

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
IMPROVEMENT DISTRICT NO. 1
NOVEMBER 19, 2019 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 19, 2019** in the Conference Room at 1070 Faraday Street, Santa Ynez.

Trustees Present: Harlan Burchardi Michael Burchardi
 Jeff Clay Brad Joos
 Lori Parker

Trustees Absent: None

Others Present: Chris Dahlstrom Paeter Garcia Mary Martone
 Karen King Gary Kvistad John Britton
 Alex Handlers Lee Rosenberg Fred Kovol
 Frances Komoroske Kevin Crossley Debra Thorsen

I. CALL TO ORDER AND ROLL CALL:

President Clay called the meeting to order at 3:00 p.m., he stated this was a Regular Meeting of the Board of Trustees. Ms. Martone reported all members of the Board were present.

II. PLEDGE OF ALLEGIANCE:

President Clay led the Pledge of Allegiance.

III. REPORT BY THE SECRETARY TO THE BOARD REGARDING COMPLIANCE WITH THE REQUIREMENTS FOR POSTING OF THE 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 54950 and pursuant to Resolution No. 340 of the District. The affidavit was filed as evidence of the posting of the agenda items contained therein.

IV. PUBLIC COMMENT:

Mr. Lee Rosenberg, Ms. Frances Komoroske and Mr. Fred Kovol provided comments to the Board.

V. CONSIDERATION OF THE MINUTES OF THE SPECIAL MEETING OF OCTOBER 17, 2019:

The Minutes of the Special meeting of October 17, 2019 were included in the Board packet.

President Clay asked if there were any changes or additions to the Special Meeting Minutes of October 17, 2019. Minor corrections were requested.

It was **MOVED** by Trustee M. Burchardi, seconded by Trustee Joos, and carried by unanimous 5-0-0 voice vote, to approve the October 17, 2019 minutes as corrected.

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

Mr. Dahlstrom stated there were no additions or corrections to the agenda.

VII. CONSENT AGENDA -

The Consent Agenda report was provided in the Board Packet.

It was **MOVED** by Trustee Parker, seconded by Trustee H. Burchardi, and carried by a unanimous 5-0-0 voice vote, to approve the Consent Agenda as presented.

VIII. MANAGER'S REPORT - STATUS, DISCUSSION AND POSSIBLE BOARD ACTION ON THE FOLLOWING SUBJECTS:

A. DISTRICT ADMINISTRATION

1. Financial Report on Administrative Matters

- a) Draft June 30, 2019 & 2018 Financial Statements – Presentation by Bartlett, Pringle & Wolf, LLP

The Draft June 30, 2019 and 2018 Financial Statements were included in the Board packet.

Mr. Dahlstrom introduced Mr. John Britton from Bartlett, Pringle & Wolf, LLP for presentation of the District's 2019/2018 draft Financial Statements.

Mr. Britton provided a power point presentation of the June 30, 2019 and 2018 Financial Statements. He reviewed the District's current assets, liabilities and fund equity, statement of revenues, statement of changes, statement of cash flows and notes to financial statements. Mr. Britton reported that the District's financials conform to required Generally Accepted Accounting Principles and the State Controller's Minimum Audit Requirements for California Special Districts. He explained that the District's audit resulted in no disagreements with Management relating to the financials and was a clean audit with no reportable findings or exceptions.

The Board thanked Mr. Britton for his presentation.

Mr. Dahlstrom recommended acceptance and approval of the FY 2019/2018 Financial Statements as presented and authorization for Management to post and submit the Final Audit to the State Controller and Santa Barbara County.

It was **MOVED** by Trustee Joos, seconded by Trustee M. Burchardi, and carried by a 5-0-0 voice vote, to approve and accept the June 30, 2019 and 2018 Financial Statements as presented by Bartlett, Pringle & Wolf, LLP and authorize Management to execute the final documentation and distribute the Final Audit to the appropriate governmental agencies.

