



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

**Join by Teleconference:**

<https://global.gotomeeting.com/join/700890893>

**Tel: (571) 317-3122, Access Code: 700-890-893#**

**TUESDAY, JULY 28, 2020**

**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. All participants attended electronically.

Directors Participating:

Directors Kenneth Coates, Brian Goebel, Cori Hayman, Tobe Plough, and Floyd Wicks

Directors Absent:

None

Staff Participating:

Nick Turner, General Manager  
Adam Kanold, Engineering Manager  
Daryl Smith, Business Manager  
Robert Cohen, General Counsel

Nick Kunstek, GSA Groundwater Specialist  
Laura Camp, P.I. Officer  
Lois Werner, Recording Secretary

Guests Attending:

Tom Bollay, MSD  
Tyler Old, PJ Morgan Securities  
Lora Carpenter, Feldman Rolapp & Assoc.

Robert Porr, Feldman Rolapp & Assoc.  
Matt Payne, Westwater Research

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was not recited.

**3. PUBLIC FORUM**

No members of the public wished to comment on matters not on the agenda.

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

Following discussion it was moved by Director Coates, seconded by Director Plough and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, to approve the Consent Calendar as presented.

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

- A. PUBLIC HEARING: Water Distribution System Capital Improvement Program; Annual continuation of the Water Availability Charge (WAC) with no proposed change in the assessment for the coming year, to be collected on the property tax roll as it has been collected since initiation in 1996. The Board of Directors will hear and consider objections and protests to the assessment and report.
- i. INFORMATION ONLY: Status report on Water Availability Charge (WAC) Program and Capital Improvement Program
  - ii. BOARD ACTION: Adoption of Resolution No. 2202 continuing the existing Water Availability Charge to fund water distribution system upgrades and ordering the filing of a report establishing the Water Availability Charge for FY 2021

The Board received a report on the Water Availability Charge and the Capital Improvement Program from Mr. Turner via PowerPoint. Mr. Cohen described the process for the hearing as presented in the CA Water Code.

President Wicks then asked for comments and protests from members of the public. There were no oral comments or protests, and no written protests had been received. The public hearing was then closed at 9:55 a.m.

It was moved by Director Plough, seconded by Director Goebel and carried by the following roll-call vote to adopt Resolution No. 2202 as presented:

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

NOES: None

ABSENT: None

- B. INFORMATION ONLY: Semi-Annual Groundwater Monitoring Program Report – Spring 2020
- Mr. Kunstek presented this report via PowerPoint and he, Mr. Turner, and Mr. Kanold responded to questions from Directors.
- C. INFORMATION ONLY: Quarterly Water Supply Update (April – June 2020)
- Mr. Turner presented this report via PowerPoint and responded to questions and comments from Directors.
- D. BOARD ACTION: Appropriate additional project funding for the Oceanview Avenue Water Main Replacement Project to cover unanticipated project costs associated with the discovery and mitigation of cultural resources

Mr. Kanold presented this item and responded to questions from Directors. Following discussion it was moved by Director Coates, seconded by Director Plough and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, to appropriate additional project funding for the Oceanview Avenue Water Main Replacement Project in the amount of \$138,247 from unrestricted operating reserves to cover unanticipated project costs in excess of the Board-authorized amount.

E. BOARD ACTION: Fernald Point Lane Water Main Replacement Project

- i. Determine that the project is categorically exempt from environmental review pursuant to CEQA and authorize staff to file a Notice of Exemption from CEQA with the County of Santa Barbara.
- ii. Authorize execution of a construction contract and expenditure of funds for the Fernald Point Lane Water Main Replacement Project.

Mr. Kanold 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 make a determination that the Fernald Point Lane Water Main Replacement Project is categorically exempt from environmental review pursuant to the requirements of CEQA as set forth on the Notice of Exemption (NOE) and authorize staff to file the NOE from CEQA with the County of Santa Barbara Clerk of the Board.

It was moved by Director Plough, seconded by Director Coates and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, to authorize the award of the contract for this project to Lash Construction for a not-to-exceed amount of \$142,876 as part of the FY 2021 capital improvement program.

