

NOTICE AND AGENDA

Regular Meeting of the Board of Trustees

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, IMPROVEMENT DISTRICT NO.1

**will be held at 3:00 P.M., Tuesday, December 19, 2023
1070 Faraday Street, Santa Ynez, CA - Conference Room**

Notice Regarding Public Participation: For those who may not attend the meeting but wish to provide public comment on an Agenda Item, please submit any and all comments and written materials to the District via electronic mail at general@syrwd.org. All submittals should indicate **"December 19, 2023 Board Meeting"** in the subject line. Materials received by the District during and prior to the meeting will become part of the post-meeting Board packet materials available to the public and posted on the District's website.

1. **CALL TO ORDER AND ROLL CALL**
2. **PLEDGE OF ALLEGIANCE**
3. **REPORT BY THE SECRETARY TO THE BOARD REGARDING COMPLIANCE WITH THE REQUIREMENTS FOR POSTING OF THE NOTICE AND AGENDA**
4. **ADDITIONS OR CORRECTIONS, IF ANY, TO THE AGENDA**
5. **PUBLIC COMMENT** - Any member of the public may address the Board relating to any non-Agenda matter within the District's jurisdiction. The total time for all public participation shall not exceed fifteen (15) minutes and the time allotted for each individual shall not exceed three (3) minutes. The District is not responsible for the content or accuracy of statements made by members of the public. No action will be taken by the Board on any public comment item.
6. **INTRODUCTION AND WELCOME FOR NEW DISTRICT EMPLOYEE**
 - A. Daniel Drugan – Deputy Water Resources Manager
7. **CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF NOVEMBER 21, 2023**
8. **CONSENT AGENDA** - All items listed on the Consent Agenda are considered to be routine and will be approved or rejected in a single motion without separate discussion. Any item placed on the Consent Agenda can be removed and placed on the Regular Agenda for discussion and possible action upon the request of any Trustee.
 - CA-1. Water Supply and Production Report
 - CA-2. Central Coast Water Authority Update
9. **MANAGER REPORTS - STATUS, DISCUSSION, AND POSSIBLE BOARD ACTION ON THE FOLLOWING SUBJECTS:**
 - A. **DISTRICT ADMINISTRATION**
 1. Board of Trustees Designations
 - a) Selection of Officers of the Board – President, Vice President, Treasurer & Secretary
 - b) Appointment of Representatives to Participating Agencies and Organizations – CCWA & ACWA
 - c) Appointment of Board Committees
 2. Proposed Merit Increase for District Employee
 - a) Water Resources Manager
 3. Financial Report on Administrative Matters
 - a) Draft June 30, 2023 & 2022 Audited Financial Statements – Presentation by Bartlett, Pringle & Wolf, LLP
 - b) Presentation of Monthly Financial Statements – Revenues and Expenses
 - c) Approval of Accounts Payable

4. Amendment to Rules and Regulations
 - a) Resolution No. 839: 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
5. District Land and Air Space
 - a) Resolution No. 840: A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Concerning Inventory of District Land and Air Space
6. Purchase of Fleet Vehicle
 - a) Consideration and Award of Bid

B. OPERATIONS AND MAINTENANCE

1. Refugio 3 Replacement Project
 - a) Notice of Exemption
2. Alamo Pintado Pedestrian Bridge
 - a) Notice of Completion

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

A. SUSTAINABLE GROUNDWATER MANAGEMENT ACT

1. Eastern Management Area (EMA) Update

B. HEXAVALENT CHROMIUM (CR6) – PROPOSED MAXIMUM CONTAMINANT LEVEL (MCL)

1. Update on SWRCB Proposed Drinking Water MCL for Cr6 of 10 parts per billion

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

12. CORRESPONDENCE: GENERAL MANAGER RECOMMENDS FILING OF VARIOUS ITEMS

13. REQUESTS FOR ITEMS TO BE INCLUDED ON THE NEXT REGULAR MEETING AGENDA: Any member of the Board of Trustees may request to place an item on the Agenda for the next regular meeting. Any member of the public may submit a written request to the General Manager of the District to place an item on a future meeting Agenda, provided that the General Manager and the Board of Trustees retain sole discretion to determine which items to include on meeting Agendas.

14. NEXT MEETING OF THE BOARD OF TRUSTEES: The next Regular Meeting of the Board of Trustees is scheduled for **January 16, 2024 at 3:00 p.m.**

15. CLOSED SESSION:

The Board will hold a closed session to discuss the following items:

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

B. CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

[Subdivision (d)(2) of Section 54956.9 of the Government Code – Significant Exposure to Litigation Against the Agency – One Matter]

16. RECONVENE INTO OPEN SESSION

[Sections 54957.1 and 54957.7 of the Government Code]

17. ADJOURNMENT

This Agenda was posted at 3622 Sagunto Street, Santa Ynez, California, and notice was delivered in accordance with Government Code Section 54950 et seq., specifically Section 54956. This Agenda contains a brief general description of each item to be considered. The Board reserves the right to change the order in which items are heard. Copies of any staff reports or other written documentation relating to each item of business on the Agenda are on file with the District and available for public inspection during normal business hours at 3622 Sagunto Street, Santa Ynez. Such written materials will also be made available on the District's website, subject to staff's ability to post the documents before the regularly scheduled meeting. Questions concerning any of the Agenda items may be directed to the District's General Manager at (805) 688-6015. If a court challenge is brought against any of the Board's decisions related to the Agenda items above, the challenge may be limited to those issues raised by the challenger or someone else during the public meeting or in written correspondence to the District prior to or during the public meeting. In compliance with the Americans with Disabilities Act, any individual needing special assistance to review Agenda materials or participate in this meeting may contact the District Secretary at (805) 688-6015. Notification 72 hours prior to the meeting will best enable the District to make reasonable arrangements to ensure accessibility to this meeting.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
 IMPROVEMENT DISTRICT NO.1
NOVEMBER 21, 2023 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 21, 2023, in-person at 1070 Faraday Street and via teleconference.

Trustees Present: Jeff Clay
 Brad Joos
 Nick Urton
 Michael Burchardi (via teleconference)

Trustees Absent: Jeff Holzer

Others Present: Paeter Garcia Mary Robel
 Karen King Eric Tambini
 Gary Kvistad

1. CALL TO ORDER AND ROLL CALL:

President Clay called the meeting to order at 3:01 p.m., he stated that this was a Regular Meeting of the Board of Trustees. Ms. Robel conducted roll call and reported that four Trustees were present, and that 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. Robel presented the affidavit of posting 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.

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

There were no additions or corrections to the Agenda.

5. PUBLIC COMMENT:

President Clay welcomed any members of the public 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.

6. CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF OCTOBER 17, 2023:

The Regular Meeting Minutes from October 17, 2023 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular Meeting Minutes of October 17, 2023. There were no changes or additions requested.

It was **MOVED** by Trustee Joos, seconded by Trustee Urton, and carried by a 4-0-0 roll call vote, with Trustee Holzer absent, to approve the October 17, 2023 Regular meeting minutes as presented.

1 7. **CONSENT AGENDA:**

2 The Consent Agenda Report was provided in the Board Packet.

3
4 Mr. Garcia reviewed the Consent Agenda materials for the month of October.

5
6 It was **MOVED** by Trustee Joos, seconded by Trustee Urton, and carried by a 4-0-0 roll call vote,
7 with Trustee Holzer absent, to approve the Consent Agenda as presented.

8
9 8. **MANAGER REPORTS - STATUS, DISCUSSION, AND POSSIBLE BOARD ACTION ON THE FOLLOWING**
10 **SUBJECTS:**

11 **A. DISTRICT ADMINISTRATION**

12 1. Financial Report on Administrative Matters

13 a) Presentation of Monthly Financial Statements – Revenues and Expenses

14 Ms. Robel announced that the Financial Statements were provided to the Board via
15 email earlier today and were included in the handout materials and posted on the
16 District’s website in the Board packet materials section for any member of the public
17 wishing to follow along or receive a copy.

18
19 Ms. Robel reviewed the Statement of Revenues and Expenses for the month of
20 October. She highlighted various line-items related to revenue and expense
21 transactions that occurred during the month and referred to the Fiscal-Year-to-Date
22 Statement of Revenues and Expenses that provides a budget to actual snapshot for
23 the month of October. Ms. Robel reported that the District revenues for the month
24 of October exceeded the expenses by \$396,297.02 and the year-to-date net income was
25 \$1,404,409.50.

26
27 b) Approval of Accounts Payable

28 Ms. Robel announced that the Warrant List was provided to the Board via email
29 earlier today and included in the handout materials and posted on the District’s
30 website in the Board packet materials section for any member of the public wishing
31 to follow along or receive a copy.

32
33 The Board reviewed the Warrant List which covered warrants 25488 through 25554
34 in the amount of \$773,862.18.

35
36 It was **MOVED** by Trustee Joos, seconded by Trustee Urton, and carried by a 4-0-0
37 roll call vote, with Trustee Holzer absent, to approve the Warrant List for October 18,
38 2023 through November 21, 2023.

39
40 9. **REPORT, DISCUSSION, AND POSSIBLE BOARD ACTION ON THE FOLLOWING SUBJECTS:**

41
42 **A. SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

43 1. Eastern Management Area (EMA) Update

44 The Board packet included a Notice and Agenda for the November 16, 2023 meeting of
45 the EMA GSA.

46
47 Mr. Garcia reported on the November 16, 2023 EMA GSA meeting. He indicated that
48 positive discussions are ongoing regarding SGMA governance for the EMA, the draft
49 Joint Powers Agreement (JPA), and interim cost sharing among the EMA member
50 agencies. Mr. Garcia explained that negotiations related to the JPA voting structure have
51 resulted in agreement to use a “One Director, One Vote” approach for the new GSA,
52 which signifies a major breakthrough for all parties. He reported that discussions are
53 ongoing to formulate a structure and process for the appointment of an agricultural

1 representative to the GSA Board, and whether the General Manager/Executive Director
2 and Legal Counsel positions for the new JPA should be duty-bound to the JPA, such that
3 those positions are not carried out by managers or legal counsel from one of the existing
4 member agencies. Mr. Garcia reported that the next regular meeting of the EMA GSA
5 is scheduled for December 21, 2023.
6

7 2. Interim Cost Sharing Agreement Among EMA GSA Agencies

8 The Board packet included an Interim Cost Sharing Agreement for the Santa Ynez River
9 Valley Groundwater Basin – Eastern Management Area.
10

11 Mr. Garcia reported on the Interim Cost Sharing Agreement. He explained that the
12 purpose of the agreement is for the existing member agencies of the EMA GSA (City of
13 Solvang, County Water Agency, ID No.1, and SYRWCD) to provide temporary funding
14 to the GSA to assist with initial efforts to administer, develop, and implement projects
15 and management actions identified in the EMA GSP, prepare reports and other
16 documentation required for SGMA compliance, and carry out other administrative
17 functions for the GSA prior to the receipt of DWR grant funds and/or prior to when the
18 EMA JPA has developed its own funding sources. The Agreement establishes a process
19 for the member agencies to review tasks/projects to be undertaken by or on behalf of the
20 EMA GSA, and enables each agency to contribute 25% of the costs for each task/project
21 on a case-by-case basis. Mr. Garcia noted that all cost share contributions by the agencies
22 are expressly conditioned on being reimbursed by the EMA GSA no later than December
23 2026 unless that time period is extended by the agencies. He indicated that the Solvang
24 City Council approved the Interim Cost Sharing Agreement at their meeting on
25 November 13, 2023. Mr. Garcia recommended the Board authorize the General Manager
26 to sign the Interim Cost Sharing Agreement on behalf of the District.
27

28 It was **MOVED** by Trustee Joos, seconded by Trustee Urton, and carried by a 4-0-0 roll
29 call vote, with Trustee Holzer absent to authorize the General Manager to sign the
30 Interim Cost Sharing Agreement for the Santa Ynez Vally Groundwater Basin – Eastern
31 Management Area.
32

33 **B. AMENDMENT TO RULES & REGULATIONS AND CAPITAL FACILITIES CHARGES**

- 34 1. Draft Resolution No. XXX: A Resolution of the Board of Trustees of the Santa Ynez River
35 Water Conservation District, Improvement No. 1 Approving the Automatic Annual
36 Adjustments to the Capital Facilities Charges and Meter Installation Fees contained in
37 Appendix "C" and Appendix "D" of the District's Rules and Regulations
38

39 The Board packet included a draft Resolution for the automatic annual adjustment to the
40 District's Capital Facilities Charges and Meter Installation Fees pursuant to District
41 Resolution No. 422 and Sections 603 and 709 of the District's Rules and Regulations. The
42 automatic adjustments will take effect on January 1, 2024.
43

44 Mr. Garcia explained that the draft Resolution is being provided for advance review by
45 the Board because adjustments to the District's capital facilities and meter installation
46 charges are implemented through amendments to Appendix "C" and Appendix "D" of
47 the District's Rules and Regulations. He explained that the Board must be provided at
48 least 20 days' advance written notice of any proposed amendments or changes to the
49 Rules and Regulations. Mr. Garcia explained the process by which the charges are
50 prepared. He stated that no action was required at this time and a Final Resolution would
51 be presented for consideration and action at the December meeting. Trustee Burchardi

1 requested information on the percentage increase in Capital Facilities Charges from 2023
2 to 2024.

3
4 **10. REPORTS BY THE BOARD MEMBERS OR STAFF, QUESTIONS OF STAFF, STATUS REPORTS,**
5 **ANNOUNCEMENTS, COMMITTEE REPORTS, AND OTHER MATTERS AND/OR COMMUNICATIONS**
6 **NOT REQUIRING BOARD ACTION:**
7

8 The Board packet included the November 2023 Family Farm Alliance Monthly Briefing.

9
10 The Board packet included the Santa Barbara County Regional Water Efficiency Program Fiscal
11 Year 2022-2023 Annual Report.

12
13 The Board packet included two articles; California State Water Resources Control Board "3M
14 and DuPont Class Action Lawsuit Settlements Approved by US District Court" and ACWA
15 Advisory (Association of California Water Agencies). Mr. Garcia stated that he would provide
16 further information in Closed Session regarding these articles.

17
18 Mr. Garcia reported that staff has been working with Regional Governmental Services (RGS) on
19 recruitment for the District's vacant positions. He announced that the District has recently hired
20 Mr. Daniel Drugan as the Deputy Water Resources Manager to fill the vacancy that will be
21 created upon the upcoming retirement of Eric Tambini, Water Resources Manager, at the end of
22 December. Mr. Drugan is scheduled to start with the District on November 27, 2023 and will
23 work with Mr. Tambini through the month of December.

24
25 **11. CORRESPONDENCE: GENERAL MANAGER RECOMMENDS FILING OF VARIOUS ITEMS:**

26 The Correspondence List was received by the Board.

27
28 **12. REQUESTS FOR ITEMS TO BE INCLUDED ON THE NEXT REGULAR MEETING AGENDA:**

29 There were no requests from the Board.

30
31 **13. NEXT MEETING OF THE BOARD OF TRUSTEES:**

32 President Clay stated that the next Regular Meeting of the Board of Trustees is scheduled for
33 December 19, 2023 at 3:00 p.m.

34
35 **14. CLOSED SESSION:**

36 The Board adjourned to closed session at 4:15 p.m.

37
38 **A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

39 [Subdivision (d)(1) of Section 54956.9 of the Government Code - 3 Cases]

- 40 1. Name of Case: Adjudicatory proceedings pending before the State Water Resources
41 Control Board regarding Permit 15878 issued on Application 22423 to the City of
42 Solvang, Petitions for Change, and Related Protests
 - 43
44 2. Name of Case: Central Coast Water Authority, et al. v. Santa Barbara County Flood
45 Control and Water Conservation District, et al., Santa Barbara County Superior Court
46 Case No. 21CV02432
 - 47
48 3. Name of Case: In Re Aqueous Film-Forming Foams Products Liability Litigation,
49 Case No. 2:18-mn-2873-RMG (City of Camden, et al. v. 3M Company, Case No. 2:23-
50 cv-03147-RMG; City of Camden, et al. v. E.I. DuPont de Nemours and Company, et
51 al. Case No. 2:23-cv-03230-RMG)
- 52

1 B. CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION
2 [Subdivision (d)(2) of Section 54956.9 of the Government Code – Significant Exposure to
3 Litigation Against the Agency – One Matter]
4

5 C. CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION
6 [Subdivision (d)(4) of Section 54956.9 of the Government Code – Potential Initiation of
7 Litigation By the Agency – One Matter]
8

9 15. RECONVENE INTO OPEN SESSION:
10 [Sections 54957.1 and 54957.7 of the Government Code]
11

12 The Board reconvened to open session at approximately 5:42 p.m. Mr. Garcia announced that
13 the Board met in Closed Session in accordance with Agenda Items 14.A.1-3, 14.B and 14.C. He
14 reported that there was no reportable action for Agenda Items 14.A.1-2, 14.B, and 14.C.
15

16 With regard to Closed Session Agenda Item 14.A.3, Mr. Garcia reported that the Board decided
17 in closed session to affirmatively opt out of participation in the lawsuits and authorized the
18 General Manager to sign the necessary opt out documents to be filed by legal counsel.
19

20 16. ADJOURNMENT:
21 Being no further business, it was MOVED by Trustee Urton, seconded by Trustee Burchardi, and
22 carried by a 4-0-0 voice vote, with Trustee Holzer absent, to adjourn the meeting at approximately
23 5:43 p.m.
24

25 RESPECTFULLY SUBMITTED,
26

27
28
29 _____
30 Mary Robel, Secretary to the Board
31

32 ATTEST: _____
33 Jeff Clay, President
34

35
36 MINUTES PREPARED BY:
37

38
39 _____
40 Karen King, Board Administrative Assistant

**BOARD OF TRUSTEES
SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO.1
December 19, 2023**

Consent Agenda Report

CA-1. Water Supply and Production Report. Total water production in **November 2023 (207 AF)** was 143 AF lower than total production in **October 2023 (350 AF)**, 29 AF lower than the most recent 3-year running average (2020-2022) for the month of **November (236 AF)**, and 77 AF less than the most recent 10-year running average (2013-2022) for the month of **November (284 AF)**. Generally speaking, the District's overall demands and total production have been trending well below historic levels for domestic, rural residential, and agricultural water deliveries due to water conservation, changing water use patterns, and private well installations.