- b) Water Rates Verification – Presentation by Bartle Wells Associates

The Board packet included Bartle Wells Associates SYRWCD, ID No.1 Water Rate Scenarios.

Mr. Dahlstrom stated the Board requested staff to provide a Water Rate verification prior to the scheduled rate adjustment in January. Mr. Dahlstrom introduced Mr. Alex Handlers from Bartle Wells Associates for presentation of the Water Rates verification. Mr. Handlers provided a power point presentation covering the Background, Objectives, Financial Updates, Annual Water Sales by Fiscal Year, Historical Appropriation Limits and Tax Receipts for Voter-Approved Assessments, Financial Scenarios, General Findings, Summary of Rate Scenarios and Rate Questions. Mr. Handlers discussed three rate scenarios, each scenario's impact on revenues and reserves, the FY 2018/2019 water sales and the Special Tax Assessment.

Mr. Dahlstrom indicated that the rate adjustments scheduled for January 1 do not require Board approval as it was previously approved and adopted with Resolution No. 756 on December 13, 2016. He stated that the Board has been provided a summary of Rate Scenarios which include three options: Implement the adopted rate increase of 5% effective January 1, 2020; Defer rate increases for 1 year (No Rate increase on January 1, 2020); and 2.5% lower rate increase (spread remaining rate increases over 4 years).

The Board discussed the financial effects of deferring the scheduled January 1, 2020 rate increase, the postponement of Chromium 6 mandate by the State, future of Chromium 6 costs, deferred system maintenance and future required capital projects, no changes to the Special Tax Assessment, recovery of reserves, acquisition of SWP Suspended Table A water, Proposition 218 process, and the District's debt service.

President Clay offered the public to provide comments.

Ms. Frances Komoroske, Mr. Fred Kovol, Ms. Debra Thorsen and Mr. Lee Rosenberg provided comments to the Board.

Ms. Mary Martone read two email messages received November 19, 2019 from District Customers Susan Tate and Chantal Cloutier.

It was **MOVED** by Trustee Joos, seconded by Trustee Clay to defer the approved and scheduled 5% rate increase effective January 1, 2020 for one year. The motion was not carried, based on a 2-3-0 voice vote, with Trustees M. Burchardi, H. Burchardi and Parker voting no.

Mr. Dahlstrom reiterated that based on this vote, and according to the Board-adopted Water Rate Schedule, the fourth-year adjustment of 5% will go into effect on January 1, 2020.

The Board thanked Mr. Alex Handlers for his presentation.

c) Presentation of Monthly Financial Statements – Revenues and Expenses

The Board was provided the Statement of Revenues and Expenses for the month of October. Mr. Dahlstrom reported that the revenues exceeded the expenses by \$250,834.06 and the year-to-date net income was \$1,211,577.30. Mr. Dahlstrom highlighted the quarterly interest installment received from the Local Agency Investment Fund (LAIF) and noted revenues are down 19% over the previous month due to the onset of winter when the demand is lower.

d) Approval of Accounts Payable

The Warrant List was provided in the handout material for Board action. The Warrant List covered warrants 22664 through 22735, for the period of October 18, 2019 through November 19, 2019 in the amount of \$569,783.73.

It was **MOVED** by Trustee Clay, seconded by Trustee Joos, and carried by a unanimous 5-0-0 voice vote, to approve the Warrants List as presented.

B. OPERATIONS AND MAINTENANCE:

1. Update on Office Water Production Well Water Treatment & Maintenance Building

Mr. Dahlstrom provided a verbal report on the status of the District Office Water Production Well Water Treatment and Maintenance building. He stated that staff received the final plans from the architect on November 15, 2019. He stated that once the final plans have been reviewed, a request for bids will be sent out, which will be after the new year, due to the upcoming holidays.

