

LA CUMBRE MUTUAL WATER COMPANY
BOARD OF DIRECTORS MEETING
JANUARY 29, 2020
MINUTES

The meeting was called to order at 1:00 pm by President Alex Rodriguez

Present: Directors, Alex Rodriguez, Marc Russo, Doug Campbell, Jane Lodal and Bob Uradniecek. Also present, General Manager Mike Alvarado, Administrative Manager Jeff Dameron and Office Manager Maria Armijo

Absent: None

Public comment: None

Approval of agenda

After a review of the agenda, it was moved by Mr. Uradniecek, seconded by Mr. Russo to approve the agenda as modified. Motion carried.

Approval of the regular Board meeting minutes of December 17, 2019

After review of the regular Board meeting minutes of December 17, 2019 it was moved by Mr. Uradniecek, seconded by Mr. Russo to approve the minutes as modified. Motion carried.

Finance report

Mr. Dameron reviewed the finance report with the Board.

It was moved by Mr. Campbell seconded by Mr. Uradniecek to receive and file the finance report. Motion carried.

Water production report

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

No motion to receive and file the water production report was made.

Review of uncaptured revenue on real property

Mr. Russo explained to the Board that the Modoc Riding Ring I and II properties are costing approximately \$2200 a year in property taxes and the yearly leases for both properties are only \$1/year each. Currently Modoc Riding Ring II is being sublet without the written authorization of LCMWC (La Cumbre Mutual Water) which is in violation of the lease agreement. The Modoc Riding Ring I cannot be sublet at all according to the terms of the lease. Currently LCMWC has not received a current liability insurance certificate from HRRTA (Hope Ranch Riding and Trails Association). Mr. Russo feels that the yearly lease amounts should be raised to at least cover the yearly property taxes LCMWC pays.

LCMWC owns the property on Las Palmas Drive which is approximately 6 acres with about 1.5 acres of usable space. Currently the property is being occupied as HR's (Hope Ranch) maintenance shop rent free. In return for no rent, HR pays the property taxes for the lot and the utilities. HR does not bill LCMWC for the annual dues. Part of the lot is being taken up by piles of dirt, wood chips, gravel, and other materials as well as broken down machinery and a car up on jacks. Mr. Russo feels that a portion can be used to house LCMWC's vehicles and/or machinery as the Water company needs more space.

After further discussion, the Board agreed to have Mr. Russo meet with the finance committee regarding the lease amounts for the Modoc Riding Rings I and II as well as for the HR maintenance shop. It was also agreed upon to have Mr. Alvarado contact HRRTA to request a current liability insurance certificate for both riding rings and to have the person subletting removed as he/she is subletting without the approval of LCMWC.

Water supply negotiations

At the previous board meeting, Mr. Alvarado informed the board that the remaining State water allocation of 228AF is not enough to get through 2020 and looked into entering into an agreement for 600AF from Mojave water at a 4:1 water exchange at a cost of approximately \$256K. Mr. Alvarado also met with Goleta Water District and the City of Santa Barbara. Goleta Water at this time is not willing to help LCMWC and possibly would in case of an emergency. The City of Santa Barbara is willing to enter into a one-time agreement for desal water of up to 500AF at a cost of \$2400/AF.

Mr. Alvarado explained to the board that although Mojave State Water is less expensive than the City, he feels the desal water is a more reliable source because the City does not have any type of constraints or mechanical issues as seen with the State Water such as the snow pack level, the Tecolote tunnel collapsing, constraints with the pipe line from the Santa Ynez river to Cachuma Lake and issues with the water levees.

After further discussion, the Board agreed with moving forward with the Mojave water agreement and for Mr. Alvarado to meet again with the City of Santa Barbara about the possibility of lowering the amount of water. The Board will meet again in approximately two weeks to make a final decision.

Santa Barbara County suspended water

In 1963 the Santa Barbara County Flood Control and Water Conservation District and the Department of Water Resources executed a Water Supply Contract for delivery of up to 57,700 acre-feet per year of Table A water from the State Water project to Santa Barbara County. In 1981 the County of Santa Barbara and DWR executed an amendment to the Contract (Amendment No. 9) that reduce the County's table A amount from 57,700 AFY to 45,486 AFY suspending delivery of 12,214 AFY (suspended Table A). CCWA Board of Directors has approved and directed staff to move forward with the suspended water pending Santa Barbara County Board of Supervisor's approval.

At this time the cost for the water is unknown and an upfront administration cost is required to secure this water. La Cumbre Water Company staff will have more information as this unfolds.

Americas Water Infrastructure act of 2018

Mr. Alvarado informed the board the Americas Water Infrastructure act of 2018 requires community water systems that serve more than three thousand people to complete a risk and resilience assessment and develop an emergency response plan. The plan must be completed by June 30, 2021.

Well #10A project

Mr. Alvarado reported the Well #10A project is moving forward and is approximately ten percent complete.

There being no further business, the meeting was adjourned at 3:37 pm.

Next meetings: February 10, 2020 at 1:00 pm at La Cumbre Water
March 24, 2020 at 1:00 pm at La Cumbre Country Club

Maria Armijo
Office Manager