

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO.1
NOVEMBER 15, 2022 REGULAR MEETING MINUTES**

A Regular Meeting of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1, was held at 3:00 p.m. on Tuesday, November 15, 2022, in-person at 1070 Faraday Street and via teleconference.

Trustees Present: Jeff Clay Michael Burchardi
 Brad Joos Lori Parker

Trustees Absent: Jeff Holzer

Others Present: Paeter Garcia Mary Martone
 Gary Kvistad Karen King

1. CALL TO ORDER AND ROLL CALL:

President Clay called the meeting to order at 3:00 p.m., he stated that this was a Regular Meeting of the Board of Trustees. Ms. Martone conducted roll call and reported that four Trustees were present, and Trustee Holzer was absent.

2. PLEDGE OF ALLEGIANCE:

President Clay led the Pledge of Allegiance.

3. 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 this meeting. She reported that the Agenda was posted in accordance with the California Government Code commencing at Section 54953, as well as District Resolution No. 340. The affidavit was filed as evidence of the posting of the Agenda items contained therein.

4. CONSIDERATION OF RESOLUTION NO. 827: A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Authorizing Remote Teleconference Meetings Under the Ralph M. Brown Act in Accordance with AB 361

Mr. Garcia presented Resolution No. 827 and explained that pursuant to amendments to the Brown Act (Assembly Bill 361), public agencies are authorized to conduct remote meetings via video/teleconference during the COVID-19 pandemic, provided certain conditions exist and findings are made. He stated that in order for the Board to continue to meet under the provisions of AB 361, either remotely or under a hybrid approach of remote and in-person attendance, the Board is required to review and reconsider its determinations at least every 30 days. Mr. Garcia reported that because the State of California remains in a declared state of emergency related to the COVID-19 pandemic and because state and local recommendations remain in place to reduce the transmission of COVID-19, approval of Resolution No. 827 would allow the Board to hold meetings under the provisions of AB 361.

No public comment was provided.

It was **MOVED** by Trustee Joos, seconded by Trustee Parker, to adopt Resolution No. 827, a Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Authorizing Remote Teleconference Meetings Under the Ralph M. Brown Act in Accordance with AB 361.

The Resolution was adopted and carried by the following 4-0-0 roll call vote:

AYES, Trustees:	Michael Burchardi Jeff Clay Brad Joos Lori Parker
NOES, Trustees:	None
ABSTAIN, Trustees:	None
ABSENT, Trustees:	Jeff Holzer

5. **ADDITIONS OR CORRECTIONS, IF ANY, TO THE AGENDA:**

There were no additions or corrections to the Agenda.

6. **PUBLIC COMMENT:**

President Clay welcomed any members of the public participating remotely and offered time for members of the public to speak and address the Board on matters not on the agenda. There was no public comment. Mr. Garcia reported that no written comments were submitted to the District for the meeting.

Mr. Garcia announced that the Board meeting would be the final meeting of Trustee Parker's term and thus the meeting would be conducted in honor of her four years of service and commitment as the Division 3 Trustee. Mr. Garcia provided an outline of Trustee Parker's tenure on the Board and expressed appreciation and gratitude for her many contributions to the District.

7. **CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF OCTOBER 18, 2022:**

The Regular Meeting Minutes from October 18, 2022 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular Meeting Minutes of October 18, 2022. There were no changes or additions requested.

It was **MOVED** by Trustee Joos, seconded by Trustee Burchardi, and carried by a unanimous 4-0-0 voice vote, with Trustee Holzer absent, to approve the October 18, 2022 Minutes as presented.

8. **CONSENT AGENDA:**

The Consent Agenda Report was provided in the Board packet.

Mr. Garcia reviewed the Consent Agenda materials for the month of October.

It was **MOVED** by Trustee Parker, seconded by Trustee Joos, and carried by a unanimous 4-0-0 voice vote, with Trustee Holzer absent, to approve the Consent Agenda as presented.