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

A. Cachuma Project – U.S. Bureau of Reclamation Continuing Operations

1. Cachuma Project Water Service Contract No. I75r-1802R, Water Deliveries, Exchange Agreement, Entitlement, Water Storage, Accounting, Water Supply Projections & SWRCB Permits

Mr. Dahlstrom indicated the new water year began on October 1, 2019 and according to the US Bureau of Reclamation, the District will receive its full allocation 2,651 af of Cachuma Project water for the next water year. He also mentioned that the Department of Water Resources, State Water Project allocation is currently 75%. He indicated the District is currently working with the City of Solvang to return the water that ID No.1 took on behalf of Solvang due to the spill conditions that occurred last year in San Luis Reservoir.

Mr. Dahlstrom stated that the conveyance losses or “unaccounted for” water in the South Coast Conduit serving the south coast agencies through COMB that have accumulated over time for the last several years are still a topic of discussion with USBR and remain unresolved at this time.

2. 2020 Water Service Contract

Mr. Dahlstrom reported there is no new information to report on the 2020 Water Service Contract. He reiterated that the Master Contract expires on September 30, 2020 and neither USBR nor the County have taken any action on the Basis of Negotiation (BON) or engaged the Cachuma Member Units.

3. State Water Resources Control Board - Water Rights Order 2019 for Cachuma Project Permits 11308 and 11310

Mr. Pater Garcia provided a brief review of the State Water Resources Control Board Water Rights Order that was issued on September 17th, 2019. He reported the State Board requires the US Bureau of Reclamation to undertake studies which the Cachuma Member Units will work collaboratively with USBR to accomplish. He stated ID No.1 has already participated in discussions with USBR, CCRB, and Santa Ynez River Water Conservation District, for compliance with the terms and conditions of the State Water Permit Order. He indicated there will be further costs, studies and deadlines the parties must adhere to in this process.

B. State Water Project - Central Coast Water Authority

1. Report on CCWA Participating in the Delta Conveyance Project

Mr. Garcia reported last month the Board authorized Trustee Burchardi, representing ID No.1 on the CCWA Board of Directors, to cast a vote to opt out of the Delta Conveyance Project. He stated the CCWA Board met on October 24th and again on November 18th to discuss participation in the Delta Conveyance Project. He stated there was a majority vote among the CCWA participating agencies not to participate in the Delta Conveyance Project.

C. Sustainable Groundwater Management Act

1. Eastern Management Area Update

Mr. Garcia reported on the current activities related to the Eastern Management Area (EMA) Groundwater Sustainability Agency. He reviewed the topics discussed at the October 24th EMA Meeting, which included draft Communications and Engagement Plan, draft Intra-Basin Administrative Agreement, review and comments provided by citizen advisory group on the draft communication and engagement plan, and the SkyTem (water mapping using airborne geophysical survey). He reported that the Santa Ynez River Water Conservation District has added a Public Participation portal via their website which provides additional opportunity for the public to be involved in the activities related to EMA.

D. CalPERS Post Retirement Employment

1. Draft Resolution No. 794: A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement No. 1 *for the Exception to the 180-Day Wait Period Government Code Sections 7522.56 & 21224*
The Board packet included a November 19, 2019 Staff Report and draft Resolution No. 794.

Mr. Dahlstrom reviewed the Staff Report provided in the Board packet and explained the CalPERS Post Employment Retired Annuitant Services Agreement. He stated the resolution was prepared from a boiler plate sample from CalPERS that allows a retired individual to return to work for a CalPERS member agency under certain conditions and very specific limitations. The accompanying retired annuitant services agreement defines the terms and conditions for a returning annuitant during the 180-day period. Both documents were reviewed by CalPERS representatives and legal counsel.

Discussion ensued, Board comments included current pending projects, staff workload, CalPERS rules and restrictions, continuity during transition period, number of hours worked, hourly rate, potential projects, task assignments and duration of employment as a retired annuitant.

There was no public comment.

It was **MOVED** by Trustee H. Burchardi and seconded by Trustee Clay, to adopt Resolution No. 794, a Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement No. 1 for the Exception to the 180-Day Wait Period Government Code Sections 7522.56 & 21224.