For the month of **November 2023**, approximately **123 AF** was produced from the Santa Ynez Upland wells, and approximately **84 AF** was produced from the 6.0 cfs well field in the Santa Ynez River alluvium. As reflected in the Monthly Water Deliveries Report from the Central Coast Water Authority (CCWA), the District took **0 AF** of SWP supplies for the month. Direct diversions to the County Park and USBR were **1.46 AF**.

The USBR Daily Operations Report for Lake Cachuma in **November** (ending November 30, 2023) recorded the end of month reservoir elevation at **746.47'** with the end of month storage of **173,714 AF**. USBR recorded total precipitation at the lake of **0.64 inches** for the month. SWP deliveries to the reservoir for South Coast entities were **51.1 AF**. Reported reservoir evaporation in **November** was **637.0 AF**.

Based on the updated maximum storage capacity of 192,978 AF (previously 193,305 AF), as of **December 11, 2023** Cachuma reservoir was reported at **89.2%** of capacity, with then-current storage of **172,134 AF** (Santa Barbara County Flood Control District, Rainfall and Reservoir Summary). At a point when reservoir storage exceeds 100,000 AF, the Cachuma Member Units typically have received a full allocation. Conversely, a 20% pro-rata reduction from the full allocation is scheduled to occur in Water Years beginning at less than 100,000 AF, where incremental reductions may occur (and previously have occurred) at other lower storage levels. For the federal WY 2021-2022 (October 1, 2021 through September 30, 2022), USBR issued a 70% allocation, equal to 18,000 AF. ID No.1's 10.31% share of that allocation was 1,855 AF. In the Fall of 2022 when reservoir conditions were low, the Cachuma Member Units initially requested an approximate 15% Cachuma Project allocation for federal WY 2022-2023. By letter dated September 30, 2022, USBR issued an initial 0% allocation for WY 2022-2023. **Based on extraordinary rain conditions that filled and spilled the reservoir early this year, in February 2023 USBR issued a revised 100% Project allocation for WY 2022-2023. ID No.1's share of that allocation is 2,651 AF. By letter dated June 30, 2023 the Cachuma Member Units submitted a joint request for another 100% Cachuma allocation for WY 2023-2024. On July 10, 2023 USBR approved that request, which translates to another 2,651 AF for ID No.1.**

Water releases for the protection of fish and aquatic habitat are made from Cachuma reservoir to the lower Santa Ynez River pursuant to the 2000 Biological Opinion issued by the National Marine Fisheries Service (NMFS) and the 2019 Water Rights Order (WR 2019-0148) issued by the State Water Resources Control Board (SWRCB). These releases are made to Hilton Creek and to the stilling basin portion of the outlet works at the base of Bradbury Dam. The water releases required under the NMFS 2000 Biological Opinion to avoid jeopardy to steelhead and adverse impacts to its critical habitat are summarized as follows:

NMFS 2000 Biological Opinion

- *When Reservoir Spills and the Spill Amount Exceeds 20,000 AF:*
 - *10 cfs at Hwy 154 Bridge during spill year(s) exceeding 20,000 AF*
 - *1.5 cfs at Alisal Bridge when spill amount exceeds 20,000 AF and if steelhead are present at Alisal Reach*
 - *1.5 cfs at Alisal Bridge in the year immediately following a spill that exceeded 20,000 AF and if steelhead are present at Alisal Reach*
- *When Reservoir Does Not Spill or When Reservoir Spills Less Than 20,000 AF:*
 - *5 cfs at Hwy 154 when Reservoir does not spill and Reservoir storage is above 120,000 AF, or when Reservoir spill is less than 20,000 AF*
 - *2.5 cfs at Hwy 154 in all years when Reservoir storage is below 120,000 AF but greater than 30,000 AF*
 - *1.5 cfs at Alisal Bridge if the Reservoir spilled in the preceding year and the spill amount exceeded 20,000 AF and if steelhead are present at Alisal Reach*
 - *30 AF per month to "refresh the stilling basin and long pool" when Reservoir storage is less than 30,000 AF*

The water releases required under the SWRCB Water Rights Order 2019-0148 for the protection of fish and other public trust resources in the lower Santa Ynez River and to prevent the waste and unreasonable use of water are summarized as follows:

SWRCB Order WR 2019-0148

- *During Below Normal, Dry, and Critical Dry water years (October 1 – September 30), releases shall be made in accordance with the requirements of the NMFS 2000 Biological Opinion as set forth above.*
- *During Above Normal and Wet water years, the following minimum flow requirements must be maintained at Hwy 154 and Alisal Bridges:*
 - *48 cfs from February 15 to April 14 for spawning*
 - *20 cfs from February 15 to June 1 for incubation and rearing*
 - *25 cfs from June 2 to June 9 for emigration, with ramping to 10 cfs by June 30*
 - *10 cfs from June 30 to October 1 for rearing and maintenance of resident fish*
 - *5 cfs from October 1 to February 15 for resident fish*
- *For purposes of SWRCB Order WR 2019-0148, water year classifications are as follows:*
 - *Wet is when Cachuma Reservoir inflow is greater than 117,842 AF;*
 - *Above Normal is when Reservoir inflow is less than or equal to 117,842 AF or greater than 33,707 AF;*
 - *Below Normal is when Reservoir inflow is less than or equal to 33,707 AF or greater than 15,366 AF;*
 - *Dry is when Reservoir inflow is less than or equal to 15,366 AF or greater than 4,550 AF*
 - *Critical Dry is when Reservoir inflow is less than or equal to 4,550 AF*

As of the end of **December 2022** (prior to the spill in January 2023), a total of approximately **49,653.3 AF** of Cachuma Project water had been released under regulatory requirements for the protection of fish and fish habitat below Bradbury Dam since the year after the 2011 spill. **For the months of January through November 2023, water releases for fishery requirements, spill conditions, and other operational purposes have been made from the Cachuma Project. Reclamation has indicated that it will provide an accounting of those releases.**

CA-2. State Water Project (SWP) and Central Coast Water Authority (CCWA) Updates.

In 2022, the SWP Table A allocation for SWP Contractors was only 5 percent, which translated to 35 AF for ID No.1's share of Table A supplies through CCWA. As previously reported, by Notice to the SWP Contractors dated December 1, 2022, the California Department of Water Resources (DWR) issued an initial 2023 SWP Table A allocation of 5 percent, along with a provisional allocation of additional SWP supplies to certain Contractors to ensure the needs for human health and safety. **In response to this year's extraordinary rain events and resulting increases in Lake Oroville storage, DWR incrementally increased the 2023 SWP Table A allocation to 30 percent (January 26, 2023), then 35 percent (February 22, 2023), then 75 percent (March 24, 2023), and then 100 percent (April 20, 2023) for the first time since 2006.** For ID No.1, the increase to 100 percent translates to a current 2023 Table A allocation of 2,200 AF. Of that amount, 700 AF is available to ID No.1 and the remaining 1,500 AF is contracted to the City of Solvang. **By notice to the State Water Contractors dated December 1, 2023, DWR has issued an initial 10 percent Table A allocation for 2024.** As reflected in the enclosed materials, DWR's initial 10 percent allocation is based on the following rationale:

Water year 2023 provided much-needed relief following three of the most severely dry years on record. However, water year 2024 is off to a slow start with precipitation amounts at about half of average in October and November. To make the initial 2024 allocation, DWR forecasts what water supplies will be available if the current dry pattern continues through the remainder of the water year 2024. As a result, DWR is initially allocating 10 percent of most SWP contractors' requested Table A amounts for 2024.

To determine the available SWP water supplies, DWR considers factors including SWP contractors' anticipated 2023 carryover supplies into 2024, projected 2024 demands, existing storage in SWP conservation facilities, estimates of future runoff, SWP operational and regulatory requirements from the Federal Endangered Species Act and California Endangered Species Act, and water rights obligations under the State Water Resources Control Board's authority. DWR may revise the SWP allocation if hydrologic conditions change.

On November 27, 2023 the CCWA Board of Directors held a Special Meeting to consider two matters of anticipated litigation. Otherwise, as noted in last month's Consent Agenda Report, CCWA remains engaged in a variety of matters relating to the SWP, including but not limited to: SWP supplies and related SWP operations; facility improvements to address water quality concerns; renewal of the Cachuma Project Warren Act contract; and various administrative matters. CCWA and its member agencies also remain engaged in their pending litigation against the Santa Barbara County Flood Control and Water Conservation District to maintain CCWA sovereignty over important decisions pertaining to SWP supplies. The CCWA Board of Directors is not scheduled to hold a regular meeting in December of 2023.



— BUREAU OF —
RECLAMATION

Historical Archive and Report Database

Lake Cachuma Daily Operations

Run Date: 12/10/2023

November 2023

DAY	ELEV	STORAGE ACRE-FEET		COMPUTED* INFLOW AF.	CCWA INFLOW AF.	PRECIP ON		RELEASE - AF.			EVAPORATION		PRECIP INCHES
		IN LAKE	CHANGE			RES. SURF. AF.	TUNNEL	HILTON CREEK	OUTLET	SPILLWAY	AF.	INCH	
	747.42	176,471											
1	747.38	176,355	-116	-18.0	12.0	0.0	47.4	13.1	18.0	0.0	31.5	0.180	0.00
2	747.34	176,238	-117	-22.0	12.0	0.0	46.5	13.1	18.0	0.0	29.7	0.170	0.00
3	747.30	176,122	-116	-7.0	0.5	0.0	48.3	13.1	15.0	0.0	33.2	0.190	0.00
4	747.27	176,035	-87	26.0	0.0	0.0	47.1	13.1	14.0	0.0	38.4	0.220	0.00
5	747.23	175,918	-117	-17.0	0.0	0.0	46.7	13.6	14.0	0.0	26.2	0.150	0.00
6	747.20	175,831	-87	9.0	0.0	0.0	49.7	13.1	14.0	0.0	19.2	0.110	0.00
7	747.17	175,744	-87	7.0	0.0	0.0	47.4	13.1	14.0	0.0	19.2	0.110	0.00
8	747.14	175,657	-87	12.0	0.0	0.0	41.0	13.1	13.0	0.0	31.4	0.180	0.00
9	747.12	175,599	-58	19.0	0.0	0.0	29.9	13.1	0.0	11.0	22.7	0.130	0.00
10	747.08	175,453	-146	-58.0	0.0	0.0	33.9	13.0	20.0	0.0	20.9	0.120	0.00
11	747.05	175,395	-58	25.0	0.0	0.0	34.5	13.1	13.0	0.0	22.6	0.130	0.00
12	747.02	175,308	-87	5.0	0.0	0.0	43.0	13.0	13.0	0.0	22.6	0.130	0.00
13	746.98	175,192	-116	-21.0	0.0	0.0	43.1	13.1	14.0	0.0	24.4	0.140	0.00
14	746.95	175,104	-88	1.0	0.0	0.0	31.8	13.1	13.0	0.0	31.3	0.180	0.00
15	746.91	174,988	-116	-17.0	0.0	0.0	44.8	13.1	13.0	0.0	27.8	0.160	0.00
16	746.89	174,930	-58	-2.0	0.0	26.6	47.3	13.1	14.0	0.0	8.7	0.050	0.11
17	746.88	174,901	-29	36.0	6.5	2.4	37.6	13.2	13.0	0.0	12.2	0.070	0.01
18	746.87	174,872	-29	-39.0	0.0	79.7	43.4	13.2	13.0	0.0	0.0	0.000	0.33
19	746.83	174,755	-117	-73.0	0.0	45.8	42.3	13.2	14.0	0.0	20.8	0.120	0.19
20	746.81	174,697	-58	35.0	0.0	0.0	40.9	13.2	13.0	0.0	26.0	0.150	0.00
21	746.78	174,610	-87	-8.0	5.2	0.0	42.2	13.2	13.0	0.0	15.6	0.090	0.00
22	746.76	174,552	-58	22.0	7.0	0.0	41.1	13.2	14.0	0.0	19.1	0.110	0.00
23	746.72	174,436	-116	-25.0	0.0	0.0	41.9	13.2	13.0	0.0	22.6	0.130	0.00
24	746.70	174,377	-59	24.0	0.0	0.0	41.5	13.2	13.0	0.0	15.6	0.090	0.00
25	746.67	174,290	-87	14.0	0.0	0.0	54.5	13.2	14.0	0.0	19.1	0.110	0.00
26	746.63	174,174	-116	-14.0	0.0	0.0	59.8	13.2	13.0	0.0	15.6	0.090	0.00
27	746.59	174,059	-115	-21.0	0.0	0.0	54.0	13.1	13.0	0.0	13.9	0.080	0.00
28	746.55	173,944	-115	-3.0	0.0	0.0	63.8	13.2	14.0	0.0	20.8	0.120	0.00
29	746.51	173,829	-115	-1.0	0.7	0.0	70.9	13.2	13.0	0.0	17.3	0.100	0.00
30	746.47	173,714	-115	-11.0	7.2	0.0	76.6	13.2	13.0	0.0	8.6	0.050	0.00
TOTALS			-2,757	-120.0	51.1	154.5	1,392.9	394.6	406.0	11.0	637.0	3.660	0.64
AVERAGE		175,036											

Comments: *Computed inflow is the sum of change in storage, releases and evaporation minus precip on the reservoir surface and ccwa inflow.
Indicated outlet release includes leakage from outlet valves and spillway gates.
Data based on a 24 hour period ending 0800.



Santa Barbara County - Flood Control District

130 East Victoria Street, Santa Barbara CA 93101 - 805.568.3440 - www.countyofsb.org/pwd

Rainfall and Reservoir Summary

Updated 8am: 12/11/2023

Water Year: 2024

Storm Number: NA

Notes: Daily rainfall amounts are recorded as of 8am for the previous 24 hours. Rainfall units are expressed in inches. All data on this page are from automated sensors, are preliminary, and subject to verification.

*Each Water Year (WY) runs from Sept 1 through Aug 31 and is designated by the calendar year in which it ends
County Real-Time Rainfall and Reservoir Website link: > <http://www.countyofsb.org/hydrology>

Rainfall	ID	24 hrs	Storm 0day(s)	Month	Year*	% to Date	% of Year*	AI
Buellton (Fire Stn)	233	0.00	0.00	0.00	0.68	22%	4%	
Cachuma Dam (USBR)	332	0.00	0.00	0.00	0.62	18%	3%	
Carpinteria (Fire Stn)	208	0.00	0.00	0.00	0.26	8%	2%	
Cuyama (Fire Stn)	436	0.00	0.00	0.00	0.13	8%	2%	
Figueroa Mtn (USFS Stn)	421	0.00	0.00	0.00	0.85	19%	4%	10.9
Gibraltar Dam (City Facility)	230	0.00	0.00	0.00	0.33	8%	1%	11.2
Goleta (Fire Stn-Los Carneros)	440	0.00	0.00	0.00	0.28	8%	2%	
Lompoc (City Hall)	439	0.00	0.00	0.00	1.08	38%	7%	10.7
Los Alamos (Fire Stn)	204	0.00	0.00	0.00	0.62	22%	4%	
San Marcos Pass (USFS Stn)	212	0.00	0.00	0.00	0.87	13%	3%	
Santa Barbara (County Bldg)	234	0.00	0.00	0.00	0.28	8%	2%	
Santa Maria (City Pub.Works)	380	0.00	0.00	0.00	0.72	27%	5%	
Santa Ynez (Fire Stn /Airport)	218	0.00	0.00	0.00	0.75	25%	5%	
Sisquoc (Fire Stn)	256	0.00	0.00	0.00	0.41	14%	3%	

County-wide percentage of "Normal-to-Date" rainfall : 17%

County-wide percentage of "Normal Water-Year" rainfall : 3%

County-wide percentage of "Normal Water-Year" rainfall calculated assuming no more rain through Aug. 31, 2024 (End of WY2024).

