

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
IMPROVEMENT DISTRICT NO. 1
JUNE 18, 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, June 18, 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	Gary Kvistad
	Karen King	Eric Tambini	Frances Komoroske
	Kevin Crossley	Fred Kovol	Chip Wullbrandt
	Tamara Rowles	Kevin Walsh	Faith Deeter
	Unidentified Guest		

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. Mr. Dahlstrom stated that Mary Martone has been out sick for the last several days and that he would be filling in as Secretary to the Board. He reported that 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:

Mr. Dahlstrom presented the affidavit of posting of the agenda, along with a true copy of the agenda for this meeting. He 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. CONSIDERATION OF THE MINUTES OF THE SPECIAL MEETING OF MAY 23, 2019:

The Minutes of the Special Meeting of May 23, 2019 were presented for consideration.

President Clay asked if there were any changes or additions to the Special Meeting Minutes of May 23, 2019. There were no changes or additions requested.

It was **MOVED** by Trustee H. Burchardi, seconded by Trustee Joos and carried by a unanimous 5-0-0 voice vote, to approve the Special Meeting Minutes of May 23, 2019 as presented.

V. CONSIDERATION OF THE MINUTES OF THE SPECIAL MEETING OF MAY 29, 2019:

The Minutes of the Special Meeting of May 29, 2019 were presented for consideration.

President Clay asked if there were any changes or additions to the Special Meeting Minutes of May 29, 2019. There were no changes or additions requested.

It was **MOVED** by Trustee H. Burchardi, seconded by Trustee Joos and carried by a unanimous 5-0-0 voice vote, to approve the Special Meeting Minutes of May 29, 2019 as presented.

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

There were no additions or corrections.

VII. PUBLIC COMMENT:

Ms. Frances Komoroske provided public comments and a handout to the Board members. Mr. Fred Kovol provided public comment to the Board.

VIII. CONSENT AGENDA:

The Consent Agenda report was provided in the Board packet.

Mr. Dahlstrom summarized the information included in the Consent Agenda Report for the month of May.

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

IX. MANAGER'S REPORT - 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

Mr. Dahlstrom reported that Mary Martone has been out sick for the last several days and was unable to prepare the May monthly financial report. Mr. Dahlstrom stated that the May financial report will be provided to the Board at the July Board Meeting.

b) Approval of Accounts Payable

The Warrant List was provided in the handout material for Board action. The Warrant List covered warrants 22305 through 22363 in the amount of \$349,804.48.

It was **MOVED** by Trustee H. Burchardi, seconded by Trustee M. Burchardi and carried by a 5-0-0 voice vote, to approve the Warrant List as presented.

2. Appropriation Limit for the 2019/2020 Fiscal Year - Article XIII B (Proposition 13)

a) Resolution 788: *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No. 1 Establishing the Appropriation Limit for the 2019-2020 Fiscal Year Pursuant to Article XIII B of the California Constitution*

The Board packet included Draft Resolution No. 788, 2019/2020 Appropriation Limitation Calculation, and Public Notice that was posted in the Santa Ynez Valley News on June 6, 2019 and June 13, 2019 and in the District Office since May 30, 2019.

Mr. Dahlstrom reported that the appropriation calculation for Fiscal Year 2019/2020 was presented to the Board at the May 29, 2019 Special Meeting and was publicly noticed and posted in accordance with the Government Code. He reported that no public comment had been received. Mr. Dahlstrom explained that the 2019/2020 fiscal year appropriation limit is \$1,979,424. He explained that adoption of a Resolution is required pursuant to Government Code Section 7910 to establish an appropriation limit each fiscal year and thus recommended approval of Resolution No. 788 Establishing the Appropriation Limit for Fiscal Year 2019/2020.

There was no public comment.

It was **MOVED** by Trustee B. Joos and seconded by Trustee H. Burchardi, to adopt Resolution No. 788 Establishing the Appropriation Limit at \$1,979,424 for the 2019-2020 Fiscal Year pursuant to Article XIII B of the California Constitution.