F. INFORMATION ONLY: Update on Water Supply Agreement with City of Santa Barbara

Mr. Turner presented this item and responded to question and comments from Directors.

G. BOARD ACTION: Authorize the reallocation of budgeted funds for preliminary design services for Phase I of a recycled water project with Montecito Sanitary District in the amount of \$74,000

Mr. Turner presented this item and responded to questions and comments from Directors. Mr. Bollay, Montecito Sanitary District Director, commented on this item. Following discussion, it was moved by Director Coates, seconded by Director Plough and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, to authorize the reallocation of \$74,000 in FY 2021 budgeted funds for preliminary design services for Phase 1 of a recycled water project.

H. INFORMATION ONLY: General Manager's Report

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

**6. DISTRICT BUSINESS REPORT**

A. INFORMATION ONLY: Unaudited District Monthly Financial Reporting for June 2020

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

B. BOARD ACTION: Payment of CalPERS Annual Unfunded Accrued Liability as of June 30, 2018 Actuarial Valuation

Mr. Smith presented this item and responded to questions from Directors. Following discussion it was moved by Director Coates, seconded by Director Plough and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, to approve payments of CalPERS Annual Unfunded Accrued Liability as of June 30, 2018 Actuarial Valuation for the rate plan for Classic and PEPA employees in the lump sum amounts of \$321,206 and \$1,670 respectively.

C. INFORMATION ONLY: Update on debt refinancing

*[This item was heard after item 5-E]*

Mr. Smith was joined by District consultants Lora Carpenter, and Robert Porr of Feldman Rolapp and Associates, and Tyler Old of JP Morgan Securities in presenting this item. Staff and consultants responded to questions and comments from Directors.

D. INFORMATION ONLY: Summary of Expenses and Reimbursements from the 2017 Thomas Fire and 2018 Debris Flow

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

**7. DIRECTOR AND COMMITTEE REPORTS**

A. Presidents Report

Director Wicks reported on the ACWA-JPIA Board meeting of July 27.

B. Central Coast Water Authority

Director Wicks reported on the activities of CCWA.

C. Santa Barbara County Special Districts Association

No report

*[Director Plough left the meeting at 1:00 p.m.]*

D. Cachuma Operation and Maintenance Board

Director Hayman reported on the activities of COMB.

E. Cachuma Conservation Release Board

*[This item was heard before item 7-A, as Director Plough had to leave the meeting early]*

Director Plough reported on the activities of CCRB.

F. Operations & Customer Relations Committee

Directors Hayman & Wicks reported on the activities of the Operations and Customer Relations Committee.

G. Finance Committee

Directors Coates & Plough noted that the activities of the Finance Committee had been covered elsewhere in the agenda.

H. Strategic Planning Committee

Directors Wicks & Goebel reported on the activities of the Strategic Planning Committee

I. Ad hoc Committee for Grant Planning

The ad hoc committee had not met.

**8. LEGAL MATTERS**

A. Recent and Pending Legal Matters Review – Oral Report

Mr. Cohen did not have an legal matters to discuss with the Board in open session.

B. CLOSED SESSION: Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Cachuma Operation And Maintenance Board v. Santa Ynez River Water Conservation District, Improvement District Number 1, Santa Barbara Superior Court Case No. 19CV01873

The Board adjourned to closed session at 1:08 p.m.

The Board reconvened in open session at 1:14 p.m.

Report out of closed session:

On a motion by Director Hayman, and a second by Director Goebel, the Board voted 4-0 to execute the First Amendment to Cachuma Operation and Maintenance Board Joint Powers Authority Separation Agreement [“Amendment”] The signature of Montecito Water District will result in complete execution of the Amendment, and settlement of the litigation referenced in the agenda. The Amendment will be available for review upon request to the Cachuma Operation and Maintenance Board pursuant to the requirements of the Government Code.

**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, August 25, 2020 or any future meeting.

**10. ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 12:56 p.m.

Approved:



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Floyd Wicks, Presidents

Attest:



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Nick Turner, Secretary