



Montecito Sanitary District

1042 Monte Cristo Lane A Public Service Agency
Santa Barbara, CA 93108

Phone: (805) 969-4200
www.montsan.org

AGENDA

For the Regular Meeting of the Board on:

March 25, 2026

The regular meeting of the Governing Board will begin at **2:00 p.m. on March 25, 2026** in the District's Board Room at 1042 Monte Cristo Lane, Santa Barbara, CA 93108.

The public may attend the meeting in person or participate remotely via Zoom using the following virtual meeting details:

By visiting: <https://us02web.zoom.us/j/86118975917>

Or by calling: 1-669-900-6833

Meeting ID: 861 1897 5917

1. **CALL TO ORDER**

A. **ROLL CALL**

B. **PLEDGE OF ALLEGIANCE**

C. **PRESIDENT'S REPORT**

2. **PUBLIC COMMENT**

Public comment on items not on the agenda is **limited to 3 minutes** and is at the discretion of the Board President. For further instructions, please see [Instructions for Public Comment](#) on the District's website.

3. **COMMITTEE REPORTS**

It is recommended that the Board receive and file a report provided by the following committee(s):

A. The Montecito Sanitary District Public Information Committee will report on its March 13, 2026 meeting.

B. The Montecito Sanitary District Finance Committee will report on its March 18, 2026 meeting.

C. The Montecito Sanitary District Strategic Planning Committee will report on its March 23, 2026 meeting.

4. **CONSENT CALENDAR**

A. Board Meeting Minutes of the March 11, 2026 Regular Meeting (Page 3)

B. Payables from February 1, 2026 through February 28, 2026 (Page 7)

5. BUSINESS ITEMS

A. STRATEGIC PRIORITIES AND GOALS AND OBJECTIVES (PAGE 10)

Discuss and approve the Strategic Priorities Goals and Objectives.

B. DISTRICT EMERGENCY FUND (PAGE 14)

It is recommended that the Board consider a District Emergency Fund and direct Staff to initiate steps to effect such a fund.

C. DISCUSSION OF CONSOLIDATION DETERMINATION (PAGE 18)

It is recommended that the Board discuss and provide direction to staff to develop District objectives for the District's Strategic Priority 3.

D. MEMORANDUM OF UNDERSTANDING BETWEEN MONTECITO SANITARY DISTRICT, MONTECITO WATER DISTRICT, AND SUMMERLAND SANITARY DISTRICT FOR COORDINATION AND COLLABORATION FOR THE ADVANCEMENT OF SPECIAL DISTRICT REORGANIZATION (PAGE 21)

It is recommended that the Board consider a Memorandum of Understanding between Montecito Sanitary District, Montecito Water District, and Summerland Sanitary District for coordination and collaboration for the advancement of Special District reorganization.

6. BOARD COMMUNICATIONS

- A. Items for future Board meeting
- B. Next Board Meeting Date – April 8, 2026

7. ADJOURNMENT

The Montecito Sanitary District conducts its meetings in accordance with the Brown Act. The District also provides alternative methods of remote participation which permit members of the public to observe and address public meetings remotely via telephone or Zoom. These methods of participation can be accessed through the internet link provided at the top of this agenda.

This agenda was posted on the District website, and at the Montecito Sanitary District Bulletin Board in accordance with the requirements of the Brown Act.

Attested by:



Stephen Williams

Business and Administrative Manager/Clerk of the Board

ADA – The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the District's programs, services or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at 969-4200.



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MINUTES

For the Regular Meeting of the Board on:

March 11, 2026

1. **CALL TO ORDER**

The Governing Board of the Montecito Sanitary District convened a regular meeting at 2:02 pm on Wednesday, March 11, 2026. The meeting was also broadcast using Zoom teleconferencing.

ATTENDANCE

Board Members Present:

Directors Barrett, Johnson, Newquist, Ohlmann, and Rockenbach

NOTE: Director Ohlmann attended virtually from his agendized location at 1633 N Harvest Dance Road, Jackson, WY 83001.

Board Members Absent:

None

Also Present and Participating:

John Weigold, MSD General Manager

Stephen Williams, MSD Business and Administrative Manager/Clerk of the Board

Aleks Giragosian, District Legal Counsel

2. **PUBLIC COMMENT**

No members of the public addressed the Board.

3. **COMMITTEE REPORTS**

- A. Director Ohlmann gave a report on the Montecito Sanitary District Administrative and Operations Committee meeting of March 5, 2026.

4. CONSENT CALENDAR

ON MOTION by Director Johnson, Seconded by Director Newquist, the Board voted to approve the following Consent Calendar items:

- A. Board Meeting Minutes of the February 25, 2026 Regular Meeting
- B. Board Meeting Minutes of the March 2, 2026 Special Meeting
- C. Fourth Amendment to the General Manager’s Contract

AYES: Directors Barrett, Johnson, Newquist, Ohlmann, and Rockenbach
NAYES: None
ABSTAIN: None
ABSENT: None

5. GENERAL MANAGER’S REPORT

The Board received a nonactionable update from General Manager John Weigold on relevant matters currently facing the District. Topics included:

- A. GM Meetings
- B. Montecito Sanitary District (MSD)/Summerland Sanitary District (SSD) Collaboration
- C. District Financial Matters
- D. Human Resources
- E. Information Technology
- F. District Vehicle Purchase
- G. Wastewater Treatment Plant Roadmap
- H. Flow/Rainfall Comparison
- I. Capital Improvements Projects and Key Effort Status Updates

6. BUSINESS ITEMS

A. STRATEGIC PRIORITIES AND GOALS AND OBJECTIVES

The Board discussed the District’s Strategic Priorities and Goals and Objectives. The item was moved to the Strategic Planning Committee for further refining and to be brought back at the earliest possible Regular meeting.

B. AWARD OF CONTRACT – MONTE CRISTO LANE PAVEMENT REPLACEMENT PROJECT

ON MOTION by Director Newquist, Seconded by Director Rockenbach, the Board voted to:

- i) Authorize the General Manager to negotiate a contract with Encompass Consultant Group (ECG) to prepare engineering documents for the Monte Cristo Lane Pavement Replacement project; and
- ii) Authorize the General Manager to approve expenditures of up to ten percent (10%) of the negotiated amount as an amendment allowance for any changes in scope of work.

AYES: Directors Barrett, Johnson, Newquist, Ohlmann, and Rockenbach
NAYES: None
ABSTAIN: None
ABSENT: None

C. LEGISLATIVE CHANGES

The Board received a presentation from Legal Counsel regarding recent legislative updates relevant to the District.

D. BOARD TRAINING REQUIREMENTS

President Rockenbach discussed the need to complete District required trainings and to have the matter re-agendized in 30 days if trainings are not complete.

E. DIRECTOR COMPENSATION

ON MOTION by Director Newquist, Seconded by Director Johnson , the Board voted to direct staff to complete the Ordinance Noticing process and bring back Ordinance 26 to its April 8, 2026 Regular Meeting.

AYES: Directors Barrett, Johnson, Newquist, and Ohlmann
NAYES: Director Rockenbach
ABSTAIN: None
ABSENT: None

F. DISTRICT EMERGENCY FUND

This item was moved to the next regular meeting.

G. DISCUSSION OF CONSOLIDATION DETERMINATION

This item was moved to the next regular meeting.

7. BOARD COMMUNICATIONS

- A. Next Regular Board Meeting Date – March 25, 2026
- B. Items for future Board meeting

ON MOTION by Director Barrett, Seconded by Director Newquist, the Board voted to agendaize at the next Regular Board Meeting an actionable discussion item regarding the Memorandum of Understanding proposed by the Montecito Water District.

AYES: Directors Barrett, Johnson, Newquist, and Rockenbach
NAYES: Director Ohlmann
ABSTAIN: None
ABSENT: None

NOTE: Director Newquist left at 5:08pm

8. ADJOURNMENT

ON MOTION by Director Newquist, Seconded by Director Johnson, the meeting ended at 5:10 pm.

These minutes were presented for approval at the Regular Board Meeting on March 25, 2026.

Rock Rockenbach, President

Minutes taken and prepared by:

Stephen Williams
Business and Administrative Manager/Clerk of the Board



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BOARD LIST OF PAYABLES – FEBRUARY 2026

<u>CHECK DATE</u>	<u>SUMMARY & TYPE</u>	<u>BATCH TOTAL</u>
02/09/2026	ACCOUNTS PAYABLE	252,224.65
02/23/2026	ACCOUNTS PAYABLE	93,404.77
	Subtotal	\$ 345,629.42
02/09/2026	CAPITAL IMPROVEMENT PROJECTS	780,855.96
02/23/2026	CAPITAL IMPROVEMENT PROJECTS	140,478.20
	Subtotal	\$ 918,046.16
02/05/2026	PAYROLL	113,714.99
02/19/2026	PAYROLL	113,738.49
	Subtotal	\$ 227,396.28
	<u>TOTAL</u>	<u>\$ 1,491,071.86</u>

*All Invoices were reviewed and approved by Department Managers

**All Invoices and Payments were reviewed and approved and checks signed by the General Manager

***Board Treasurer, Dorinne Johnson, approved all payables prior to check mailing

Check History Report

MONTECITO SANITARY DISTRICT (MSD)

