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 Regular Meeting of the Board on:

September 9, 2026

The regular meeting of the Governing Board will begin at **2:00 p.m. on September 9, 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

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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. **DIRECTOR REPORTS**
   It is recommended that the Board receive and file a report provided by the following directors:
   - **A.** Director Rockenbach will report on his California Special Districts Association (CSDA) Annual Conference attendance from August 24th through August 27th, 2026.
   - **B.** Director Johnson will report on her California Special Districts Association (CSDA) Annual Conference attendance from August 24th through August 27th, 2026.

4. **CONSENT CALENDAR**
   - **A.** Meeting Minutes of the August 12, 2026 Regular Meeting (Page 4)
   - **B.** Resolution 2026-993 –Conflict-of-Interest (Page 8)
   - **C.** Fiscal Year 2025-26 Audit Contract (Page 14)
   - **D.** Retroactive Meeting Stipend Authorization – Director Johnson (Page 31)

5. GENERAL MANAGER'S REPORT (PAGE 32)

The General Manager will provide a written report on the District's non-actionable business and operational matters and will provide explanation where requested. Topics include the following:

- **A.** California State Appropriations Request
- **B.** Monte Cristo Lane Paving Project Update
- **C.** Westmont College Plant Tour
- **D.** Conference Refunds/Credits
- **E.** Outfall Inspection and Repairs Update – Aeration Basin Emptied
- **F.** Strategic Plan Update

6. PRESENTATION

A. ELECTION SEASON RULES FOR DIRECTORS AND EMPLOYEES (PAGE 34)

The Board will receive and file a presentation on Election Season Rules for Directors and Employees from Legal Counsel.

7. BUSINESS ITEMS

A. WASTEWATER TREATMENT PLANT IMPROVEMENT PROJECT AD HOC REPORT

It is recommended that the Board:

i) Receive a report from the Wastewater Treatment Plant Improvement Project Ad Hoc committee on their September 3, 2026 meeting; and

ii) Discuss Technical Memorandum #2 of the Southland Investment Grade Audit contract and provide direction to Staff.

B. BOARD POLICY AND PROCEDURES (PAGE 35)

It is recommended that the Board review and adopt an updated set of Board Policies and Procedures.

C. COLLECTION SYSTEM – INFLOW AND INFILTRATION (I&I) (PAGE 46)

It is recommended that the Board discuss policy regarding inflow and infiltration (I&I).

8. BOARD COMMUNICATIONS

- **A.** Items for future Board meeting
- **B.** Next Board Meeting Date – September 23, 2026

9. 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:

August 12, 2026

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1. **CALL TO ORDER**
The Governing Board of the Montecito Sanitary District convened a regular meeting at 2:04 pm on Wednesday, August 12, 2026. The meeting was also broadcast using Zoom teleconferencing.

ATTENDANCE

Board Members Present:
Directors Barrett, Johnson, Ohlmann, and Rockenbach

Board Members Absent:
Director Murphy

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
Michael Britton, Bartlett, Pringle, & Wolf, LLP
Michael Shaner, Bartlett, Pringle, & Wolf, LLP
Michael Cormack, Water Systems Consulting (WSC)

2. **PUBLIC COMMENT**
No members of the public addressed the Board.

3. **COMMITTEE REPORTS**
   - **A.** Director Johnson gave a report on the Montecito Sanitary District Finance Committee meeting of August 10, 2026.
   - **B.** Director Ohlmann gave a report on the Montecito Sanitary District Wastewater Treatment Plant Upgrade Project Ad Hoc meeting of July 30, 2026.

4. **DIRECTOR REPORTS**
   - **A.** Director Rockenbach gave a report on his California Association of Sanitation Agencies Annual Conference attendance from August 4th through August 7th, 2026.
   - **B.** Director Johnson gave a report on her California Association of Sanitation Agencies Annual Conference attendance from August 4th through August 7th, 2026.

5. CONSENT CALENDAR

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

- **A.** Meeting Minutes of the July 22, 2026 Regular Meeting
- **B.** Payables from the period July 1, 2026 through July 31, 2026
- **C.** Fiscal Year 2025-26 Unaudited Financial Reports – June 30, 2026
- **D.** Conference Authorization – Director Ohlmann – California Special Districts Association Annual Conference August 24-27, 2026.

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

Motion carries.

6. 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.** District Financial Matters
- **C.** Wastewater Treatment Plant Roadmap
- **D.** Annual Sampling
- **E.** Flow/Rain Comparison
- **F.** Capital Improvements Projects and Key Effort Status Updates

7. BUSINESS ITEMS

A. AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2024-25 PRESENTED BY BARTLETT, PRINGLE, & WOLF

The Board received a presentation from staff regarding the District's Fiscal Year 2024-25 Financial Statements Audit.

ON MOTION by Director Rockenbach, Seconded by Director Johnson, the Board voted to receive and file a report by Jon Britton, CPA, of Bartlett, Pringle & Wolf (BPW), LLP regarding the Montecito Sanitary Districts' 2024-25 Financial Statements Audit Report and Letter of Required Communications.

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

Motion carries.

B. SEPTIC TO SEWER STRATEGIC PLAN PRESENTATION

The Board received a presentation from Michael Cormack of Water Systems Consulting (WSC) and filed a report on the same topic regarding the final Septic to Sewer Strategic Plan.

C. AWARD OF CONTRACT – OUTFALL INSPECTION PROJECT

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

i) Authorize the General Manager to negotiate a contract with Pacific Maritime Group, Inc. (PMG) in an amount not to exceed $98,300 to perform Marine Inspection Services for the Wastewater Ocean Outfall Inspection project; and
ii) Authorize the General Manager to approve expenditures of up to twenty percent (20%) of the negotiated amount as an amendment allowance for any changes in scope of work.

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

Motion carries.

ON MOTTION by Director Barrett, Seconded by Director Johnson, the Board voted to reconsider the item.

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

Motion carries.

ON MOTION by Director Johnson, Seconded by Director Barrett, the Board voted to:

i) Authorize the General Manager to negotiate a contract with Pacific Maritime Group, Inc. (PMG) in an amount not to exceed $68,900 to perform Marine Inspection Services for the Wastewater Ocean Outfall Inspection 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 and Johnson
NAYES:	Directors Ohlmann and Rockenbach
ABSTAIN:	None
ABSENT:	Director Murphy

Motion does not carry. As such the first motion above carries.

NOTE: Director Johnson left the meeting at 5:31pm.

8. BOARD COMMUNICATIONS

A. Next Regular Board Meeting Date – September 9, 2026

B. Items for future Board meeting

- Board Policy and Procedure Manual Update

9. ADJOURNMENT

ON MOTION by Director Barrett, Seconded by Director Rockenbach, the meeting ended at 5:56 pm.

These minutes were presented for approval at the Regular Board Meeting on September 9, 2026.

____
Rock Rockenbach, President

Minutes taken and prepared by:

____
Stephen Williams
Business and Administrative Manager/Clerk of the Board

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MONTECITO SANITARY DISTRICT

STAFF REPORT – 4B

DATE: September 9, 2026

TO: Board of Directors

FROM: John Weigold, General Manager

SUBJECT: Resolution 2026-993 – Conflict of Interest

RECOMMENDATION:
It is recommended that the Board adopt Resolution 2026-993 – Conflict-of-Interest.