9. **MANAGER REPORTS - STATUS, DISCUSSION, AND POSSIBLE BOARD ACTION ON THE FOLLOWING SUBJECTS:**

A. DISTRICT ADMINISTRATION

1. Financial Report on Administrative Matters

a) Presentation of Monthly Financial Statements – Revenues and Expenses

Ms. Martone announced that the Financial Statements were emailed to the Board members that morning and posted on the District's website in the Board packet materials for any members of the public wishing to follow along or receive a copy.

Ms. Martone reviewed the Statement of Revenues and Expenses for the month of October. She highlighted various line-items related to revenue and expense transactions that occurred during the month and also referenced the Fiscal-Year-to-Date Statement of Revenues and Expenses that provides a budget to actual snapshot from July through October. Ms. Martone reported that the District revenues for the month of October exceeded the expenses by \$428,919.53 and the year-to-date net income was \$1,925,382.02, which will be earmarked and utilized for the District's annual State Water Project payment which is due in June 2023.

b) Approval of Accounts Payable

Ms. Martone announced that the Warrant List was emailed to the Board members that morning and posted on the District's website in the Board packet materials for any members of the public wishing to follow along or receive a copy.

The Board reviewed the Warrant List which covered warrants 24823 through 24880 in the amount of \$565,877.56.

It was MOVED by Trustee Parker, seconded by Trustee Joos, and carried by a unanimous 4-0-0 voice vote, with Trustee Holzer absent, to approve the Warrant List for October 19, 2022 through November 15, 2022.

2. Operational and Water Service Matters

a) Update on Water Service Applications and Proposed Mainline Extension

The Board packet included a map of a proposed mainline extension for APN 135-330-003.

Mr. Garcia reported on activities related to active water service applications received by the District. He also referred to the Board packet materials which show a proposed mainline extension for a project where the property does not abut an existing water main. Mr. Garcia discussed various components of the project, including the proposed size of the main line, fire department requirements, and existing easements. He reported that staff is currently working with the Applicant and the District's consulting engineer to review details of the proposed mainline extension, and that additional information would be provided as the project progresses.

b) RFP for Zone 3 Reservoir Maintenance.

Mr. Garcia reported that on October 16, 2022 the District issued a Request for Proposals for the Zone 3 Concrete Tank Cleaning and Repair Project. He explained that the Zone 3 reservoir was cleaned and inspected three years ago, and the inspection identified non-structural maintenance activities that were recommended for the facility. Mr. Garcia reported that bids are due by November 29, 2022. He stated that bid results are expected to be presented to the Board at the December meeting for possible action to award a contract.

c) Upcoming Survey Inspection by SWRCB/DDW and Risk Assessment by ACWA JPIA.

Mr. Garcia reported that the District has received notice from two agencies of an upcoming inspection and routine risk assessment for the District. He stated that a representative from the State Water Resources Control Board, Division of Drinking Water, will visit the District on December 7th to perform a tri-annual sanitary survey inspection of the District's facilities. The DDW representative will meet with staff and tour well sites, reservoirs, chlorination stations, and other system locations, and will review the District's cross connection and sampling programs. Mr. Garcia also

reported that a representative from ACWA/JPIA, the District's insurance carrier, will meet with management on December 15th and perform a routine site visit and risk assessment. Topics to be discussed at this meeting include the District's risk transfer, Injury and Illness Prevention Program, arc flash analysis, and Emergency Response Plan. Mr. Garcia stated that these are routine evaluations performed by each agency, which have not been conducted since 2019 due to COVID-19.