Sorted By Check Number

Activity From: 2/1/2026 to 2/28/2026

Bank Code: B OPERATING CASH (MBT)				
Check Number	Check Date	Vendor Name	Check Amount	Payment Description
30726	2/9/26	ACWA/JPIA	38,501.91	MEDICAL/DENTAL/LIFE INSURANCE PREMIUM-JANUARY
30727	2/9/26	ALLY DETAIL	3,200.00	GAP VAX CERAMIC COATING
30728	2/9/26	AT&T MOBILITY	23.74	MOBILE SELECT POOL AIRCARDS
30729	2/9/26	BOYD & ASSOCIATES	798.00	QRTLTY FIRE, SECURITY, VIDEO MONITOR SERVICE
30730	2/9/26	VICTORIA HENDLER BROOM	2,300.00	DEPOSIT REFUND - 1134 HILL RD
30731	2/9/26	KIMBERLEE COLIN	1,150.00	A-5444 DEPOSIT REFUND
30732	2/9/26	CV ENTERPRISES, INC.	4,626.00	MICROSOFT 365 SUBSCR / AI TRAININ
30733	2/9/26	CORT	44.00	DEED REPORT - DEC
30734	2/9/26	607 COWLES LLC	1,150.00	DEPOSIT REFUND - 607 COWLES RD
30735	2/9/26	COX BUSINESS	192.04	WIRELESS INTERNET- DEC/JAN
30736	2/9/26	CSRMA	139,970.03	Pooled Liability Insurance Renewal
30737	2/9/26	DICK, BRIAN	2,300.00	DEPOSIT REFUND - 1447 S JAMESON
30738	2/9/26	JUSTIN EGERER	2,300.00	DEPOSIT REFUND - 206 MIDDLE RD
30739	2/9/26	ENGEL & GRAY, INC	5,544.91	WASTE HANDLING & BIN RENTAL
30740	2/9/26	FRONTIER	973.56	PHONE SVC FOR LS 1, 2, 4, 5 & WWTP
30741	2/9/26	GARY GOLDBERG OR MAUREEN	2,000.00	DEPOSIT REFUND - 2710 SYCAMORE CANYON
30742	2/9/26	KIMBALL MIDWEST	288.03	DRILL BITS, TEES, LUBE FOR COLLECTIONS
30743	2/9/26	THOMAS MAIER	2,708.00	DEPOSIT REFUND - 1508 EAST MOUNTAIN
30744	2/9/26	MARBORG INDUSTRIES	863.55	TRASH SVC/BIN RENTAL
30745	2/9/26	ALEXANDER OR VANESSA MARIN	2,300.00	DEPOSIT REFUND - 612 COWLES RD
30746	2/9/26	MARTIN, LISA S	194.32	NOTARY BOND RECORDING FEE REIMBURSEMENT
30747	2/9/26	MOUNTAIN SPRING WATER	161.10	WATER DELIVERY & COOLER RENTAL
30748	2/9/26	PARKHOUSE TIRE, INC	2,613.81	TIRE REPLACEMENT - UNIT #2 - 6 TIRES
30749	2/9/26	LES OR CHLOE PRINGLE	2,300.00	DEPOSIT REFUND - 160 PALM TREE LANE
30750	2/9/26	ROCK ROCKENBACH	1,772.15	LEGISLATIVE DAYS - WASHINGTON D.C.
30751	2/9/26	SANTA BARBARA COUNTY-APCD	3,404.00	ANNUAL GENERATOR FEE - LS 2, 4, WWTP
30752	2/9/26	SOUTHERN CALIFORNIA EDISON CO	20,357.82	ELECTRIC SERVICE - JANUARY 2026
30753	2/9/26	ROBERT OR CHRISTINE SCHWOB	744.00	DEPOSIT REFUND - 1422 EAST VALLEY
30754	2/9/26	SEIU LOCAL 620	2,793.60	UNION DUES - PPE 11/23/25 - 2/1/2026
30755	2/9/26	SOCAL GAS	154.15	GAS SVC FOR COLL/MAINT BLDG-DEC/JAN
30756	2/9/26	VERIZON BUSINESS	480.42	IPAD TABLETS 12/18-1/17/26
30757	2/9/26	MICHAEL WASSERMAN	2,300.00	DEPOSIT REFUND - 650 COWLES RD
30758	2/9/26	JOHN WEIGOLD	1,415.51	LEGISLATIVE DAYS WA DC- WEIGOLD REIMBURSEMENT
30759	2/9/26	GEOFFREY OR LAURA WYATT	2,300.00	DEPOSIT REFUND - 1117 DULZURA DRIVE
30760	2/23/26	ABBOTT'S CUSTOM	200.00	SMOG TEST- VEHICLES #1 AND 3
30761	2/23/26	AMAZON CAPITAL SERVICES	5,665.48	FIREFIGHTER HOSE FOR GAPVAX, OFFICE SUPPLIES,
30762	2/23/26	ARCE, MICHAEL J	299.25	TRAINING REIMBURSEMENT - ARCE
30763	2/23/26	AT&T MOBILITY	76.84	STANDBY CELL PHONE - JAN
30764	2/23/26	BIG GREEN CLEANING COMPANY	3,045.95	JANITORIAL SERVICES & SUPPLIES
30765	2/23/26	CANON FINANCIAL SERVICES INC	743.48	COPIER LEASE - JAN
30766	2/23/26	CINTAS CORPORATION #684	1,553.38	UNIFORMS, TOWELS, MATS GLOVES - JAN
30767	2/23/26	COLANTUONO, HIGHSMTIH &	12,228.00	LEGAL SERVICES - JANUARY
30768	2/23/26	Montecito Sanitary District Regular Board Meeting - March 25, 2026 2/23/26 CWEA MEMBERSHIP	365.00	MORELOS CWEA MEMBERSHIP AND TECH 1 RENEWAL
30769	2/23/26	AMCON PIPE & SUPPLY, INC	120.18	BONNET O-RING FOR COLLECTIONS
30770	2/23/26	FREEDOM SIGNS	518.75	TRUCK LETTERING GAPVAX DECALS

30771	2/23/26	GRAINGER	2,307.66	MISCELLANEOUS COLLECTIONS TOOLS
30772	2/23/26	HACH COMPANY	1,550.64	BENCHTOP PH METER FOR LAB
30773	2/23/26	HAYWARD SANTA BARBARA	473.99	GAPVAX TOOLS
30774	2/23/26	JACOB GREEN & ASSOCIATES	1,530.00	1 ON 1 INTERVIEWS/WORKSHOP FACILITATION
30775	2/23/26	KIMBALL MIDWEST	138.35	GREASE
30776	2/23/26	LARRY'S AUTO PARTS	189.24	VEHICLE #4 AND GENERATOR SERVICE PARTS
30777	2/23/26	MARBORG INDUSTRIES	863.55	TRASH AND RECYCLE SERVICE
30778	2/23/26	MCCORMIX CORP	1,637.23	VEHICLE FUEL - JAN 1 - FEB 12
30779	2/23/26	MOTION INDUSTRIES, INC	55.50	2 PORT VALVE FOR COLLECTIONS
30780	2/23/26	MOUNTAIN SPRING WATER	171.82	DRINKING WATER & COOLER LEASE
30781	2/23/26	MONTECITO WATER DISTRICT	925.79	CHANNEL DR LS, POSILIPO LS, AND ADMIN/WWTP WATER USE
30782	2/23/26	O'CONNOR PEST CONTROL WEST	1,087.09	PEST CONTROL - JANUARY
30783	2/23/26	PITNEY BOWES	143.84	POSTAGE METER LEASE - 1/30 - 4/29/26
30784	2/23/26	PLUMBERS DEPOT, INC	4,512.53	CCTV CAMERA PARTS, COLLECTIONS HOSE MENDERS, MISC.
30785	2/23/26	PURETEC INDUSTRIAL WATER	185.63	WATER SOFTENER TANK RENTAL
30786	2/23/26	RINGCENTRAL, INC.	778.81	TELEPHONE SERVICE - 1/23 - 2/22/26
30787	2/23/26	ROJAS COMMUNICATIONS GROUP	13,180.00	LEGISLATIVE AND PR CONSULTING - JANUARY
30788	2/23/26	SAFEGUARD BUSINESS SYSTEMS	89.38	ROCKENBACH BUSINESS CARDS
30789	2/23/26	SANTA BARBARA COUNTY-APCD	1,404.00	CHANNEL LS GENERATOR PERMIT FEE
30790	2/23/26	SBCO. CLERK-RECORDER	26.00	AGREEMENT RECORDING
30791	2/23/26	SBCO AUDITOR-CONTROLLER	3,132.00	2025-26 ANNUAL DIRECT CHARGES ADMIN FEE (SSC)
30792	2/23/26	SOCAL GAS	309.56	GAS - JANUARY
30793	2/23/26	STANTEC CONSULTING SERVICES	1,181.00	CONSULTING SERVICES
30794	2/23/26	STREAMLINE	954.60	WEBSITE SERVICES - DEC AND JAN
30795	2/23/26	BRYCE SWETEK	73.41	HOLIDAY PARTY REIMBURSEMENT
30796	2/23/26	UNIVAR SOLUTIONS	28,562.94	SODIUM BISULFITE/HYPOCHLORITE - JAN 1 - FEB 10, 2026
30797	2/23/26	VENTURA AIR CONDITIONING CO.	843.90	PAN STRIPS & PREVENTATIVE MAINTENANCE
30798	2/23/26	ZWORLD GIS	2,280.00	GIS SUPPORT - JANUARY
			<u>2,280.00</u>	
			345,629.42	