The Resolution was adopted and carried by the following 5-0-0 roll call vote:

AYES, Trustees:	Harlan Burchardi Michael Burchardi Jeff Clay Brad Joos Lori Parker
------------------------	--

NOES, Trustees:	None
------------------------	------

ABSENT, Trustees:	None
--------------------------	------

3. Consider Adoption of Fiscal Year 2019/2020 Budget

a) Final Budget Summary

- b) Resolution 789: *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No. 1 Adopting the 2019-2020 Budget and Requesting an Assessment Levy Required to Collect \$875,000 for Contract Obligations*

The Board packet included Draft Resolution No. 789, a June 18, 2019 Staff Report, and the Final 2019-2020 Budget.

Mr. Dahlstrom provided a summary of the May 29, 2019 Special Board Meeting when the 2019/2020 Preliminary Budget was presented which included a detailed budget narrative, summary of revenues and expenses, debt service, and capital project expenses. He indicated that at the May 29, 2019 meeting, the Board was asked to provide any comments and/or questions prior to preparation and presentation of the Final Budget in June. Mr. Dahlstrom indicated that no comments or questions were received from the Board.

Mr. Dahlstrom reported that Page 8 of the FY 2019/2020 Final Budget has been corrected to have the title of the right column read "Final Budget FY 19/20." No other changes were made to the proposed Final Budget for FY2019/2020. The Board was provided the corrected Page 8 in the handout materials. Mr. Dahlstrom reported that outdated versions of several graphs and charts were inadvertently used in the June 18, 2019 Staff Report for the Final Budget, although the materials have been updated and provided to the Board in the handout materials and have been updated on the District website for the June 18, 2019 Board Packet. He reiterated that no substantive changes have been made to the FY 2019/2020 Final Budget and that the Staff Report is not part of Resolution No. 789.

Mr. Dahlstrom recommended approval of the Final Budget for Fiscal Year 2019/2020 as presented; approval of Resolution No. 789 adopting the FY 2019/2020 Final Budget and authorizing the allocation of \$746,886 from the Plant Expansion and Repair and Replace Reserves to fully fund the Construction in Progress expenditures; and, request collection of the \$875,000 Assessment Levy.

There was no public comment.

Board discussion ensued. Trustee Joos inquired about the increase in the salaries category and requested a mid-year budget review and verification of the District's revenues prior to implementation of the scheduled water rate increase in January 2020.

Mr. Dahlstrom explained the salaries category and reported that staff is currently coordinating with Bartle Wells Associates with regard to the 2016 Water Rate Study and that a review is anticipated to be completed by December 2019. He stated that the Board

will be presented with the rate review prior to determining if rate increases at or below the adopted 2016 Water Rate Study will go into effect in January 2020.

It was **MOVED** by Trustee H. Burchardi, seconded by Trustee Clay, to approve the Final Budget for Fiscal Year 2019/2020; approve and authorize Resolution No. 789 adopting the FY 2019/2020 Final Budget, and authorizing the allocation of \$746,886 from the Plant Expansion and Repair and Replace Reserves to fully fund the Construction in Progress expenditures; and, request collection of the \$875,000 Assessment Levy.

The Motion was adopted and carried by the following 5-0-0 roll call vote:

AYES, Trustees:	Harlan Burchardi Michael Burchardi Jeff Clay Brad Joos Lori Parker
------------------------	--

NOES, Trustees:	None
------------------------	------

ABSENT, Trustees:	None
--------------------------	------

4. Resolution No. 790: *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Acknowledging the Contributions and Appreciation of Service – Trustee Kevin Walsh*
The Board packet included draft Resolution No. 790.

Mr. Dahlstrom welcomed Mr. Walsh and stated he was present at the meeting. President Clay read the contents of Resolution No. 790.

It was **MOVED** by Trustee Joos and seconded by Trustee Clay to adopt Resolution No. 790 Acknowledging the Contributions and Appreciation of Service of Trustee Kevin Walsh.