AI (Antecedent Index / Soil Wetness)

- 6.0 and below = Wet (min. = 2.5)
- 6.1 - 9.0 = Moderate
- 9.1 and above = Dry (max. = 12.5)

Reservoirs

Reservoir Elevations referenced to NGVD-29.
**Cachuma is full and subject to spilling at elevation 750 ft. However, the lake is surcharged to 753 ft. for fish release water. (Cachuma water storage based on Dec 2021 capacity revision)

Click on Site for Real-Time Readings	Spillway	Current	Max.	Current	Current	Storage	Storage
	Elev. (ft)	Elev. (ft)	Storage (ac-ft)	Storage (ac-ft)	Capacity (%)	Change Mo.(ac-ft)	Change Year*(ac-ft)
<u>Gibraltar Reservoir</u>	1,400.00	1,383.75	4,693	1,613	34.4%	52	-1,569
<u>Cachuma Reservoir</u>	753.**	746.07	192,978	172,134	89.2%	-987	-11,860
<u>Jameson Reservoir</u>	2,224.00	2,221.44	4,848	4,536	93.6%	-12	-248
<u>Twitchell Reservoir</u>	651.50	536.10	194,971	1,378	0.7%	-4,027	-54,054

California Irrigation Management Information System (CIMIS)

CIMIS Daily Report

Rendered in ENGLISH Units.

Wednesday, November 1, 2023 - Thursday, November 30, 2023

Printed on Friday, December 1, 2023

Santa Ynez - Central Coast Valleys - Station 64

Date	ETo (In)	Preclp (In)	Sol Rad (Ly/day)	Avg Vap Pres (mBars)	Max Air Temp (°F)	Min Air Temp (°F)	Avg Air Temp (°F)	Max Rel Hum (%)	Min Rel Hum (%)	Avg Rel Hum (%)	Dew Point (°F)	Avg Wind Speed (mph)	Wind Run (miles)	Avg Soil Temp (°F)
11/1/2023	0.12 R	0.00	397 R	4.2 Y	88.5	27.0	51.9	80	7	32 Y	22.8 Y	1.6	39.4	69.6
11/2/2023	0.12 R	0.00	0 R	4.9	40.8 R	36.2	38.8 Y	79	8	61 Y	26.5 Y	1.0 I	23.8 I	69.2
11/3/2023	0.11 R	0.00	376	5.4	89.9	30.6	55.2	79	12	36	29.0	1.3	32.3	69.2
11/4/2023	0.11 R	0.00	359	7.9	88.6	34.2	57.0	90	16	49	38.3	1.6	37.3	69.2
11/5/2023	0.10 R	0.00	368	11.4	78.9	39.0	56.3	98	31	74	48.1	1.8	42.7	69.3
11/6/2023	0.10 R	0.00	346	13.6	80.3	48.8	59.5	98	49	78	52.8	2.0	47.6	69.5
11/7/2023	0.11	0.00	357	11.4	71.8	43.0	58.0	93	40	69	48.1	3.2	76.7	69.9
11/8/2023	0.10 R	0.00	361	7.8	78.5	33.6	54.4	93	23	54	38.1	2.1	49.5	69.7
11/9/2023	0.10	0.00	349	6.2	80.3	25.2	48.6	94	9	53	32.5	1.8	43.6	69.1
11/10/2023	0.09 R	0.00	327	6.2	78.3	26.1	47.3	93	14	55	32.2	1.7	41.4	68.3
11/11/2023	0.09 R	0.00	358	5.0	84.6	25.1	49.2	94	8	42	27.0	1.4	32.7	67.6
11/12/2023	0.11 R	0.00	353	4.2 Y	84.3	26.7	50.7	87	8	33 Y	22.9 Y	2.1	50.8	67.2
11/13/2023	0.08 R	0.00	290	6.5	75.2	30.4	48.6	87	23	56	33.6	1.9	45.8	66.9
11/14/2023	0.10	0.00	337	6.0	78.4	27.8	49.8	92	19	49	31.4	2.1	49.4	66.5
11/15/2023	0.07	0.01	187	9.8	71.5	39.2	59.5	79	22	57	44.1	4.8	115.0	66.2
11/16/2023	0.04	0.00	158	13.9	71.9	47.5	60.9	96	59	76	53.4	2.4	56.6	66.1
11/17/2023	0.05	0.24	207	13.8	73.3	45.3	59.4	97	54	80	53.2	2.6	62.4	66.3
11/18/2023	0.04	0.04 H	195	15.3 Y	69.9	54.7 Y	61.5	97	64	82 Y	55.9 Y	2.0	48.4	66.4
11/19/2023	0.11	0.00	333	9.5	70.7	45.1	58.6	94	23	57	43.2	4.1	98.8	66.4
11/20/2023	0.08 R	0.01	331	7.8	74.0	31.6	49.9	97	29	63	38.0	1.3	32.1	65.7
11/21/2023	0.08 R	0.00	313	7.1	82.3	30.4	50.3	99	15	57	35.8	1.2	29.9	64.9
11/22/2023	0.08 R	0.00	315	6.9	80.3	30.6	51.9	97	15	52	35.0	1.5	34.9	64.4
11/23/2023	0.08	0.00	312	10.6	74.0	39.1	54.4	93	37	74	46.1	2.2	52.9	64.2
11/24/2023	0.08 R	0.00	314	8.3	70.6	33.1	49.2	98	25	69	39.7	1.7	41.5	64.4
11/25/2023	0.08 R	0.02	309	6.4	67.8	29.0	44.8	97	28	64	33.2	2.3	55.6	64.1
11/26/2023	0.07 R	0.00	285	5.9	69.9	28.7	46.4	96	22	55	31.0	1.7	41.7	63.3
11/27/2023	0.08 R	0.00	269	5.3	70.1	26.6	45.4	94	19	51	28.3	2.1	51.4	62.7
11/28/2023	0.08 R	0.00	301	6.2	71.2	26.7	45.8	94	19	59	32.2	1.7	40.2	62.2
11/29/2023	0.05	0.00	230	9.9	67.0	31.2	49.6	95	51	82	44.2	1.4	34.4	61.8
11/30/2023	0.07	0.00	268	11.1	68.3	43.5	54.6	96	43	77	47.4	2.4	58.5	62.0
Tots/Avgs	2.58	0.32	297	8.3	75.0	34.5	52.3	93	26	60	38.1	2.0	48.9	66.4

Flag Legend		
A - Historical Average	I - Ignore	R - Far out of normal range
C or N - Not Collected	M - Missing Data	S - Not in service
H - Hourly Missing or Flagged Data	Q - Related Sensor Missing	Y - Moderately out of range
Conversion Factors		
Ly/day/2.065=W/sq.m	inches * 25.4 = mm	(F-32) * 5/9 = c
mph * 0.447 = m/s	mBars * 0.1 = kPa	miles * 1.60934 = km



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

TO: Ray Stokes, Executive Director
Dessi Mladenova, Controller

FROM: Christine Forsyth, Administrative Assistant

SUBJECT: Monthly Water Deliveries

December 11, 2023

According to the CCWA revenue meters at each turnout, the following deliveries were made during the month of November 2023:

<u>Project Participant</u>	<u>Delivery Amount (acre-feet)</u>
Chorro	139.19
López.....	212.51
Shandon.....	0.00
Guadalupe.....	55.66
Santa Maria.....	523.40
Golden State Water Co.....	0.00
Vandenberg.....	26.65
Buellton	33.70
Solvang	85.53
Santa Ynez ID#1	0.00
Bradbury.....	<u>64.97</u>
TOTAL	1,141.61

In order to reconcile these deliveries with the DWR revenue meter, which read 1134 acre-feet, the following delivery amounts should be used for billing purposes:

<u>Project Participant</u>	<u>Delivery Amount (acre-feet)</u>
Chorro	138
López	211
Shandon.....	0
Guadalupe.....	55
Santa Maria	498*
Golden State Water Co	22*
Vandenberg	26
Buellton	34
Solvang	85
Santa Ynez ID#1	0
Bradbury	<u>65</u>
TOTAL	1,134

*Golden State Water Company delivered 24 acre-feet into its system through the Santa Maria turnout. This delivery is recorded by providing a credit of 24 acre-feet to the City of Santa Maria and a charge in the same amount to the Golden State Water Company. GSWC corrected the acre-feet recorded for September from 37 acre-feet to 35 acre-feet. The amount credited to COSM was adjusted by 2 acre-feet.

Notes: Santa Ynez ID#1 water usage is divided into 0 acre-feet of Table A water and 0 acre-feet of exchange water.

The exchange water is allocated as follows

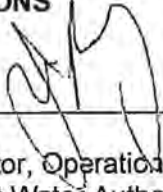
<u>Project Participant</u>	<u>Exchange Amount (acre-feet)</u>
Goleta	0
Santa Barbara	0
Montecito	0
Carpinteria	<u>0</u>
TOTAL	0

Bradbury Deliveries into Lake Cachuma are allocated as follows:

<u>Project Participant</u>	<u>Delivery Amount (acre-feet)</u>
Carpinteria	0
Goleta	0
La Cumbre	58
Montecito	0
Morehart	7
Santa Barbara	0
Raytheon	<u>0</u>
TOTAL	65

cc: Tom Bunosky, GWD
Mike Babb, Golden State WC
Rebecca Bjork, City of Santa Barbara
Janet Gingras, COMB
Craig Kesler, San Luis Obispo County
Paeter Garcia, Santa Ynez RWCD ID#1
Shad Springer, City of Santa Maria
City of Guadalupe
Robert MacDonald, Carpinteria Valley WD
Mike Alvarado, La Cumbre Mutual WC
Pernell Rush, Vandenberg SFB
Nick Turner, Montecito WD
Randy Murphy, City of Solvang
Rose Hess, City of Buellton

**REVIEW AND APPROVAL OF
DELIVERY RECORDS AND ASSOCIATED
CALCULATIONS**



John Brady
Deputy Director, Operations and Engineering
Central Coast Water Authority

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date: December 1, 2023****Number: 23-09****Subject: State Water Project Initial 2024 Allocation of 10 Percent****From:**

Handwritten signature of Ted Craddock in black ink.

Ted Craddock
Deputy Director, State Water Project
Department of Water Resources

Water year 2023 provided much-needed relief following three of the most severely dry years on record. However, water year 2024 is off to a slow start with precipitation amounts at about half of average in October and November. To make the initial 2024 allocation, the Department of Water Resources (DWR) forecasts what water supplies will be available if the current dry pattern continues through the remainder of the water year 2024. As a result, DWR is initially allocating 10 percent of most State Water Project (SWP) contractors' requested Table A amounts for 2024, as shown in Attachment A – 2024 SWP Allocation. The dry start to this year is a reminder that we must continue to prepare for swings between wet and dry conditions.

To determine the available SWP water supplies, DWR considers factors including SWP contractors' anticipated 2023 carryover supplies into 2024, projected 2024 demands, existing storage in SWP conservation facilities, estimates of future runoff, SWP operational and regulatory requirements from the Federal Endangered Species Act and California Endangered Species Act, and water rights obligations under the State Water Resources Control Board's authority. DWR may revise the SWP allocation if hydrologic conditions change.

DWR will develop the 10-percent water delivery schedules by prorating the 15-percent schedules submitted by the Contractors in October 2023 (as part of initial requests) with any subsequent updates. If a contractor foresees any changes to their water delivery schedule, please communicate such changes to DWR in a timely manner.

State of California

DEPARTMENT OF WATER RESOURCES
CALIFORNIA STATE WATER PROJECT

California Natural Resources Agency

If you have any questions or need additional information, please contact John Leahigh, Assistant Division Manager, Water Management, SWP Division of Operations and Maintenance, at (916) 902-9876.

Attachment A: 2024 SWP Allocation

Attachment A
2024 STATE WATER PROJECT ALLOCATION
Initial
December 1, 2023

SWP Contractors	Maximum Table A Amount (Acre-Feet)	Initial Table A Request Amount (Acre-Feet)	Approved Table A Allocation (Acre-Feet)	Approved Allocation as a Percentage of Initial Request
	(1)	(2)	(3)	(4) = (3)/(2)
<u>FEATHER RIVER</u>				
County of Butte	27,500	27,500	4,000	~ 15%
Plumas County FC&WCD	2,700	2,700	270	10%
City of Yuba City	9,600	9,600	1,440	15%
Subtotal	39,800	39,800	5,710	
<u>NORTH BAY</u>				
Napa County FC&WCD	29,025	29,025	4,354	15%
Solano County WA	47,756	47,756	7,164	15%
Subtotal	76,781	76,781	11,518	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	80,619	80,619	8,062	10%
Alameda County WD	42,000	42,000	4,200	10%
Santa Clara Valley WD	100,000	100,000	10,000	10%
Subtotal	222,619	222,619	22,262	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	570	10%
County of Kings	9,305	9,305	931	10%
Dudley Ridge WD	41,350	41,350	4,135	10%
Empire West Side ID	3,000	3,000	300	10%
Kern County WA	982,730	982,730	98,273	10%
Tulare Lake Basin WSD	87,471	87,471	8,748	10%
Subtotal	1,129,556	1,129,556	112,957	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	2,500	10%
Santa Barbara County FC&WCD	45,486	45,486	4,549	10%
Subtotal	70,486	70,486	7,049	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	144,844	144,844	14,485	10%
Santa Clarita Valley WA	95,200	95,200	9,520	10%
Coachella Valley WD	138,350	138,350	13,835	10%
Crestline-Lake Arrowhead WA	5,800	5,800	580	10%
Desert WA	55,750	55,750	5,575	10%
Littlerock Creek ID	2,300	2,300	230	10%
Metropolitan WDSC	1,911,500	1,911,500	191,150	10%
Mojave WA	89,800	89,800	8,980	10%
Palmdale WD	21,300	21,300	2,130	10%
San Bernardino Valley MWD	102,600	102,600	10,260	10%
San Gabriel Valley MWD	28,800	28,800	2,880	10%
San Geronio Pass WA	17,300	17,300	1,730	10%
Ventura County WPD	20,000	20,000	2,000	10%
Subtotal	2,633,544	2,633,544	263,355	
TOTAL	4,172,786	4,172,786	422,851	10%

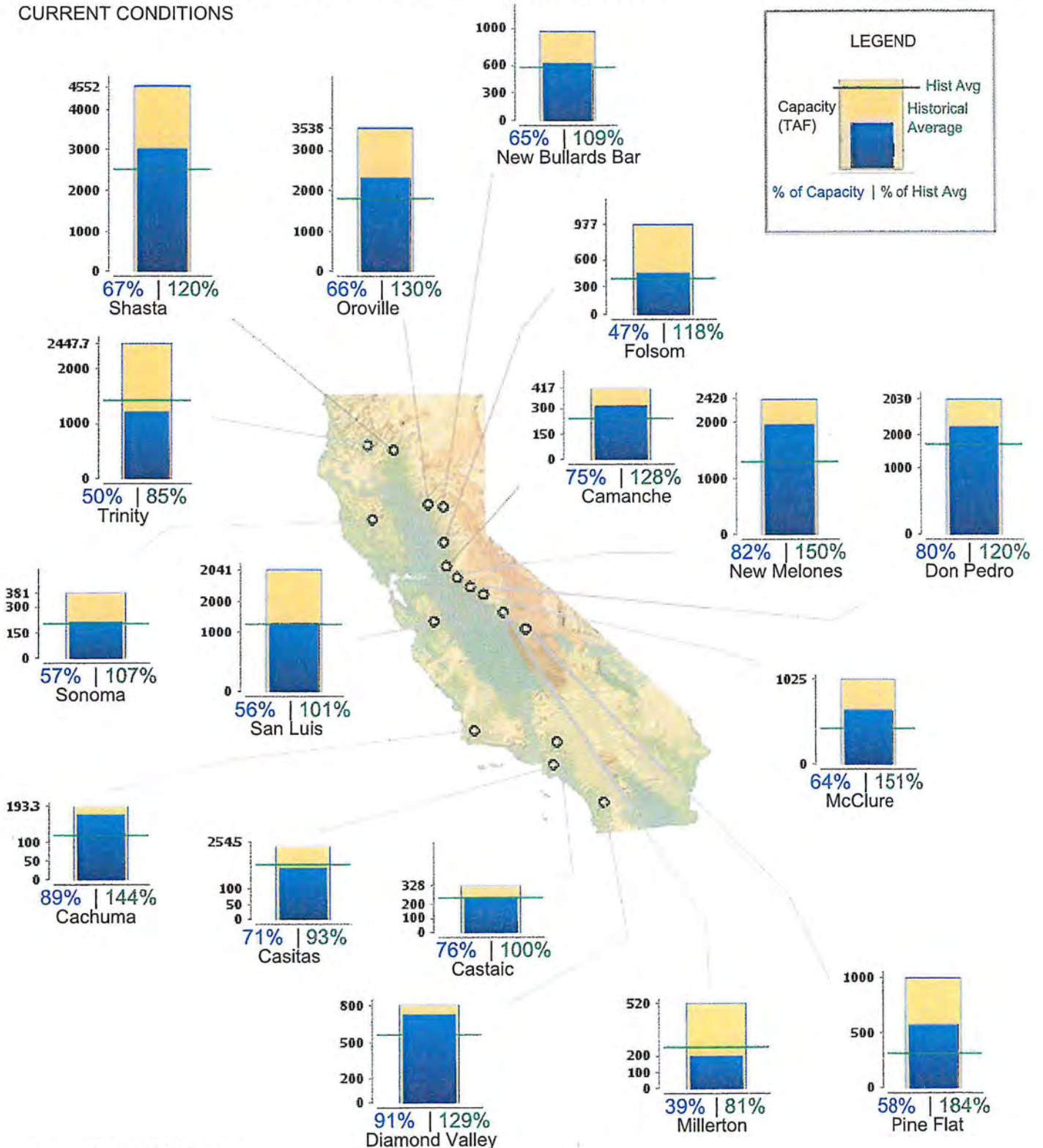
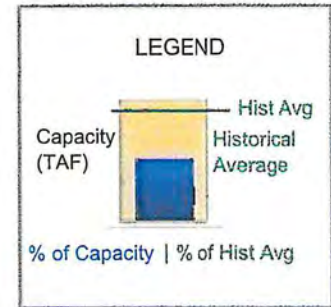


