

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
IMPROVEMENT DISTRICT NO. 1
JULY 16, 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, July 16, 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
 Mary Martone Karen King Eric Tambini
 Floyd Wicks Fred Kovol Bruce Wales
 Frances Komoroske Kevin Crossley Tamera Rowles
 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. Mrs. 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:

Mrs. 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. CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF JUNE 18, 2019:

The Minutes of the Regular Meeting of June 18, 2019 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular Meeting Minutes of June 18, 2019. Minor changes were 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 Regular Meeting Minutes of June 18, 2019, as corrected.

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

Mr. Gary Kvistad, General Legal Counsel, stated there was one addition to the Agenda. He explained there was information received after the Board packet was prepared relating to the COMB Separation Agreement which requires a Resolution approving matters related to establishing an escrow account with American Riviera Bank. Mr. Kvistad indicated that adding the item to the Agenda requires a motion by the Board.

It was **MOVED** by Trustee Parker, seconded by Trustee H. Burchardi, and carried by a 5-0-0 voice vote to add Agenda Item IX. D. - District Resolution No. 792.

VI. PUBLIC COMMENT:

Mr. Floyd Wicks provided public comment to the Board.

VII. CONSENT AGENDA:

The Consent Agenda report was provided in the Board packet.

Mr. Dahlstrom discussed the CA-1 Water Supply and Production Report. He reported that water production and water demand continue to be down. Mr. Dahlstrom stated that the month of June resulted in being 203 af below the 10-year running average, which also equates to 32% water conservation savings by our customers. He explained that based on this trend low demand has become the new standard.

It was **MOVED** by Trustee M. Burchardi, seconded by Trustee Joos, 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) Presentation of Monthly Financial Statements – Revenues and Expenses

The Board was provided the Statement of Revenues and Expenses for the month of June in the handout materials.

Mr. Dahlstrom reviewed the Statement of Revenues and Expenses for the month of June. He reported the revenues exceeded expenses by \$343,702.45 for the month of June and the year-to-date net income is \$2,800,747.68. He explained that June 30, 2019 is the close of the fiscal year. Mr. Dahlstrom indicated that the year-end total will be adjusted as invoices from vendors and consultants continue to be submitted for work that was completed prior to June 30. Mr. Dahlstrom reminded the Board that a portion of the year-end net income is earmarked for the annual State Water Project and COMB Bond and Safety of Dams payments due each year and any remaining balance is assigned to the Board-adopted reserves for Repair and Replacement and Plant Expansion projects.

b) Approval of Accounts Payable

The Warrant List was provided in the handout material for Board action. The Warrant List covered warrants 22364 through 22436, for the period of June 19 through July 16, 2019, in the amount of \$439,438.80.

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. Resolution No. 791: *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 – Bruce Wales*

The Board packet included draft Resolution No. 791 recognizing Mr. Bruce Wales for his years of service and acknowledging his recent retirement from the Santa Ynez River Water Conservation District.

Mr. Dahlstrom reported that Mr. Wales was present and welcomed him to the meeting. President Clay read the contents of Resolution No. 791.

Mr. Dahlstrom noted one minor typographical error on the resolution that should be corrected – the word resolve should be changed to read resolved in paragraph four of the resolution.

It was **MOVED** by Trustee H. Burchardi, seconded by Trustee Parker, to adopt Resolution No. 791 Acknowledging the Contributions and Appreciation of Service for Bruce Wales.

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

Mr. Wales expressed his appreciation to the Board and staff. Members of the Board and Mr. Dahlstrom expressed their appreciation to Mr. Wales for his wealth of knowledge, dedication and service with the Santa Ynez River Water Conservation District.

3. Determination of Board Ad Hoc Committee and Appointments

Mr. Dahlstrom explained that typically each December the Board appoints/nominates Trustees to ad hoc committees that are necessary to meet on specific topics throughout the year. He stated that there is currently a need to establish an ad hoc Personnel Committee to meet and confer with management on the District's future staff planning. Mr. Dahlstrom called for nominations from the Board. President Clay nominated Trustee Joos. Mr. Dahlstrom asked for any other nominations or volunteers. Trustee Parker volunteered to be on the ad hoc committee. Mr. Dahlstrom reported that there were two members for consideration and closed the nominations.

Based on this discussion, it was **MOVED** by Trustee Clay, seconded by Trustee H. Burchardi, and carried by a unanimous 5-0-0 voice vote to establish an ad hoc Personnel Committee consisting of Trustees Joos and Parker.

B. OPERATIONS AND MAINTENANCE

1. Purchase of 35G Mini Excavator

The Board packet included a July 16, 2019 Staff Report regarding the purchase of a John Deere 35G Compact Excavator.