The Motion was adopted and carried by the following 5-0-0 roll call vote:

AYES, Trustees:	Harlan Burchardi Michael Burchardi Jeff Clay Brad Joos Lori Parker
------------------------	--

NOES, Trustees:	None
------------------------	------

ABSENT, Trustees:	None
--------------------------	------

Members of the Board and Mr. Dahlstrom expressed their appreciation to Mr. Walsh for his service on the Board of Trustees. Mr. Walsh expressed his appreciation to fellow Board members and all staff of the District.

5. District Properties and Infrastructure Easements
President Clay stated this agenda item was requested by the Board at the May 29 Special Meeting. Mr. Dahlstrom provided a verbal overview report on District properties and easements within the District. He explained the District has over 100 miles of pipelines, multiple pump stations, four reservoirs, and multiple wells all of which are on District owned property or within County road rights-of-way or other easements. Mr. Dahlstrom stated many of the District's infrastructure sites must be secured due to State or Federal requirements or risk management. Mr. Dahlstrom reported there has been an increase in encroachment issues affecting District facilities and provided several examples. Mr.

Dahlstrom stated the Board reviews the inventory of District land and air space in December of each year. Upon completion of Mr. Dahlstrom's verbal report, President Clay provided time for public comment.

Mr. Chip Wullbrandt and Ms. Faith Deeter provided public comments to the Board.

B. OPERATIONS AND MAINTENANCE

1. Water Line Replacement Project - Phase 2

The Board packet included a County of Santa Barbara Road Encroachment Permit Application.

Mr. Dahlstrom explained that in order to proceed with the Phase 2 Water Line Replacement Project the District must file a Road Encroachment Permit prior to performing any work in the County road right-of-way. He stated the permit was submitted to the County on June 11, 2019. He reported the field crew will schedule the work upon receipt of the approved road encroachment permit.

2. Office Well Treatment and Operations Building

Mr. Dahlstrom reported the District has two new wells at the Office Maintenance Yard. He reported there will be a treatment and operations building constructed before the end of calendar year. Mr. Dahlstrom stated he has been working on the plans and specifications with an architect and that further information will soon be provided to the Board.

X. 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

The Board packet included copies of a June 13, 2019 letter to the Santa Barbara County Water Agency regarding notice on behalf of all Cachuma Member Units specifying the total quantity of available supply requested from the Cachuma Project for water year 2019/2020; a May 28, 2019 letter from the United States Bureau of Reclamation to the State Water Resources Control Board regarding comments on the Revised Draft Order dated March 27, 2019 Amending Permits 11308 and 11310 for the Cachuma Project; and a May 28, 2019 letter from Best Best & Krieger to the State Water Resources Control Board regarding ID No.1 comments on the Revised Draft Order for the Cachuma Project.

Mr. Dahlstrom reported that the Cachuma Member Units collectively provided notice to the Santa Barbara County Water Agency requesting a 100 percent allocation from the Cachuma Project for the next water year (2019/2020) commencing October 1, 2019. He stated this request is made pursuant to the Master Contract I75r-1802R and is done on an annual basis. Mr. Dahlstrom stated that the conveyance losses or "unaccounted for" water losses that have accumulated over time for the last several years are still a topic of discussion with USBR and remain unresolved at this time.

Mr. Dahlstrom referred to the two comment letters included in the Board packet. He explained they are two of the several comment letters that were submitted to the State Water Resources Control Board on May 28, 2019 in response to the State Board's Revised Draft Order released March 27, 2019 Amending Permits 11308 and 11310 held by the United States Bureau of Reclamation for the Cachuma Project.

2. 2020 Water Service Contract

Mr. Dahlstrom stated there has been no movement on the 2020 Water Service Contract. He reported Santa Barbara County has not engaged the Cachuma Member Units for the upcoming contract negotiations. Mr. Dahlstrom explained that staff has had communications with Bureau of Reclamation representatives advocating for a multi-party contract with the Cachuma Member Units as signatories. He stated there has been no feedback on what the actual contract is going to look like at this point. He reported that the 1996 Master Contract was a repayment and water service contract and negotiations took several years to finalize. He stated the next contract will be a water service contract only because the repayment obligation for the Cachuma Project has been satisfied. Mr. Dahlstrom explained there will likely be an interim contract since there has been no activity on the negotiations for the next contract.