DISCUSSION:
The Political Reform Act of 1974 (section 8100, et seq. of the California Government Code) requires the District to adopt and promulgate a conflict-of-interest code and to conduct a biennial review of its adopted code to ensure its continued compliance with all applicable regulations and law.

With passing of this Resolution the District will remain in compliance with the applicable regulations and law.

ATTACHMENTS:

1. Resolution 2026-993 – Conflict-of-Interest

RESOLUTION NO. 2026-993

RESOLUTION OF THE GOVERNING BOARD OF THE MONTECITO SANITARY DISTRICT ADOPTING A CONFLICT-OF-INTEREST CODE AND REPEALING RESOLUTION NO. 2024-976

WHEREAS, the Political Reform Act of 1974 (section 81000, *et seq.* of the California Government Code) requires the Montecito Sanitary District to adopt and promulgate a conflict of interest code and to conduct a biennial review of its adopted code to ensure its continued compliance with all applicable regulations and law.

WHEREAS, the California Fair Political Practices Commission has adopted regulation 18730 of 2 California Code of Regulations, which specifies elements of a local agency conflict of interest code and allows the elements to be incorporated by reference, including as amended, into a local agency code.

WHEREAS, the Montecito Sanitary District has conducted a biennial review and intends to follow current Fair Political Practices Commission guidance about the required elements of a conflict-of-interest code.

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

1. Resolution 2024-976, adopted September 18, 2024, is repealed and this amended code adopted in its stead;

2. Section 87302 of the Government Code, and as it may be amended, mandating the required elements of a conflict-of-interest code, is hereby incorporated by reference as elements of the Montecito Sanitary District Conflict-of-Interest Code;

3. Regulation 18730 of 2 California Code of Regulations, and as it may be amended, is hereby incorporated by reference as elements of the Montecito Sanitary District Conflict-of-Interest Code;

4. Appendices A and B hereto designate the officials and personnel required to comply with the Montecito Sanitary District Conflict of Interest Code and the disclosure categories for each designated official and personnel; Appendices A and Bare elements of the Montecito Sanitary District Conflict-of-Interest Code;

5. Pursuant to subdivision (b) of section 87302 of the Government Code, each designated official and person shall file timely required statements of economic interest with the Montecito Sanitary District;

6. The District shall retain and maintain a copy of each filed statement;

7. Upon its receipt, each original filed statement shall be forwarded by the District to the County Elections Division, Santa Barbara County Clerk-Recorder-Assessor, P.O. Box 61510, Santa Barbara, CA 93160-1510; and

8. All filed statements of economic interest are public records available for public review and copying at the District's office pursuant to 81008 of the Government Code.

PASSED AND ADOPTED by the Governing Board of the Montecito Sanitary District on the 9th of September, 2026 by the following vote:

AYES:	
NAYS:	None
ABSTAIN:	None
ABSTENT:	None

Richard Rockenbach, President of the
Governing Board of the
MONTECITO SANITARY DISTRICT

ATTEST:

Stephen Williams, Clerk to the
Governing Board of the
MONTECITO SANITARY DISTRICT

CONFLICT OF INTEREST CODE

APPENDIX A

DESIGNATED POSITIONS

Persons occupying the following positions are required to file a Statement of Economic Interest which discloses financial interests in the disclosure categories prescribed for each position:

Designated Position	Disclosure Categories
Director of the Governing Board	l,2,3,4, and 5
General Manager	l,2,3,4, and 5
Business and Administrative Manager	l, 2, 3, 4, and 5
Legal Counsel	l, 2, 3, 4, and 5
District Retained Consultant*	TBD*

*Consultants shall make disclosures as directed by the General Manager on a case-by-case basis to comply with section 87302 of the Government Code.

CONFLICT OF INTEREST CODE

APPENDIX B: DISCLOSURE CATEGORIES

CATEGORY 1

Interests in real property located in whole or in part within the jurisdiction of the District, including any leasehold, beneficial, or ownership interest or option to acquire such interest in real property, if the fair market value of the interest is $1,000 or more.

CATEGORY 2

Business positions or investments in or income from persons or business entities engaged in the appraisal, acquisition, or disposal of real property within the jurisdiction of the District.

CATEGORY 3

Business positions or investments in and income from any source or sources of income, if:

a) The business entities or the source or sources of income are of the type which, within the previous two years, have provided or contracted to provide, or in the future with reasonable foreseeability might provide or contract to provide services, supplies, materials, machinery, or equipment to or for the use of the District; and

b) Within the previous two years, the designated employee has made, participated in making, or in any way has attempted to use his or her official position to influence, a governmental decision to obtain or procure services, supplies, materials, machinery, or equipment of the same or a similar type as those so provided or contracted to be provided to the District or if the duties of the designated employee's position make it reasonably foreseeable that he or she might engage in such activity.

CONFLICT OF INTEREST CODE

APPENDIX B: DISCLOSURE CATEGORIES

CATEGORY 4

Business positions or investments in business entities and income from any source or sources of income, if:

a) The business entities or the source or sources of income are of the type which, within the previous two years, have furnished or contracted to furnish, or in the future with reasonable foreseeability might furnish or contract to furnish services, supplies, materials, machinery, or equipment as a subcontractor in any contract with the District to provide services, supplies, materials, machinery, or equipment to or for the use of the District; and

b) Within the previous two years, the designated employee has made, participated in making, or in any way has attempted to use his or her official position to influence a government decision to obtain or procure services, supplies, materials, machinery, or equipment of the same or a similar type as those so provided or contracted to be provided to the District or if the duties of the designated official's or personnel's position make it reasonably foreseeable that he or she might engage in such activity.

CATEGORY 5

Business positions or investments in business entities and income from any source or sources of income, if:

a) The business entities or the source or sources of income are of the type which are subject to the regulation or supervision of the District; and

b) The designated official's or personnel's duties involve the supervision or regulation (including, but not limited to, the issuance or granting of franchises, building permits, or other use or business permits or any other land use control or regulation) of that type of business entity or source of income.

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MONTECITO SANITARY DISTRICT

STAFF REPORT – 4C

DATE: September 9, 2026

TO: Board of Directors

FROM: John Weigold, General Manager

SUBJECT: Fiscal Year 2025-26 Audit Contract

RECOMMENDATION

It is recommended that the Board direct the General Manager to execute a letter of engagement with Bartlett, Pringle & Wolfe in the amount of $27,300 to perform the District's Fiscal Year 2025-26 Annual Financial Audit.

BACKGROUND

State law and generally accepted accounting principles require that the District engage an independent certified public accounting firm to conduct an annual audit of its financial statements. The audit ensures compliance with applicable regulations, provides accountability to the public, and supports the integrity of the District's financial reporting.

Per the current Board Policy and Procedure Manual, the Board of Directors selects the District's financial auditor. The approval of the attached engagement letter being brought to the Board will trigger the beginning of fieldwork for the Fiscal Year 2025-26 Financial Audit with an estimated completion in December.