Mr. Garcia informed the Board that the District experienced a mainline leak on Highway 246 near the Christian Academy school. He stated that the leak was reported on a Sunday and was caused by tree roots from large trees planted in the public utility right of way. He described the location, the District's response plan, the tree removal process, and field crew efforts to keep temporary water service available and uninterrupted for the school, the adjoining mobile home community, and El Rancho Market, all of which could have been seriously impacted by the leak. He stated that the mainline repair was completed on Tuesday morning and normal service was restored at that time. Mr. Garcia expressed his appreciation and compliments to the District's Superintendent, Supervisor, and field crew for their expertise, teamwork, and a job well done to repair the leak. Mr. Garcia briefly discussed how planting and maintaining trees in the public utility right of way can cause serious problems of this nature and cause unnecessary expense to ratepayers.

10. REPORT, DISCUSSION, AND POSSIBLE BOARD ACTION ON THE FOLLOWING SUBJECTS:

A. SUSTAINABLE GROUNDWATER MANAGEMENT ACT

1. Eastern Management Area (EMA) Update.

a) Current Activities for EMA Groundwater Sustainability Agency

The Board packet included a Notice and Agenda for the November 17, 2022 Regular Meeting of the Groundwater Sustainability Agency for the Eastern Management Area.

Mr. Garcia referred to the Board packet and reviewed the agenda items to be discussed at the November 17, 2022 meeting of the Eastern Management Area Groundwater Sustainability Agency (EMA GSA).

b) Ongoing Negotiations for EMA Joint Powers Authority Agreement

Mr. Garcia reported on the current negotiations related to the EMA Joint Powers Authority Agreement. He reported that staff and legal counsel for the agencies that are members to the EMA GSA (Solvang, ID No.1, the Santa Barbara County Water Agency, and the Parent District) have been hard at work in negotiating terms of the draft Joint Powers Authority (JPA) agreement. That effort temporarily had been delayed while the EMA developed a framework for administering the requirements of Executive Order N-7-22, but discussions were resumed to negotiate the terms of a JPA. By way of background, the EMA agencies agreed to use the Cuyama Basin JPA as a template because it provided a good framework and would focus the governance discussion down to a handful of key issues and policy decisions that would need to be made for the EMA, one of which is the composition of the new GSA/JPA Board of Directors, a matter that previously has been presented to the ID No.1 Board. Mr. Garcia reported that the Santa Ynez Water Group has formally registered as a non-profit organization representing landowners and groundwater producers in the EMA and throughout the Basin, and they have expressed in multiple letters and in presentations during WMA, CMA, and EMA GSA meetings that they want to be more directly involved in the SGMA governance process and they want a seat at the table for important decisions that are being made to implement SGMA. As landowners and

groundwater producers, members of the Santa Ynez Water Group will be directly subject to charges and other economic implications of implementing the EMA Groundwater Sustainability Plan (GSP), thus they are seeking to have a landowner representative appointed as one of the Directors of the JPA. Mr. Garcia stated that he and Trustee Joos previously have been reporting these issues to the ID No.1 Board to determine if the Board has any type of objection to having a landowner Director on the EMA JPA. Hearing no objections from this Board, ID No.1 staff and legal counsel have indicated during the EMA negotiations that ID No.1 is supportive of having a landowner Director on the new JPA Board. Mr. Garcia reported his observation that the other EMA parties are not currently voicing any objection to having a landowner representative on the JPA Board, which appears to be a notable milestone for the new governance structure.