B. Sustainable Groundwater Management Act

1. Eastern Management Area Update

Mr. Paeter Garcia provided a verbal report on current activities relating to the Sustainable Groundwater Management Act and the Eastern Management Area Groundwater Sustainability Agency. He explained that the Eastern Management Area Groundwater Sustainability Agency is comprised of ID No.1, the City of Solvang, Santa Barbara County Water Agency, and the Santa Ynez River Water Conservation District. Mr. Garcia reported that the most recent meeting of the Groundwater Sustainability Agency was held on April 25th and provided highlights of topics discussed at that meeting, including the selection of Committee officers, an update on consulting activities, and the establishment of a Citizens Advisory Group for the Eastern Management Area. He reported the next meeting of the Groundwater Sustainability Agency will be held on July 25th at Solvang City Hall.

Mr. Fred Kovol provided public comment to the Board.

XI. 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:

The Board packet included a June 11, 2019 letter from the District to Best Best & Krieger regarding a request for the District to provide a conflict waiver. Mr. Garcia reported the City of Solvang recently concluded its relationship with its City Attorney and as a result is searching for a law firm to provide Interim City Attorney services until a new City Attorney is appointed. Mr. Garcia explained that Best Best & Krieger represents ID No.1 for certain water rights and water related issues that relate and have the potential to relate to the City. He stated that based on a variety of factors as outlined in the letter, the District declined to provide a conflict waiver.

The Board packet included the Family Farm Alliance Monthly Briefing for May 2019.

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

The Correspondence list was received by the Board.

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

There were no requests from the Board.

XIV. NEXT MEETING OF THE BOARD OF TRUSTEES:

Mr. Dahlstrom stated the next Regular Meeting of the Board of Trustees is scheduled for July 16, 2019 at 3:00 p.m.

XV. CLOSED SESSION:

The Board adjourned at 4:22 p.m. for a brief recess. At 4:30 p.m., the Board reconvened and adjourned to closed session to discuss agenda items XV.A. 1., 2., 3. & 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

B. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION

1. Potential initiation of litigation against the agency [Subdivision (d)(2) of Section 54956.9 of the Government Code – 1 case]

C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION: Title - General Manager [Section 54957 of the Government Code]

D. CONFERENCE WITH LABOR NEGOTIATOR: JEFF DINKIN – STRADLING, YOCCA, CARLSON & RAUTH; Unrepresented Employee - General Manager [Section 54957.6 of the Government Code]

XVI. RECONVENE INTO OPEN SESSION:

[Sections 54957.1 and 54957.7 of the Government Code]

The Board reconvened to open session at 6:22 p.m. Mr. Dahlstrom announced there was no reportable action on agenda items XV.A. 1.- 4. & B.1.

Mr. Dinkin reported that as a result of the closed session and following negotiations with the General Manager, Trustee Clay **MOVED** to approve an incentive bonus of 2.5% which equals to \$5,766.60 effective July 1, 2019 and that the General Manager will be entitled to payout of 50 percent of his accrued sick leave upon retirement, at his then current rate of pay. Trustee M. Burchardi seconded the motion; it was carried by a unanimous 5-0-0 voice vote.

Mr. Dahlstrom expressed his appreciation and thanked the Board.

XVII. ADJOURNMENT:

Being no further business, it was **MOVED** by Trustee M. Burchardi, seconded by Trustee Joos and carried by a unanimous 5-0-0 voice vote, to adjourn the meeting at 6:29 p.m.

THE JUNE 18, 2019 REGULAR MEETING MINUTES WERE APPROVED AT THE JULY 16, 2019 REGULAR MEETING.