Bank Code: G CIP CASH (MBT)				
Check Number	Check Date	Vendor Name	Check Amount	Payment Description
1613	2/9/26	BLOIS CONSTRUCTION, INC	67,420.00	L001 - CHANNEL LIFT STATION DESIGN
1614	2/9/26	GOLD COAST ENVIRONMENTAL	11,656.72	LEME - LIFT STATION 4 FLOW METER
1615	2/9/26	ON-TRACK SOLUTIONS, LLC	7,968.37	C003 - Sewermain CIPP Lining - Construction
1616	2/9/26	WATER SYSTEMS CONSULTING, INC.	1,309.00	S001 - SEPTIC TO SEWER STRATEGIC PLAN
1617	2/9/26	NATIONAL RAILOAD SAFETY SERVICE	2,905.63	L001 - OLIVE MILL ROAD POTHOLING
1618	2/9/26	ON-TRACK SOLUTIONS, LLC	4,320.00	C003 - UPRR BYPASS CORRESPONDENCE AND MEETINGS
1619	2/9/26	PHOENIX CIVIL ENGINEERING	5,447.25	C001 - COLLECTION SYSTEM MASTER PLAN
1620	2/9/26	PLUMBERS DEPOT, INC	664,160.74	C013 - VACCON COMBINATION TRUCK
1621	2/9/26	WATER SYSTEMS CONSULTING, INC.	15,668.25	S001 - SEPTIC TO SEWER STRATEGIC PLAN (\$10,251.75)
1622	2/23/26	NATIONAL RAILOAD SAFETY SERVICE	1,687.50	C003 - CIPP LINING
1623	2/23/26	ON-TRACK SOLUTIONS, LLC	6,460.00	C003 - CIPP LINING
1624	2/23/26	PHOENIX CIVIL ENGINEERING	8,458.00	C005 - MANHOLE REHAB (\$364.50)
1625	2/23/26	RAIL PROS FIELD SERVICES INC	3,137.50	L001 - CIPP LINING UTILITY OBSERVATION
1626	2/23/26	RINCON CONSULTANTS, INC	2,579.60	FEMA RESTORATION MEASURES
1627	2/23/26	SANCON TECHNOLOGIES, INC.	104,136.35	C005 - MANHOLE LINING PROJECT - FINAL RETENTION
1628	2/23/26	SANTA BARBARA COUNTY PUBLIC W	976.50	71 OLIVE MILL/171 BUTTERLY LN PERMIT
1629	2/23/26	STANTEC CONSULTING SERVICES INC	9,754.75	C001 - COLLECTION SYSTEM MASTER PLAN (\$1,209.00)
1630	2/23/26	WATER SYSTEMS CONSULTING, INC.	3,288.00	S001 - SEPTIC TO SEWER PLAN (\$1,249.00)
			<u>918,046.16</u>	



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MONTECITO SANITARY DISTRICT STAFF REPORT – 5A

DATE: March 25, 2026
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: Strategic Priorities and Goals and Objectives

RECOMMENDATION

It is recommended that the Board adopt the District’s Goals and Objectives for the 2026-2028 Strategic Priorities.

DISCUSSION

The Board previously considered the Strategic Priorities and Goals and Objectives at its March 11, 2026 meeting and directed the Strategic Planning Committee to review suggested changes.

The District previously operated under a strategic plan covering the 2023–2025 period. With the conclusion of that planning period, the District is now undertaking development of a new five-year strategic plan for 2026–2030.

A strategic plan is a Board-level policy document that establishes the District’s mission, identifies its strategic priorities, and provides direction to staff over a defined planning horizon. For a special district, a strategic plan serves as an essential governance tool, aligning policy decisions, operational focus, and long-term resource planning with the Board’s priorities. It also provides clarity and continuity as projects, budgets, and staffing decisions are considered over multiple fiscal years.

On December 17, 2025, the Board held a strategic planning workshop facilitated by Jacob Green and Associates (JGA). The purpose of the workshop was to establish a shared understanding of the District’s mission and to identify the strategic priorities that should guide the District over the next five years. Also at that meeting, the Board directed the GM to report back to the Board with a plan to accomplish the following six items with recommendations on how to proceed. JGA is assisting the District with items 1 through 5.

- 1. Update and affirm the District’s Mission Statement**
- 2. Adopt Board priorities**
3. Create a Strategic Plan
4. Update District Bylaws
5. Update the Board Policy and Procedure Manual
6. Develop a District Work Plan and track implementation

On February 11, 2023, the Board adopted eight Strategic Priorities and directed Staff to develop goals and objectives for each Strategic Priority. The Strategic Priorities and Goals and Objectives document (Attachment 1) is Staff’s recommendation for Board approval.

This document is not, by itself, a complete strategic plan. Rather, it serves as the foundational framework (a building block) and governing outline for the development of the District’s full 2026–2030 Strategic Plan. Adoption of this document provides staff with clear Board direction and authorizes the next phase of work: A district Work Plan.

Adoption of the Strategic Priorities and Goals and Objectives does not commit the District to specific projects, expenditures, or timelines, nor does it limit future Board discretion. It establishes the policy framework within which those decisions will be developed and evaluated.

FISCAL IMPACT

None.

ATTACHMENTS

1. Strategic Priorities and Goals and Objectives document

Montecito Sanitary District

Strategic Priorities and Goals and Objectives

1. Operational Sustainability

- a. Complete design of new wastewater treatment plant
- b. Renew NPDES permit (due 2027)
- c. Complete collection System Master Plan
- d. Implement Sewer System Master Plan
- e. Create an employee training program

2. Future Treatment Determination

- a. Explore financial and operational feasibility of pursuing recycled water
- b. Explore and assess alternative treatment options, including:
 - i. Cease wastewater treatment and send wastewater to City of Santa Barbara
 - ii. Treat additional wastewater from the Summerland Sanitary District
- c. Complete a septic to sewer master plan and develop a CIP project plan

3. Consolidation Determination

- a. Identify and outline reorganization goals and objectives
- b. Develop a reorganization assessment model
- c. Assess reorganization partner options to include:
 - i. Montecito Water District
 - ii. Summerland Sanitary District
 - iii. Santa Barbara City
- d. Assess reorganization options to include:
 - i. Consolidation
 - ii. Dissolution and annexation
 - iii. JPA agreements
 - iv. Service agreements
 - v. Status quo

4. Employee Survey and Retention

- a. Develop and execute employee (climate) survey
- b. Conduct a salary survey

5. Update Governance Documents

- a. Conduct a review of the District's existing Board policies and procedures to identify gaps, redundancies and outdated provisions
- b. Develop Board policy and procedures recommendations based on best practices and submit them to Board for consideration
- c. Develop an onboarding/orientation process for new directors and staff

6. Financial Auditing

- a. Conduct/complete rate study and present to the Board for consideration
- b. Develop a long-term financial plan for capital improvement projects
- c. Consider changes to Ordinance 19 to shift sewer main extensions to affected properties
- d. Implement an electronic payment process and recommend policy changes for Board consideration
- e. Consider using a CPA firm to do monthly reconciliation

7. Enhance Employee Safety

- a. Assess the adequacy of the current safety program/equipment/procedures
- b. Develop a comprehensive standardized on-boarding program for new staff members
- c. Develop and provide an electrical safety training program for staff

8. Regulatory Tracking

- a. Develop regulatory tracking policies and procedures with District general counsel for Board consideration
- b. Maintain participation in trade organizations such as the California Special District Association (CSDA) and the California Association of Sanitation Agencies (CASA)
- c. Improve Board and staff attendance at conferences and workshops for regulatory change awareness
- d. All directors complete CSDA Special District Leadership Academy training



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MONTECITO SANITARY DISTRICT STAFF REPORT – 5B

DATE: March 25, 2026
TO: Board of Directors
FROM: John Weigold, General Manager
Stephen Williams, Business and Administrative Manager
SUBJECT: District Emergency Fund

RECOMMENDATION

Staff recommends that the Board consider a District Emergency Fund and direct Staff to initiate steps to effect such a fund.

DISCUSSION

The Board adopted Resolution 2023-967 – District Reserve Policies on May 17, 2023 creating an Operations and Maintenance Reserve Fund of \$1,500,000 and a Capital Improvements Projects Reserve Fund of \$750,000. That resolution also laid out the revenue sources that would fund the reserves and the type of activities that qualify for the use of those funds.

At the March 2, 2026 Special Meeting, the District’s Rate Study Consultant Robert Niehaus communicated that it could be in the District’s interest to consider the adoption of an Emergency Reserve Fund to separate emergency funds from these other two funds. The topic was discussed at the March 5, 2026 Operations and Administrative Committee meeting and the committee recommends exestablishing such a fund for full Board consideration.

Emergency Fund

Under Governmental Accounting Standards Board (GASB) 54, Emergency Funds are a committed component of fund balance that have non-routine circumstances for use. They are intended for emergency, non-recurring events such as natural disasters or sudden economic downturns, rather than routine budgetary gaps.

While specific amounts vary, the Government Finance Officers Association (GFOA) recommends agencies with stable revenue maintain at least two months of operating expenditures or

revenues. That would equate to either an Emergency Fund of \$900,00, if based upon operating expenditures or approximately \$1,150,000 if based on operating revenues.

History

There are two emergency events that have taken place in the recent past that required the District to take on capital projects for rehabilitation.

The most recent event was the 2023 Winter Storm in which four separate infrastructure sites were damaged and required various levels of effort to restore. The District utilized cash on hand to perform the work and total construction costs totaled \$2,317,725. The District is currently pending receipt of obligated FEMA/CalOES funds.