CURRENT RESERVOIR CONDITIONS

CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

Midnight - December 12, 2023

CURRENT CONDITIONS





A Special Meeting of the
**BOARD OF DIRECTORS
OF THE
CENTRAL COAST WATER AUTHORITY**

will be held at 4:00 p.m., on Monday, November 27, 2023
at 255 Industrial Way, Buellton, California
and

Rincon Room, 1021 Anacapa Street, Santa Barbara, California

Members of the public may participate by video call or telephone via
URL: <https://meetings.ringcentral.com/j/1473914767>
or by dialing (623) 404-9000 and entering access Code/Meeting ID: 147 391 4767 #

Eric Friedman
Chairman

Jeff Clay
Vice Chairman

Ray A. Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

Public Comment on agenda items may occur via video call or telephonically, or by submission to the Board Secretary via email at lfw@ccwa.com no later than 8:00 a.m. on the day of the meeting. In your email, please specify (1) the meeting date and agenda item (number and title) on which you are providing a comment and (2) that you would like your comment read into the record during the meeting. If you would like your comment read into the record during the meeting (as either general public comment or on a specific agenda item), please limit your comments to no more than 250 words.

Every effort will be made to read comments into the record, but some comments may not be read due to time limitations. Please also note that if you submit a written comment and do not specify that you would like this comment read into the record during the meeting, your comment will be forwarded to Board members for their consideration.

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available on the CCWA internet web site, accessible at <https://www.ccwa.com>.

- I. **Call to Order and Roll Call**
- II. **Public Comment – (Any member of the public may address the Board relating to any matter within the Board’s jurisdiction. Individual Speakers may be limited to five minutes; all speakers to a total of fifteen minutes.)**
- III. **Closed Session**
 - A. **CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Initiation of litigation pursuant to Government Code section 54956.9(d)(4): 2 cases
- IV. **Return to Open Session**
 - A. **Report on Closed Session Actions**
- V. **Date of Next Regular Meeting: January 25, 2024**
- VI. **Adjournment**

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www.ccwa.com

* Indicates attachment of document to original agenda packet.

A handwritten signature in black ink is located in the bottom right corner of the page. Below the signature, the number "#51356_1" is printed.

**Board of Trustees Officers
 Appointments of Representatives to Agencies/Organizations and District Ad Hoc
 Committees**

Officers	Current
President of the Board	Jeff Clay
Vice President	Mike Burchardi
Treasurer	Mary Martone
Secretary	Mary Martone

Agencies/Organizations	Current
Central Coast Water Authority	
Director/Alternate	Jeff Clay and Nick Urton
Association of California Water Agencies/JPIA	
Director/Alternate	Jeff Clay and Paeter Garcia
Ad Hoc Committees	
	Primary and Alternate
Solvang	Jeff Clay and Brad Joos
Water Rates	Mike Burchardi and Brad Joos
COMB	Mike Burchardi and Brad Joos
SGMA – EMA	Brad Joos and Mike Burchardi
Cachuma Contract	Mike Burchardi and Nick Urton
Los Olivos CSD	Mike Burchardi and Jeff Clay



To: Board of Trustees
From: Paeter E. Garcia
General Manager
Date: December 19, 2023
Subject: Merit Increase for Y-Rated Employee
Agenda: Item 9.A.2

STAFF REPORT

BACKGROUND AND OVERVIEW

Generally, the salaries of District employees are established according to a 12-step classification (Steps A through F1) according to different positions within the agency. For staff employees, step increases and corresponding increases in salary are not automatic, but instead are based on annual performance evaluations, and are granted at the discretion of the General Manager pursuant to the District's Personnel Policy Manual.

There are instances when an employee reaches the maximum Step F1 designation and salary within his/her position as classified by the District. At that point, the employee is considered "Y-rated" according to the District's Personnel Policy Manual, where Y-rated employees are eligible for Cost of Living Adjustments (COLA) and merit increases, but are not eligible for step increases unless the District changes the 12-step salary classification for the employee's position. Under the Personnel Policy Manual, merit increases are subject to Board approval.

The District's Water Resources Manager, Eric Tambini, has held Y-rated status for several years. While Mr. Tambini has received COLA adjustments as all other employees, he has not had access to salary step increases based on performance. As the Board is aware, Mr. Tambini has been employed with the District for over 26 years. In nearly 10 years as the District's Water Resources Manager, he has been instrumental in many components of our agency's success, ranging from capital improvement planning, project implementation, operational and personnel management, regulatory compliance, customer relations, and many other District functions. As a Y-rated employee, Mr. Tambini continues to perform at a superior level.

RECOMMENDATION

In accordance with the Personnel Policy Manual and based on Mr. Tambini's superior performance and many contributions to the District, staff recommends the Board approve a five percent (5%) merit-based increase in salary, effective July 1, 2023. Employee salary funds are available in the approved Fiscal Year 2023/24 Budget to accommodate this merit increase.

SANTA YNEZ RIVER WATER
CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
JUNE 30, 2023 AND 2022
FINANCIAL STATEMENTS



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, IMPROVEMENT DISTRICT NO. 1

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees
Santa Ynez River Water Conservation District,
Improvement District No. 1:**

Opinion

We have audited the financial statements of the Santa Ynez River Water Conservation District, Improvement District No. 1 (the District), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2023 and 2022, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or

the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 4 through 10, the California Public Employees' Retirement System - Schedule of Santa Ynez River Water Conservation District, Improvement District No. 1's Proportionate Share of the Net Pension Liability on page 40, California Public Employees' Retirement System - Schedule of Contributions on page 41, and Other Postemployment Benefits (OPEB) Plan - Schedule of Changes in the Net OPEB Liability and Related Ratios on page 42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplemental Schedule of Revenues and Expenses - Actual and Budget on page 43 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic

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financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Schedule of Revenues and Expenses – Actual and Budget is fairly stated, in all material respects, in relation to the financial statements as a whole.

Santa Barbara, California
December 19, 2023

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS

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This section presents management's analysis of the Santa Ynez River Water Conservation District, Improvement District No.1's ("District") financial condition and activities for the fiscal year ending June 30, 2023. This narrative overview and analysis should be read in conjunction with the accompanying financial statements.

Summary of Organization and Business

The District was formed on July 7, 1959 under the Water Conservation District Law of 1931, Division 21, Section 74000 et seq. of the California Water Code (the "Act"), for the purpose of furnishing potable domestic (municipal and industrial) and irrigation water within its boundaries. The District has operated continuously since 1959.

Located in the central portion of Santa Barbara County, the District serves the communities of Santa Ynez, Los Olivos, Ballard, the Santa Ynez Band of Chumash Indians, and the City of Solvang on a limited basis. With a population of approximately 7,022 (excluding the City of Solvang), the District currently provides water directly to approximately 2,616 municipal and industrial customers (including domestic/residential, commercial, institutional, rural residential, on-demand, and fire service) and approximately 97 agricultural customers. The District encompasses an area of approximately 10,850 acres (including approximately 1,300 acres within Solvang).

The District obtains its water supplies from the Cachuma Project via exchange of State Water Project supplies, direct diversions from the Cachuma Project (as needed), direct deliveries from the State Water Project, production from the Santa Ynez Uplands Groundwater Basin, and diversions from the Santa Ynez River alluvium. The District's major activities include acquisition, construction, operation, and maintenance of works and facilities for the development and use of water resources and water rights including, without limitation, works and facilities to divert, store, pump, treat, deliver, and sell water for reasonable and beneficial uses by the District's customers.

During fiscal year 2022/2023, the District maintained a staff of sixteen full-time employees and one limited service employee.

The District is governed by a five-member Board of Trustees (the Board), the members of which are elected by the registered voters of the District to staggered four-year terms. Day-to-day management of the District is carried out by the General Manager and Assistant General Manager.

Overview of Financial Statements

The District operates as an enterprise fund. The enterprise fund is accounted for on a flow of economic resources measurement basis. Under this measurement focus, all assets and liabilities associated with the operation of the District are included on the balance sheet. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in total net position.

Enterprise funds utilize the accrual basis of accounting. Under this method, revenues are recognized when earned, regardless of when received, and expenses are recognized at the time the related liabilities are incurred, regardless of when paid.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS

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Overview of Financial Statements (Continued)

This discussion and analysis provides an introduction and a brief description of the District's financial statements, including the relationship of the statements to each other and the differences in the information they provide.

The District's basic financial statements include four components.

- Balance Sheet
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements

The balance sheet includes all the District's assets, deferred inflows of resources, liabilities, and deferred outflows of resources. The difference between total assets/deferred outflows of resources and total liabilities/deferred inflows of resources is reported as net position. Net position may be displayed in the following categories:

- Net investment in capital assets
- Restricted
- Unrestricted

The balance sheet provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

The statement of revenues, expenses, and changes in net position presents information which shows how the District's net position changed during the year. All of the current year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. This statement measures the success of the District's operations over the past year and determines whether the District has recovered its costs through user fees and other charges.

The statement of cash flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operating
- Noncapital financing
- Capital and related financing
- Investing

This statement differs from the statement of revenues, expenses, and changes in net position because the statement accounts only for transactions that result in cash receipts or cash disbursements.

The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by Generally Accepted Accounting Principles (GAAP) that are not otherwise present in the financial statements.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS

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Overview of Financial Statements (Continued)

The District's budget is prepared on an accrual basis and includes the District's water system. Prior to June 1 of each year, District management submits to the Board of Trustees a proposed budget for the fiscal year commencing the following July 1. The Board conducts public meetings to obtain comments from ratepayers. Subsequent to the public meetings, the Board approves the final budget prior to July 1.

Financial Highlights

During the year ended June 30, 2023, the District's net position increased by a total of \$2,672,084 (7.72%), resulting from total operating income of \$1,753,254 and total non-operating income of \$918,830.

Operating revenues decreased by \$1,671,248 (-13.31%) from the prior year, and operating expenses decreased by \$960,340 (-9.52%). Non-operating income decreased by \$38,105 (-3.93%) and non-operating expenses decreased in the current year by \$20,485 (-60.85%).

Balance Sheet

The following table represents a summary of the District's Balance Sheet with corresponding analysis regarding significant variances:

	2023	2022	2021	2023-2022 Variance		2022-2021 Variance		
				Dollars	Percent	Dollars	Percent	
<u>Assets:</u>								
Current assets	\$ 31,640,301	\$ 28,743,258	\$ 26,418,444	\$ 2,897,043	10.08%	\$ 2,324,814	8.80%	
Noncurrent assets:								
Restricted assets	119,968	345,050	339,755	(225,082)	-65.23%	5,295	1.56%	
Capital assets, net	14,875,131	14,628,258	14,427,075	246,873	1.69%	201,183	1.39%	
Total Assets	\$ 46,635,400	\$ 43,716,566	\$ 41,185,274	\$ 2,918,834	6.68%	\$ 2,531,292	6.15%	
<u>Deferred Outflows of Resources:</u>								
Deferred outflows	\$ 2,062,148	\$ 1,421,434	\$ 1,171,297	\$ 640,714	45.08%	\$ 250,137	21.36%	
Total Deferred Outflows of Resources	\$ 2,062,148	\$ 1,421,434	\$ 1,171,297	\$ 640,714	45.08%	\$ 250,137	21.36%	
<u>Liabilities:</u>								
Current liabilities	\$ 4,000,639	\$ 3,902,095	\$ 4,710,981	\$ 98,544	2.53%	\$ (808,886)	-17.17%	
Long term liabilities	6,129,863	5,121,084	5,927,133	1,008,779	19.70%	(806,049)	-13.60%	
Total Liabilities	\$ 10,130,502	\$ 9,023,179	\$ 10,638,114	\$ 1,107,323	12.27%	\$ (1,614,935)	-15.18%	
<u>Deferred Inflows of Resources:</u>								
Deferred inflows	\$ 1,301,099	\$ 1,520,958	\$ 525,206	\$ (219,859)	-14.46%	\$ 995,752	189.59%	
Total Deferred Inflows of Resources	\$ 1,301,099	\$ 1,520,958	\$ 525,206	\$ (219,859)	-14.46%	\$ 995,752	189.59%	
<u>Net Position:</u>								
Net investment in capital assets	\$ 14,875,131	\$ 14,407,820	\$ 13,993,978	\$ 467,311	3.24%	\$ 413,842	2.96%	
Restricted	119,968	345,050	339,755	(225,082)	-65.23%	5,295	1.56%	
Unrestricted, reserved	16,681,709	14,657,393	10,536,803	2,024,316	13.81%	4,120,590	39.11%	
Unrestricted, unreserved	5,589,139	5,183,600	6,322,715	405,539	7.82%	(1,139,115)	-18.02%	
Total Net Position	\$ 37,265,947	\$ 34,593,863	\$ 31,193,251	\$ 2,672,084	7.72%	\$ 3,400,612	10.90%	

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS

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Analysis of Balance Sheet

Net position may serve as an indicator of a public governmental agency's financial status. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,265,947 and \$34,593,863 as of June 30, 2023 and 2022, respectively.

A significant portion of the District's total net position is its net investment in capital assets, in the amount of \$14,875,131 at June 30, 2023 and \$14,407,819 at June 30, 2022. This balance reflects the District's investment in capital assets (which includes land, buildings, infrastructure, and construction in progress) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide water service to its customers; consequently, these assets are not available for future spending. It should be noted that the funding sources needed to repay any debt must be provided from other financial sources because the capital assets cannot be used to liquidate liabilities.

Capital assets net of accumulated depreciation increased by \$246,873 as discussed further in the capital assets section of this analysis and Note 4 to the financial statements. This increase, plus the decrease in outstanding capital related debt (Series 2004 A COMB Bonds) of \$220,438 equates to the increase in total net position invested in capital assets of \$467,311 as noted in the table above.

Restricted net position represents assets which are required by external parties to be used for specific purposes, less any liabilities payable from those assets. The District's restricted net position was \$119,968 and \$345,050 at June 30, 2023 and 2022, respectively. See Note 3 for details regarding the specific restrictions.

Unrestricted net position consists of assets and liabilities that do not meet the definition of net investment in capital assets, or restricted net position. The Board of Trustees has designated certain portions of its unrestricted net position for specific uses, which are classified in the balance sheet as unrestricted, reserved. Note 7 provides detailed information regarding the nature of these reserves.