California Government Code §12410.6 sets forth guidelines for audit partner rotation:

"…Commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years…"

In adherence with this requirement, Barlett, Pringle, and Wolf rotated the District's audit partner beginning with the Fiscal Year 2023-24 Financial Audit. John Britton, CPA, replaced Tracey Solomon,CPA, as the Audit Partner where he continues to perform in that role.

The Finance Committee recommends executing a letter of engagement with Bartlett, Pringle & Wolfe in the amount of $27,300 to perform the District's Fiscal Year 2025-26 Annual Financial Audit.

FISCAL IMPACT: The $27,300 audit contract is factored into the Fiscal Year 2025-26 Operations & Maintenance Budget and will not necessitate a budget revision.

ATTACHMENTS: Fiscal Year 2025-26 Engagement Letter

BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

August 13, 2026

John Weigold
Montecito Sanitary District
1042 Monte Cristo Lane
Santa Barbara, CA 93108

Dear John:

The Objective and Scope of the Audit of the Financial Statements

You have requested that Bartlett, Pringle & Wolf, LLP (BPW), audit Montecito Sanitary District's (the District) statements of net position as of June 30, 2026, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial, which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter (Arrangement Letter).

The objectives of our audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

The Responsibilities of the Auditor

We will conduct our audit in accordance with GAAS. Those standards require that we comply with applicable ethical requirements. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout each audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Consider the entity's system of internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of a system of internal control, an unavoidable risk exists that some material misstatements may not be detected by our firm, even though our audit is properly planned and performed in accordance with GAAS.

We will communicate to the Board of Directors (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Management is responsible for:

1. Identifying and ensuring that the District complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;

2. The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and

3. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, analysts, regulators, short sellers, vendors, customers or others.

Management is responsible for the preparation of the required supplementary information (RSI) which accounting principles generally accepted in the United States of America (U.S. GAAP) require to be presented to supplement the basic financial statements. Management is also responsible for the preparation of the supplementary information presented in relation to the financial statements as a whole in accordance with U.S. GAAP. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The Board of Directors is responsible for informing us of its views about the risks of fraud within the District, and its knowledge of any fraud or suspected fraud affecting the District.

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP);

2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;

3. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and

4. To provide us with:

    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including information relevant to disclosures;
    b. Draft financial statements, including information relevant to their preparation and fair presentation, when needed, to allow for the completion of each audit in accordance with the proposed timeline;

c. Additional information that we may request from management for the purpose of the audits; and

d. Unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this Arrangement Letter; and

2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Reporting

We will issue a written report upon completion of the audit of the District's financial statements. Our reports will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, or add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report.

If circumstances arise relating to the condition of the District's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including, but not limited to, declining to express an opinion or issue a report, or withdrawing from the engagement.

Records and Assistance

During the course of our engagement, we may accumulate records containing data that should be reflected in the District's books and records. The District will determine that all such data, if necessary, will be so reflected. Accordingly, the District will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by District personnel, including the preparation of schedules and analyses of accounts, will be discussed and coordinated with Stephen Williams, Business and Administrative Manager. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Accounting Services

In connection with our audit, you have requested us to perform the following accounting services:

1. Assisting with depreciation schedules

2. Proposing year end journal entries relating to accrued expenses, long-term debt. pension benefits and other post employment benefits

3. Drafting the financial statements

Management's responsibilities also include designating qualified individuals with suitable skill, knowledge, and/or experience. John Weigold, General Manager, will oversee the services, make all significant judgments that are the proper responsibility of management, evaluate the adequacy of the services, make an informed judgment about the results of the services, and accept responsibility for them. You also agree to establish and maintain internal control over these services, including ongoing monitoring activities. At the conclusion of our audit, we will ask you to provide written representations to that effect.

Fees and Costs

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including report processing, travel, and fees for services from other professionals , as well as a charge of five percent (5%) of fees for administrative and technology expenses which includes indirect expenses such as research and library databases, communications, report processing fees, postage, clerical assistance and technology systems and applications. Based on our preliminary estimate, the fee for the audit will be approximately $26,000 for the year ending June 30, 2026 plus the 5% administrative and technology charge. That estimate is based on anticipated cooperation from your personnel, timely responses to audit requests, and the assumption that unexpected circumstances will not be encountered during the audit. If any of the aforementioned criteria are not met, then fees may increase. Accounting consulting services (described previously under Accounting Services) will be billed separately at our hourly rates plus the 5% administrative and technology charge. Interim billings will be submitted as work progresses and as expenses are incurred.

Use of Subcontractors and Third-Party Products

We may, in our sole discretion, use affiliates of ours or qualified third-party service providers, some of whom may be cloud-based and located within or outside the United States, to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose Confidential Information and Personal Information (as such terms are defined below) to them. Those third-party service providers and affiliates of BPW we use to assist us in providing services to you are collectively referred to herein as "Subcontractors". You hereby consent to us sharing your information, including Confidential Information and Personal Information, with our Subcontractors, within and outside of the United States, on the same basis as we would be permitted to share information with one of our employees; provided that such recipients are bound by written obligations of confidentiality. You acknowledge and agree that our use of Subcontractors may involve the processing, input, disclosure, movement, transfer, and storage of your information and data, including Confidential Information and Personal Information, outside of the United States and outside of our technology infrastructure. We will be responsible to you for the performance of our Subcontractors, solely as related to the services performed under this Engagement Letter, subject to all limitations and disclaimers set forth herein.

We also may provide services to you using certain third-party hardware, software, equipment, or products (collectively, "Third-Party Products" and each, individually, a "Third-Party Product"). You acknowledge that the use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by or on behalf of you to us, including Confidential Information and Personal Information, within the Third-Party Product's infrastructure and not ours, which may result in the access, transfer, disclosure, storage or processing of such information and data outside of the United States. You further acknowledge that the terms of use and service, including, but not limited to, applicable laws, set forth in the end-user license, end-user subscription agreement, or other end-user agreement for such Third-Party Product (collectively, "EULA(s)") will govern all obligations of the licensor of such Third-Party Product relating to data privacy, storage, recovery, security, and processing within such Third-Party Product's infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your Confidential Information and Personal Information, to the licensors of such Third-Party Products for the purpose described herein, and you acknowledge and agree that such Plan- or Plan Sponsor-provided data and information may be collected, processed, stored, and used by such licensors for benchmarking, analytics, marketing, and other business purposes in support of the Third-Party Product.

To the extent BPW gives the Company access to a Third-Party Product in connection with the services contemplated herein, the Company agrees to comply with the terms of any applicable EULA for such Third-Party Product, and the Company shall be solely responsible for the improper use of a Third-Party Product or a violation of the applicable EULA for such Third-Party Product by the Company or any user to whom the Company grants access to such Third-Party Product. The Company agrees to indemnify and hold BPW harmless from and against any claims, actions, lawsuits, proceedings, judgments, liens, losses, damages, costs, expenses, fees (including reasonable legal fees, expenses, and costs), and other liabilities relating to, or arising from or out of, the improper use of a Third-

Party Product, or a violation of the terms of the applicable EULA for such Third-Party Product by the Company or any user to whom the Company grants access to such Third-Party Product.