The Resolution was adopted and carried by the following 4-0-1 roll call vote:

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

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

A. Amendment to Rules & Regulations and Capital Facilities Charges (Est. 5 Minutes)

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 Attachment of Appendix "C" and Appendix "D" the Automatic Annual Adjustment to the Capital Facilities Charges and Meter Installation Fees into Sections 603 and 709 of the Rules and Regulations – effective January 1, 2020*

The Board packet included a November 19, 2019 Staff Report and Draft Resolution for the Automatic Annual Adjustment to the Capital Facilities Charges and Meter Installation Fees into Sections 603 and 709 of the District Rules and Regulations, including Appendices.

Mr. Dahlstrom explained that the “draft” Resolution was being provided for Board review which amends the District Rules and Regulations Article 6 & 7, Sections 603 and 709 (Appendix “C” and “D”), effective January 1, 2020. He explained the Board must be provided written notice of any proposed amendment or changes to the District Rules and Regulations at least 20 days prior to Board action. He stated there was no action required at this time and the Resolution will be presented for consideration and action at the December meeting.

The Board packet included an October 21, 2019 letter from the Grand Jury, County of Santa Barbara requesting information from SYRWCD, ID No.1. Mr. Dahlstrom reported the District has responded to its request.

An October 11, 2019 letter from County of Santa Barbara Public Works Department re: Notice of repair work on Alamo Pintado Bridge commencing on November 18, 2019 was provided.

The Board packet also included the October 2019 Family Farm Alliance Monthly Briefing, an October 15, 2019 letter from ACWA/JPIA re: President’s Special Recognition Award – SYRWCD, ID No.1 – Liability Program, Property Program and Workers Compensation Program and Correspondence from Association of California Water Agencies (ACWA) relating to the Notice of General Session Membership Meeting at the ACWA 2019 Fall Conference.

XI. CORRESPONDENCE: GENERAL MANAGER RECOMMENDS THE ITEMS NOT MARKED WITH AN ASTERISK (*) FOR FILE:

The Correspondence list was received by the Board.

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

There were no requests from the Board.

XIII. NEXT MEETING OF THE BOARD OF TRUSTEES:

Mr. Dahlstrom stated the next meeting of the Board will be a Special Meeting on December 12, 2019 and the December 17, 2019 will be cancelled.

XIV. CLOSED SESSION:

The Board adjourned at 6:29 p.m. for a brief recess. At 6:39 p.m., the Board reconvened and adjourned to closed session to discuss agenda items XIV.A. 1. – 4.

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

[Subdivision (d)(1) of Section 54956.9 of the Government Code – 4 cases]

1. Name of Case: Adjudicatory proceedings pending before the State Water Resources Control Board regarding Permits 11308 and 11310 issued on Applications 11331 and 11332 to the United States Bureau of Reclamation and complaints filed by the California Sport fishing Protection Alliance regarding the operating of the Cachuma Project and State Board Orders WR73-37, 89-18 and 94-5; and proposed changes to the place of use of waters obtained through aforementioned permits for the Cachuma Project
2. 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 regarding petitions for change and extension of time and protests to the petitions
3. Name of Case: Santa Barbara Superior Court Case No. 18CV05437, Santa Ynez River Water Conservation District, Improvement District No.1 v. Holland, et al.

4. Name of Case: Santa Barbara Superior Court Case No. 19CV01873, Cachuma Operation and Maintenance Board v. Santa Ynez River Water Conservation District, Improvement District No.1

The Board reconvened to open session at 7:21 p.m. Mr. Dahlstrom announced that the Board met in Closed Session concerning Agenda Items XIV.A. 1-4. He reported that there is no reportable action on the Agenda Items XIV.A. 1-4.

XV. ADJOURNMENT:

Being no further business, it was **MOVED** by Trustee H. Burchardi, seconded by Trustee Joos and carried by a unanimous 5-0-0 voice vote, to adjourn the meeting at 7:34 p.m.

THE NOVEMBER 19, 2019 REGULAR MEETING MINUTES WERE APPROVED AT THE DECEMBER 12, 2019 SPECIAL MEETING.