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Statement of Revenues, Expenses and Changes in Net Position

The following table shows a summary of the District's Statement of Revenues, Expenses, and Changes in Net Position with corresponding analysis regarding significant variances:

	2023	2022	2021	2023-2022 Variance		2022-2021 Variance	
				Dollars	Percent	Dollars	Percent
Operating revenues	\$ 10,882,579	\$ 12,553,827	\$ 12,198,411	\$ (1,671,248)	-13.31%	\$ 355,416	2.91%
Operating expenses	9,129,325	10,089,665	10,118,397	(960,340)	-9.52%	(28,732)	-0.28%
Total Operating Income	1,753,254	2,464,162	2,080,014	(710,908)	-28.85%	384,148	18.47%
Non-operating income	932,007	970,112	1,054,806	(38,105)	-3.93%	(84,694)	-8.03%
Non-operating expense	13,177	33,662	62,614	(20,485)	-60.85%	(28,952)	-46.24%
Total Non-operating Income	918,830	936,450	992,192	(17,620)	-1.88%	(55,742)	-5.62%
Change in net position	2,672,084	3,400,612	3,072,206	(728,528)	-21.42%	328,406	10.69%
Net Position at beginning of year	34,593,863	31,193,251	28,121,045	3,400,612	10.90%	3,072,206	10.92%
Net Position at End of Year	\$ 37,265,947	\$ 34,593,863	\$ 31,193,251	\$ 2,672,084	7.72%	\$ 3,400,612	10.90%

Analysis of Statement of Revenues, Expenses, and Changes in Net Position

As described in the table above, the District reported a total increase in net position of \$2,672,084 for the year ended June 30, 2023, as compared to an increase in net position of \$3,400,612 for the year ended June 30, 2022.

Operating revenues decreased by \$1,671,248 during the fiscal year ended June 30, 2023, driven by decreased water sales of \$708,351 due to an unusually wet year, and a decrease in state water contract revenue of \$893,842 received from the City of Solvang, which is fully offset by corresponding state water contract expense in the operating expenses section. Water rates remained unchanged in the current fiscal year.

Operating expenses decreased by \$960,340 during the fiscal year ended June 30, 2023 due primarily to a decrease in state water contract expense paid on behalf of the City of Solvang of \$893,842, which corresponds to the decrease in state water contract operating revenues as noted above. Unanticipated and special legal fees, and administrative and general expenses also decreased by \$112,604 and 91,459, respectively. An increase in source of supply expenses of \$142,097 partially offset these decreases.

Non-operating revenues decreased by \$38,105 from the prior year due to multiple offsetting factors. Interest income increased by \$514,575 due to LAIF interest rate increases and unrealized losses increased by \$429,473 due to a decrease in the factor used to adjust year end balances to fair market value, resulting in an overall investment income increase of \$85,102. This increase was offset by decreases in special assessment revenue of \$85,776 and capital facilities fees of \$37,431.

Non-operating expenses were minor and decreased in total by \$20,485 from the prior year.

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Capital Assets

The following table represents a summary of the District's Capital Assets with corresponding analysis regarding significant variances:

	2023	2022	2021	2023-2022 Variance		2022-2021 Variance	
				Dollars	Percent	Dollars	Percent
Land and water rights	\$ 503,317	\$ 503,317	\$ 503,317	\$ -	0.00%	\$ -	0.00%
Utility plant	10,655,511	9,772,263	9,242,650	883,248	9.04%	529,613	5.73%
Wells and major repairs	19,320,078	19,410,209	19,082,410	(90,131)	-0.46%	327,799	1.72%
Office building	274,610	247,842	251,057	26,768	10.80%	(3,215)	-1.28%
Transportation equipment	808,669	761,382	819,538	47,287	6.21%	(58,156)	-7.10%
Office equipment	118,032	91,074	83,283	26,958	29.60%	7,791	9.35%
Other equipment	732,614	709,527	611,041	23,087	3.25%	98,486	16.12%
Total Capital Assets	\$ 32,412,831	\$ 31,495,614	\$ 30,593,296	\$ 917,217	2.91%	\$ 902,318	2.95%
Less accumulated depreciation	(17,830,556)	(17,036,302)	(16,344,820)	(794,254)	4.66%	(691,482)	4.23%
Subtotal	\$ 14,582,275	\$ 14,459,312	\$ 14,248,476	\$ 122,963	0.85%	\$ 210,836	1.48%
Construction in progress	292,856	168,946	178,599	123,910	73.34%	(9,653)	-5.40%
Net Capital Assets	\$ 14,875,131	\$ 14,628,258	\$ 14,427,075	\$ 246,873	1.69%	\$ 201,183	1.39%

Capital Assets Analysis

The District's net capital assets as of June 30, 2023 and 2022 including construction in progress were \$14,875,131 and \$14,628,258, respectively. Capital asset additions including construction in progress during fiscal year 2022/2023 totaled \$1,179,291 which related primarily to the meter replacement project, Zone 3 Reservoir concrete tank repair, mainline valve insertions, and various other improvement projects, tools, and equipment purchases. This increase was offset by depreciation expenses of \$919,648 and disposals with a net book value of \$12,770. The resulting overall increase in net capital assets was \$246,873, as noted in the table above. See Note 4 for additions and disposals by asset category.

Long Term Debt

The following table represents a summary of the District's Revenue Bond Outstanding Debt:

	2023	2022	2021	2023-2022 Variance		2022-2021 Variance	
				Dollars	Percent	Dollars	Percent
Revenue Bonds	\$ -	\$ 220,000	\$ 430,000	\$ (220,000)	-100.00%	\$ (210,000)	-48.84%
Premium (Discount) on Bonds	-	438	3,097	(438)	-100.00%	(2,659)	-85.86%
Total Outstanding Bonds	\$ -	\$ 220,438	\$ 433,097	\$ (220,438)	-100.00%	\$ (212,659)	-49.10%

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS

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Long Term Debt Analysis

During the year ended June 30, 2023, the District paid the balance in full related to the issuance of the Series 2004A Cachuma Operations and Maintenance Board (COMB) Bonds which were used to refinance the 1993 Cachuma Project Authority Revenue (CPA) Bonds. The CPA Bonds had been issued to refinance the State of California Department of Water Resources contract #E58028, the 1988 General Obligation Bond, and to finance the construction of the Zone 3 water storage reservoir. Additional information on the District's long-term debt is described in Note 5.

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
BALANCE SHEET
June 30, 2023 and 2022**

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ASSETS

	2023	2022
Current Assets:		
Cash and cash equivalents	\$ 25,518,025	\$ 22,489,100
Accounts receivable	895,188	1,102,275
Interest receivable	127,983	29,998
Inventories	181,194	154,859
Prepaid expenses	2,811,769	3,053,317
CCWA deposits	2,106,142	1,913,709
Total current assets	31,640,301	28,743,258
Restricted Assets:		
Cash and cash equivalents	119,968	345,050
Total restricted assets	119,968	345,050
Capital Assets:		
Capital assets	32,412,831	31,495,614
Less: accumulated depreciation	(17,830,556)	(17,036,302)
Construction in progress	292,856	168,946
Net capital assets	14,875,131	14,628,258
Total assets	46,635,400	43,716,566

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	1,275,829	497,478
Deferred outflows related to OPEB	786,319	923,956
Total deferred outflows of resources	2,062,148	1,421,434
Total assets and deferred outflows of resources	\$ 48,697,548	\$ 45,138,000

See accompanying notes

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
BALANCE SHEET
June 30, 2023 and 2022

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LIABILITIES

	2023	2022
Current Liabilities:		
Accounts payable	\$ 223,157	\$ 272,496
Accrued expenses	211,813	193,043
Interest payable	-	4,240
Premium on bonds	-	438
Current portion of revenue bonds payable	-	220,000
Advances payable	3,565,669	3,211,878
Total current liabilities	4,000,639	3,902,095
Long-term Liabilities:		
Net pension liability	2,611,721	1,067,187
Net OPEB liability	3,518,142	4,053,897
Total long-term liabilities	6,129,863	5,121,084
Total liabilities	10,130,502	9,023,179

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	185,782	1,035,445
Deferred inflows related to OPEB	1,115,317	485,513
Total deferred inflows of resources	1,301,099	1,520,958

NET POSITION

Net Position:		
Net investment in capital assets	14,875,131	14,407,820
Restricted	119,968	345,050
Unrestricted, reserved	16,681,709	14,657,393
Unrestricted, unreserved	5,589,139	5,183,600
Total net position	37,265,947	34,593,863
Total liabilities, deferred inflows of resources, and net position	\$ 48,697,548	\$ 45,138,000

See accompanying notes

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2023 and 2022

	2023	2022
Operating Revenues:		
Water sales	\$ 8,600,192	\$ 9,308,543
State water contract revenue	2,141,668	3,035,510
Miscellaneous billings and fees	140,719	209,774
Total operating revenues	10,882,579	12,553,827
Operating Expenses:		
Source of supply	1,581,661	1,439,564
State water contract expense	2,141,668	3,035,510
Pumping expense	646,488	734,032
Water treatment	92,454	93,833
Transmission and distribution	1,076,006	1,031,354
Administrative and general	2,357,485	2,448,944
Special programs and study fees	214,341	250,984
Unanticipated and special legal fees	99,574	212,178
Depreciation expense	919,648	843,266
Total operating expenses	9,129,325	10,089,665
Operating income	1,753,254	2,464,162
Other Income:		
Capital facilities fees	85,089	122,520
Interest income	583,144	68,569
Unrealized loss	(636,704)	(207,231)
Special assessment	900,478	986,254
Total other income	932,007	970,112
Other Expenses:		
Interest expense	407	8,286
Loss on disposal of assets	12,770	25,376
Total other expenses	13,177	33,662
Change in net position	2,672,084	3,400,612
Net Position - beginning of year	34,593,863	31,193,251
Net Position - end of year	\$ 37,265,947	\$ 34,593,863

See accompanying notes

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022**

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	2023	2022
Cash Flows from Operating Activities:		
Cash received from customers for services	\$ 11,089,666	\$ 12,475,251
Cash payments to suppliers for goods and services	(5,086,443)	(5,556,106)
Cash payments for payroll taxes and employee benefits	(943,856)	(966,192)
Cash payments to employees for services	(1,685,170)	(1,682,963)
Net cash provided by operating activities	3,374,197	4,269,990
Cash Flows from Noncapital Financing Activities:		
Capital facilities fees	85,089	122,520
Special assessments	900,478	986,254
Net cash provided by noncapital financing activities	985,567	1,108,774
Cash Flows from Capital and Related Financing Activities:		
Principal repayments of long-term debt	(220,000)	(210,000)
Interest payments	(5,085)	(14,882)
Capital assets purchased	(1,179,291)	(1,152,692)
Net cash used by capital and related financing activities	(1,404,376)	(1,377,574)
Cash Flows from Investing Activities:		
Interest income received	485,159	48,667
Fair value adjustment on cash equivalents	(636,704)	(207,231)
Net cash used by investing activities	(151,545)	(158,564)
Net increase in cash and cash equivalents	2,803,843	3,842,626
Cash and cash equivalents, beginning of year	22,834,150	18,991,524
Cash and cash equivalents, end of year	\$ 25,637,993	\$ 22,834,150

Cash and cash equivalents are reported in the balance sheet as follows:

	2023	2022
Cash and cash equivalents	\$ 25,518,025	\$ 22,489,100
Restricted cash and cash equivalents	119,968	345,050
	\$ 25,637,993	\$ 22,834,150

See accompanying notes

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

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Note 1 – Reporting Entity and Summary of Significant Accounting Policies

A) Reporting Entity

The Santa Ynez River Water Conservation District, Improvement District No. 1 (the District) was organized on July 7, 1959 under the Water Conservation Law of 1931, part of the California Water Code. The District has operated continuously since 1959 and is located in the central portion of Santa Barbara County and includes the communities of Santa Ynez, Los Olivos, Ballard and the City of Solvang. The District accounts for construction, maintenance and operations of facilities which are for the purpose of producing and furnishing potable domestic and irrigation water within its boundaries.

The Santa Ynez River Water Conservation District (Parent District) was organized in 1939. It is a separate and distinct district from the Santa Ynez River Water Conservation District, Improvement District No. 1. The Parent District has a separate purpose for existence, a separate board of directors, and separate accounting records. Its assets and liabilities, as well as its activities, are therefore not included in these financial statements.

B) Accounting Basis

The District reports its activities as an enterprise fund, which is used to account for operations where the intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. Revenues and expenses are recognized on the accrual basis, as such, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. An enterprise fund is accounted for on the "flow of economic resources" measurement focus. This means that all assets and liabilities, whether current or long term, are included on the balance sheet.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and the producing and delivering of goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for water sales. Operating expenses of the District include the cost of sales and services, as well as administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District is responsible for funding all of its expenses, regardless of the operation or non-operating classification.

The financial statements of the District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

C) Budgetary Procedures

The District prepares an annual budget which includes estimates of its principal sources of revenue to be received during the fiscal year, as well as estimated expenditures and reserves needed for operation of District facilities.

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

D) Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity period, at purchase, of three months or less to be cash equivalents.

E) Basis for Recording Accounts Receivable

The District grants credit to its customers, substantially all of whom are residents and businesses within the unincorporated areas of the County in the District's service area boundaries, in the towns of Santa Ynez, Los Olivos, and Ballard. The City of Solvang is a customer of the District. Accounts receivable are considered to be fully collectible.

F) Capital Assets

Capital assets purchased by the District are recorded at cost. Contributed assets (water line extensions, water wells and modifications constructed by the District and reimbursed by the customer or developer) are recorded at estimated fair market value on the date donated. Capital assets, excluding land, are depreciated using the straight line method over their estimated useful lives, which range from 5 to 99 years.

G) Inventories

The District's inventories are recorded at the lower of cost on the first-in, first-out basis, or market.

H) Prepaid Expenses

Prepaid expenses consist primarily of prepayments made to the Central Coast Water Authority (CCWA) as described in Note 13. Annually, a controlled quantity of water is purchased by the District and, if not used in the current year, is stored in the Lake Cachuma facility for use the following year. In addition, an amount of unused water carried over from prior years, if available, is also stored in the facility. This stored water at Lake Cachuma is subject to loss through evaporation, natural disasters, dam ruptures, and dam spillage due to excess rainfall. The losses are not covered by insurance. The District has its own facilities (various reservoirs) for storing delivered Lake Cachuma water and State Water Project water.

I) Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and sick leave are recorded when benefits are earned. Cash payment of unused vacation and sick leave is available to those qualified employees when retired. Individuals terminating employment prior to retirement receive cash payment of any unused accrued vacation. Accrued compensated absences are included in accrued expenses on the balance sheet.

J) Advances Payable

Advances payable represents the prepayment by the City of Solvang to the District for its share of the Central Coast Water Authority costs for the coming fiscal year and its proportionate share of rate coverage reserve funds.

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**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS**

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

K) Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense as described in Note 9, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

L) Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense as described in Note 8, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

M) Net Position

Net position represents the difference between assets/deferred inflows and liabilities/deferred outflows and is classified into three components as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.

Restricted – This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors, grantors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

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**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS**

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

M) Net Position (Continued)

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” Unrestricted, reserved net position represents unrestricted assets which are segregated by the Board of Trustees for specific future uses.

When an expense is incurred for purposes for which both unrestricted and restricted resources are available for use, it is the District's policy to apply restricted assets first, then unrestricted resources.

N) Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Significant estimates used in preparing these financial statements include useful lives of capitalized assets, the net pension liability, and the liability for other postemployment benefits. It is at least reasonably possible that the significant estimates used will change within the next year.

O) Recent Governmental Accounting Standards Board (GASB) Statements

On July 1, 2022, the District adopted GASB Accounting Standards Statement 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and reporting for subscription-based information technology arrangements (SBITAs) for governments by defining a SBITA, establishing the criteria for recognizing right-to-use subscription assets, and corresponding subscription liabilities, and outlining required note disclosures regarding SBITAs. There was not a material impact to net position, revenues, or expenses as a result of applying GASB 96 for the year ended June 30, 2023, and there have not been significant changes to the District's business processes, systems, or internal controls as a result of implementing the standard.

P) Future Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board Statements listed below will be implemented in future financial statements. These statements will be evaluated by the District to determine if they will have a material impact to the financial statements once effective.

Statement No. 100 <i>"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"</i>	The requirements of this statement are effective for periods beginning after June 15, 2023. (FY 23/24)
Statement No. 101 <i>"Compensated Absences"</i>	The requirements of this statement are effective for periods beginning after December 15, 2023. (FY 24/25)

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 2 – Cash and Investments

Cash and investments are comprised of the following at June 30, 2023 and 2022:

	2023	2022
Cash in banks and on hand	\$ 10,180,290	\$ 6,792,551
Cash with fiscal agents	-	225,085
Local Agency Investment Fund	15,457,703	15,816,514
Total cash and investments	\$ 25,637,993	\$ 22,834,150

Investments Authorized by the District's Investment Policy

The District's investment policy authorizes the District to invest only in the Local Agency Investment Fund (LAIF), and FDIC insured accounts. This policy does not apply to funds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the District's investment policy.

Investment in Local Agency Investment Fund (LAIF)

LAIF is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based on the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on the amortized cost basis. LAIF invests some of its portfolio in derivatives. Detailed information on derivative investments held by this pool is not readily available. Investments in LAIF are not rated by a national rating agency.

Interest Rate Risk

The District did not have any investments with fair values that are considered to be highly sensitive to changes in interest rates.