You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including, without limitation, Personal Information provided by you, resulting from your or our use of a Third-Party Product.

Use and Ownership; Access to Audit Documentation

The Audit Documentation for this engagement is the property of BPW. For the purposes of this Arrangement Letter, the term "Audit Documentation" shall mean the confidential and proprietary records of BPW's audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by BPW for the District under this Arrangement Letter, or any documents belonging to the District or furnished to BPW by the District.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable BPW policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing an Access & Release Letter substantially in BPW's form. BPW reserves the right to decline a successor auditor's request to review our workpapers.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the District, the District will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

You acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the Audit Documentation upon their request and that we shall maintain the Audit Documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to the requested Audit Documentation will be provided under the supervision of BPW audit personnel and at a location designated by our firm.

Indemnification, Limitation of Liability, and Claim Resolution

Because BPW will rely on the District and its management and Board of Directors to discharge the foregoing responsibilities, the District agrees to indemnify, hold harmless and release BPW and its partners, principals, officers, directors, employees, affiliates, subsidiaries, contractors, Subcontractors, agents, representatives, successors, or assigns from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the District's management.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Arbitration Association, except that under all circumstances the arbitrator must follow the laws of California. Such arbitration shall be binding and final. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.** The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

THE DISTRICT AND BPW AGREE THAT NO CLAIM ARISING OUT, FROM, OR RELATING TO THE SERVICES RENDERED PURSUANT TO THIS ARRANGEMENT LETTER SHALL BE FILED MORE THAN TWO YEARS AFTER THE DATE OF THE AUDIT REPORT ISSUED BY BPW OR THE DATE OF THIS ARRANGEMENT LETTER IF NO REPORT HAS BEEN ISSUED. IN NO EVENT SHALL BPW OR THE DISTRICT, OR ANY OF THEIR RESPECTIVE PARTNERS, PRINCIPALS, OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, SUBSIDIARIES, CONTRACTORS, SUBCONTRACTORS, AGENTS, REPRESENTATIVES, SUCCESSORS, OR ASSIGNS (COLLECTIVELY, THE "COVERED PARTIES" AND EACH INDIVIDUALLY, A "COVERED PARTY"), BE LIABLE FOR THE INTERRUPTION OR LOSS OF BUSINESS, ANY LOST PROFITS, SAVINGS, REVENUE, GOODWILL, SOFTWARE, HARDWARE, OR DATA, OR THE LOSS OF USE THEREOF (REGARDLESS OF WHETHER SUCH LOSSES ARE DEEMED DIRECT DAMAGES), OR INCIDENTAL, INDIRECT, PUNITIVE, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR SIMILAR SUCH DAMAGES, EVEN IF ADVISED

OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF THE COVERED PARTIES ARISING OUT OF, FROM, OR RELATING TO THIS ARRANGEMENT LETTER, OR THE REPORT ISSUED OR SERVICES PROVIDED HEREUNDER, REGARDLESS OF THE CIRCUMSTANCES OR NATURE OR TYPE OF CLAIM, INCLUDING, WITHOUT LIMITATION, CLAIMS ARISING FROM A COVERED PARTY'S NEGLIGENCE OR BREACH OF CONTRACT OR WARRANTY, OR RELATING TO OR ARISING FROM A GOVERNMENT, REGULATORY OR ENFORCEMENT ACTION, INVESTIGATION, PROCEEDING, OR FINE, WILL NOT EXCEED THE TOTAL AMOUNT OF THE FEES PAID BY THE DISTRICT TO BPW UNDER THIS ARRANGEMENT LETTER. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS LIMITATION OF LIABILITY PROVISION SHALL, OR SHALL BE INTERPRETED OR CONSTRUED TO, RELIEVE THE DISTRICT OF ITS PAYMENT OBLIGATIONS TO BPW UNDER THIS ARRANGEMENT LETTER.

Confidentiality

BPW and the District may, from time to time, disclose Confidential Information (as defined below) to one another. Accordingly, BPW and the District agree as the recipient of such Confidential Information (the "Receiving Party") to keep strictly confidential all Confidential Information provided to it by the disclosing party (the "Disclosing Party") and use, modify, store, and copy such Confidential Information only as necessary to perform its obligations and exercise its rights under this Arrangement Letter and for no other purpose or use. Except as otherwise set forth herein, the Receiving Party may only disclose the Confidential Information of the Disclosing Party to its personnel, agents, and representatives who are subject to obligations of confidentiality at least as restrictive as those set forth herein and only for the purpose of exercising its rights and fulfilling its obligations hereunder. To avoid any doubt, BPW is permitted to disclose the District's Confidential Information to BPW's personnel, agents, and representatives for the purpose of maintaining compliance with applicable laws and professional, regulatory, and/or ethical standards.

As used herein, "Confidential Information" means, information in any form, oral, graphic, written, electronic, machine-readable or hard copy consisting of: (i) any nonpublic information provided by the Disclosing Party, including, but not limited to, all of its inventions, designs, data, source and object code, programs, program interfaces, know-how, trade secrets, techniques, ideas, discoveries, marketing and business plans, pricing, profit margins and/or similar information; (ii) any information that the Disclosing Party identifies as confidential; or (iii) any information that, by its very nature, a person in the same or similar circumstances would understand should be treated as confidential, including, but not limited to, this Arrangement Letter.

As used herein, the term "Confidential Information" will not include information that: (i) is publicly available at the time of disclosure by the Disclosing Party; (ii) becomes publicly available by publication or otherwise after disclosure by the Disclosing Party, other than by breach of the confidentiality obligations set forth herein by the Receiving Party; (iii) was lawfully in the Receiving Party's possession, without restriction as to confidentiality or use, at the time of disclosure by the Disclosing Party; (iv) is provided to the Receiving Party without restriction as to confidentiality or use by a third party without violation of any obligation to the Disclosing Party; or (v) is independently developed by employees or agents of the Receiving Party who did not access or use the Confidential Information.

The Receiving Party will treat the Disclosing Party's Confidential Information with the same degree of care as the Receiving Party treats its own confidential and proprietary information, but in no event will such standard of care be less than a reasonable standard of care. The Receiving Party will promptly notify the Disclosing Party if it becomes aware that any of the Confidential Information of the Disclosing Party has been used or disclosed in violation of this Arrangement Letter.

Notwithstanding the foregoing, in the event that the Receiving Party becomes legally compelled to disclose any of the Confidential Information of the Disclosing Party, or as may be required by applicable regulations or professional standards, the Receiving Party will use commercially reasonable efforts to provide the Disclosing Party with notice prior to disclosure, to the extent permitted by law.

Preexisting Nondisclosure Agreements

In the event that the parties have executed a separate nondisclosure agreement and such agreement does not automatically terminate or expire upon execution of this Arrangement Letter, such agreement shall be terminated as of the effective date of this Arrangement Letter.