Mr. Dahlstrom explained that the Board-adopted 2019-2020 Budget included a line item of \$55,000 for the purchase of a mini excavator and trailer unit for use by the Operations and Maintenance staff. He reviewed the staff report which included the need, uses and efficiency of the mini excavator related to the field work performed by the Operations and Maintenance staff on a weekly basis, the Sourcewell bidding process and contract pricing, as well as a quote from Coastline Equipment through Sourcewell. Mr. Dahlstrom recommended approval of the purchase of a new John Deere 35G mini excavator from Coastline Equipment in the amount of \$49,134.00 through the Sourcewell bid process.

Discussion ensued, questions from the Board included renting versus purchasing, types of equipment used by the District, fuel efficiency, training and examples of where this type of equipment would be used.

It was **MOVED** by Trustee Joos, seconded by Trustee H. Burchardi and carried by a unanimous 5-0-0 voice vote to authorize and approve the purchase of a John Deere 35G Mini Excavator from Coastline Equipment in the amount of \$49,134.00.

2. 2018 Consumer Confidence Report – Annual Water Quality Report required by Federal and State Regulations to Protect Public Drinking Water
The Board packet included the 2018 Annual Water Quality Report.

Mr. Dahlstrom explained that all community water systems that serve at least 25 residents year-round or that has at least 15 service connections must prepare and distribute a consumer confidence report, otherwise known as the Annual Water Quality Report. He stated that the law specifies certain content for the reports and requires water systems to distribute these reports to all of their customers by July 1st annually. He explained that the report includes information on the source(s) of water, the levels of any contaminants detected in the water, and compliance with other drinking water rules, as well as some brief educational material.

Mr. Dahlstrom reported that the Annual Water Quality Report was submitted to the California Division of Drinking Water, posted on the District website, noticed on customer water bills for two consecutive months, and made available at the customer counter at the District office in accordance with State requirements.

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

Mr. Dahlstrom reported on the Cachuma Project activities. He reviewed the Renewal Fund and the Warren Act Trust Fund activities, stating that historically an annual meeting is held consisting of the Cachuma Member Units, US Bureau of Reclamation and Santa Barbara County Water Agency to discuss how the funds would be allocated. Mr. Dahlstrom explained that the Cachuma Operations and Maintenance Board (COMB) assumed the role of conducting these meetings and subsequently chose not to include the Member Units in the decision-making process for the past few years. He indicated that COMB met with the SB County Water Agency and together they determined how the funds would be spent, which is outside the adopted process. Mr. Dahlstrom reported that a letter was sent by the District in June to COMB, the Santa Barbara County Water Agency and the US Bureau of Reclamation, identifying the process and requesting that the Master Contract requirements under Article 27 be followed relating to the Renewal Fund and Warren Act Trust Fund.

Mr. Dahlstrom reported that the Cachuma Project allocation is at 100%; however, with the water demand being low, the District will likely have carryover water. He indicated the new water year begins on October 1, 2019.

2. 2020 Water Service Contract

Mr. Dahlstrom reported the current Contract I75r-1802R expires on September 30, 2020. He stated the current Contract was developed, negotiated, and executed in 1996, which took about three years to negotiate and execute. Mr. Dahlstrom indicated that with the current expiration date nearing, there have been no meetings scheduled or conducted relating to developing the new 2020 Water Service Contract. He reported that after several attempts by the District, there has been no response from the US Bureau of Reclamation (USBR) regarding the basis of negotiation. Mr. Dahlstrom stated that the Santa Barbara

County Water Agency gave notice to USBR about “renewing” the Contract; however, this is not feasible, it will have to be a new Contract. Mr. Dahlstrom explained there will likely be an interim Contract since there has been no activity on the negotiations for the new Contract.

B. Sustainable Groundwater Management Act

1. Eastern Management Area Update

Mr. Paeter Garcia reported on current activities relating to the Sustainable Groundwater Management Act and the Eastern Management Area (EMA) Groundwater Sustainability Agency (GSA). He explained that at the April meeting the EMA GSA Committee approved guidelines and an application for a Citizens Advisory Group. He stated a list of applicants for the Citizens Advisory Group will be recommended to the EMA GSA Committee at their next meeting in July. Trustee Joos indicated that there has been a good pool of candidates for the Citizens Advisory Group. Mr. Garcia stated the GSA Committee is meeting on a quarterly basis and the next meeting will be on July 25, 2019. He reported that all meetings of the GSA are open to the public and are held at 6:30 p.m. in the Solvang City Council Chambers.

2. Proposed Technical Work for the Eastern Management Area

The Board packet included a July 10, 2019 Staff Report regarding Technical Consulting Work for the Eastern Management Area.