The District also had emergency costs associated with the 2018 Debris Flow totaling \$1,502,684 in construction, equipment, and replacement costs. Just as in 2023, the District utilized cash on hand to complete the work and received FEMA/CalOES reimbursements approximately eight months after the work was completed.

ANALYSIS

After reviewing best practices in governmental finance, the District's current insurance holdings, and historical information related to recent emergency events that required capital outlay, Staff recommends an Emergency Fund level of \$1,150,000, which the District currently already has invested in Charles Schwab and California CLASS. Additionally, Staff recommends opening a line of credit with an accredited institution of an additional \$1,000,000.

FISCAL IMPACT

None. The District already carries reserve funds in excess of these increases.

ATTACHMENTS:

1. Resolution 2023-967 – District Reserve Policy

RESOLUTION NO. 2023-967

RESOLUTION OF THE GOVERNING BOARD OF THE MONTECITO SANITARY DISTRICT ADOPTING A RESERVE POLICY

WHEREAS, the Governmental Finance Officers Association recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained for Generally Accepted Accounting Principles (GAAP) and budgetary purposes; and

WHEREAS, such guideline(s) should be set by the appropriate policy body and articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period; and

WHEREAS, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level(s) prescribed.

NOW, THEREFORE, the Governing Board of the Montecito Sanitary District hereby resolves:

1. **Established:** The reserve funds set forth in Sections 3A and 3B are hereby established. The General Manager shall maintain those Reserve Funds in accordance with this policy. All dollar amounts indicated are 2023 dollars.

2. **Utilization:** The reserve funds so created will be utilized for the specific purposes set forth in this Resolution.

3. **Reserve Funds:**

A. Operations and Maintenance (O&M) Reserve Fund

Purpose: The Operations and Maintenance Reserve Fund is intended to provide a mechanism for the District to undertake immediately unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Funding: The Operations and Maintenance Reserve Fund shall be funded by income from sources other than property tax. This fund should maintain a minimum balance of \$1,500,000. This amount is within the Government Finance Officers Associations recommended range of 3-5 months of Operating Expenditures.

Administration: The District shall hold the funds held in a separate, liquid account separate from the District's business operating accounts and may make recommendations to the Board to move monies into more advantageous accounts with Board approval.

Use of Funds: Monies held in the Operations & Maintenance Reserve Fund may be expended only upon authorization by the Board of Directors for unanticipated operating and maintenance activities, including, but not limited to, the following: repair of natural disaster-related damage to facilities (i.e. flood, earthquake, tsunami); unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; unanticipated legal judgements; and any such matters that the Board deems reasonable. Upon request for use of funds the General Manager will detail the plan for replenishment.

B. Capital Projects Reserve Fund

Purpose: The Capital Projects Reserve Fund is intended to finance the reconstruction and replacement of the sanitation and sewerage facilities of the District which may be required from time to time due to wear, tear, and aging. It can also be utilized to fund the expansion/maintenance of the sanitation and sewerage facilities of the District to accommodate the demand for additional capacity.

Funding: The Capital Projects Reserve Fund shall be funded by income from property taxes and connection fees and may be funded with unrestricted sources of the Operations and Maintenance fund. This fund should maintain a minimum balance of \$750,000

Administration: The District shall hold the funds held in a separate, liquid account separate from the District’s business operating accounts and may make recommendations to the Board to move monies into more advantageous accounts with Board approval.

Use of Funds: Monies held in the Capital Projects Reserve Fund may be expended only upon authorization of the Board of Directors to ensure the strategic capital needs of the District are met. This includes, but is not limited to, repair to existing infrastructure, relocation of infrastructure, work completed towards a septic to sewer plan, unforeseen events, and any such matters that the Board deems reasonable. Upon request for use of funds the General Manager will detail the plan for replenishment.

PASSED AND ADOPTED by the Governing Board of the Montecito Sanitary District on the 17th day of May, 2023 by the following vote:

- AYES:** Directors Hogan, Martin, Johnson, Ohlmann, and Barrett
- NAYS:** None
- ABSTAIN:** None
- ABSENT:** None

Board President
Ellwood Barrett II

ATTEST:

Clerk of the Board
Stephen Williams

(SEAL)





Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

MONTECITO SANITARY DISTRICT

STAFF REPORT – 5C

DATE: March 25, 2026
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: Discussion of District Reorganization

RECOMMENDATION

It is recommended that the Board:

- i) Discuss the policy basis for pursuing District reorganization; and
- ii) Discuss the timing considerations associated with any reorganization effort; and
- iii) Provide direction to staff regarding whether and how to proceed.

BACKGROUND

The Montecito Sanitary District has previously evaluated consolidation with the Montecito Water District. In 2023, the Board received a Special District Collaboration and Consolidation Study and subsequently voted to disapprove consolidation.

In March 2025, following renewed discussion, the Board voted to consolidate with the Montecito Water District. It is unclear from the minutes and discussion of the Board whether the intent of the board was to pursue consolidation in its technical and legal meaning or whether the Board intended to pursue reorganization more generally. Subsequent joint discussions have included the Summerland Sanitary District and expanded into broader consideration of reorganization concepts.

The Board has not formally articulated the specific problem reorganization is intended to solve or the reason the present time is preferable for pursuing such action. This agenda item is intended to address those foundational questions.

Part I – Why Reorganize At All?

Reorganization, consolidation, annexation, or dissolution are structural actions. They are tools. Before selecting a tool, the Board may wish to identify the objective.

1. Governance Integration

Questions for the Board:

- a. Is governance integration itself a policy goal?
- b. If so, what measurable benefit is expected?

2. Financial Efficiency

Questions for the Board:

- a. Is cost reduction a primary objective?
- b. If savings are modest, does that justify structural change?

3. Operational Coordination

Questions for the Board:

- a. Are current operational challenges unmanageable under existing inter-agency agreements?
- b. Would contractual coordination achieve similar results without structural reorganization?

4. Strategic Alignment for Future Infrastructure

The District is engaged in wastewater treatment plant upgrades, capital improvement program execution, and climate resilience planning.

Question:

- a. Does structural reorganization materially improve the District's ability to deliver these projects?

Part II – Why Reorganize Now?

Reorganization is resource intensive. It consumes Board time, General Manager bandwidth, engineering and administrative staff capacity, and legal and consulting resources. It may take multiple years to complete a formal reorganization process.

1. External Deadline

Questions for the Board:

- a. Is there a regulatory mandate requiring consolidation?
- b. Is there a financing deadline contingent upon reorganization?
- c. Is there an operational failure requiring structural change?

2. Infrastructure Timing

Questions for the Board:

- a. Does pursuing reorganization now accelerate or distract from infrastructure delivery?

3. Organizational Capacity

Reorganization requires extensive financial modeling, asset and liability analysis, employee and labor considerations, governance framework design, and compliance with regulatory review.

Question:

- a. Does the District presently have the capacity to undertake this effort without affecting core operations?

4. Policy Stability

Question:

- a. What materially changed between prior Board decisions on consolidation?
- b. Is the current direction stable and durable?

DISCUSSION FRAMEWORK

To guide discussion, staff suggests the Board consider adopting one of the following policy positions:

1. Proceed – Reorganization is a strategic priority and staff should advance formal steps.
2. Pause – Continue exploratory discussions but defer structural steps.
3. Defer – Reorganization is not a current priority and focus should remain on infrastructure and operations.
4. Define Preconditions – Identify specific benchmarks that must be met before proceeding.

FISCAL IMPACT

At present, costs are limited to staff time and consulting services. A formal reorganization process would require additional legal, financial, and engineering expenditures.

RECOMMENDATION/CONCLUSION

Reorganization is a structural decision with long-term consequences. This agenda item is intended to ensure the Board clearly articulates the objective being pursued and the timing rationale before proceeding further.



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MONTECITO SANITARY DISTRICT

STAFF REPORT – 5D

DATE: March 25, 2026

TO: Board of Directors

FROM: John Weigold, General Manager
Aleks, Giragosian, District General Manager

SUBJECT: Memorandum of Understanding Between Montecito Sanitary District, Montecito Water District, and Summerland Sanitary District for Coordination and Collaboration for the Advancement of Special District Reorganization

RECOMMENDATION

Staff recommends that the Board consider the adoption of the Memorandum of Understanding (“MOU”) and/or provide direction to staff regarding revisions prior to further action and consideration.

BACKGROUND

The Board has previously considered reorganization with the Montecito Water District in 2023 and 2025. The Board received a final report and presentation on the Special District Collaboration and Consolidation Study from Raftelis consultants at the Board’s July 26, 2023 meeting. Subsequent to that meeting, the Board considered and voted to disapprove the consolidation of the Montecito Sanitary District with the Montecito Water District at its October 12, 2023 Board meeting. However, on March 28, 2025, the Board voted in favor of consolidation with the Montecito Water District.

Over the past six months, the Montecito Water District (MWD), Montecito Sanitary District (MSD), and Summerland Sanitary District (SSD) have been discussing the possible reorganization of all three districts. The three Strategic Planning Committee of each of the districts prepared a draft MOU, which was reviewed, edited and approved by the MWD Board on January 27, 2026. The MWD-approved MOU is attached as Attachment A. The purpose of the draft MOU is to describe how the districts would work together while studying possible reorganization.

Staff and District General Counsel have reviewed the MOU, identified several areas where clarification may be appropriate before proceeding, and edited versions are attached as Attachment B (redline) and Attachment C (clean copy).