Data Protection Compliance

Prior to disclosing to us or our Subcontractors or granting us or our Subcontractors with access to your data, you will identify in writing any personal, technical, or other data provided or made accessible to us or our Subcontractors pursuant to this Arrangement Letter that may be subject to heightened protections under applicable statutes, regulations, governmental directives or guidance documents, or other legally binding standards relating to privacy, cybersecurity, export controls, controlled unclassified information, and/or data protection, and will ensure compliance with all such requirements. This includes, but is not limited to, protected health information pursuant to the Health Information Portability and Accountability Act of 1996 (HIPAA), classified or controlled unclassified information subject to the National Industrial Security Program Operating Manual (NISPOM) (which classified information shall not be provided to BPW unless appropriate security clearances have been obtained prior to any such access), marked or unmarked controlled unclassified information (CUI) (subject to any provisions of the NISPOM, the Federal Acquisition

Regulation (FAR) or any FAR supplement, DoD Instruction 5200.48, requirements of the National Archives and Records Administration, or those of the General Services Administration or any other federal government agency), unclassified nuclear technology pursuant to 10 C.F.R. Parts 110 and 810, and exports controlled by the NISPOM, or the Defense Federal Acquisition Regulation Supplement (DFARS), data, information, or items subject to the Export Administration Regulations (EAR), or International Traffic in Arms Regulations (ITAR) controlled data. Unless otherwise expressly agreed upon and specified in writing by BPW and the Plan, you shall not disclose to our Subcontractors, or provide any Subcontractors access to, such data, information, and items, and you shall be responsible for the handling of all such data, information, and items in connection with the performance of the services requested hereunder, including, but not limited to, the scrubbing, de-identification, de-aggregation, protection, encryption, transfer, movement, input, storage, migration, deletion, copying, processing, and modification of such data.

BPW and the Plan acknowledge and agree that they may correspond or convey information and documentation, including Confidential Information and Personal Information, via various forms of electronic transmission, including, but not limited to, Third-Party Products, such as, email, FTP and cloud-based sharing and hosting applications (e.g., portals, data analytics tools, and helpdesk and support ticketing applications), and that neither party has control over the performance, operation, reliability, availability, or security of these electronic transmissions methods. Therefore, neither party will be liable for any loss, damage, expense, harm, disclosure or inconvenience resulting from the loss, delay, interception, corruption, unauthorized disclosure, or alteration of any electronic transmission where the party has used commercially reasonable efforts to protect such information. We offer our clients various platforms for the exchange of information. You hereby agree that you shall be bound by and comply with any and all user terms and conditions made available (whether by link, click-through, or otherwise) with respect to such platforms.

Personal Information

As used herein, the term “Personal Information” means any personal information that directly or indirectly identifies a natural person as may be defined by applicable privacy, data protection or cybersecurity laws, that directly or indirectly identifies a natural person.

Each party agrees to transmit Personal Information consistent with applicable laws and any other obligations the respective party may have. We are permitted to use all such Personal Information to perform our obligations and exercise our rights under this Arrangement Letter.

You represent and warrant that you have provided all notices and obtained all consents required under applicable data protection laws prior to your collection, use and disclosure to us or our Subcontractors of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

To the extent the California Consumer Privacy Act and California Privacy Rights Act, including as amended or replaced, and the associated regulations (CCPA), are applicable, BPW is a "Service Provider" for the Plan as such term is defined by the CCPA. Limited to the applicability of this paragraph, the terms "Personal Information" (or "PI") and "Consumer" shall have the same meaning as such terms are defined by the CCPA. The Plan may disclose PI to our Subcontractors solely for: (i) a valid and specific business purpose as specified in this Arrangement Letter; and (ii) to perform the services in this Arrangement Letter. For any PI disclosed to BPW by the Plan, or obtained or accessible by an BPW Subcontractor on the Plan's behalf under this Arrangement Letter, we will not (i) "sell" or "share" the PI (as those terms are defined by the CCPA); (ii) retain, use, or disclose PI for any purpose other than for the specific business purpose as specified in this Arrangement Letter; or (iii) retain, use, or disclose the information outside of the direct business relationship between the parties unless to another service provider as a subcontractor, where the subcontractor meets the requirements for a "Service Provider" under the CCPA. At your written request, and at your cost, we shall reasonably assist you in addressing your obligations under the CCPA with regard to privacy rights requests related to your PI held by us, directly resulting from our business relationship with you. We reserve the right to decline such a request where, as determined in our sole discretion, the request for our assistance could violate or impair a Consumer's (as that term is defined by the CCPA) rights under the CCPA or another applicable law or regulation, or professional and/or ethical obligation. We certify that we understand and will comply with the requirements enumerated in (i), (ii), and (iii) above.

Retention of Records

It is our policy to keep records related to this engagement for seven years. However, BPW does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the seven-year period BPW shall be free to destroy our records related to this engagement.

Termination

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Arrangement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.

In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.

We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Arrangement Letter where our services are delayed more than 120 days; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Arrangement Letter.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, BPW may, at its sole discretion, terminate this arrangement letter without further obligation to the District. Resumption of review work following termination may be subject to our client acceptance procedures and, if resumed, will necessitate additional procedures not contemplated in this arrangement letter. Accordingly, the scope, timing and fee arrangement discussed in this arrangement letter will no longer apply. In order for BPW to recommence work, a new arrangement letter would need to be mutually agreed upon and executed.

We may terminate this Arrangement Letter upon written notice if: (i) we determine that our continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or our client acceptance or retention standards; or (ii) you are placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, you or any of your affiliates is placed on a verified sanctioned person list, in each case, including, but not limited to, lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union, or any other relevant sanctioning authority.

The parties agree that those provisions of this Arrangement Letter which, by their context, are intended to survive, including, but not limited to, payment, limitations on liability, claim resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Arrangement Letter.

Miscellaneous

The District agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the District agrees to contact us before it includes our reports, or otherwise makes reference to us, in any public or private securities offering. Our association with an official statement is a matter for which separate arrangements may be necessary. The District agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed.

We agree that our association with any proposed offering is not necessary, providing the District agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The District agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

Bartlett, Pringle & Wolf, LLP, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Bartlett, Pringle & Wolf, LLP also has not performed any procedures relating to this official statement.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, you agrees to compensate us for any additional costs incurred as a result of you employment of one of our partners, principals or employees.

Entire Agreement

This Arrangement Letter constitutes the complete and exclusive statement of agreement between BPW and the District, and supersedes all prior agreements, understandings, and proposals, whether oral or written, relating to the subject matter of this Arrangement Letter.

If any term or provision of this Arrangement Letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

This Arrangement Letter may be amended or modified only by a written instrument executed by both parties.

Electronic Signatures and Counterparts

This Arrangement Letter may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which taken together will constitute one and the same instrument. Each party agrees that any electronic signature of a party to this Arrangement Letter or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect as a manual signature.

Acknowledgement and Acceptance

Each party acknowledges that it has read and agrees to all of the terms and conditions contained herein. Each party and its signatory below represents that said signatory is a duly authorized representative of such party and has the requisite power and authority to bind such party to the undertakings and obligations contained herein.

