt form as presented.

G. BOARD ACTION: Adoption of a meeting calendar for 2019

Mr. Turner presented this item and responded to questions from Directors. Following discussion it was moved by Director Goebel, seconded by Director Hayman and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor to adopt the 2019 Board meeting calendar as presented.

H. BOARD ACTION: Resolution No. 2175 authorizing the General Manager to process certain property damage claims

Mr. Turner presented this item and responded to questions from Directors. Following discussion it was moved by Director Goebel, seconded by Director Plough and carried by the following roll-call vote to adopt Resolution No. 2175 as amended setting the limit for the General Manager's authority to resolve claims at \$5,000.

AYES: Directors Coates, Goebel, Hayman, Plough, and Wicks

NOES: None

ABSENT: None

ABSTAIN: None

I. **BOARD ACTION:** Approval of Design Consultant for Alder Creek Flume Repair

Mr. Kanold presented this item and responded to questions from Directors. Following discussion it was moved by Director Plough, seconded by Director Coates and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor to approve award of an engineering services contract to Cannon Corporation for \$62,700 for engineering design services for disaster-related repairs at Alder Creek Flume, and authorize the execution of the contract.

J. **INFORMATION ONLY:** General Manager's Report (Oral)

Mr. Turner did not have a report.

**7. DISTRICT BUSINESS REPORT**

A. **INFORMATION ONLY:** Unaudited District Monthly Financial Reporting for December 2018

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

**8. MONTECITO WATER DISTRICT FINANCING CORPORATION**

A. **BOARD ACTION:** Adjourn to the Annual Meeting of the Montecito Water District Financing Corporation

The Board adjourned to the Annual Meeting of the Montecito Water District Financing Corporation at 12:36 a.m.

The Board reconvened the regular meeting at 12:40 a.m.

**9. DIRECTOR AND COMMITTEE REPORTS**

A. **Presidents Report**

Director Wicks reported on recent meetings.

B. **Central Coast Water Authority**

Director Wicks reported on the activities of CCWA. The Directors discussed the issue of assignment of the SWP contract to CCWA.

C. **Santa Barbara County Special Districts Association**

No report

- D. Cachuma Operation and Maintenance Board  
Director Plough reported on the activities of COMB.
- E. Cachuma Conservation Release Board  
Director Goebel (District Alternate Representative to CCRB) reported on the activities of CCRB.
- F. Operations & Customer Relations Committee  
Directors Hayman & Wicks reported that the activities of the Operations and Customer Relations Committee had been covered elsewhere in the agenda.
- G. Finance Committee  
The Finance Committee had not met due to the evacuation order on the scheduled meeting date.
- H. Strategic Planning Committee  
The Strategic Planning Committee had not met.

## **10. LEGAL MATTERS**

- A. CLOSED SESSION: Pursuant to Government Code 54956.9(d)(2)  
Conference with Legal counsel – Anticipated Litigation, 32 cases  
The Board adjourned to closed session at 1:10 p.m.  
The Board reconvened in open session at 1:56 p.m.  
Report out of closed session:  
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 Goebel, seconded by Director Hayman, concerning those claims as follows:
  - 1. a. To reject the claim received on January 7, 2019 from Adler Law Group on behalf of multiple claimants, which claimants are specifically identified on the claim form and available for review.
  - b. To return the claim received on January 7, 2019 from Adler Law Group on behalf of claimants 995 Properties LLC, Rosellen Cowell, Olaf Hermes, Eva Hermes, Elise Hermes, Raphaella Hermes, Jim Jackson, Palmer Jackson, Palmer Gavit Jackson Trust under

agreement dated February 25, 1998, Petan Company a California limited partnership with no action taken as claims were previously filed by these claimants and denied by the Board.