DISCUSSION

1. Examining Options

The Raftelis study explained that combining the districts into one is not the only option. It also outlined option in which the districts could work together in other ways, such as sharing services or making agreements, if those options work better.

The draft MOU focuses only on consolidation into one district. It does not clearly mention other possible outcomes. As written, it appears that consolidation is already the goal, rather than one option among several that should be studied/considered. If the intent is to keep all options open, staff recommends revising the language to clearly state that consolidation is only one possible outcome among other forms of collaboration that may also be considered.

2. Purpose and Governance Assumptions

The draft MOU states that the districts would consolidate under the County Water District Law and that the MWD Board would govern the unified district. This suggests that two major decisions have already been made:

- That consolidation is the chosen path; and
- That a specific governance consolidation structure has been selected.

However, earlier discussions indicated that these issues were supposed to be studied first and decided later. Under LAFCO rules, consolidation can be structured in different ways. The draft MOU selects one specific model at the beginning. If the Board wishes to complete the evaluation before making structural decisions, staff recommends revising the MOU to clearly state that:

- The type of reorganization remains under review;
- The specific structure has not yet been decided; and
- Any governance model will require future Board approval.

These are important decisions and should not appear to be settled without further study.

3. Characterization of Benefits

The draft MOU refers to expected efficiencies and cost savings. However, earlier studies, such as the Raftelis Report, showed that projected savings were limited. In addition, no updated study has been completed that includes Summerland Sanitary District. At this time, the districts do not have current analysis confirming the level of savings or other benefits.

As written, parts of the MOU may read as though the benefits are already known. If the purpose is to evaluate the issue carefully, staff recommends revising the language to make clear that potential benefits are still being studied and are not guaranteed.

4. Recycled Water Framing

The draft MOU refers to recycled water as a possible benefit of consolidation. However, in March 2024, the MWD Board paused pursuit of recycled water indefinitely. That pause remains in effect. Because recycled water is not currently being pursued, referencing it as a benefit of consolidation may create confusion about current policy direction. If recycled water is not an active initiative, staff recommends revising the language so that reorganization is not tied to that project, or clearly stating that recycled water remains a separate policy decision. This is a significant policy alignment issue.

5. Scope Control and Cost Exposure

The draft MOU states that costs will be shared among the districts. Staff agrees that cost sharing makes sense. However, the MOU does not clearly explain:

- How consultants will be selected;
- Whether there will be limits on total spending;
- Whether Board approval is required before expanding the work; or
- How changes in scope will be managed.

Reorganization studies can become expensive. Without clear cost controls, the District could become responsible for higher costs than expected before a final decision is made. Staff recommends adding clear cost management rules, such as spending limits and Board approval requirements for expanding the scope of work.

6. Contract Administration Authority (Secondary Concern)

The draft MOU provides that MWD would administer contracts. While this may be practical, the MOU does not specify whether consultant selection, contract approval, or scope changes require agreement from each Board. Staff notes this as a secondary concern and suggests that shared oversight procedures could provide better balance during the evaluation phase.

7. Milestone and Sequencing Safeguards (Secondary Concern)

The MOU allows any Party to withdraw at any time. However, it does not clearly identify checkpoints requiring Board approval before moving from one phase to the next (for example, before filing with LAFCO). Although withdrawal is permitted, adding milestone approvals could provide additional clarity and protection.

8. Ratepayer Equity Acknowledgment (Secondary but Relevant)

The draft MOU does not mention that the districts have different financial positions and reserve levels. LAFCO has indicated that ratepayer equity will be an important consideration. While these issues would be addressed in a future Plan for Services, acknowledging the importance of ratepayer equity at the outset could better align the MOU with LAFCO's review standards.

DISTRICT GENERAL COUNSEL COMMENTS

On January 14, 2026, the General Manager of the Montecito Water District (“MWD”) provided a copy of a draft MOU to the General Managers of the Summerland Sanitary District (“SSD”) and the Montecito Sanitary District (“MSD”). On January 17, 2026, MSD’s General Counsel submitted a number of suggested edits to MSD’s General Manager and Strategic Planning Committee, which was ultimately forwarded to MWD. Included as Attached A is a copy of the MOU with General Counsel’s amendments and comments. On January 27, 2026, the MWD Board of Directors approved a version of the MOU that incorporated some of MSD’s proposed edits.

MWD requests that SSD and MSD approve the attached MOU (Attachment A) without edit. Any edit to the attached MOU will require a subsequent round of approvals by the other special districts to ensure that all parties approve the same document.

The MOU is a cost-sharing vehicle intended for information gathering. It contemplates dividing the cost of multiple studies in proportion to each district’s total operating revenue. The studies contemplated by the MOU include a Plan for Services, some level of environmental review, and a public engagement strategy. The MOU designates MWD as the agency responsible for administering the MOU and any contracts needed to facilitate the studies.

Importantly, the MOU does not bind the District to a specific outcome. Only a Resolution of Application to the Santa Barbara County Local Agency Formation Commission triggers the statutory process to initiate a reorganization. The District may withdraw from this MOU at any time, subject to the payment of costs incurred prior to withdrawal.

Section 1 of the MOU states that the purpose is “to memorialize a cooperative and ongoing working relationship with the Parties that will facilitate efforts to coordinate and collaborate on the advancement of special district reorganization, more specifically the consolidation of MWD, MSD and SSD into a unified entity, organized and existing under the County Water district Law [Water Code 30000-33901].” It is unclear whether “consolidation” refers to consolidation under Government Code Section 56030 or whether it refers to consolidation in a colloquial sense. The same goal of “The MWD Board of Directors [as] the governing body of the unified entity” may be achieved through dissolution and annexation procedures.

Our office noted that the MOU fails to answer the following questions:

- 1) Do the listed studies in Section 3 represent the complete set of studies that are required to be performed by LAFCO for purposes of submitting a Resolution of Application?
- 2) Which entity serves as Lead Agency for purposes of the California Environmental Quality Act determination?
- 3) Will the sanitary districts have an opportunity to review and approve a contract prior to its commencement?
- 4) Why is the confidentiality clause necessary and which types of documents would be subject to it?

The General Counsel's Office recommends the MSD Board of Directors consider these questions and consider either the adoption of the MOU as proposed or the adoption of the MOU as may be amended.

ENVIRONMENTAL

The adoption of this MOU is exempt from the California Environmental Quality Act under 14 CCR 15306 because it "consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource." The MOU is for informational purposes only.

FISCAL IMPACT

Unknown fiscal impact due to the absence of any contractual financial thresholds.

STAFF RECOMMENDATIONS/CONCLUSION

The draft MOU is intended to guide the evaluation of possible reorganization. Staff believes that certain clarifications may help ensure that:

- All options remain open; Structural decisions are not made in advance; Benefits are not assumed before study; Costs remain controlled; and Current policy positions are accurately reflected.
- Staff requests Board direction on whether revisions should be pursued before proceeding further, and, if so, Staff recommends that the Board direct Staff to make revisions and return the document back to the Board for consideration.

ATTACHMENTS

- A. Memorandum of Understanding as approved by MWD Board
- B. Memorandum of Understanding as edited by MSD Staff and Legal Counsel – Redline Version
- C. Memorandum of Understanding as edited by MSD Staff and Legal Counsel – Clean Version

MOU as Approved by Montecito Water District

**MEMORANDUM OF UNDERSTANDING
BETWEEN MONTECITO WATER DISTRICT, MONTECITO SANITARY DISTRICT
AND SUMMERLAND SANITARY DISTRICT FOR COORDINATION AND
COLLABORATION FOR THE ADVANCEMENT OF
SPECIAL DISTRICT REORGANIZATION**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and effective as of January __, 2026, by and between Montecito Water District (“MWD”), the Montecito Sanitary District (“MSD”) and the Summerland Sanitary District (“SSD”). MWD, MSD and SSD may each be individually referred to herein as a “Party” and collectively as the “Parties”.

A. MWD is a County Water District, organized pursuant to the County Water District Law [Water Code §§30000-33901] with water supply and water management responsibilities in the Montecito and Summerland communities. County Water District law authorizes MWD to exercise broad power over water in its jurisdiction, including providing sanitary and recycled water services. The mission of the MWD is to provide an adequate and reliable supply of high-quality water to the residents of Montecito and Summerland at the most reasonable cost.

B. MSD is a Sanitary District, organized pursuant to the Sanitary District Act of 1923 [Health and Safety Code §§ 6400-6982] with responsibilities for the collection, treatment and disposal of wastewater within Montecito. The mission of the MSD is to protect public health and safety and to preserve the natural environment through the collection, treatment and disposal of wastewater in the most cost-effective way possible.

C. SSD is a Sanitary District, organized pursuant to the Sanitary District Act of 1923 [Health and Safety Code §§ 6400-6982] with responsibilities for the collection, treatment and disposal of wastewater within Summerland. The mission of the SSD is to protect public health and safety and to preserve the natural environment through the responsible collection, treatment, and disposal of wastewater in the most cost-effective way possible.

D. Interest in the reorganization of Montecito’s special districts, including MWD, MSD and SSD, has grown in recent years as the importance of water resources has become more evident. The State of California, including Santa Barbara County has been increasingly impacted by climate change which has involved extreme and erratic weather conditions including historic wet and dry periods negatively affecting surface and ground water quality and availability. Forecasters predict these conditions will worsen in the future with weather events of greater intensity, longer duration and higher frequency.

E. Navigating climate change and achieving long term water supply security for Montecito and Summerland could prove more successful with all water resources being the responsibility of, and managed by, a unified special district. Merging some or all of the special districts providing water resources in the Montecito community could potentially result in, streamlining operations, eliminating unnecessary redundancies, and saving costs.

