

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, IMPROVEMENT DISTRICT NO. 1
FINANCING CORPORATION
DECEMBER 15, 2020 ANNUAL MEETING MINUTES

DIRECTORS PRESENT: Michael Burchardi Jeff Clay
 Jeff Holzer Brad Joos
 Lori Parker

DIRECTORS ABSENT: None

OTHERS PRESENT: Mary Martone Paeter Garcia
 Eric Tambini Gary Kvistad
 Karen King

1. CALL TO ORDER AND ROLL CALL:

Director Clay called the meeting to order at 2:34 p.m. and stated this was the Annual Meeting of the Board of Directors. Ms. Martone conducted roll call and reported that all Directors were present. President Clay welcomed Mr. Jeff Holzer to the Board.

2. REPORT BY THE SECRETARY TO THE BOARD REGARDING COMPLIANCE WITH THE REQUIREMENTS FOR POSTING OF THE NOTICE AND AGENDA:

Ms. Martone presented the affidavit of posting of the agenda, along with a true copy of the agenda for the meeting. She reported that the agenda was posted in compliance with the law. The affidavit is filed as evidence of the posting of the agenda items contained therein. Ms. Martone added that as a result of the COVID-19 emergency and Governor Newsom's Executive Orders to protect public health by limiting public gatherings and requiring social distancing, this Board meeting would occur solely via video/teleconference as authorized by and in furtherance of Executive Order Nos. N-29-20 and N-33-20 and applicable amendments to the California Brown Act as set forth in those Executive Orders.

3. CONSIDERATION OF THE MINUTES OF THE ANNUAL MEETING OF DECEMBER 12, 2019:

The Minutes of the Annual Meeting of December 12, 2019 were presented for consideration. Director Clay asked if there were any changes or additions to the minutes of December 12, 2019. There were no additions or corrections requested.

It was **MOVED** by Director Joos, seconded by Director Parker, and carried by a unanimous 5-0-0 roll call vote, to approve the December 12, 2019 Annual Meeting Minutes as presented.

4. ADDITIONS OR CORRECTIONS, IF ANY TO THE AGENDA:

Mr. Garcia stated there were no additions or corrections to the Agenda.

5. PUBLIC COMMENT:

Director Clay welcomed any members of the public participating via video or telephonically and offered time for members of the public to speak and address the Board of Directors on matters not on the agenda.

There were no comments received from the public.

Mr. Garcia stated that the Notice and Agenda for this Annual Meeting of the Board of Directors requested member of the public to submit advance written comments to the District via electronic mail by 5:00 p.m. on Monday, December 14, 2020. Mr. Garcia reported that no written comments were submitted to the District for this meeting.

6. **MANAGER'S REPORT – STATUS, DISCUSSION, AND POSSIBLE ACTION ON THE FOLLOWING SUBJECTS:**

1. Annual Report – Verbal Report by the General Manager

Mr. Garcia reported this was the Annual Meeting of the Financing Corporation. He stated that the Financing Corporation was established in 2016 for the purpose of contracting for Revenue Certificates of Participation (Bonds) to finance the construction and implementation of a water treatment plant that would be required to comply with a Maximum Contaminant Level (MCL) of 10 parts per billion (ppb) for Chromium 6 that had been adopted by the State Water Resources Control Board. He explained that the MCL was later invalidated by a state court decision for failing to adequately consider the economic feasibility of the 10 ppb standard. Mr. Garcia explained that the Financing Corporation has remained active since 2016, although as part of its 2019 Annual Meeting the Board of Directors discussed the pros and cons of maintaining the Financing Corporation and directed staff to begin preparing the required documentation to dissolve the Corporation on the basis that the need to finance and construct a Chromium 6 treatment facility was not foreseeable in the immediate future.

Mr. Garcia then reported that the State Board recently held a public workshop on December 8, 2020 and announced that they are proposing to submit a new proposed MCL for Chromium 6 by the spring of 2021, which could be implemented as early as 2022. He explained that the process of developing and adopting a new MCL will take some time and currently there is no certainty as to when actual compliance with a new MCL may be required; however, in light of this new information and the amount of staff time that will be involved in having to dissolve and then re-establish the Financing Corporation, Mr. Garcia noted that the Board may wish to consider keeping the Financing Corporation active.

Ms. Martone reported on other activities that took place during the preceding year related to the Financing Corporation. She indicated that in mid-September, staff applied for tax-exempt status with the State of California, and that our 60-page application would likely take 180-200 days to process at the state level. Ms. Martone reported that there have been no financial transactions or commitments made by the Financing Corporation during the year. She explained that staff has also filed the required Annual Statement document to the Internal Revenue Service for the year.

2. Update on Status of Dissolution of Financing Corporation

Mr. Garcia stated that the Board did not take formal action to dissolve the Financing Corporation at the 2019 Annual meeting, and therefore it remains active until further action is taken by the Board.

The Board discussed the pros and cons of maintaining active status. The consensus of the Board was to stay the course with pursuing tax-exempt status with the State and not to dissolve the Financing Corporation at this time based on the State's recent proposal to adopt a new Chromium 6 MCL in the near future.

7. ADJOURNMENT

There being no further business, the meeting was adjourned at 2:55 p.m.

**THE DECEMBER 15, 2020 ANNUAL MEETING MINUTES WERE APPROVED AT THE
DECEMBER 21, 2021 ANNUAL MEETING.**