Montecito Sanitary District
1042 Monte Cristo Lane
Santa Barbara, CA 93108
A Public Service Agency
Phone: (805) 969-4200
www.montsan.org

AGENDA

For the Special Meeting of the Montecito Sanitary District Strategic Planning Committee:

March 25, 2026

The special meeting of the Strategic Planning Committee will begin at **8:30 a.m. on March 25, 2026** in the Montecito Sanitary District Board Room located 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/84099863079
Or by calling: 1-669-900-6833
Meeting ID: 840 9986 3079

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1. CALL TO ORDER

2. PUBLIC COMMENT

Public comment is **limited to 3 minutes,** can only be on agendized topics, and is at the discretion of the Committee Chair. For further instructions, please see Instructions for Public Comment on the District's website.

3. ITEMS FOR COMMITTEE DISCUSSION

- **A.** Review and discuss the District's Strategic Priorities and Goals and Objectives (Page 3)
- **B.** Review and discuss the recently approved Memorandum of Understanding by the Montecito Water District (Page 5)
- **C.** Review and discuss the Montecito Sanitary District vote on Consolidation with the Montecito Water District in March of 2025 (Page 11)
- **D.** Discuss the different methods to provide recycled water for the Montecito community and possible request of data from staff

4. BOARD COMMUNICATIONS

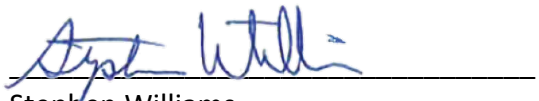
- **A.** Items for Future Committee Meetings
- **B.** Next Committee Meeting Date

5. 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.

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 review the monthly reconciliations

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

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.

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MINUTES

For the Special Meeting of the Board on:

March 28, 2025

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1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a special meeting at 1:34 pm on Friday, March 28, 2025. The meeting was also broadcast using Zoom teleconferencing.

ATTENDANCE

Board Members Present:
Directors Glaser, Johnson, Newquist, Ohlmann, and Ellwood T. Barrett II

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, MSD General Legal Counsel

2. PUBLIC COMMENT

No members of the public addressed the Board.

3. MONTECITO SANITARY DISTRICT CONSOLIDATION WITH THE MONTECITO WATER DISTRICT

The Board discussed consolidation with the Montecito Water District.

ON MOTION by Director Ohlmann, Seconded by Director Glaser, the Board voted to end debate:

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

ON MOTION by Director Newquist, seconded by Director Johnson, the Board voted to consolidate with the Montecito Water District:

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

4. ADJOURNMENT

The meeting adjourned at 2:28 pm ON MOTION by Director Newquist, Seconded by Director Johnson.

These minutes were presented for approval at the Special Board Meeting on April 16 2025.

Ellwood T. Barrett II, President

Minutes taken and prepared by:

Stephen Williams
Business and Administrative Manager/Clerk of the Board