F. In September 2023, the MWD and MSD completed the preparation of a *Special District Collaboration and Consolidation Study* (“Study”), prepared by Raftelis. The objective of

the Study was to evaluate the feasibility and benefits of merging the MWD and MSD and the potential impacts on resources, operations, performance, costs, decision-making, customer service, and reliability.

G. Since completion of the Study, the MWD and MSD Strategic Planning Committees have met periodically to continue discussions regarding special district reorganization. More recently, the SSD joined the discussions with interest in collaborating with the MWD and MSD in the ongoing evaluation of special district reorganization.

H. In March 2025, the MSD Board of Directors discussed, and voted to proceed with consolidation with MWD.

I. The Parties wish to coordinate and collaborate on the advancement of special district reorganization for the benefit of the Montecito and Summerland communities.

NOW THEREFORE, the Parties agree as follows:

1. **Purpose.** The primary purpose of this MOU is to memorialize a cooperative and ongoing working relationship between the Parties that will facilitate efforts to coordinate and collaborate on the advancement of special district reorganization, more specifically the consolidation of MWD, MSD and SSD into a unified entity, organized and existing under the County Water District Law [Water Code 30000-33901]. The MWD Board of Directors will be the governing body of the unified entity.

2. **Benefits.** The Parties recognize the potential benefits that special district reorganization offers the Montecito and Summerland communities including unified governance, streamlined recycled water implementation, potential cost savings through economies of scale, reduced redundancy, and improved customer service, and the Parties agree to support the continued evaluation and advancement of reorganization.

3. **Activities to be Performed.** Over the term of this MOU, various activities are anticipated to be undertaken to advance special district reorganization. These activities may include, but are not limited to, the following:

a. *Plan for Services.* Prepare a Plan for Services for a special district reorganization involving the Parties. A Plan for Services is a required component of an application for a change of organization under California Government Code §56653. It will serve to detail how water and sanitary services will be provided and financed by the reorganized entity and it provides the basis for LAFCO's review and action. To prepare a Plan for Services, a consultant with experience in reorganizing public agencies will be hired through a request for proposal (RFP) process.

The initial phase of the preparation of the Plan for Services will involve the consultant studying the potential reorganization of the Parties and articulating the pros and cons, anticipated additional costs and cost savings, and identifying operational efficiencies and limitations, and ultimately determining if there is a business case to reorganize the Parties. This information will be presented to the Parties for consideration. This MOU does not commit any Party to accept any Plan for Services prepared in accordance with this section.

b. *Environmental Review.* Perform an environmental review compliant with the California Environmental Quality Act (CEQA).

c. *Public Engagement.* Implement a public engagement process to ensure transparency, accountability, and public trust. This process should prioritize clear and consistent communication about the rationale, potential impacts, and projected benefits of special district reorganization.

d. *Other.* To be determined by the Parties.

4. **Costs.** The Parties agree that all costs and expenses incurred jointly under the scope of this MOU for the initial phase under Section 3a shall be allocated among the Parties based on each Party's proportionate share of the combined total operating revenue of all Parties for fiscal year ending June 30, 2025 as follows:

Party	FY24-25 Total Operating Revenues (\$M)	Proportionate Share (%)
MWD	25.9	76
MSD	7.2	21
SSD	1.1	3
Total	34.2	100

The Parties agree to meet and confer concerning the allocation of costs and expenses for subsequent phases and may agree, in their discretion, to continue the above referenced cost share for those subsequent phases. MWD will administer all contracts entered into pursuant to this MOU. Upon MWD payment of a monthly invoice for costs and expenses, MWD will calculate the cost share, and provide a request for reimbursement to MSD and SSD. Reimbursements shall be paid by MSD and SSD within 30 days of receipt of the request for reimbursement.

5. **Staff.** Each Party shall designate a principal contact person and any other appropriate staff members and/or consultants to participate on each Party's behalf in activities undertaken pursuant to this MOU. Each Party shall make its staff and its expertise reasonably available for activities under this MOU.

The principal Party contacts are:

Montecito Water District

Ken Coates, Director, kcoates@montecitowater.com

Nicholas Turner, General Manager, nturner@montecitowater.com

583 San Ysidro Road,

Santa Barbara, CA 93108

Phone: 805-969-2271

Montecito Sanitary District

Woody Barrett, Director, wbarrett@montsan.org
John Weigold, General Manager, jweigold@montsan.org
1042 Monte Cristo Lane
Santa Barbara, CA 93108
Phone: 805-969-4200

Summerland Sanitary District

Gary Robinson, Director, grobinson@summerlandsd.org
Diantha Glaser, Business Manager, dglaser@summerlandsd.org
2435 Wallace Ave
Summerland, CA 93067
Phone: 805-969-4344

6. **Notices.** Any notice required by this MOU shall be in writing and shall be given personally, by facsimile, by electronic mail (email), or by U.S. or certified mail, postage prepaid, to the respective address set forth above.

7. **Independent Authority and Autonomy.** This MOU is not intended to, and does not, override, impact, or impede the independent authority, statutory duties, or regular operations of the Parties, including the planning and implementation of capital projects. Nothing in this MOU shall be construed to restrict the independent authority and autonomy of the Parties in managing their respective operations, resources, and obligations.

8. **Entire Agreement.** This MOU incorporates the entire agreement of the Parties with respect to the matters described herein and supersedes all prior negotiations and agreements (written, oral, or otherwise) related thereto. This MOU may be amended, including without limitation to add new Parties only by a writing executed by all the Parties.

9. **Termination.** Participation in, and work covered by this MOU is voluntary, and any Party may withdraw at any time by providing written notice to the other Party. Any outstanding reimbursable costs at the time of termination shall be paid after termination of this MOU upon receipt of an invoice and any supporting documentation as required under Section 4.

10. **Assignment.** No rights or duties of any of the Parties under this MOU may be assigned or delegated without the express prior written consent of all the other Parties, and any attempt to assign or delegate such rights or duties without such written consent shall be null and void.

11. **Access to Written Products.** MWD, MSD, and SSD shall have access to all reports, documents, or other written material, including any drafts, and all electronic files, including computer-aided design files, developed by a consultant contracted pursuant to this MOU (such written material and electronic files are collectively known as “written products”) without restriction or limitation. Each Party may take and retain copies of such written products as desired.

12. **Indemnification.** Each Party shall indemnify and hold the other Parties harmless against all actions, claims, demands, and liabilities, and against all losses, damages, costs, expenses,

and attorney's fees, arising directly or indirectly out of an actual or alleged injury to a person or property arising out of and/or relating to this MOU in the same proportion that its own acts and/or omissions are attributed to said claims, demands, liabilities, losses, damages, costs, expenses, and/or attorney's fees. This provision shall not extend to any claim, demand, liability, loss, damage, cost, expenses, and/or attorney's fees covered by the insurance of any Party. The obligations under this Section shall survive the termination of this MOU.

13. **Severability.** If any provision of this MOU is held to be unenforceable, the remainder of this MOU shall be severable and not affected thereby.

14. **Counterparts.** This MOU may be executed in counterparts and, as so executed, shall constitute an agreement that shall be binding upon all Parties hereto, notwithstanding that the signatures of all Parties and/or their designated representatives do not appear on the same page. This MOU may be transmitted by facsimile or other electronic means, and the reproduction of signatures by facsimile or other electronic means will be treated as binding as if originals.

15. **Confidentiality.** The Parties acknowledge that, in connection with their joint activities under this MOU, each of them may share sensitive and/or confidential information with the other Parties. To the fullest extent permitted by law, each of the Parties shall maintain any such information, documents, or materials shared by the other Parties or mutually developed pursuant to this MOU in confidence and shall not voluntarily provide or reveal such information, documents, or materials to any third party without the consent of all Parties to this MOU. If any Party receives a request or order from a third party that the receiving Party believes requires disclosure of any such information, documents or materials, the receiving Party shall (i) immediately notify the other Parties and provide them with a copy of such request or order, (ii) defer any disclosure of such information, documents or materials for as long as legally permitted, and (iii) cooperate with any other Party that wishes to pursue an order protecting the disclosure of such information, documents, or materials. The Parties acknowledge that this provision is not intended to avoid, obviate, or supersede any confidentiality requirements imposed under the Brown Act or Public Records Act.

IN WITNESS WHEREOF, the Parties have executed this MOU effective as of the date first written above.

Montecito Water District

By: _____
Brian Goebel, Board President

Montecito Sanitary District

By: _____
Rock Rockenbach, Board President

Summerland Sanitary District

By: _____
Gary Robinson, Board President

APPROVED AS TO FORM

Montecito Water District, General Counsel

By: _____
Walt Wendelstein, Wendelstein Law Group PC

Montecito Sanitary District, General Counsel

By: _____
Aleks Giragosian, Colantuono, Highsmith & Whatley, P.C.

Summerland Sanitary District, General Counsel

By: _____
Aleks Giragosian, Colantuono, Highsmith & Whatley, P.C.

Proposed MOU by MSD Staff and
General Legal Counsel
Redline Version

**MEMORANDUM OF UNDERSTANDING
BETWEEN MONTECITO WATER DISTRICT, MONTECITO SANITARY DISTRICT
AND SUMMERLAND SANITARY DISTRICT FOR COORDINATION AND
COLLABORATION ~~FORIN THE ADVANCEMENT-EVALUATION OF~~
SPECIAL DISTRICT REORGANIZATION**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and effective as of January __, 2026, by and between Montecito Water District (“MWD”), ~~the~~ Montecito Sanitary District (“MSD”) and ~~the~~ Summerland Sanitary District (“SSD”). MWD, MSD and SSD may each be individually referred to herein as a “Party” and collectively as the “Parties”.