Mr. Garcia noted that another major issue is the voting structure for the new JPA governance in the EMA. The EMA GSA is currently organized under the 2017 Memorandum of Agreement (MOA) which has a weighted voting structure where the County Water Agency and the Parent District have more voting power than ID No.1 or the City of Solvang. ID No.1 believes the purpose of the current MOA structure was to develop and submit the EMA GSP to the State, which has been done. SGMA implementation is an entirely new game and will involve an entirely new set of issues. The MOA expressly states that the parties agree to renegotiate a more comprehensive MOA or a JPA and as part of that process the MOA specifically provides that the parties would renegotiate various issues, including the voting structure. For various reasons, staff and legal counsel for the four parties in the EMA have agreed to pursue a new JPA structure, which among other things insulates the individual agencies from GSA liability. Adding a landowner representative to the JPA Board of Directors brings additional importance to the voting structure. As previously reported to the ID No.1 Board, ID No.1 has water rights that are established in the basin, and given the population that ID No.1 serves, the importance of groundwater to the District's portfolio, and ID No.1's need to provide domestic and other water service to the communities in its service area, ID No.1 representatives believe that a more representational form of voting is appropriate going forward, i.e., that each Director on the new JPA Board should have an equal vote. For similar reasons, ID No.1 representatives believe the City of Solvang should also be interested in having an equal vote. Indeed, the landowner constituency may question whether their Director's vote is meaningful if it is not equal to the vote that others have. Mr. Garcia stated that the perspective of ID No.1 staff is that the current voting structure does not provide an adequate level of representation for what ID No.1 brings to the table and the ID No.1 interests that are at stake in the SGMA process. Notably, the two agencies that currently have the weighted votes have expressed a desire to keep the voting just the way it is. At this point the County Water Agency and the Parent District have expressed unwillingness to transition to a "One Director - One Vote" structure, which is what ID No.1 has repeatedly proposed as the appropriate voting structure for various reasons.

Mr. Garcia reported that ID No.1 remains completely open to any questions or meetings with other parties to keep the discussion moving, and ID No.1 believes that many important policy reasons exist in support of a "One Director - One Vote" structure for the EMA. Unfortunately, staff for one of the agencies with a weighted vote has indicated that they are not willing to discuss the matter any further and that "status quo" should prevail for the voting structure, although no specific reasons have

been provided for why the status quo must be maintained for voting, and no specific concerns have been identified in regard to changing to a “One Director – One Vote” structure.

Mr. Garcia stated that ID No.1 has conducted an initial review of GSAs throughout Santa Barbara County and the State and that review indicates there is no other GSA in California with the magnitude of weighted voting that currently exists for the County and the Parent District in the EMA. While there are some instances where weighted voting exists based on financial contributions or other specific reasons, there are numerous examples throughout the State and within Santa Barbara County where GSAs are governed by a “One Director – One Vote” structure.

Mr. Garcia summarized that many important issues are at stake in the SGMA process that can affect ID No.1 from a management perspective, resource stewardship perspective, sustainability perspective, water rights perspective, population-served perspective, and financial perspective affecting ratepayers. He inquired whether any members of the Board are opposed to ID No.1 staff continuing to promote and advocate for equal representation and a “One Director – One Vote” structure as part of the EMA JPA. No Trustees were opposed to ID No.1 continuing to negotiate for equal governmental representation and equal voting.

Trustee Parker asked whether an agency that has more voting power should have more of the financial liability and overall risk if something goes wrong. Mr. Garcia noted that one of the core purposes of forming a JPA to serve as the EMA GSA is to place the financial liabilities and general risks on the new JPA agency itself, such that none of the participating agencies are individually responsible for costs and liabilities of the GSA. Thus, when the JPA/GSA is formed and adopts its own groundwater pump charge and/or related fees and charges, all groundwater pumpers in the EMA will be paying for ongoing implementation of the GSP and sustainable groundwater management. Because SGMA costs and liabilities will be the responsibility of the JPA/GSA and not the individual agencies, there should be no reason for any of those agencies to have greater voting power on the basis of contributing more money or being subject to more liability than the other agencies. Trustee Parker asked what happens if the parties come to a stalemate. Mr. Garcia explained that there are many important decisions to be made and the consequence of not forming an agreeable JPA could be extraordinary. Without a new governing JPA there is no insulation from liability for the individual agencies, and there is no ability for a JPA to raise its own funds and start equitably imposing a pump charge on all pumpers in the EMA to sustainably manage the basin. ID No.1 has paid a pump charge for many, many years and we continue to pay a charge for groundwater production while other pumpers in the EMA do not pay, which in itself is unsustainable.