2. To reject the claim received on January 7, 2019 from Engstrom, Lipscomb & Lack 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 January 7, 2019 from Foley, Bezek, Behle & Curtis, LLP on behalf of claimants Jessica Tim and Bernard Chow.
4. To return the claim received on January 7, 2019 from Foley, Bezek, Behle & Curtis, LLP on behalf of claimants Matt Moore, Ryan Moore, Zack Moore, Duncan Abbott, Whitney Abbott, William Abbott, Meredith Abbott, and Robert Abbott with no action taken as claims were previously filed by these claimants and denied by the Board.
5. To reject the claim received on January 7, 2019 from Foley, Bezek, Behle & Curtis, LLP on behalf of claimants Susan Robles, Chris Robles.
6. To reject the claim received on January 7, 2019 from Foley, Bezek, Behle & Curtis, LLP on behalf of claimants Mary N. Sheldon, individually and as trustee of the Mary N. Sheldon Separate Property Trust, and as Mary Sheldon dba Tecolote Bookstore.
7. To reject the claim received on January 7, 2019 from Foley, Bezek, Behle & Curtis, LLP on behalf of claimants Lana Marme Phillips, individually and as trustee of the Lana Marme 2010 Trust, Michael Phillips.
8. To reject the claim received on January 7, 2019 from Foley, Bezek, Behle & Curtis, LLP on behalf of claimants Dana Fisher, Corey Fisher, Channing Fisher and Kai Fisher.
9. a. To return the amended claim received on January 11, 2019 from Frantz Law Group on behalf of multiple claimants, which claimants are specifically identified on the claim form and available for review, with no action taken due to insufficiency, specifically failure to specify the damages sustained by each claimant per Government Code 910; with the exception of claimants "Cardozo – Individually and as successor in interest to the Estate of Faviola Benitez Calderone, Santiago Benitez" and "Calderone – individually and as successor in interest to the Estate

of Faviola Benitez Calderone, Suplicia”

b. To return the amended claim received on January 11, 2019 from Frantz Law Group as to claimants Elliot Mayrock, Nina M. Chamlee, and Alecia Mayrock with no action taken as claims were previously filed by these claimants and denied by the Board.

c. To return the amended claim received on January 11, 2019 from Frantz Law Group as to claimants “Cardozo – individually and as successor in interest to the Estate of Faviola Benitez Calderone, Santiago Benitez” and “Calderone – individually and as successor in interest to the Estate of Faviola Benitez Calderone, Suplicia” with no action taken because the claim is late pursuant to the Government Code.

10. To reject the claim received on January 7, 2019 from Lowthop, Richards, McMillan, Miller & Templeman on behalf of claimants Joseph Masin and Eva Masin, Gregory Sain and Kathleen Sain, Jeffrey W. Loebel, Trustee UDT 7/27/83 as to a 69.6825% interest as tenant in common and Jeffrey W. Loebel, Trustee of the Tevis Jankovitz Non-Exempt Qualified Marital Trust 7/27/83 as to 30.175% interest as tenant in common.

11. a. To reject the amended claim received on January 11, 2019 from Panish Shea Boyle on behalf of multiple claimants, which claimants are specifically identified on the claim form and available for review, with the exception of claimants Santiago Benitez Cardozo, individually and as Successor-in-interest to the Estate of Faviola Benitez Calderon and Sulplicia Calderone, individually and as Successor-in-interest to the Estate of Faviola Benitez Calderone.

b. To return the amended claim received on January 11, 2019 from Panish Shea Boyle on behalf of claimant Bunphoem Taylor with no action taken as a claim was previously filed by this claimant and denied by the Board.

c. To return the amended claim received on January 11, 2019 from Panish Shea Boyle as to claimants Santiago Benitez Cardozo, individually and as Successor-in-interest to the Estate of Faviola Benitez Calderon and Sulplicia Calderone, individually and as Successor-in-interest to the Estate of Faviola Benitez Calderone with no action taken because claim is late pursuant to the Government Code.