Mr. Garcia reviewed the staff report regarding the technical consulting work for the Eastern Management Area (EMA). He explained the EMA GSA Committee recommended that in addition to the work that is being performed by GSI for Santa Barbara County Water Agency, that the three other members of the GSA engage with another consultant to work with GSI. Mr. Garcia indicated that the intent is to have the consultant coordinate and collaborate with GSI for all the technical work being performed to prepare a Groundwater Sustainability Plan for the EMA. He explained that Stetson Engineers has worked with the Santa Ynez River Water Conservation District (Parent District), SYRWD, ID No.1, as well as the City of Solvang, and has been involved with all aspects of the Santa Ynez Valley groundwater and alluvial basins for the past 50 years, and based on their expertise and experience they were identified to perform the parallel work with GSI. Mr. Garcia stated that Stetson Engineers provided two Scopes of Work, with a total estimated cost of \$92,951, which would be apportioned among the City of Solvang, ID No.1, and the Parent District. He stated ID No.1’s share would be \$30,984. Mr. Garcia and Mr. Dahlstrom recommended that the Board authorize the District to pay a one-third share of the costs for Stetson to undertake various technical review relating to GSI’s SGMA work for the EMA as described in the Scopes of Work in the amount not to exceed \$30,984. He stated that the parties of the EMA GSA expect that grant funds available to the EMA through the Department of Water Resources Proposition 1 Grant Award can be used to reimburse this expense.

It was **MOVED** by Trustee Clay, seconded by Trustee Parker, and carried by a unanimous 5-0-0 voice vote to authorize and approve the District to pay a one-third share of costs not to exceed \$30,984 for Stetson Engineers to conduct technical work in relation to the EMA as outlined in the Scopes of Work.

C. Santa Barbara County Grand Jury Report - “The Cachuma Project Contract and Management”

The Board packet included a June 25, 2019 Letter from the Santa Barbara County Grand Jury and report titled “*The Cachuma Project Contract and Management*”

Mr. Dahlstrom reported that the Santa Barbara County Grand Jury released “The Cachuma Project Contract and Management” Report (Report) on June 25, 2019 and provided a brief review of the topics discussed in the Report. He stated the District must respond to certain findings in the Report within 90-days. Mr. Dahlstrom explained that the District will submit comments to clarify and correct some of the content and findings of the Report. He stated a lot of the information is related to the Cachuma Project which is under the authority of the US Bureau of Reclamation. Mr. Dahlstrom explained that staff will review the document and provide comments to the Board. He stated if the Board had any comment or questions related to the Report to please contact him directly.

- D. Resolution No. 792: *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Approving Matters related to Opening an Escrow Account at American Riviera Bank*

The Board was provided draft Resolution No. 792 in the handout materials.

Mr. Kvistad explained that Resolution 792 is required in order to establish an escrow account with American Riviera Bank as required by the COMB Separation Agreement. Mr. Dahlstrom recommended approval of Resolution No. 792 approving matters relating to opening an escrow account at American Riviera Bank.

It was **MOVED** by Trustee Clay, seconded by Trustee M. Burchardi, to adopt Resolution No. 792 Approving Matters related to Opening an Escrow Account at American Riviera Bank.

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

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:

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

The Board packet included a June 27, 2019 ACWA Advisory – Water Agencies Urged to Prepare for Potential Power Shutoffs and a July 2019 PG&E Public Notice regarding Public Safety Power Shutoff. Mr. Dahlstrom reported that in the event of a severe wildfire in the area there may be public safety power shutoffs that affect the District. He reported that the District has several portable generators that can be utilized if a power outage occurs.

The Board packet included a June 12, 2019 letter from Santa Ynez Community Services District regarding Jeff Hodge General Manager running for Board of Directors of the California Special Districts Association.

The Board packet included a July 8, 2019 news article titled “California Poised to Approve Clean Drinking Water Fund.”

The Board packet included July 11, 2019 LAFCO Board of Directors Agenda.

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 Regular Meeting of the Board of Trustees is scheduled for August 20, 2019 at 3:00 p.m.

Trustee Parker noted that she would not be able to attend the August meeting. The Board briefly discussed possibly changing the date of the meeting to accommodate Trustee Parker, although no decision was made to change the date of the next meeting.

XIV. CLOSED SESSION:

The Board adjourned at 4:44 p.m. for a brief recess. At 4:50 p.m., the Board reconvened and adjourned to closed session to discuss XIV.A. 1., 2., 3. and 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]
2. Grand Jury Complaint [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]

XV. RECONVENE INTO OPEN SESSION:

[Sections 54957.1 and 54957.7 of the Government Code]

The Board reconvened to open session at 6:31 p.m. Mr. Kvistad, District Legal Counsel, announced there was no reportable action on Agenda items XIV.A. and B.

Mr. Kvistad announced the Board action on Agenda Item XIV. C. He stated the Board reviewed and considered the performance evaluation for the General Manager which was finalized.

XVI. Consider Approval of Second Amendment to Employment Agreement - General Manager:

The Second Amendment to the Employment Agreement of the General Manger was included in the Board packet.

The Board reviewed the Second Amendment to Employment Agreement for the General Manager.

It was **MOVED** by Trustee M. Burchardi, seconded by Trustee H. Burchardi, and carried by a unanimous 5-0-0 voice vote to approve the Second Amendment to the Employment Agreement for the General Manager.

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 6:34 p.m.

THE JULY 16, 2019 REGULAR MEETING MINUTES WERE APPROVED AT THE AUGUST 20, 2019 REGULAR MEETING.