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

All cash deposits are entirely insured or collateralized. The California Government Code requires California banks and savings and loans associations to secure the District's deposits by pledging government securities, which equal at least 110% of the District's deposits. California law also permits financial institutions to secure the District's deposits by the pledging of first trust deed mortgage notes in excess of 150% of the District's deposits. The District may waive collateral requirements for deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC).

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 2 – Cash and Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District’s investment in the Local Agency Investment Fund is not rated.

Note 3 – Restricted Cash and Investments

The Santa Ynez Band of Chumash Indians (Band) made an original deposit with the District of \$4,400 to be used as security against septic system repairs on the Indian Reservation to be paid by the Band. The balance at fiscal year ended June 30, 2023 includes the original deposit and the interest earned on the cash balance.

On June 30 each year, the District transferred funds to Bank of New York for the required principal and interest payment due on the Series 2004A Cachuma Operations and Maintenance Bonds. These funds were drawn from the Bank of New York account on August 1 of each fiscal year. The bonds were fully repaid in the fiscal year ending June 30, 2023.

Restricted main extension fees represent amounts received from customers which must be used for the construction of mains. Restricted development fees are charges paid by water service applicants which must be used for new, expanded or modified water service, to secure new water sources, recapture existing water resources, and develop necessary water supply recovery measures due to the drought and additional State Regulation impacts.

The District’s restricted cash and investments as of June 30 are as follows:

	2023	2022
Santa Ynez Indian Reservation	\$ 10,756	\$ 10,753
Series 2004A COMB bonds debt service	-	225,085
Main extension fees	20,550	20,550
Development fees	88,662	88,662
Total restricted cash and cash equivalents	\$ 119,968	\$ 345,050

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 4 – Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2023.

	Balance June 30, 2022	Additions	Disposals	Transfers	Balance June 30, 2023
Utility plant	\$ 9,772,263	\$ -		\$ 883,248	\$ 10,655,511
Wells and major repairs	19,410,209	-	(124,986)	34,855	19,320,078
Office building	247,842	26,768	-	-	274,610
Transportation equipment	761,382	47,287	-	-	808,669
Office equipment	91,074	40,136	(13,178)	-	118,032
Other equipment	709,527	23,087	-	-	732,614
Total depreciable assets	30,992,297	137,278	(138,164)	918,103	31,909,514
Land and land rights	503,317	-	-	-	503,317
Total capital assets	31,495,614	137,278	(138,164)	918,103	32,412,831
Accumulated depreciation	(17,036,302)	(919,648)	125,394	-	(17,830,556)
Construction in progress	168,946	1,042,013	-	(918,103)	292,856
Net capital assets	\$ 14,628,258	\$ 259,643	\$ (12,770)	\$ -	\$ 14,875,131

The following is a summary of changes in capital assets for the year ended June 30, 2022.

	Balance June 30, 2021	Additions	Disposals	Transfers	Balance June 30, 2022
Utility plant	\$ 9,242,650	\$ -	\$ (106,517)	\$ 636,130	\$ 9,772,263
Wells and major repairs	19,082,410	82,003	-	245,796	19,410,209
Office building	251,057	-	(16,088)	12,873	247,842
Transportation equipment	819,538	-	(58,156)	-	761,382
Office equipment	83,283	17,521	(9,730)	-	91,074
Other equipment	611,041	101,241	(2,755)	-	709,527
Total depreciable assets	30,089,979	200,765	(193,246)	894,799	30,992,297
Land and land rights	503,317	-	-	-	503,317
Total capital assets	30,593,296	200,765	(193,246)	894,799	31,495,614
Accumulated depreciation	(16,344,820)	(843,266)	151,784	-	(17,036,302)
Construction in progress	178,599	885,146	-	(894,799)	168,946
Net capital assets	\$ 14,427,075	\$ 242,645	\$ (41,462)	\$ -	\$ 14,628,258

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 5 – Revenue Bonds Payable

Cachuma Project Authority Revenue Bonds

In October 1993, some of the Cachuma Project Authority (CPA) participants, in conjunction with the CPA, issued \$9,950,000 of Cachuma Project Authority Revenue Bonds. The District's share of the bond proceeds, \$6,185,000, was used to refinance the State of California Department of Water Resources contract #E58028 and the 1988 General Obligation Bonds. \$3,500,000 was also set aside to finance construction of a water reservoir. The loan was due over a period of 30 years in semi-annual payments due January 1 and July 1, beginning July 1, 1994. The interest rate on the bonds varied from 2.75% to 5.25%.

On August 19, 2004 the outstanding 1993 CPA Bonds were refinanced with the Series 2004A Cachuma Operations and Maintenance Board (COMB) Bonds, of which the District's portion was \$3,960,000. The loan was to be repaid through fiscal year 2022/2023 at an interest rate ranging from 3.0% to 4.65%. The refinancing resulted in an economic gain of \$189,626. Interest was payable semi-annually on February 1 and August 1 of each year, commencing on February 1, 2005. Principal payments were payable annually on August 1 of each year, commencing on August 1, 2006.

All water system revenues and ad valorem assessment taxes of the District were irrevocably pledged to the payment of the revenue bonds. The District's obligations pursuant to the Joint Participation Agreements No.1 and No.2, as amended for the COMB Revenue Refunding Bonds (Member Agency Projects) Series 2004A required the District to fix, prescribe, and collect rates and charges which were at least sufficient to yield Net Revenues (as defined in the District's bond documents) equal to one hundred twenty five percent (125%) of the District's annual debt service. The bonds were repaid in full during the fiscal year ending June 30, 2023.

The following is a summary of activity related to the COMB bonds for the years ending June 30, 2023 and 2022:

	Balance June 30, 2022	Additions/ Issuances	Deductions/ Repayments	Balance June 30, 2023
COMB revenue bonds	\$ 220,000	\$ -	\$ (220,000)	\$ -
Premium on bonds	438	-	(438)	-
	<u>\$ 220,438</u>	<u>\$ -</u>	<u>\$ (220,438)</u>	<u>\$ -</u>

	Balance June 30, 2021	Additions/ Issuances	Deductions/ Repayments	Balance June 30, 2022
COMB revenue bonds	\$ 430,000	\$ -	\$ (210,000)	\$ 220,000
Premium on bonds	3,097	-	(2,659)	438
	<u>\$ 433,097</u>	<u>\$ -</u>	<u>\$ (212,659)</u>	<u>\$ 220,438</u>

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 6 – Supplemental Schedule of the Statement of Cash Flows

The following is a reconciliation of operating income to net cash provided by operating activities:

	2023	2022
Cash Flows from Operating Activities:		
Operating income	\$ 1,753,254	\$ 2,464,162
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	919,648	843,266
(Increase) decrease in:		
Accounts receivable	207,087	(78,576)
Inventories	(26,335)	(22,340)
Prepaid expenses and deposits	49,115	1,633,335
Deferred outflows of resources - pension	(778,351)	(1,087)
Deferred outflows of resources - OPEB	137,637	(249,050)
Increase (decrease) in:		
Accounts payable	(49,339)	80,116
Accrued expenses	18,770	12,408
Net pension liability	1,544,534	(1,071,278)
Net OPEB obligation	(535,755)	485,229
Advances payable	353,791	(821,947)
Deferred inflows of resources - pension	(849,663)	952,588
Deferred inflows of resources - OPEB	629,804	43,164
Net cash provided by operating activities	\$ 3,374,197	\$ 4,269,990

Note 7 – Reserves

The District has reserved a portion of its assets for future construction projects and projected repair and replacement costs. The following is a schedule of the reserves as of June 30, 2023 and 2022.

	2023	2022
Repair and replacement	\$ 6,054,018	\$ 4,353,712
Debt reserve	291,241	1,667,537
Plant expansion	7,336,450	5,636,144
SWP Fund Reserve	3,000,000	3,000,000
Total reserves	\$ 16,681,709	\$ 14,657,393

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 8 – Defined Benefit Pension Plan

Plan Description – All qualified employees are eligible to participate in the District’s Miscellaneous Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and local government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Eligible employees hired after January 1, 2013 that are considered new members as defined by the Public Employees’ Pension Reform Act (PEPRA) participate in the PEPRA Miscellaneous Plan.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, as discussed above. Members with five years of total service are eligible to retire at age 50 or 52 if in the PEPRA Miscellaneous Plan with statutorily reduced benefits. An optional benefit regarding sick leave was adopted. Any unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit, as well as the 1959 Survivor Benefit. The cost of living adjustments for all plans are applied as specified by the Public Employees’ Retirement Law.

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For employees hired prior to January 1, 2013 and for all classic members as defined by PEPRA, the District pays the employee’s contribution in addition to the employer’s contribution. These contributions made on behalf of employees are included in operating expenses on the statement of revenues, expenses, and changes in net position, but are not included in pension expense as disclosed below. For employees hired after January 1, 2013 who are considered new members as defined by PEPRA, the District does not pay any portion of the employee’s required contribution.

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 8 – Defined Benefit Pension Plan (Continued)

The Plan’s provisions and benefits in effect at June 30, 2023 and 2022, are summarized as follows:

	<u>Miscellaneous Plan</u>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - Minimum	52 - Minimum
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution		
2023	7.00%	7.25%
2022	7.00%	7.25%
Required employer contribution		
2023	11.06%	7.76%
2022	11.06%	7.73%

CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above, and as a dollar amount for contributions toward the unfunded liability. The District’s required contribution for the unfunded liability was \$182,775 and \$156,000 for the fiscal years ended June 30, 2023 and 2022, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023 the District reported a liability of \$2,611,721 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of their long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined

The District’s proportionate share of the net pension liability as of June 30, 2022 and 2021 (measurement dates) was as follows:

<u>Measurement date June 30, 2022</u>		<u>Measurement date June 30, 2021</u>	
Proportion – June 30, 2021	0.05620%	Proportion – June 30, 2020	0.05070%
Proportion – June 30, 2022	0.05582%	Proportion – June 30, 2021	0.05620%
Increase (Decrease)	<u>-0.00038%</u>	Increase (Decrease)	<u>0.00550%</u>

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 8 – Defined Benefit Pension Plan (Continued)

For the fiscal years ended June 30, 2023 and 2022, the District recognized pension expense of \$244,089 and \$178,755, respectively. At June 30, 2023 and 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2023		June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 327,569	\$ -	\$ 298,532	\$ -
Differences between expected and actual experience	52,448	(35,128)	119,674	-
Changes in assumptions	267,625	-	-	-
Changes in employer's proportion	149,789	-	79,272	-
Difference between employer's contributions and employer's proportionate share of contributions	-	(150,654)	-	(103,846)
Net differences between projected and actual earnings on plan investments	478,398	-	-	(931,599)
Total	\$ 1,275,829	\$ (185,782)	\$ 497,478	\$ (1,035,445)

Employer contributions of \$327,569 reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	
2024	\$ 192,849
2025	176,394
2026	100,631
2027	292,604
2028	-
	\$ 762,478

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 8 – Defined Benefit Pension Plan (Continued)

Unfunded liabilities are amortized in accordance with CalPERS amortization policy, which was modified effective for the June 30, 2019 actuarial valuation. The new policy applies prospectively only; amortization bases established prior to the June 30, 2019 valuation will continue to be amortized according to the prior policy. For more details, please refer to the June 30, 2020 Actuarial Valuation for CalPERS Miscellaneous Risk Pool which can be found on the CalPERS website.

Actuarial Assumptions – The total pension liabilities in the June 30, 2021 and 2020 actuarial valuations (June 30, 2022 and 2021 measurement dates) were determined using the following actuarial assumptions:

	<u>Miscellaneous Plan</u>
Actuarial Cost Method	Entry-Age Normal Cost Method in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	
Measurement Date - 2022	6.90%
Measurement Date - 2021	7.15%
Inflation	
Measurement Date - 2022	2.30%
Measurement Date - 2021	2.50%
Salary Increases	Varies by entry age and service
Investment Rate of Return (1)	
Measurement Date - 2022	6.90%
Measurement Date - 2021	7.15%
Mortality	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) Net of pension plan investment expenses, including inflation

The mortality table used was developed based on CalPERS-specific data. The rates for measurement date June 30, 2022 incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website. The rates for measurement date June 30, 2021 included 15 years of mortality improvements using Society of Actuaries Scale 90% MP 2016. For more details, please refer to the December 2017 experience study report that can be found on the CalPERS website.

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 8 – Defined Benefit Pension Plan (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.90% and 7.15% for the measurement periods ending June 30, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at a statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return for measurement date of June 30, 2022, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

In determining the long-term expected rate of return for the measurement date of June 30, 2021, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated below and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class	Measurement Date June 30, 2022		Asset Class	Measurement Date June 30, 2021		
	Net Strategic Allocation	Real Return Years 1 - 10(a)		Net Strategic Allocation	Real Years 1 - 10(a)	Real Years 11+(b)
Global equity - cap-weighted	30.00%	4.45%	Global Equity	50.00%	4.80%	5.98%
Global equity non-cap-weighted	12.00%	3.84%	Global Fixed Income	28.00%	1.00%	2.62%
Private Equity	13.00%	7.28%	Inflation Sensitive	0.00%	0.77%	1.81%
Treasury	5.00%	0.27%	Private Equity	8.00%	6.30%	7.23%
Mortgage-backed Securities	5.00%	0.50%	Real Estate	13.00%	3.75%	4.93%
Investment Grade Corporates	10.00%	1.56%	Liquidity	1.00%	0.00%	-0.92%
High Yield	5.00%	2.27%				
Emerging Market Debt	5.00%	2.48%				
Private Debt	5.00%	3.57%				
Real Estates	15.00%	3.21%				
Leverage	-5.00%	-0.59%				

(a) An expected inflation of 2.30% used for this period.
 Figures are based on the 2021-22 Asset Liability Management study.

(a) An expected inflation of 2.0% used for this period.
 (b) An expected inflation of 2.92% used for this period.

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 8 – Defined Benefit Pension Plan (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents The District’s proportionate share of the net pension liability calculated using the discount rate of 6.90% and 7.15%, respectively, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Fiscal Year	
	2023	2022
1% Decrease	5.90%	6.15%
Net Pension Liability	\$ 4,093,900	\$ 2,405,719
Current Discount Rate	6.90%	7.15%
Net Pension Liability	\$ 2,611,721	\$ 1,067,187
1% Increase	7.90%	8.15%
Net Pension Liability	\$ 1,392,255	\$ (39,358)

Pension Plan Fiduciary Net Position – Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Note 9 – Other Postemployment Benefits (OPEB)

The District’s plan is a single-employer defined benefit OPEB plan which provides retiree medical and prescription drug coverage to eligible retirees and their dependents. Employees who attain age 55 and 10 years of service and retire from active employment are eligible to receive pro-rated benefits from the Plan. Medical coverage is offered under a fully-insured PPO plan option and a fully-insured HMO plan option, through the Association of California Water Agencies Health Plan, consistent with the coverage provided under the CalPERS Health Program.

Employees Covered

At the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB plan.

Participating active employees	16
Inactive employees or beneficiaries currently receiving benefits	9
Total	25

Funding Policy

The District funds the plan on a pay-as-you-go basis. The District contributes up to the amount of the monthly premium for ACWA Advantage coverage for employee and family, plus administrative fees and Contingency Reserve Fund assessments. The specific contribution percentage is based on District years of credited service.

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 9 – Other Postemployment Benefits (OPEB) (Continued)

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2022, based on the following actuarial methods and assumptions:

	OPEB Plan
Actuarial Cost Method	Entry-Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	
Measurement Date - 2022	3.54%
Measurement Date - 2021	2.16%
Payroll Growth (1)	
Measurement Date - 2022	2.75%
Measurement Date - 2021	2.75%
Mortality	2017 CalPERS Mortality for Miscellaneous and Schools Employees; 2017 CalPERS Retiree Mortality for All Employees
Turnover	2017 CalPERS Turnover for Miscellaneous Employees
Retirement	2017 CalPERS 2.0%@55 Rates for Miscellaneous Employees; 2017 CalPERS 2.0% @60 Rates for Miscellaneous Employees
Healthcare Trend Rate	
Measurement Date - 2022	4.00%
Measurement Date - 2021	4.00%

(1) Benefits are not dependent upon salary. Rate is used in applying the level percentage of projected payroll amortization method.

Assumption Changes

The discount rate was increased from 2.16% to 3.54% for the measurement period ending June 30, 2022. The discount rate was decreased from 2.2% to 2.16% for the measurement period ending June 30, 2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54% for the measurement period ending June 30, 2022, based on the Bond Buyer 20 Bond Index. The discount rate used to measure the total OPEB liability was 2.16 % for the measurement period ending June 30, 2021, based on the S&P municipal Bond 20-Year High Grade Rate Index.