Mr. Garcia noted that the parties need to be talking about the real reasons behind a sound voting structure, not just insisting on the status quo for the sake of status quo. He reminded the Board that ID No.1 objected to the weighted voting structure in the MOA when that document was presented to ID No.1 in 2017. As a matter of record, ID No.1 opposed weighted voting and instead proposed a “One Director – One Vote” structure at that time. The parties faced a deadline to finish the original MOA, and to ensure that weighted voting was only a placeholder the MOA expressly states that the voting procedures shall be renegotiated as part of the new governance structure. Now is the time to resolve those issues.

B. AMENDMENT TO RULES & REGULATIONS AND CAPITAL FACILITIES CHARGES

1. Draft Resolution No. XXX: A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement No.1 Approving the Automatic Annual Adjustments to the Capital Facilities Charges and Meter Installation Fees Contained in Attachment of Appendix "C" and Appendix "D" of the District's Rules and Regulations.

The Board packet included a draft Resolution for the automatic annual adjustment to the District's capital facilities charges and meter installation fees pursuant to District Resolution No. 422 and Sections 603 and 709 of the District's Rules and Regulations. The automatic adjustments will take effect on January 1, 2023.

Mr. Garcia explained that the draft Resolution is being provided for advance review by the Board because adjustments to the District's capital facilities charges are implemented through amendments to Appendix "C" and Appendix "D" of the District's Rules and Regulations. He explained that the Board must be provided at least 20-days advance written notice of any proposed amendments or changes to the Rules and Regulations. He stated that no action was required at this time and the draft Resolution would be presented for consideration and action at the December meeting.

11. REPORTS BY THE BOARD MEMBERS OR STAFF, QUESTIONS OF STAFF, STATUS REPORTS, ANNOUNCEMENTS, COMMITTEE REPORTS, AND OTHER MATTERS AND/OR COMMUNICATIONS NOT REQUIRING BOARD ACTION:

The Board packet included the November 2022 Family Farm Alliance Monthly Briefing.

Mr. Garcia reported that the Association of California Water Agencies Fall Conference will be held the week of November 28th in Indian Wells. He stated that he and Trustee Clay will be attending.

12. CORRESPONDENCE: GENERAL MANAGER RECOMMENDS FILING OF VARIOUS ITEMS:

The Correspondence List was received by the Board.

13. REQUESTS FOR ITEMS TO BE INCLUDED ON THE NEXT REGULAR MEETING AGENDA:

There were no requests from the Board.

14. NEXT MEETING OF THE BOARD OF TRUSTEES:

President Clay stated that the next Regular Meeting of the Board of Trustees is scheduled for December 20, 2022 at 3:00 p.m.

15. CLOSED SESSION:

The Board adjourned to closed session at 4:47 p.m.

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

[Subdivision (d)(1) of Section 54956.9 of the Government Code – 2 Cases]

1. Name of Case: Adjudicatory proceedings pending before the State Water Resources Control Board regarding Permit 15878 issued on Application 22423 to the City of Solvang, Petitions for Change, and Related Protests
2. Name of Case: Central Coast Water Authority, et al. v. Santa Barbara County Flood Control and Water Conservation District, et al., Santa Barbara County Superior Court Case No. 21CV02432

16. **RECONVENE INTO OPEN SESSION:**

[Sections 54957.1 and 54957.7 of the Government Code]

The public participation phone line was re-opened, and the Board reconvened to open session at approximately 5:13 p.m.

Mr. Garcia announced that the Board met in closed session concerning Agenda Items 15.A.1 and 15.A.2, and that there was no reportable action from closed session.

17. **ADJOURNMENT:**

Being no further business, it was **MOVED** by Trustee Parker, seconded by Trustee Joos, and carried by a 4-0-0 roll voice vote, with Trustees Holzer absent, to adjourn the meeting at approximately 5:14p.m.

THE NOVEMBER 15, 2022 MINUTES WERE APPROVED AT THE DECEMBER 20, 2022 REGULAR MEETING.