

Reliable Since 1921

583 San Ysidro Road
Santa Barbara, CA 93108-2124

Phone: 805.969.2271

Fax: 805.969.7261

Email: info@montecitowater.com

Web: montecitowater.com



Board of Directors

Tobe Plough, President
Kenneth Coates, Vice President
Cori Hayman, Director
Floyd Wicks, Director
Brian Goebel, Director

**General Manager and
Board Secretary**

Nick Turner

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

Attend in Person or Join by Teleconference:

<https://us06web.zoom.us/j/87409553426?pwd=dmFIUXMvWjRuOFNldzdqa1poQ25pZz09>

Meeting ID: 874 0955 3426; Passcode: 727 192

Tel: (669) 900 6833

TUESDAY, MARCH 22, 2022

9:30 A.M.

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

President Plough called the meeting to order at 9:31 a.m.

Participants attended in person and electronically.

Directors Participating: Ken Coates, Brian Goebel, Cori Hayman, Tobe Plough, and Floyd Wicks
(all participated in person)

Staff Participating:

Nick Turner, General Manager
Adam Kanold, Asst GM/Engineering Mgr.
Olivia Rojas, Business Manager
Ray Willefert, Financial Analyst/IT Specialist

Laura Camp, Public Information Officer
Robert Cohen, General Counsel
Paul Kaymark, Nigro & Nigro PC
Jared Solmonsens, Nigro & Nigro PC

Guests Attending:

Lisa Murphy Rivas
W. Garrett

Marliez Diaz, Santa Barbara County

2. PLEDGE OF ALLEGIANCE

Those participating 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

Director Hayman requested Items 4-E and 4-F be pulled from the Consent Calendar for further discussion.

- A. Meeting Minutes of February 22, 2022
- B. Payment of Bills for February 2022
- C. Investment of District Funds for February 2022
- D. Water Works Operations Report for February 2022
- E. Update of *COVID-19 Prevention and Response Plan* (Revision 5)
- F. Extension of Resolution 2225 authorizing remote teleconference meetings

Following discussion, it was moved by Director Goebel, seconded by Director Wicks and carried, with Directors Coates, Goebel, Hayman, Plough and Wicks voting in favor, to approve the Consent Calendar as presented, with the exception of Items 4-E and 4-F.

Following further discussion on Item 4-F, it was moved by Director Goebel, seconded by Director Coates and carried, with Directors Coates, Goebel, Plough and Wicks voting in favor and Director Hayman opposed.

Following further discussion on Item 4-E, it was moved by Director Plough, seconded by Director Wicks and carried, with Directors Coates, Goebel, Plough and Wicks voting in favor and Director Hayman opposed. President Plough requested that the Plan be reviewed and updated, if needed, following the expiration of the latest California Department of Industrial Relations COVID-19 Emergency Temporary Standards.

5. DISTRICT OPERATIONS AND GENERAL MANAGER REPORTS

- A. BOARD ACTION: Adoption of the *2022 5-Year Strategic Plan*;

Mr. Turner and Ms. Camp presented this item via PowerPoint and responded to questions from Directors. Following discussion, it was moved by Director Goebel, seconded by Director Wicks and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, to adopt the *2022 5-year Strategic Plan*.

- B. Proposed Annexation to the Montecito Water District service area, Sublett Annexation

- i. BOARD ACTION: Consider a determination that the project is categorically exempt from environmental review pursuant to the requirements of the California Environmental Quality Act (CEQA)

- ii. BOARD ACTION: Authorize staff to file a Notice of Exemption from CEQA with County of Santa Barbara

Mr. Kanold presented this item and responded to questions from Directors. Following discussion, it was moved by Director Coates, seconded by Director Goebel and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor of making a determination that the project is categorically exempt from environmental review pursuant to the requirements of the California Environmental Quality Act (CEQA) and authorizing staff to file a Notice of Exemption from CEQA with County of Santa Barbara Clerk of the Board.

- iii. **BOARD ACTION:** Adopt Resolution 2229 of the Board of Directors of the Montecito Water District initiating proceedings for an Annexation to the District's Service Area; Sublett Annexation

Mr. Kanold presented this item and responded to questions from Directors. Following discussion, it was moved by Director Coates, seconded by Director Goebel and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, to adopt Resolution 2229 of the Board of Directors of the Montecito Water District Initiating Proceedings for an Annexation to the Montecito Water District Service Area; Sublett Annexation.

- C. **INFORMATION ONLY:** Update on progress reaching the District's 20% water use reduction target

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

- D. **BOARD ACTION:** Discussion on the recording of District Board of Directors and Committee meetings

Mr. Turner presented this item and responded to questions from Directors. Following discussion it was moved by Director Wicks, seconded by Director Hayman and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, of continued use of electronic means such as Zoom for additional public access to District Board of Directors and Committee meetings, continued production of video recording of meetings of the Board of Directors and posting said videos to the District's website for 90 days, and updating the District's Document Retention and Destruction Policy to be consistent with these actions including the term of retention of video recordings.