12. To reject the claim received on January 7, 2019 from Robins Cloud on behalf of claimant Erin Ann Gavage.
13. To reject the claim received on January 7, 2019 from Robins Cloud on behalf of claimant Gregory Dylan Gavage.
14. To reject the claim received on January 7, 2019 from Robins Cloud on behalf of claimant Gregory Lee Gavage.
15. To reject the claim received on January 7, 2019 from Robins Cloud on behalf of claimant Isabella Catherine Gavage.
16. To reject the claim received on January 7, 2019 from Robins Cloud on behalf of claimant Peter Gucciardo.
17. To reject the claim received on January 7, 2019 from Robins Cloud on behalf of claimant Wanda Gucciardo.
18. To reject the claim received on January 7, 2019 from Robinson Calcagnie on behalf of claimant Alex Briscoe.
19. To reject the claim received on January 7, 2019 from Robinson Calcagnie on behalf of claimant Shirin Donoghue.
20. To reject the claim received on January 7, 2019 from Robinson Calcagnie on behalf of claimants Dan & Sarah McCormick.
21. To reject the claim received on January 7, 2019 from Robinson Calcagnie on behalf of claimant Teresa Owens on behalf of Morgan Corey, deceased.
22. To reject the claim received on January 7, 2019 from Robinson Calcagnie on behalf of claimant Christopher Peake.
23. To reject the claim received on January 7, 2019 from Robinson Calcagnie on behalf of claimant laon Pohlit.
24. To reject the claim received on January 7, 2019 from Robinson Calcagnie on behalf of claimant Steve Wordell.
25. To reject the claim received on January 7, 2019 from Robinson Calcagnie on behalf of claimant Naoya Yamauchi.
26. To reject the claim received on January 8, 2019 from Skikos on behalf of claimants Jeffrey Bermant and Paulette Bermant.
27. a. To return the claim received on January 8, 2019 from Denenberg Tuffley on behalf of claimant XL Insurance America, Inc. with no action taken as a claim was previously filed by this claimant and denied by the



Board.

b. To return the claim received on January 8, 2019 from Denenberg Tuffley on behalf of claimants Certain Underwriters at Lloyds of London UK, subscribing to Policy Number B050XEQ1430617, Houston Casualty Company, Liberty Mutual Fire Insurance Company, AspenSpecialty Insurance Company, Axis Surplus Insurance Company, Evanston Insurance Company, Landmark Insurance Company, Tokio Marine America Insurance Company with no action taken because the claim is late pursuant to the Government Code.

28. To return the claim received on January 9, 2019 from Richards Law Firm on behalf of claimant 525 State Street dba Baja Sarkeez with no action taken as a claim was previously filed by this claimant and denied by the Board.

29. To return the claim received on January 7, 2019 from Richards Law Firm on behalf of claimants Kerry Moriarty and Geonine Scott with no action taken as a claim was previously filed by this claimant and denied by the Board.

30. To return the claim received on January 7, 2019 from Richards Law firm on behalf of claimant Old Town Hospitality dba Sandbar with no action taken as a claim was previously filed by this claimant and denied by the Board.

31. To reject the claim received on January 9, 2019 from Richards Law Firm on behalf of claimant The Winehound.

32. To reject the claim received on January 14, 2019 by Lief Cabraser Heiman & Bernstein on behalf of multiple claimants, which claimants are specifically identified on the claim form and available for review.

B. Recent and Pending Legal Matters Review – Oral Report

Mr. Cohen did not have any legal matters to bring to the Board's attention in open session.

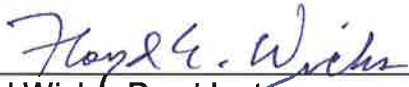
## **11. DIRECTOR REQUESTS**

Director Coates mentioned consideration of forming a community advisory committee. Director Goebel requested that a full discussion of Jameson, with regard to current conditions, water quality, and getting the Jameson supply back online be placed on a future agenda.

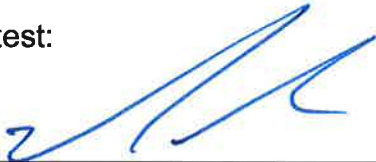
**12. ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 2:13 p.m.

Approved:

  
\_\_\_\_\_  
Floyd Wicks, President

Attest:

  
\_\_\_\_\_  
Nick Turner, Secretary