Very truly yours,

BARTLETT, PRINGLE & WOLF, LLP
Certified Public Accountants and Consultants

John Britton

John Britton
Managing Partner

JJB/jf

Approved:

____
Signature

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 – 4D

DATE: September 9, 2026

TO: Board of Directors

FROM: John Weigold, General Manager

SUBJECT: Retroactive Meeting Stipend Authorization

RECOMMENDATION

It is recommended that the Board retroactively authorize a meeting stipend for Director Johnson's attendance at the August 12, 2026 Regular Board Meeting.

BACKGROUND

Per the District's new Policy and Procedure Manual Section 2105.1 "…to be counted as present for stipend purposes, Directors must be present for the duration of the meeting unless excused for good cause…"

Director Johnson departed before the conclusion of the August 12, 2026 Regular Board Meeting. These policies and procedures have recently been implemented, and a proposal to modify this policy is on this meeting's agenda for consideration. Therefore, staff is presenting this matter for retroactive approval to process Director Johnson's stipend.

Sections 2105.1.1 and 2105.2 outline the standards for what constitutes an excused absence for good cause, and specify the procedures for communicating these issues and to whom they should be reported.

FISCAL IMPACT

Authorization of this retroactive meeting stipend is $254.

ATTACHMENTS: None

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MONTECITO SANITARY DISTRICT

STAFF REPORT – 5

DATE: September 9, 2026

TO: Board of Directors

FROM: John Weigold, General Manager

SUBJECT: General Manager Report

The District continues its mission of providing wastewater collection and treatment services. In addition to the daily operations of the District, the following is an update on some of our current ongoing projects and activities.

A. California State Appropriations Request
As a direct result of ongoing legal advocacy efforts and the August 10, 2026 staff visit from State Senator and Senate Pro Temp Limon and Assemblyman Hart, facilitated by Rojas Public Affairs, Senator Limon is submitting a $1 million appropriation for the District in the upcoming budget for the District's Channel Drive sewer line replacement project.

B. Montecito Cristo Lane Paving Project Update
Staff is missing just one of two signatures for one of the ten Monte Cristo Lane properties on the cost-sharing agreement. Based on advice from counsel, Staff plans to proceed with engineering and design work for the road paving project.

C. Westmont College Plant Tour
An annual visit from Westmont College is scheduled to tour the wastewater treatment plant on October 8, 2026.

D. Conference Refunds/Credits
Staff has facilitated refunds or credits for three recent conference attendee cancellations at both the CASA and CSDA conferences.

E. Outfall Inspection and Repairs Update - Aeration Basin Emptied

Staff emptied one of our two 750,000-gallon aeration basins on Tuesday, September 1, 2026. This is in preparation to reroute all effluent to the emptied tank to facilitate spot repairs and the outfall inspection in the coming weeks.

F. Strategic Plan Update

Staff completed the draft work plan and associated tracker with assistance from Jacob Green Associates on August 28, 2026. Staff will review the work plan with the Board at an upcoming meeting.

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MONTECITO SANITARY DISTRICT

STAFF REPORT – 6A

DATE: September 9, 2026

TO: Board of Directors

FROM: Taylor Anderson, Assistant General Counsel

SUBJECT: Presentation on Election Season Rules for Directors and Employees

RECOMMENDATION
Receive and file the presentation on Election Season Rules for Directors and Employees.

BACKGROUND
With the upcoming election cycle, our office is presenting an informational overview of the rules governing the use of public resources, communications, and conduct of directors and employees during election season. This item is intended to help directors and staff understand applicable restrictions and avoid inadvertent violations.

PUBLIC NOTICING
Per the Brown Act, this agenda item was noticed at least 72 hours in advance.

FISCAL IMPACT
N/A

ATTACHMENTS:
None.

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MONTECITO SANITARY DISTRICT

STAFF REPORT – 6B

DATE: September 9, 2026

TO: Board of Directors

FROM: Taylor Anderson, Assistant General Counsel

SUBJECT: Proposed Amendments to the Board's Policies and Procedures

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RECOMMENDATION

It is recommended that the Board consider and adopt the proposed amendments to Board Policies 2105 (Attendance at Meetings), 2140 (Training, Education, and Conferences), 2200.1 (Regular Meetings), 2200.5 (Annual Organizational Meeting), 2205.1 (Standing Committees), and 2210.3 and 2210.4 (Board Actions and Decisions).

BACKGROUND

At the request of President Rockenbach, these amendments are presented for the Board's consideration:

- **Policy 2105 (Attendance at Meetings) –** Amends expectations regarding attendance at regular, special, and committee meetings, including: required advance notice of an absence; attendance is required for at least 50% of a meeting to receive a stipend, which may be waived by the Board subject to a process; and removes the good cause and excused absence requirements.

- **Policy 2140 (Training, Education, and Conferences) –** Amends reimbursement requirements for conference registration, lodging, transportation, mileage, meals, and related expenses to provide limitations on when the District may reimburse. It also adds that Directors are responsible for nonrefundable costs if they are unable to attend an event, which may be waived by the Board subject to a process.

- **Policy 2200.1 (Regular Meetings) & Policy 2200.5 (Annual Organizational Meeting) –** Amended to require the regular meeting schedule be set at the annual organizational meeting instead of in the Policies and Procedures.

- **Policy 2205.1 (Standing Committees)** - Requires the Board to appoint members of standing committees instead of the President.

- **Policy 2210.3 and 2210.4 (Board Actions and Decisions) –** Removes restrictions on abstentions. Under the proposed revisions, Directors may abstain for any reason.

PUBLIC NOTICING
Per the Brown Act, this agenda item was noticed at least 72 hours in advance.

FISCAL IMPACT
N/A

ATTACHMENTS:

Attachment A.	Redline of Proposed Amendments to Policies 2105, 2140, 2200.1, 2200.5, 2205.1, 2210.3, and 2210.4
Attachment B.	Clean Copy of Proposed Amendments to Policies 2105, 2140, 2200.1, 2200.5, 2205.1, 2210.3, and 2210.4

ATTACHMENT A

Redline Proposed Amendments

Policies 2105, 2140, 2200.1, 2200.5, 2205.1, 2210.3, 2210.4

Policy 2105 Attendance at Meetings

2105.1 The Board of Directors are expected to ~~and shall~~ attend all regular and special meetings of the Board, including any committees ~~unless there is good cause for absence~~. Directors are expected to attend in person unless otherwise permitted by law. Persistent or unexplained absences may impair the functioning of the District and, where applicable, may constitute grounds for declaring a vacancy as noted in section 2100.4. —A Director who will be absent for all or part of a meeting may notify the President and/or General Manager by electronic transmission (such as email), telephone communication, or letter prior to the meeting, and shall include the basis for the absence.

~~2105.1~~2105.2 To be counted as present for stipend purposes, a Director~~s~~ must be present for at least 50% of the duration of the meeting~~the duration of the meeting unless excused for good cause~~. A Director who is present for any portion of the meeting shall be recorded in the minutes as present for the portion attended, and all votes cast while present remain valid. The Board may, in its sole discretion, waive this reimbursement requirement. Any request for waiver shall be submitted in writing to the President and the General Manager by the Director requesting the waiver for Board consideration.