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 9 – Other Postemployment Benefits (OPEB) (Continued)

Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2022 <i>(Measurement Date June 30, 2021)</i>	\$ 4,053,897	\$ -	\$ 4,053,897
Changes Recognized for the Measurement Period:			
Service cost	278,160	-	278,160
Interest on Total OPEB Liability	89,539	-	89,539
Contributions - Employer	-	95,795	(95,795)
Benefit Payments	(95,795)	(95,795)	-
Expected versus actual experience	526	-	526
Assumption changes	(808,185)	-	(808,185)
Net Changes	(535,755)	-	(535,755)
Balance at June 30, 2023 <i>(Measurement Date June 30, 2022)</i>	\$ 3,518,142	\$ -	\$ 3,518,142

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for fiscal years ended June 30, 2023 and 2022:

	Fiscal Year	
	2023	2022
1% Decrease	2.54%	1.16%
Net OPEB Liability	\$ 4,088,760	\$ 4,734,263
Current Discount Rate	3.54%	2.16%
Net OPEB Liability	\$ 3,518,142	\$ 4,053,897
1% Increase	4.54%	3.16%
Net OPEB Liability	\$ 3,108,247	\$ 3,505,911

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 9 – Other Postemployment Benefits (OPEB) (Continued)

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for fiscal years ended June 30, 2023 and 2022:

	Fiscal Year	
	2023	2022
Trend 1% Lower	2.54%	3.00%
Net OPEB Liability	\$ 2,960,780	\$ 3,402,952
Health Care Cost Trend	3.54%	4.00%
Net OPEB Liability	\$ 3,518,142	\$ 4,053,897
Trend 1% Higher	4.54%	5.00%
Net OPEB Liability	\$ 4,189,922	\$ 4,891,601

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five year period. The remaining gains and losses are amortized over the expected average remaining service life, which was 7.3 years at measurement date June 30, 2022.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal years ended June 30, 2023 and 2022, the District recognized OPEB expense of \$313,223 and \$375,138, respectively. At June 30, 2023 and 2022, the District reported deferred outflows of resources related to OPEB from the following sources.

	June 30, 2023		June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 81,537	\$ -	\$ 95,795	\$ -
Differences between expected and actual experience	15,680	(132,632)	17,403	(157,872)
Changes in assumptions	689,102	(982,685)	810,758	(327,641)
Total	\$ 786,319	\$ (1,115,317)	\$ 923,956	\$ (485,513)

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 9 – Other Postemployment Benefits (OPEB) (Continued)

Employer contributions of \$81,537 reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ended June 30		
2024	\$	(54,475)
2025		(54,475)
2026		(54,475)
2027		(54,475)
2028		(53,152)
Thereafter		(139,483)
	<u>\$</u>	<u>(410,535)</u>

Note 10 – Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits participating employees to defer a portion of their salary until future years. The District does not contribute to this plan and all contributions are made voluntarily by the employee. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All assets of the plan were placed in trust for the exclusive benefit of participants and their beneficiaries. The requirements of the IRC Section prescribes that the District no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the District's financial statements.

Note 11 – Cachuma Project Authority/Cachuma Operations and Maintenance Board

The original master contract for the Cachuma Project was entered into by the United States Bureau of Reclamation (USBR) and the Santa Barbara County Water Agency on September 12, 1949. Prior to expiration of the original contract, the District and other Cachuma Project Member Units formed the Cachuma Project Authority (CPA) in 1993 to represent their interests in negotiating the Cachuma Project Renewal Master Contract, the Cachuma Project Member Unit Contracts, and related environmental review processes. The Cachuma Project Renewal Master Contract (Contract No. I75r-1802R) was renewed on April 14, 1996 for a term to expire on September 30, 2020. On September 28, 2020, an Amendment to the Renewal Master Contract was entered to extend its term through September 30, 2023 (Contract No. I75r-1802RA). On September 29, 2023, a Second Amendment to the Renewal Master Contract was entered to extend its term through September 30, 2026 (Contract No. I75r-1802RB).

Effective September 30, 1996, the CPA merged into the Cachuma Operations and Maintenance Board (COMB), which continues to be responsible for operation and maintenance of the "Transferred Project Works" and certain administrative responsibilities and reporting to USBR on behalf of the Cachuma Project Member Units. All assets and liabilities of the CPA were transferred to COMB.

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 11 – Cachuma Project Authority/Cachuma Operations and Maintenance Board (Continued)

On May 26, 2016, at a Special Meeting of the District’s Board of Trustees, the Board unanimously voted to formally separate from COMB and withdraw from the “1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project – Cachuma Operation and Maintenance Board.”

Effective August 23, 2018, the District and the remaining agencies of COMB signed the Cachuma Operation and Maintenance Board Joint Powers Authority Separation Agreement (Separation Agreement) finalizing the withdrawal and severance of the District from COMB effective as of May 27, 2016. The Separation Agreement sets forth certain continuing obligations of the District, some of which conclude upon the expiration of the Renewal Master Contract or other triggering events. Effective July 30, 2020 the District and COMB entered into the First Amendment to the Separation Agreement to streamline implementation of the Separation Agreement. Except as expressly required by the Separation Agreement and the First Amendment to the Separation Agreement, the District shall have no obligation or responsibility for any liabilities, financial obligations, or other activities of COMB.

Note 12 – Risk Management

The District participates in the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), a public entity risk pool of California water agencies, for general and auto liability, public officials’ liability, property damage, and fidelity insurance. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group-purchased commercial excess insurance is obtained.

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. ACWA/JPIA may be terminated at any time by written consent of three-fourths of voting members at which time the members may be required to pay their share of any additional amount of premium in accordance with the loss allocation formulas for final disposition of all claims and losses covered by the joint powers agreement. To obtain complete financial information contact ACWA/JPIA at P.O. Box 619082 Roseville, CA 95661.

At June 30, 2023 the District participates in the ACWA/JPIA pooled programs for liability, and property programs as follows:

Coverage	Deductible	Coverage Limit
General, Auto and Public Officials liability	None	\$5,000,000 - \$55,000,000
Cyber liability	None	\$5,000,000
Property	\$500 - \$100,000	\$2,500,000 - \$500,000,000
Crime	\$1,000	\$1,000,000
Workers' Compensation	None	Statutory

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**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS**

Note 13 – Joint Ventures

Central Coast Water Authority

In 1991, the District's electorate approved participation in the State Water Project (SWP). As a result, the District joined in the formation of the Central Coast Water Authority (CCWA) in September 1991. The purpose of the CCWA is to provide for the financing, construction, operation, and maintenance of certain local (non-state owned) facilities required to deliver water from the SWP to certain water purveyors and users in Santa Barbara County. In September 1997, the project began delivering state water to the District.

The District has entered into a Water Supply Agreement with the City of Solvang for 75% of the District's 2,000 acre-foot State Water Project entitlement. The agreement calls for the City to reimburse the District for its allocated share (72.75%) of all costs associated with the SWP. The difference between the 75% allocation of water and the 72.75% allocated share of costs is due to the fact that costs attributed only to the District increased its revenue bond allocation percentage, causing its overall cost percentage to be 72.75%.

Each project participant, including the District has entered into a Water Supply Agreement to provide for the development, financing, construction, operation and maintenance of the CCWA Project. The purpose of the Water Supply Agreement is to assist in carrying out the purposes of CCWA with respect to the CCWA Project by:

- 1) requiring CCWA to sell, and the project participants to buy, a specified amount of water from CCWA ("take or pay"); and
- 2) assigning the Santa Barbara project participant's entitlement rights in the State Water project to CCWA.

Although the District does have an ongoing financial interest pursuant to the Water Supply Agreement between the District and CCWA, the District does not have an equity interest as defined by GASB.

The District and each project participant is required to pay to CCWA an amount equal to its share of the total cost of "fixed project costs" and certain other costs in the proportion established in the Water Supply Agreement. This includes the project participant's share of payments to the State Department of Water Resources (DWR) under the State Water Supply Contract (including capital, operation, maintenance, power and replacement costs of the DWR facilities) debt service on CCWA bonds and all CCWA operating and administrative costs.

Each project participant is required to make payments under its Water Supply Agreement solely from the revenues of its water system. Each project participant has agreed in its Water Supply Agreement to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield each fiscal year net revenues equal to 125% of the sum of (1) the payments required pursuant to the Water Supply Agreement, and (2) debt service on any existing participant obligation for which revenues are also pledged.

CCWA is composed of eight members, all of which are public agencies. CCWA was organized and exists under a joint exercise of power agreement among the various participating public agencies. The Board of Directors is made up of one representative from each participating entity. Votes on the Board are approximately apportioned between the entities based upon each entity's allocation of State water entitlement. The District's weighted voting allocation based upon number of acre-feet of water is 7.64%. Operating and capital expenses are allocated among the members based upon various formulas recognizing the benefits of the various project components to each member.

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 13 – Joint Ventures (Continued)

Central Coast Water Authority (Continued)

In August 2006, CCWA issued the Series 2006A Refunding Revenue Bonds for \$123,190,000 with an average interest rate of 4.24% to refund \$142,985,000 of outstanding 1996 Revenue Bonds with an average interest rate of 5.47%. The 1996 Revenue Bonds were issued to advance refund the 1992 Revenue Bonds. The 1992 Revenue Bonds were issued by the Authority for the benefit of its participants to finance a portion of the costs of developing a pipeline and water treatment plant, to reimburse certain project participants for costs incurred in connection with the State Water Project, and to finance certain other liabilities.

On June 18, 2016 the Authority issued Series 2016A refunding revenue bonds for \$45,470,000, which refunded the outstanding \$59,645,000 Series 2006A revenue bonds on October 1, 2016. The 2016A refunding revenue bonds were issued to realize the benefits of lower interest rates, which were issued at a true interest cost of 1.355% compared to the 4.24% true interest costs of the 2006A bonds. The bond refunding transaction was completed at the close of escrow on July 21, 2016 and the bonds were repaid in full on October 21, 2022.

Based on the Water Supply Agreement with the City of Solvang described above, below are the projected required costs of the State Water Project for the District and City of Solvang. Because the District is the “Project Participant” in CCWA, it is obligated to make all fixed and variable charge payments to CCWA and then is reimbursed by the City of Solvang for the City’s share of the annual funding in accordance with the Agreement.

District's Share:

	<u>Fixed Costs</u>	<u>Variable Costs</u>	<u>Other Credits</u>	<u>Total</u>
2024	\$ 866,395	\$ 312,288	\$ (285,172)	\$ 893,511
2025	982,874	210,207	-	1,193,081
2026	998,247	91,829	-	1,090,076
2027	1,048,179	96,420	-	1,144,599
2028 - 2035	<u>10,986,312</u>	<u>-</u>	<u>-</u>	<u>10,986,312</u>
Total	<u>\$ 14,882,007</u>	<u>\$ 710,744</u>	<u>\$ (285,172)</u>	<u>\$ 15,307,579</u>

City of Solvang's Share:

	<u>Fixed Costs</u>	<u>Variable Costs</u>	<u>Other Credits</u>	<u>Total</u>
2024	\$ 2,065,947	\$ 102,417	\$ (23,132)	\$ 2,145,232
2025	2,069,921	207,709	-	2,277,630
2026	2,064,370	270,567	-	2,334,937
2027	2,139,990	284,097	-	2,424,087
2028 - 2035	<u>18,315,959</u>	<u>-</u>	<u>-</u>	<u>18,315,959</u>
Total	<u>\$ 26,656,187</u>	<u>\$ 864,790</u>	<u>\$ (23,132)</u>	<u>\$ 27,497,845</u>

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**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS**

Note 13 – Joint Ventures (Continued)

Central Coast Water Authority (Continued)

The above fixed and variable costs include both DWR and CCWA charges. Variable costs are dependent on actual water deliveries taken or to be taken. The “fixed costs,” “variable costs,” numbers were obtained from CCWA’s five-year projected cost schedules.

Additional information and complete financial statements for the CCWA are available for public inspection at 255 Industrial Way, Buellton, CA, between the hours of 8 a.m. and 5 p.m., Monday through Friday.

Santa Ynez River Valley Groundwater Basin, Eastern Management Area Groundwater Sustainability Agency

The District is a participant with the City of Solvang (Solvang), the Santa Ynez River Water Conservation District (SYRWCD), and the Santa Barbara County Water Agency (SBCWA) under a 2017 Memorandum of Agreement (MOA) to oversee implementation of the Sustainable Groundwater Management Act (SGMA) within the Eastern Management Area (EMA) of the Santa Ynez River Valley Groundwater Basin. Pursuant to the MOA, the District, Solvang, SYRWCD, and SBCWA form the Groundwater Sustainability Agency (GSA) for the EMA. The EMA GSA is governed by a committee comprised of one representative and one alternative from each agency. SGMA required the EMA GSA to prepare and adopt a Groundwater Sustainability Plan (GSP) for the EMA by January 2022, which was accomplished on time.

All proposed actions or resolutions of the EMA GSA must be passed by a simple majority and significant actions, such as adoption of the GSP, require at least 70 percent vote and concurrence of each agency’s governing body. During fiscal year 2022/2023, the District paid \$6,000 as its share costs incurred by the EMA GSA. The District also provides project management and other administrative support for the EMA GSA. Financial statements for the EMA GSA can be obtained from its administrative office at 3669 Sagunto Street, Suite 101, Santa Ynez, CA 93460.

Note 14 – Commitments

Water Entitlement Exchange

In 1993, the District entered into the Santa Ynez River/State Water Exchange Agreement with the South Coast Cachuma Member Units (Carpinteria Valley Water District, Goleta Water District, Montecito Water District, and the City of Santa Barbara), the La Cumbre Mutual Water Company, and the Central Coast Water Authority (CCWA) to exchange the District’s share of Cachuma Project water entitlement for an equal amount of the South Coast agencies’ State Water Project entitlement.

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 14 – Commitments (Continued)

Bradbury Dam

On July 1, 2002, COMB and USBR entered into the Contract for Repayment of Funds Expended for Federally Performed Safety of Dams Act Modification Program (SOD Contract) for seismic modifications to Bradbury Dam. Under the SOD Contract, COMB reimburses the United States on behalf of the Cachuma Member Units for a portion of Safety of Dams Act funds the United States expended to preserve the structural integrity of Bradbury Dam and related Cachuma Project facilities. The SOD Contract calls for a repayment of the cost over a 50-year period.

COMB assesses the District annually for amounts equal to the District's share of the obligation due to the United States. The District has a commitment equal to 10.31% of total contract repayment. Currently, the District's annual payment is \$26,976.

Note 15 – Contingent Liabilities

SWRCB Hearings

The District, along with other local water agencies and several state and federal regulatory entities, are signatories to a 2001 Memorandum of Understanding (MOU) for Cooperation in Research and Fish Maintenance – Santa Ynez River concerning fishery resources in the Lower Santa Ynez River below Bradbury Dam. These agencies are also involved in ongoing analyses ordered by the State Water Resources Control Board (SWRCB) in connection with the Cachuma Project permits held by USBR on behalf of the Cachuma Member Units. In September 2019, the SWRCB issued a final Water Rights Order for operation of the Cachuma Project to ensure protection of public trust resources and downstream water rights below Bradbury Dam (WRO 2019-0148). Pursuant to WRO 2019-0148, USBR is required to prepare and undertake various reports and studies regarding potential impacts to fishery resources in the Lower Santa Ynez River. Complying with these requirements will result in higher Cachuma Project water costs to the District in the form of higher water rates from USBR and/or voluntary expenses incurred annually by the District and other agencies in providing support to USBR in its compliance activities.

In addition to the SWRCB proceedings, the District is involved with various local, state, and federal agencies as part of the federal Endangered Species Act (ESA), Section 7 reconsultation process for operation and maintenance of the Cachuma Project for the protection of Southern California steelhead in the Lower Santa Ynez River. For purposes of the ESA, the Cachuma Project is currently governed by the 2000 Biological Opinion issued by the National Marine Fisheries Service (NMFS). Pursuant to the ongoing Section 7 reconsultation process, NMFS is expected to issue a new Biological Opinion in 2024, which will impact the manner in which USBR is required to operate the Cachuma Project. The new Biological Opinion will impose specific water release requirements from Bradbury Dam, which may result in additional impacts to Cachuma Project water supplies, including the amount of water the District receives under its contractual entitlement. The new Biological Opinion will also impose certain monitoring, reporting, study, and other requirements on USBR. Complying with these requirements will result in higher Cachuma Project water costs to the District in the form of higher water rates from USBR and/or voluntary expenses incurred annually by the District and other agencies in providing support to USBR in its compliance activities.

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS

Note 15 – Contingent Liabilities (Continued)

New Legislation - Hexavalent Chromium-6

The State of California enacted a new standard for Hexavalent Chromium (Cr6) effective July 1, 2014 which required all water systems to comply with a lowered maximum contaminant level (MCL) of 10 parts per billion (ppb) of Cr6 in drinking water. Public water systems were required to achieve compliance with this new standard at the earliest feasible date prior to January 1, 2020.