A. MWD is a County Water District, organized pursuant to the County Water District Law [Water Code §§30000-33901] with water supply and water management responsibilities in the Montecito and Summerland communities. County Water District law authorizes MWD to exercise broad power over water in its jurisdiction, including providing sanitary and recycled water services. The mission of the MWD is to provide an adequate and reliable supply of high-quality water to the residents of Montecito and Summerland at the most reasonable cost.

B. MSD is a Sanitary District, organized pursuant to the Sanitary District Act of 1923 [Health and Safety Code §§ 6400-6982] with responsibilities for the collection, treatment and disposal of wastewater within Montecito. The mission of the MSD is to protect public health and safety and to preserve the natural environment through the collection, treatment and disposal of wastewater in the most cost-effective way possible.

C. SSD is a Sanitary District, organized pursuant to the Sanitary District Act of 1923 [Health and Safety Code §§ 6400-6982] with responsibilities for the collection, treatment and disposal of wastewater within Summerland. The mission of the SSD is to protect public health and safety and to preserve the natural environment through the responsible collection, treatment, and disposal of wastewater in the most cost-effective way possible.

D. ~~Interest in the reorganization of Montecito’s special districts, including MWD, MSD and SSD, has grown in recent years as the importance of water resources has become more evident.~~ The State of California, including Santa Barbara County, has been increasingly impacted by climate change which has involved extreme and erratic weather conditions including historic wet and dry periods negatively affecting surface and ground water quality and availability. Forecasters predict these conditions ~~will-may~~ worsen in the future with weather events of greater intensity, longer duration and higher frequency.

E. Navigating climate change and achieving long term water supply security for Montecito and Summerland could prove more successful with all water resources being the responsibility of, and managed by, a unified special district. Merging some or all of the special districts providing water resources in the Montecito community could potentially result in, streamlining operations, eliminating unnecessary redundancies, and saving costs.

F. In September 2023, the MWD and MSD completed the preparation of a *Special District Collaboration and Consolidation Study* (“Study”), prepared by Raftelis. The objective of

the Study was to evaluate the feasibility and benefits of merging the MWD and MSD and the potential impacts on resources, operations, performance, costs, decision-making, customer service, and reliability.

G. Since completion of the Study, the MWD and MSD Strategic Planning Committees have met periodically to continue discussions regarding special district reorganization. More recently, the SSD joined the discussions with interest in collaborating with the MWD and MSD in the ongoing evaluation of special district reorganization.

~~H. In March 2025, the MSD Board of Directors discussed, and voted to proceed with consolidation with MWD.~~

~~H.~~ The Parties wish to coordinate and collaborate on the advancement of special district reorganization for the potential benefit of the Montecito and Summerland communities.

Commented [AG1]: I think we can strike this. I don't want people to think this formally binds the District to anything. Only a resolution of application can initiate the LAFCO process.

NOW THEREFORE, the Parties agree as follows:

1. **Purpose.** The primary purpose of this MOU is to memorialize a cooperative and ongoing working relationship between the Parties ~~that will to~~ facilitate efforts to ~~coordinate and collaborate on the advancement evaluate options for of~~ special district reorganization, ~~more specifically the consolidation of MWD, MSD and SSD into is one possible outcome, but not a unified entity, organized and existing under the County Water District Law [Water Code 30000-33901], and under the direction of the MWD Board of Directors, predetermined objective.~~ Other alternatives, such as joint powers agreements or contractual arrangements, will also be considered. ~~No Party is committed to any specific governance structure or legal form until completion of the evaluation process and subsequent board actions.~~

2. **Benefits.** The Parties recognize the potential benefits ~~may exist, such as improved coordination and possible efficiencies. However, these benefits remain subject to further analysis and are not guaranteed. This MOU does not constitute findings or conclusions regarding cost savings or operational improvements, that special district reorganization offers the Montecito and Summerland communities including unified governance, streamlined recycled water implementation, potential cost savings through economies of scale, reduced redundancy, and improved customer service, and the Parties agree to support the continued evaluation and advancement of reorganization.~~

3. **Activities to be Performed.** Over the term of this MOU, ~~various activities are anticipated to be undertaken to advance special district reorganization. These activities may include, but are not limited to, the following:~~

~~a. Plan for Services. Prepare preparation of a Plan for Services, informational public engagement and related evaluations. These activities are exploratory and do not commit any Party to a specific outcome, for a special district reorganization involving the Parties. A Plan for Services is a required component of an application for a change of organization under California Government Code §56653. It will serve to detail how water and sanitary services will be provided and financed by the reorganized entity and it provides the basis for LAFCO's review and action. To prepare a~~

Plan for Services, a consultant with experience in reorganizing public agencies will be hired through a request for proposal (RFP) process.

~~a. The initial phase of the preparation of the Plan for Services will involve the consultant studying the potential reorganization of SSD with MWD and MSD and articulating the pros and cons, anticipated additional costs and cost savings, and identifying operational efficiencies and limitations, and ultimately determining if there is a business case to reorganize the Parties. This information will be presented to the Parties for consideration. This MOU does not commit any Party to accept any Plan for Services prepared in accordance with this section.~~

Commented [AG2]: Will this consultant perform the other two tasks listed below?

~~b. Environmental Review. Perform an environmental review compliant with the California Environmental Quality Act (CEQA).~~

~~c. Public Engagement. Implement a public engagement process to ensure transparency, accountability, and public trust. This process should prioritize clear and consistent communication about the rationale, potential impacts, and projected benefits of special district reorganization.~~

~~d. Other. To be determined by the Parties.~~

Commented [AG3]: I assume we'll need to conduct some type of fiscal analysis and an analysis of the governance structure. Is that something we're contemplating under this MOU?

4. **Costs Management.** The Parties agree that all costs and expenses incurred jointly under the scope of this MOU shall be allocated among the Parties to proportional cost-sharing based on each Party's proportionate share of the combined total revenue of all Parties as follows:

Party	FY24-25 Total Operating Revenues (\$M)	Proportionate Share (%)
MWD	25.9	76
MSD	7.2	21
SSD	1.1	3
Total	34.2	100

~~MWD will administer all contracts entered, and payment of all costs and expenses incurred, pursuant to this MOU. Upon MWD payment of a monthly invoice for costs and expenses, MWD will calculate the cost share, and provide a request for reimbursement to MSD and SSD. Reimbursements shall be paid by MSD and SSD within 30 days of receipt of the request for reimbursement.~~

~~5. Staff. Each Party shall designate a principal contact person and any other appropriate staff members and/or consultants to participate on each Party's behalf in activities undertaken pursuant to this MOU. Each Party shall make its staff and its expertise reasonably available for activities under this MOU.~~

The principal Party contacts are:

Montecito Water District

Ken Coates, Director, keoates@montecitowater.com
Nicholas Turner, General Manager, nturner@montecitowater.com
583 San Ysidro Road,
Santa Barbara, CA 93108
Phone: 805-969-2271

Montecito Sanitary District
Woody Barrett, Director, wbarrett@montsan.org
John Weigold, General Manager, jweigold@montsan.org
1042 Monte Cristo Lane
Santa Barbara, CA 93108
Phone: 805-969-4200

Summerland Sanitary District
Gary Robinson, Director, grobinson122@gmail.com
Diantha Glaser, Business Manager, dglaser@summerlandsd.org
2435 Wallace Ave
Summerland, CA 93067
Phone: 805-969-4344

5. Notices. Any notice required by this MOU shall be in writing and shall be given personally, by facsimile, by electronic mail (email), or by U.S. or certified mail, postage prepaid, to the respective address set forth above expansion of scope or costs beyond initial estimates requires prior concurrence of all Parties. This framework is intended to prevent unintended financial exposure.

6. Environmental Review. The parties anticipate that the appropriate CEQA pathway will likely involve an exemption determination. No broad environmental review is authorized by this MOU without further agreement.

6-7. Public Engagement. Outreach will be informational only and will not constitute a commitment to any particular reorganization structure or outcome.

7. Entire Agreement. This MOU incorporates the entire agreement of the Parties with respect to the matters described herein and supersedes all prior negotiations and agreements (written, oral, or otherwise) related thereto. This MOU may be amended, including without limitation to add new Parties only by a writing executed by all the Parties.

8. Termination. Participation in, and work covered by this MOU is voluntary, and any Party may withdraw at any time by providing written notice to the other Party. Any outstanding reimbursable costs at the time of termination shall be paid after termination of this MOU upon receipt of an invoice and any supporting documentation as required under Section 4.

~~**Assignment.** No rights or duties of any of the Parties under this MOU may be assigned or delegated without the express prior written consent of all the other Parties, and any attempt to assign or delegate such rights or duties without such written consent shall be null and void.~~

8. **Access to Written Products.** MWD, MSD, and SSD shall have access to all reports, documents or other written material, including any drafts, and all electronic files, including computer-aided design files, developed by a consultant contracted pursuant to this MOU (such written material and electronic files are collectively known as “written products”) without restriction or limitation. Each party may take and retain copies of such written products as desired.