- E. **INFORMATION ONLY:** General Manager's Report

Mr. Turner provided an oral report on the following and responded to questions from Directors: Adam Kanold passing the Distribution System Operator 2 exam, the Department of Water Resources recent reduction in the State Water Project allocation for 2022 from 15% to 5%, and the latest supplemental water purchase opportunities identified by Central Coast Water Authority as part of its 2022 Supplemental Water Purchase Program.

6. DISTRICT BUSINESS REPORT

- A. **INFORMATION ONLY:** Unaudited Monthly Financial Reports for February 2022

Ms. Rojas presented this item via PowerPoint and responded to questions from Directors.

- B. **BOARD ACTION:** Receive, Accept and File the Audited Financial Statements for Fiscal Year Ending June 30, 2021

[This item was heard after item 4 on the agenda]

Ms. Rojas introduced Mr. Kaymark from Nigro & Nigro PC, who presented the Fiscal Year 2020/21 audit to the Board and responded to questions from Directors. Following

the discussion, it was moved by Director Goebel, seconded by Director Coates and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, to receive, accept and file the Audited Financial Statements for the Fiscal Year ending June 30, 2021.

C. **INFORMATION ONLY: Proposed Schedule for FY2022/23 Budget Preparation**

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

D. **BOARD ACTION: Approval of Escrow Agreement with Bank of New York Mellon in connection with the *Option Agreement for Purchase and Sale of Water* between the District and Homer LLC.**

Mr. Turner presented this item and responded to questions from Directors. Following the discussion, it was moved by Director Hayman, seconded by Director Wicks and carried, with Directors Coates, Goebel, Hayman, Plough, and Wicks voting in favor, to authorize District staff to establish an Escrow Agreement with Bank of New York Mellon in connection with the *Option Agreement for Purchase and Sale of Water* between the District and Homer LLC.

7. DIRECTOR AND COMMITTEE REPORTS

A. **President's Report:** Director Plough reported that he is coordinating with the General Manager a remote Board meeting consisting of site visits to key District facilities including Jameson Lake and Doulton Tunnel in Spring 2022.

B. **Central Coast Water Authority:** Director Coates reported on various matters discussed at the February 24, 2022 CCWA Board of Directors meeting including supplemental water purchase program opportunities, the Warren Act Contract renewal efforts, and the projected reduction in CCWA expenses for FY2022/23 associated with the CCWA debt service being fully matured in 2021.

C. **Santa Barbara County Special Districts Association:** No report

D. **Cachuma Operation and Maintenance Board:** Director Hayman reported on a recent grant received by COMB for the Secured Pipeline Project.

E. **Cachuma Conservation Release Board:** No report.

F. **Operations & Customer Relations Committee:** Director Wicks noted that all meeting topics were covered on this agenda and therefore no report was given.

G. **Finance Committee:** Director Plough noted that all meeting topics were covered on this agenda and therefore no report was given.

H. **Strategic Planning Committee:** Director Coates noted that all meeting topics were covered on this agenda and therefore no report was given.

8. LEGAL MATTERS

A. **Recent and Pending Legal Matters Review – Oral Report**

Mr. Cohen provided an update concerning the ongoing litigation Goleta Water District vs. Slippery Rock Ranch.

The Board adjourned to closed session on the following matters at 1:38 p.m.

B. CLOSED SESSION: Pursuant to Government Code 54956.9(d)(2) Conference with Legal counsel – Anticipated Litigation, 1 case

The Board received an update and no action was taken.

C. CLOSED SESSION: Pursuant to Government Code §54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Central Coast Water Authority et. al. v. Santa Barbara County Flood Control and Water Conservation District, et. al, Santa Barbara Superior Court Case No. 21CV02432

The Board received an update and no action was taken.

The Board reconvened in open session at 2:12 p.m.

9. DIRECTOR REQUESTS

Directors requested the following items be included on a future agenda:

- Update on any regulatory plans concerning future mandatory water use restrictions resulting from ongoing severe drought conditions.
- Discussion on District's next steps or response to the historic dry conditions.
- Discussion on planned use of surplus revenue from FY2021/22.

There were no other requests from Directors for items other than regular agenda items for the next regular Board meeting scheduled for Tuesday, April 26, 2022 or any future meeting.

10. ADJOURNMENT


There being no further business to come before the Board, the meeting was adjourned at 2:15 p.m.

Approved:



Tobe Plough, President

Attest:



Nick Turner, Secretary