

LA CUMBRE MUTUAL WATER COMPANY  
BOARD OF DIRECTORS MEETING  
MARCH 26, 2018  
MINUTES

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The meeting was called to order at 2:00 pm by President Jane Lodas

Present: Directors, Jane Lodas, Alex Rodriguez, Marc Russo and Bob Uradnicek. Also present, General Manager Mike Alvarado, and Office Manager Maria Armijo.

Absent: Doug Campbell

#### Approval of agenda

After further review of the agenda, it was moved by Mr. Uradnicek, seconded by Mr. Rodriguez to approve the agenda as presented. Motion carried.

#### Public comment

Homeowners, Kathryne Byrne, Peter de Tagyos, Peter Hagan, Max Lisking and Brett Ritter expressed their concern to the Board over the water company wanting to increase the amount of indebtedness from \$250K set in 1925 to \$4M (\$250K in 1925 dollars equates to \$3.6M today) for an emergency such as an earthquake or fire. Those present feel the water company should remain as it has up until now, debt free. Concern over what would happen if the Water Company is unable to repay a large loan was made. It was suggested to instead build a reserve account by adding a designated amount to the bi-monthly water bills and set aside. If an emergency should occur and the funds in the reserve account are not enough to cover the repairs such as a damaged reservoir (cost to replace one reservoir is \$4M), then an assessment based on acreage could be added to the water bills to obtain additional funds.

After an hour of discussion, the Board thanked the Homeowners for attending the meeting. The Board of Directors will take all concerns and suggestions into consideration.

#### Approval of Regular Board meeting minutes of January 22, 2018

Ms. Lodas requested the word "through the Water Company" (last sentence, first paragraph under Modoc Wetland project update) be added

Ms. Lodas also requested the date (second paragraph under By-laws / Texting service) be changed to read "February".

After further review of the minutes, it was moved by Mr. Russo, seconded by Mr. Rodriguez to approve the regular board meeting minutes of January 22, 2018 as amended. Motion carried with Mr. Uradnicek abstaining.

#### Finance Report

Mr. Alvarado reviewed with the Board the finance report.

It was moved by Mr. Russo, seconded by Mr. Uradnicek to receive and file the finance report. Motion carried.

#### Water production report

Mr. Alvarado reviewed with the Board the water production report.

It was moved by Mr. Uradnicek, seconded by Mr. Rodriguez to receive and file the water production report. Motion carried.

#### Accessory Dwelling Unit revised policy

New ADU law (Senate Bill #229 Accessory Dwelling Unit Chapter 594) which took effect January 1, 2018, was amended to include water corporations. Described in subdivision (e); a local agency, water corporation and special district shall not require the applicant to install a new or separate utility connection directly between the ADU and the utility or impose a related connection fee or capacity charge if the ADU is within the existing space of dwelling.

However, for an ADU unit that is not described in subdivision (e), a water corporation may require a new utility connection to serve the ADU. LCMWC will impose meter connection fees and capital cost recovery fees if a newly constructed detached ADU is built outside the existing space. The General Manager will determine if the proposed ADU is being built inside or outside the existing space.

#### Nominating Committee

A three-member Nominating Committee must be appointed by the Board President by April 10, 2018. Ms. Lodas would like to have one Board member (not up for re-election) on the committee. After further discussion, it was decided that Mr. Uradincek would be part of the nominating committee. Other possible homeowners to serve on the committee would be Marie Hansen and Peter de Tagyos. Mr. Alvarado will contact them.

#### Goleta Sanitary District

Goleta Sanitary District (GSD) is processing our application to tie into their sewer connection. GSD met with our consultant and was able to obtain the sphere of influence which encompasses LCMWC and the four interested properties to move forward and connect with GSD. GSD is willing to bring us in but there is a process to be taken thru LAFCO. The application has been filed with LAFCO and LCMWC has been put on their agenda for their Board hearing and approval. Once approval has been given, Mr. Michael Caccese from MAC Design Associates can move forward with the design of the sewer pipe, send out for contractor's bids and provide the cost sharing component for the parcels interested in joining now as well as with any in the future.

#### By-Laws update

Based on the discussion made in public comment, the Board has decided to hold off on mailing the second letter regarding the amendment to the By-laws until the Board discusses whether to build a reserve account for emergencies, charge a special assessment, raise the land charge or continue as planned to increase the amount of indebtedness. LCMWC will consult with both legal counsel and its CPA regarding the possibility of building a reserve or raising the land charge and how the funds for an emergency would be handled.

#### Las Palmas water main project update

Mr. Alvarado informed the Board, 1100 feet of new pipe was installed on Las Palmas keeping the same amount of fire hydrants. The project has been completed. Cost of project was

approximately \$250K. Next water main project will be on Modoc Road. Projected cost is approximately \$80K.

#### Modoc Preserve update

LCMWC has officially received notice from the County of Santa Barbara regarding the restoration project on the Modoc Preserve. Plans were submitted, and the biologist has given the approval. The project is to begin in fall of 2018. The restoration project will include the removal of some invasive species. Some of the palms will be removed and some of the willow trees will be thinned.

#### Closed session – personnel matters

The Board met in closed session to discuss personnel matter from 3:47 until 4:04 pm.

There being no further business, the meeting was adjourned at 4:04 pm.

Next meeting: Regular Board meeting – April 23, 2018 at 2:00 pm.

Maria Armijo  
Office Manager