9. **Indemnification.** Each Party shall indemnify and hold the other Parties harmless against all actions, claims, demands, and liabilities, and against all losses, damages, costs, expenses, and attorney’s fees, arising directly or indirectly out of an actual or alleged injury to a person or property in the same proportion that its own acts and/or omissions are attributed to said claims, demands, liabilities, losses, damages, costs, expenses, and/or attorney’s fees. This provision shall not extend to any claim, demand, liability, loss, damage, cost, expenses, and/or attorney’s fees covered by the insurance of any Party. The obligations under this Section shall survive the termination of the Agreement.

10. **Severability.** If any provision of this Agreement is held to be unenforceable, the remainder of this Agreement shall be severable and not affected thereby.

9.11. **Counterparts.** This Agreement may be executed in counterparts and, as so executed, shall constitute an agreement that shall be binding upon all Parties hereto, notwithstanding that the signatures of all Parties and/or their designated representatives do not appear on the same page. This Agreement may be transmitted by facsimile or other electronic means and the reproduction of signatures by facsimile or other electronic means will be treated as binding as if originals.

~~12. **Confidentiality.** The Parties acknowledge that, in connection with their joint activities under this MOU, each of them may share sensitive and/or confidential information with the other Parties. To the fullest extent permitted by law, each of the Parties shall maintain any such information, documents, or materials shared by the other Parties or mutually developed pursuant to this MOU in confidence and shall not voluntarily provide or reveal such information, documents, or materials to any third party without the consent of all Parties to this MOU. If any Party receives a request or order from a third party that the receiving Party believes requires disclosure of any such information, documents or materials, the receiving Party shall (i) immediately notify the other Parties and provide them with a copy of such request or order, (ii) defer any disclosure of such information, documents or materials for as long as legally permitted, and (iii) cooperate with any other Party that wishes to pursue an order protecting the disclosure of such information, documents, or materials.~~
The Parties will maintain confidentiality to the extent permitted by law and acknowledge obligations under the Brown Act, Public Records Act, and other applicable authorization

~~10.13. **Continued Participation.** Each Party’s continued participation is contingent upon ongoing board direction and approval. This MOU does not obligate any Party beyond its current board authorization.~~

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26.docx

Commented [AG4]: What type of documents are we contemplating keeping confidential?

IN WITNESS WHEREOF, the Parties have executed this MOU effective as of the date first written above.

Montecito Water District

By: _____
Brian Goebel, Board President

Montecito Sanitary District

By: _____
Rock Rockenbach, Board President

Summerland Sanitary District

By: _____
Gary Robinson, Board President

APPROVED AS TO FORM

Montecito Water District, General Counsel

By: _____
Walt Wendelstein, Wendelstein Law Group PC

Montecito Sanitary District, General Counsel

By: _____
Aleks Giragosian, Colantuono, Highsmith & Whatley, P.C.

Summerland Sanitary District, General Counsel

By: _____
Name, Firm

Proposed MOU by MSD Staff and
General Legal Counsel
Clean Version

**MEMORANDUM OF UNDERSTANDING
BETWEEN MONTECITO WATER DISTRICT, MONTECITO SANITARY DISTRICT
AND SUMMERLAND SANITARY DISTRICT FOR COORDINATION AND
COLLABORATION IN THE EVALUATION OF
SPECIAL DISTRICT REORGANIZATION**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and effective as of January __, 2026, by and between Montecito Water District (“MWD”), Montecito Sanitary District (“MSD”) and Summerland Sanitary District (“SSD”). MWD, MSD and SSD may each be individually referred to herein as a “Party” and collectively as the “Parties”.

A. MWD is a County Water District, organized pursuant to the County Water District Law [Water Code §§30000-33901] with water supply and water management responsibilities in the Montecito and Summerland communities. County Water District law authorizes MWD to exercise broad power over water in its jurisdiction, including providing sanitary and recycled water services. The mission of the MWD is to provide an adequate and reliable supply of high-quality water to the residents of Montecito and Summerland at the most reasonable cost.

B. MSD is a Sanitary District, organized pursuant to the Sanitary District Act of 1923 [Health and Safety Code §§ 6400-6982] with responsibilities for the collection, treatment and disposal of wastewater within Montecito. The mission of the MSD is to protect public health and safety and to preserve the natural environment through the collection, treatment and disposal of wastewater in the most cost-effective way possible.

C. SSD is a Sanitary District, organized pursuant to the Sanitary District Act of 1923 [Health and Safety Code §§ 6400-6982] with responsibilities for the collection, treatment and disposal of wastewater within Summerland. The mission of the SSD is to protect public health and safety and to preserve the natural environment through the responsible collection, treatment, and disposal of wastewater in the most cost-effective way possible.

D. The State of California, including Santa Barbara County, has been increasingly impacted by climate change which has involved extreme and erratic weather conditions including historic wet and dry periods negatively affecting surface and ground water quality and availability. Forecasters predict these conditions may worsen in the future with weather events of greater intensity, longer duration and higher frequency.

E. Navigating climate change and achieving long term water supply security for Montecito and Summerland could prove more successful with all water resources being the responsibility of, and managed by, a unified special district. Merging some or all of the special districts providing water resources in the Montecito community could potentially result in, streamlining operations, eliminating unnecessary redundancies, and saving costs.

F. In September 2023, the MWD and MSD completed the preparation of a *Special District Collaboration and Consolidation Study* (“Study”), prepared by Raftelis. The objective of the Study was to evaluate the feasibility and benefits of merging the MWD and MSD and the

potential impacts on resources, operations, performance, costs, decision-making, customer service, and reliability.

G. Since completion of the Study, the MWD and MSD Strategic Planning Committees have met periodically to continue discussions regarding special district reorganization. More recently, the SSD joined the discussions with interest in collaborating with the MWD and MSD in the ongoing evaluation of special district reorganization.

H. The Parties wish to coordinate and collaborate on the advancement of special district reorganization for the potential benefit of the Montecito and Summerland communities.

NOW THEREFORE, the Parties agree as follows:

1. **Purpose.** The primary purpose of this MOU is to memorialize a cooperative and ongoing working relationship between the Parties to facilitate efforts to evaluate options for special district reorganization. Consolidation of MWD, MSD and SSD is one possible outcome, but not a predetermined objective. Other alternatives, such as joint powers agreements or contractual arrangements, will also be considered. No Party is committed to any specific governance structure or legal form until completion of the evaluation process and subsequent board actions.

2. **Benefits.** The Parties recognize the potential benefits may exist, such as improved coordination and possible efficiencies. However, these benefits remain subject to further analysis and are not guaranteed. This MOU does not constitute findings or conclusions regarding cost savings or operational improvements.

3. **Activities to be Performed.** Over the term of this MOU, activities may include,
a. preparation of a Plan for Services, informational public engagement and related evaluations. These activities are exploratory and do not commit any Party to a specific outcome.

4. **Cost Management.** The Parties agree to proportional cost-sharing based on revenue.

5. Any expansion of scope or costs beyond initial estimates requires prior concurrence of all Parties. This framework is intended to prevent unintended financial exposure.

6. **Environmental Review.** The parties anticipate that the appropriate CEQA pathway will likely involve an exemption determination. No broad environmental review is authorized by this MOU without further agreement.

7. **Public Engagement.** Outreach will be informational only and will not constitute a commitment to any particular reorganization structure or outcome.

8. **Access to Written Products.** MWD, MSD, and SSD shall have access to all reports, documents or other written material, including any drafts, and all electronic files, including computer-aided design files, developed by a consultant contracted pursuant to this MOU (such written material and electronic files are collectively known as “written products”) without restriction or limitation. Each party may take and retain copies of such written products as desired.

9. **Indemnification.** Each Party shall indemnify and hold the other Parties harmless against all actions, claims, demands, and liabilities, and against all losses, damages, costs, expenses,

and attorney's fees, arising directly or indirectly out of an actual or alleged injury to a person or property in the same proportion that its own acts and/or omissions are attributed to said claims, demands, liabilities, losses, damages, costs, expenses, and/or attorney's fees. This provision shall not extend to any claim, demand, liability, loss, damage, cost, expenses, and/or attorney's fees covered by the insurance of any Party. The obligations under this Section shall survive the termination of the Agreement.

10. **Severability.** If any provision of this Agreement is held to be unenforceable, the remainder of this Agreement shall be severable and not affected thereby.

11. **Counterparts.** This Agreement may be executed in counterparts and, as so executed, shall constitute an agreement that shall be binding upon all Parties hereto, notwithstanding that the signatures of all Parties and/or their designated representatives do not appear on the same page. This Agreement may be transmitted by facsimile or other electronic means and the reproduction of signatures by facsimile or other electronic means will be treated as binding as if originals.

12. **Confidentiality.** The Parties will maintain confidentiality to the extent permitted by law and acknowledge obligations under the Brown Act, Public Records Act, and other applicable authorization

13. **Continued Participation.** Each Party's continued participation is contingent upon ongoing board direction and approval. This MOU does not obligate any Party beyond its current board authorization.

IN WITNESS WHEREOF, the Parties have executed this MOU effective as of the date first written above.

Montecito Water District

By: _____
Brian Goebel, Board President

Montecito Sanitary District

By: _____
Rock Rockenbach, Board President

Summerland Sanitary District

By: _____
Gary Robinson, Board President

APPROVED AS TO FORM

Montecito Water District, General Counsel

By: _____

Walt Wendelstein, Wendelstein Law Group PC

Montecito Sanitary District, General Counsel

By: _____
Aleks Giragosian, Colantuono, Highsmith & Whatley, P.C.

Summerland Sanitary District, General Counsel

By: _____
Name, Firm

DRAFT