> ~~2105.1.1 Good cause for absence, including late arrivals or early departures, includes temporary illness or other unavoidable circumstances of which the President of the Board is notified prior to the meeting. Good cause also includes authorized meeting absences including, but not limited to, attendance at a conference directly related to the functions and interests of the District or at the meeting of another public agency to participate in an official capacity.~~
>
> ~~2105.1.2 A Director who will be absent for good cause may notify the President by electronic transmission (such as email), telephone communication, or letter. The President shall notify the General Manager and the Board of all absences that are excused for good cause prior to the meeting. The minutes shall indicate whether an absence was excused.~~

~~2105.2~~~~2105.1~~~~Persistent or unexplained absences may impair the functioning of the District and, where applicable, may constitute grounds for declaring a vacancy as noted in section 2100.4.~~

Policy 2140 Training, Education and Conferences

2140.1 Directors are encouraged to attend educational conferences, seminars, trainings, and professional meetings when the purpose of any such activity is beneficial to the District.

2140.2 It is the policy of the District to encourage Board development and excellence of performance by reimbursing actual expenses incurred for tuition, travel, lodging and meals as a result of training, educational courses, participation with professional organizations, and attendance at local, state and national conferences associated with the interests of the District.

2140.2.1 Directors shall be reimbursed for conference tuition and registration expenses, and for reasonable per diem expenses. Reasonable per diem expenses, when appropriate, shall include meals, lodging, and travel and shall be subject to these limitations:~~.~~

a) Lodging reimbursement. Lodging expenses shall be reimbursed at the rate charged by the lodging designated by the event's organizing entity, except as provided by this subsection.

i. If the room block at the designated lodging is full, the Director shall book the lowest rate then available at that lodging, and reimbursement shall not exceed that rate.

ii. If no rooms are available at the designated lodging, the Director shall book lodging at a comparable lodging in the vicinity of the event at the lowest reasonably available rate, and reimbursement shall not exceed that rate.

iii. If the Director elects to stay at a different lodging when rooms remain available at the event's designated lodging, reimbursement shall not exceed the organizer's published rate or, if the room block was full, the lowest rate then available at the designated lodging.

iv. If the organizing entity does not designate specific lodging or a specific rate, lodging shall be reimbursed at Internal Revenue Service rates for reimbursement of lodging as established in Publication 463, or any successor publication. The Board may authorize reimbursement above such Internal Revenue Service rates where lodging at or below the applicable rate is not reasonably available in the vicinity of the event.

b) Transportation.

i. Airfare is reimbursed at coach/economy class rates only.

ii. Ground transportation, including rental vehicles (standard or economy class only), taxi, rideshare, shuttle, parking, and public transit will be reimbursed at reasonable and actual documented cost. Ground transportation costs are presumed reasonable, where they consist of (1) airfare plus taxi, rideshare, or shuttle to and from the airport and lodging, or (2) personal vehicle use reimbursed at the IRS standard mileage rate under subsection (iii). Any request for reimbursement beyond the presumed reasonable ground transportation described herein shall be submitted in writing to the President and/or the General Manager by the Director requesting for consideration by the Board.

iii. Personal vehicle mileage shall be reimbursed at the IRS standard mileage rate in effect on the date of travel. No other personal-vehicle cost (gas, maintenance, wear) is separately reimbursable.

c) Meals shall be reimbursed at Internal Revenue Service rates for meal reimbursement.

d) Reasonable per diem expenses shall not include:

i. ~~a~~Additional costs incurred over the standard rate for upgrades in airfare, transportation, or lodging.

ii. ~~Reasonable per diem expenses shall not include~~ ~~E~~Eexpenses incurred in taking a guest, such as a spouse or child.

~~2140.2.1~~2140.2.2 All expenses for which reimbursement is requested by Directors shall be submitted to the Finance Division Manager, together with validated receipts. All reimbursements shall be made in accordance with applicable State and federal law, including but not limited to Internal Revenue Service Guidelines and District's Expense Reimbursement Policy.

2140.2.3 Attendance by Directors at seminars, workshops, courses, professional organization meetings, and conferences shall be approved by the Board of Directors prior to the District incurring any reimbursable costs.

~~2140.2.2~~2140.2.4 If the District registers a Director for an event and the Director is subsequently unable to attend, the Director shall promptly notify the General Manager. Upon such notice, the General Manager shall cancel the registration, lodging, airfare, or other reservations as applicable, and shall make reasonable attempts to obtain a credit or refund of any related expenses. If, after such attempts, the General Manager is unable to obtain a credit or refund of non-refundable expenses incurred on the Director's behalf, the Director shall be personally liable to reimburse the District for the amount of any non-refundable expenses. The Board may, in its sole discretion, waive this reimbursement requirement. Any request for waiver shall be submitted in writing to the President and the General Manager by the Director requesting the waiver for Board consideration.

2140.3 Upon returning from educational conferences, seminars, trainings, and professional meetings where a stipend is paid and/or expenses are reimbursed by the District, Directors shall either prepare a written or verbal report for presentation at the next regular meeting of the Board. Said report shall detail what was learned at the session(s) that will be of benefit to the District.

Policy 2200 Types of Board Meetings

2200.1 Regular Meetings

Regular meetings of the Board of Directors shall be held ~~on the second and fourth Wednesday of each calendar month at 2 p.m.~~ at the District Office, 1042 Monte Cristo Lane, Santa Barbara, CA 93108. The date, time, and place of regular Board meetings ~~may~~ shall be ~~be reconsidered~~set ~~annually~~ at the annual organizational meeting of the Board by resolution, or such other time as the Board may determine due to a change in District needs and circumstances.

2200.5 Annual Organizational Meeting

The Board of Directors shall hold an annual organizational meeting at its first regular meeting in December. At this meeting the Board shall elect a President, Vice President, Secretary, and Treasurer from among its members to serve during the coming calendar year. The Board shall also set its regular meeting schedule for the calendar year by resolution at this meeting.

Policy 2205 Committees of the Board of Directors

2205.1 Standing Committees

The Board may form standing policy committees to advise the Board regarding certain routine items of business. The Board has two standing committees: the Finance Committee and Operations Committee. The Board ~~President~~ shall appoint ~~and publicly announce~~ the members of the standing committees for the ensuing year no later than the Board's first regular meeting of the calendar year or when Board composition requires a change. Standing committees may be assigned to review District functions, activities, and operations pertaining to their designated concerns, as specified below. Said assignment may be made by the Board President, a majority vote of the Board, or on their own initiative provided the subject falls within the designated concerns of the Committee. Committee assignments may be modified at any time by the Board President or by majority vote of the

Board. Any recommendations from standing committees shall be submitted to the Board via a written or oral report. All meetings of standing committees are subject to the requirements of all applicable open meeting laws, including but not limited to the Brown Act.

Policy 2210 Board Actions and Decisions

2210.3 ~~Abstentions and Failure to Vote~~Any Director that abstains shall not be counted as part of a quorum and shall be considered absent for the purposes of determining the outcome of a vote on the matter.

2210.4 ~~Directors should not abstain from the Board's decision-making responsibilities unless a personal or financial conflict of interest exists under the Political Reform Act or common law. Directors abstaining due to a disqualifying conflict of interest shall not be counted as part of a quorum and shall be considered absent for the purposes of determining the outcome of a vote on the matter.~~ The Board may give directions that are not formal action. Such directions do not require a formal procedural process. Such directions include the Board's directives and instructions to the General Manager.

2210.4.1 The President shall determine by consensus a Board directive and shall state it for clarification. Should any two Directors challenge the statement of the President, a voice vote may be requested.

2210.4.2 A formal motion may be made to place a disputed directive on a future agenda for Board consideration, or to take some other action (such as refer the matter to the General Manager for review and recommendation, etc.).

2210.4.3 Informal action by the Board is still Board action and shall only occur regarding matters that appear on the agenda for the Board meeting during which said informal action is taken.

2210.4.4 Nothing in this policy prevents the Board from providing direction to the General Manager in response to public comments or under Director or General Manager comments, as allowed under the Brown Act. No vote or action shall be taken

ATTACHMENT B

Clean Copy Proposed Amendments

Policies 2105, 2140, 2200.1, 2200.5, 2205.1, 2210.3, 2210.4

Policy 2105 Attendance at Meetings

2105.1 The Board of Directors are expected to attend all regular and special meetings of the Board, including any committees. Directors are expected to attend in person unless otherwise permitted by law. Persistent or unexplained absences may impair the functioning of the District and, where applicable, may constitute grounds for declaring a vacancy as noted in section 2100.4. A Director who will be absent for all or part of a meeting may notify the President and/or General Manager by electronic transmission (such as email), telephone communication, or letter prior to the meeting, and shall include the basis for the absence.

2105.2 To be counted as present for stipend purposes, a Director must be present for at least 50% of the duration of the meeting. A Director who is present for any portion of the meeting shall be recorded in the minutes as present for the portion attended, and all votes cast while present remain valid. The Board may, in its sole discretion, waive this reimbursement requirement. Any request for waiver shall be submitted in writing to the President and the General Manager by the Director requesting the waiver for Board consideration.

Policy 2140 Training, Education and Conferences

2140.1 Directors are encouraged to attend educational conferences, seminars, trainings, and professional meetings when the purpose of any such activity is beneficial to the District.

2140.2 It is the policy of the District to encourage Board development and excellence of performance by reimbursing actual expenses incurred for tuition, travel, lodging and meals as a result of training, educational courses, participation with professional organizations, and attendance at local, state and national conferences associated with the interests of the District.

> 2140.2.1 Directors shall be reimbursed for conference tuition and registration expenses, and for reasonable per diem expenses. Reasonable per diem expenses, when appropriate, shall include meals, lodging, and travel and shall be subject to these limitations:

a) Lodging reimbursement. Lodging expenses shall be reimbursed at the rate charged by the lodging designated by the event's organizing entity, except as provided by this subsection.

   i. If the room block at the designated lodging is full, the Director shall book the lowest rate then available at that lodging, and reimbursement shall not exceed that rate.

   ii. If no rooms are available at the designated lodging, the Director shall book lodging at a comparable lodging in the vicinity of the event at the lowest reasonably available rate, and reimbursement shall not exceed that rate.

   iii. If the Director elects to stay at a different lodging when rooms remain available at the event's designated lodging, reimbursement shall not exceed the organizer's published rate or, if the room block was full, the lowest rate then available at the designated lodging.

   iv. If the organizing entity does not designate specific lodging or a specific rate, lodging shall be reimbursed at Internal Revenue Service rates for reimbursement of lodging as established in Publication 463, or any successor publication. The Board may authorize reimbursement above such Internal Revenue Service rates where lodging at or below the applicable rate is not reasonably available in the vicinity of the event.

b) Transportation.

   i. Airfare is reimbursed at coach/economy class rates only.

   ii. Ground transportation, including rental vehicles (standard or economy class only), taxi, rideshare, shuttle, parking, and public transit will be reimbursed at reasonable and actual documented cost. Ground transportation costs are presumed reasonable, where they consist of (1) airfare plus taxi, rideshare, or shuttle to and from the airport and lodging, or (2) personal vehicle use reimbursed at the IRS standard mileage rate under subsection (iii). Any request for reimbursement beyond the presumed reasonable ground transportation described herein shall be submitted in writing to the President and/or the General Manager by the Director requesting for consideration by the Board.

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c) Meals shall be reimbursed at Internal Revenue Service rates for meal reimbursement.

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Montecito Sanitary District
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A Public Service Agency
Phone: (805) 969-4200
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MONTECITO SANITARY DISTRICT

STAFF REPORT – 7C

DATE: August 12, 2026

TO: Board of Directors

FROM: John Weigold, General Manager

SUBJECT: Collection System – Inflow and Infiltration (I&I)

RECOMMENDATION
It is recommended that the Board discuss policy regarding inflow and infiltration (I&I).

DISCUSSION
Director Barrett asked for this item to be placed on the agenda.

Inflow is surface water that enters the sewer system directly during heavy rain or storms.

- **Sources:** Roof downspouts, sump pumps, foundation drains, yard drains, and holes in manhole covers.
- **Timing:** It happens fast, usually during or right after a rainstorm.
- **Problem:** It floods the system all at once and can cause sewage backups.

Infiltration is groundwater that seeps into underground sewer pipes slowly over time.

- **Sources:** Cracks in old pipes, broken pipe joints, and damaged manhole walls.
- **Timing:** It happens after heavy soil saturation or when groundwater levels are high.
- **Problem:** It adds constant extra water to the underground network.

Why I&I is a Problem

- **High Costs:** Treatment plants waste money treating clean water that does not need cleaning.
- **Overloaded Systems:** Too much water overwhelms the pipes and treatment capacity.
- **Sewage Spills:** Excess water forces raw sewage out of manholes and into streets, lakes, and rivers.

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I&I is a strategic plan priority for the District to limit additional flow into the District's wastewater collection system, and ultimately, into the wastewater treatment system. Treating additional flow results in additional treatment costs, primarily in additional electricity and chemicals. I&I also dilutes the chemistry of the wastewater treatment process, rendering the treatment process less efficient.

The District has completed the Collection System Master Plan, which includes a dedicated technical memorandum that specifically addresses I&I. Staff will present those findings at an upcoming Board meeting.

District Staff released an RFP for sewer flow monitoring and I&I detection monitoring in mid-August to address I&I issues – this is the next step (in a multi-step process) toward identifying source and causes of I&I. We expect to receive responses to the RFP this week, and depending on the cost amount, Staff may bring the recommended selection to the Board for approval at the next Board meeting. These efforts will assist the District in identifying areas where I&I is prevalent during the coming wet season. This monitoring program must be done during the wet season to provide useful location data. That data can then be used for pinpointing exact locations via smoke testing and further monitoring and inspections.

FISCAL IMPACT
I&I is a FY2026-2027 budget CIP project and is budgeted for $500,000.

ATTACHMENTS: None