In order to comply with the new State standard and meet current and future water demands, the District conducted pilot studies to determine the best available water treatment technology for its water system, prepared preliminary engineering design for blending facilities, performed feasibility and cost analysis for each option, and developed a well modification project as part of a District-specific Cr6 remediation program. The primary solution involved investing in a new centralized water treatment facility with the capability of treating Cr6 produced from the District's affected groundwater wells. The costs associated with new treatment and blending facilities varied, and were estimated at that time to be as much as \$12.5 million.

On May 5, 2017, a California Superior Court ruled that, in establishing the new Cr6 standard, the State failed to adequately assess the economic feasibility of complying with the new MCL, and the 10 ppb MCL was invalidated. The Court order required the State to reevaluate its new Cr6 MCL following an adequate economic feasibility analysis. In the meantime, the State's MCL of 50 ppb for total chromium remains in place. While the District has temporarily postponed its work in developing a new centralized treatment system for Cr6, the District continues to monitor the progress of the State in establishing a new MCL. On June 16, 2023, the State Water Resources Control Board (State Board) issued a notice of public hearing for a proposed Cr6 MCL of 10 ppb, and the State Board is expected to issue a final Cr6 MCL of 10 ppb in 2024. When the new MCL is established, the District will resume work to ensure compliance with the new regulation.

Note 16 – Legal Contingencies

In the ordinary course of conducting business, various legal proceedings may be pending, however, in the opinion of the District's management, the ultimate disposition of these matters will have no significant impact on the financial position of the District.

Note 17 – Reclassifications

Certain reclassifications have been made to prior year amounts, in order to conform with current year presentation.

Note 18 – Subsequent Events

Subsequent events have been evaluated through December 19, 2023, the date the financial statements were available to be issued.

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Required Supplementary Information

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, IMPROVEMENT DISTRICT NO. 1
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2023
LAST 10 YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.02261%	0.01973%	0.01965%	0.01933%	0.01898%	0.01922%	0.01908%	0.01874%	0.02055%
Proportionate share of the net pension liability	\$ 2,611,721	\$ 1,067,187	\$ 2,138,465	\$ 1,981,106	\$ 1,828,856	\$ 1,905,629	\$ 1,651,018	\$ 1,285,968	\$ 1,278,902
Covered payroll	\$ 1,620,263	\$ 1,571,534	\$ 1,533,069	\$ 1,608,531	\$ 1,501,838	\$ 1,349,875	\$ 1,299,691	\$ 1,190,037	\$ 1,098,615
Proportionate Share of the net pension liability as percentage of covered payroll	161.19%	67.91%	139.49%	123.16%	121.77%	141.17%	127.03%	108.06%	116.41%
Plan fiduciary net position as a percentage of the total pension liability	75.98%	89.47%	78.07%	78.07%	77.89%	75.85%	76.34%	80.35%	79.73%
Measurement date	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14
Valuation date	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13

Notes to Schedule:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2021 valuation date.

* Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed for up to 10 years as information becomes available.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, IMPROVEMENT DISTRICT NO. 1
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, 2023
LAST 10 YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 327,569	\$ 298,532	\$ 271,204	\$ 239,699	\$ 271,802	\$ 244,533	\$ 218,450	\$ 201,660	\$ 165,075
Contributions in relation to the actuarially determined contribution	\$ 327,569	\$ 298,532	\$ 271,204	\$ 239,699	\$ 271,802	\$ 244,533	\$ 218,450	\$ 201,660	\$ 165,075
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,611,299	\$ 1,620,263	\$ 1,571,534	\$ 1,533,069	\$ 1,608,531	\$ 1,501,838	\$ 1,349,875	\$ 1,299,691	\$ 1,190,037
Contributions as a percentage of covered payroll	20.33%	18.42%	17.26%	15.64%	16.90%	16.28%	16.18%	15.52%	13.87%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2022-2023 were derived from the June 30, 2020 funding valuation report.

* Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed for up to 10 years as information becomes available.

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, IMPROVEMENT DISTRICT NO. 1
OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023
LAST 10 YEARS***

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:						
Service cost	\$ 278,160	\$ 254,721	\$ 181,296	\$ 155,826	\$ 151,287	\$ 199,377
Interest on the total OPEB liability	89,539	81,313	99,577	93,707	85,855	69,249
Expected versus actual experience	526	(110,833)	(18,166)	(67,721)	26,104	(5,271)
Assumption changes	(808,185)	383,429	592,289	(50,028)	30,994	(478,525)
Benefit payments	(95,795)	(123,401)	(99,659)	(72,323)	(72,323)	(67,941)
Net change in total OPEB liability	(535,755)	485,229	755,337	59,461	221,917	(283,111)
Total OPEB liability - beginning	4,053,897	3,568,668	2,813,331	2,753,870	2,531,953	2,815,064
Total OPEB liability - ending (a)	<u>\$ 3,518,142</u>	<u>\$ 4,053,897</u>	<u>\$ 3,568,668</u>	<u>\$ 2,813,331</u>	<u>\$ 2,753,870</u>	<u>\$ 2,531,953</u>
Fiduciary Net Position						
Employer contributions	\$ 95,795	\$ 123,401	\$ 99,659	\$ 72,323	\$ 72,323	\$ 67,941
Benefit payments	(95,795)	(123,401)	(99,659)	(72,323)	(72,323)	(67,941)
Net change in fiduciary net position	-	-	-	-	-	-
Total fiduciary net position- beginning	-	-	-	-	-	-
Total fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 3,518,142	\$ 4,053,897	\$ 3,568,668	\$ 2,813,331	\$ 2,753,870	\$ 2,531,953
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered - employee payroll	\$ 1,719,151	\$ 1,666,259	\$ 1,729,605	\$ 1,672,296	\$ 1,556,210	\$ 1,388,793
Net OPEB liability as a percentage of covered-employee payroll	204.64%	243.29%	206.33%	168.23%	176.96%	182.31%
Measurement date	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	07/01/17
Valuation date	06/30/21	06/30/21	06/30/19	06/30/19	07/01/17	07/01/17

Notes to Schedule:

- * Historical information is required only for measurement periods for which GASB 75 is applicable.
- Future year's information will be displayed up to 10 years as information becomes available.

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Other Supplementary Information

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES - ACTUAL AND BUDGET
For the Year Ended June 30, 2023
With Comparative Actual Amounts at June 30, 2022**

	2023 Actual	2023 Budget	2023 Over/(Under)	2022 Actual
Operating Revenues:				
Water sales	\$ 8,600,192	\$ 8,901,713	\$ (301,521)	\$ 9,308,543
State water contract revenue	2,141,668	2,240,562	(98,894)	3,035,510
Miscellaneous billings and fees	140,719	153,000	(12,281)	209,774
Total operating revenues	10,882,579	11,295,275	(412,696)	12,553,827
Operating Expenses:				
Source of supply	1,581,661	1,574,023	7,638	1,439,564
State water contract expense	2,141,668	2,240,562	(98,894)	3,035,510
Pumping expense	646,488	721,500	(75,012)	734,032
Water treatment	92,454	111,732	(19,278)	93,833
Transmission and distribution	1,076,006	1,082,032	(6,026)	1,031,354
Administrative and general	2,357,485	2,880,990	(523,505)	2,448,944
Special programs and study fees	214,341	517,500	(303,159)	250,984
Unanticipated and special legal fees	99,574	266,000	(166,426)	212,178
Depreciation expense	919,648	-	919,648	843,266
Total operating expenses	9,129,325	9,394,339	(265,014)	10,089,665
Operating income	1,753,254	1,900,936	(147,682)	2,464,162
Other Income:				
Capital facilities fees	85,089	70,000	15,089	122,520
Interest income	583,144	55,000	528,144	68,569
Unrealized loss	(636,704)	-	(636,704)	(207,231)
Special assessment	900,478	875,000	25,478	986,254
Total other income	932,007	1,000,000	(67,993)	970,112
Other Expenses:				
Interest expense	407	5,088	(4,681)	8,286
Loss on disposal of assets	12,770	-	12,770	25,376
Total other expenses	13,177	5,088	8,089	33,662
Change in net position	\$ 2,672,084	\$ 2,895,848	\$ (223,764)	\$ 3,400,612



Date: December 19, 2023

To: Board of Trustees

From: Paeter E. Garcia
General Manager

Subject: Amendment to the District Rules and Regulations – Resolution No. 839 for the Automatic Annual Adjustments to Capital Facilities and Meter Installation Charges Under Appendix "C" and Appendix "D" of the District's Rules and Regulations

Agenda: Item 9.A.4

STAFF REPORT

BACKGROUND AND OVERVIEW

As previewed during the Board of Trustees meeting on November 21, 2023 the District's capital facilities charges relating to new water service connections and meter installations are a critical element of the District's overall financing plan. The District, along with the vast majority of water agencies throughout California, requires new water users or those requesting new or expanded levels of service to pay the costs of facilities needed to serve them. The alternative to collecting capital facilities charges from new development and expanded water uses would be imposing higher charges and fees on current/pre-existing water users to pay for new development, which is not equitable. Revenues from capital facilities charges are available to and used by the District to pay for new facilities and the proportionate costs of improvements, expansions, and maintenance needed to serve and otherwise accommodate new and expanded water uses within the District's system.

In accordance with state law, specifically Government Code section 66000 et seq., a reasonable relationship must exist between the amount of an agency's capital facilities charges and the costs of the associated public facilities used to provide the service. On October 19, 1993, the Board of Trustees approved Resolution No. 422 adopting and establishing the District's installation and capital facilities charges, and establishing that on January 1st of each new year, the capital facilities charges shall be automatically adjusted by an incremental change based on the *Engineering News Record (ENR) Construction Cost Index* (20 cities average) using a base index number of 5167.

In addition to District Resolution No. 422, the automatic annual adjustments to the District's capital facilities charges relating to water service connections and meters are established by Section 603 and Section 709 of the District's Rules and Regulations, as follows:

Section 603. Installation and Capital Facilities Charges. Size, location, and type of meter and service connections shall be regulated by the District and installation and capital facilities connection charges shall be imposed on all applicants for water service not involving a main extension in accordance with the schedule attached to these Rules and Regulations as Appendix C. The minimum meter size permitted shall be based on the size of the lot to be served. ... All capital facilities charges to pay the costs of facilities required to provide and maintain water service within the District's service area and all service connection and meter installation charges shall be paid in advance, prior to installation of the service connection and meter. ... In cases where an applicant requests or there is otherwise a requirement for an increase in meter size, the District shall collect a capital facilities charge and meter installation charge equal to the difference between (a) the capital facilities charge and meter installation charge for the existing meter and (b) the capital facilities charge and meter installation charge for the new, larger meter. ... Each year on January 1, the capital facilities charges shall be automatically adjusted by an increment based on the change in the ENR Construction Cost Index (20 cities average) from the base of 5167.

Section 709. Meters. At the time of application for water service from a main extension to which service connections have been previously installed, the applicant shall pay to the District a fee to cover the capital facilities charge or connection charge and the cost of installation of one or more meters and control valves on the service connection. The fees specified in the attached schedule, which shall be attached to these Rules and Regulations as Appendix D, are for the minimum meter size permitted based on the size of the lot to be served. ... All capital facilities charges to pay the costs of facilities required to provide and maintain water service within the District's service area and all service connection and meter installation charges shall be paid in advance, prior to installation of the service connection and meter. ... In cases where an applicant requests or there is otherwise a requirement for an increase in meter size, the District shall collect a capital facilities charge and meter installation charge equal to the difference between (a) the capital facilities charge and meter installation charge for the existing meter and (b) the capital facilities charge and meter installation charge for the new, larger meter. ... Each year on January 1, the capital facilities charges shall be automatically adjusted by an increment based on the change in the ENR Construction Cost Index (20 cities average) from the base of 5167.

In accordance with District Resolution No. 422 and Sections 603 and 709 of the District's Rules and Regulations, District staff reviewed the ENR Construction Cost Index, which is 13,498 as of this meeting, and based thereon calculated automatic adjustments to Appendix "C" and Appendix "D" of the District's Rules and Regulations relating to capital facilities and meter installation charges, effective January 1, 2024.

RECOMMENDATION

Pursuant to the foregoing, staff recommends that the Board of Trustees adopt Resolution No. 839 as presented.

Capital Facilities and Meter Installation Charges Comparison Between Years 2023 and 2024

District Rules and Regulations
Appendix "C" and Appendix "D"

<u>Meter Size</u>	<u>2023 Charges</u>	<u>2024 Charges</u>	<u>\$\$\$ Change</u>	<u>% Change</u>
5/8"	\$5,359.99	\$5,452.44	\$92.45	1.72%
3/4"	\$6,340.06	\$6,463.92	\$123.86	1.95%
1"	\$10,258.18	\$10,527.08	\$268.90	2.62%
1 1/2"	\$20,374.59	\$20,722.69	\$348.10	1.71%
2"	\$32,126.79	\$32,787.18	\$660.39	2.06%
3"	\$64,802.48	\$66,341.95	\$1,539.47	2.38%
4"	\$90,316.59	\$92,388.29	\$2,071.70	2.29%

RESOLUTION NO. 839

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE
SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, IMPROVEMENT DISTRICT NO.1
APPROVING THE AUTOMATIC ANNUAL ADJUSTMENTS TO THE CAPITAL FACILITIES CHARGES
AND METER INSTALLATION FEES CONTAINED IN APPENDIX "C" AND APPENDIX "D"
OF THE DISTRICT'S RULES AND REGULATIONS**

WHEREAS, the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 ("District"), is empowered to prescribe, revise, and collect charges and costs for services and facilities funded by the District; and

WHEREAS, a capital facilities charge is a critical component of the District's overall financing plan; and

WHEREAS, State law (Government Code § 66000 et seq.) requires that a reasonable relationship exist between the amount of a capital facilities charge and the costs of associated public facilities; and

WHEREAS, the District and the vast majority of water agencies throughout California require that new water users and those requesting new or expanded levels of service pay the costs of facilities needed to serve them; and

WHEREAS, the alternative to collecting charges and costs from new development and water users requesting new or expanded levels of service would be raising charges and costs paid by current water users, which is not equitable; and

WHEREAS, revenues from capital facilities charges are available to and used by the District to pay for new facilities and the proportionate costs of system improvements and expansions needed to serve and otherwise accommodate new and expanded water uses within the District's system; and

WHEREAS, capital facilities and meter installation charges are collected during the period when a new use or expanded level of use or service is requested from the District; and

WHEREAS, on October 19, 1993, the District Board approved Resolution No. 422 adopting and establishing the capital facilities and meter installation charges and provided that each year on January 1, the capital facilities charges shall be automatically adjusted by an increment based on the change in the Engineering News Record (ENR) Construction Cost Index (20 cities average) from a base index of 5167; and

WHEREAS, pursuant to Section 603 and Section 709 of the District's Rules and Regulations, the District's capital facilities and installation charges relating to water service connections and meters shall be automatically adjusted each year on January 1 by an increment based on the change in the ENR Construction Cost Index; and

WHEREAS, the ENR Construction Cost Index is 13,498 as of this date.

THEREFORE, BE IT AND IT IS HEREBY RESOLVED, by the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1, as follows:

1. That APPENDIX "C" Installation and Capital Facilities Charges Pursuant to Article 6, Section 603 of the District's Rules and Regulations, as attached hereto and approved herein, be attached to the District's Rules and Regulations, effective on January 1, 2024; and,
2. That APPENDIX "D" Capital Facilities Charges and Meter Installation Fees for Services from Main Extensions Pursuant to Article 7, Section 709 of the District's Rules and Regulations, as attached hereto and approved herein, be attached to the District's Rules and Regulations, effective on January 1, 2024.

WE, THE UNDERSIGNED, being the duly qualified and acting President and Secretary respectively, of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1, do hereby certify that the above and foregoing Resolution was adopted and passed by the Board of Trustees at a Regular Meeting of the District held on the 19th day of December 2023, by the following roll call vote:

AYES, and in favor thereof, Trustees:

NOES, Trustees:

ABSENT, Trustees:

Jeff Clay, President

Mary Martone, Secretary to the Board of Trustees

APPENDIX "C"

**INSTALLATION AND CAPITAL FACILITIES CHARGES
PURSUANT TO ARTICLE 6, SECTION 603**

(Effective January 1, 2024)

<u>Lot Size</u>	<u>Minimum Meter Size</u>	<u>Maximum Flow Rate</u>	<u>Ratio to 5/8" meter (1993 ratios)</u>	<u>Capital Facilities Charge</u>	<u>Installation Charge</u>
10,000 sq. ft.	5/8"	25	1.0	\$ 4,885.00	The meter and service installation charge shall equal
>10,000 sq. ft. to 1 acre	3/4"	35	1.2	\$ 5,862.00	
>1 to 3 acres	1"	55	2.0	\$ 9,770.00	the cost of installation as determined by the District from time to time
>3 to 10 acres	1½ "	125	4.0	\$ 19,540.00	
>10 acres	2"	160	6.4	\$ 31,264.00	
	3"	500	12.8	\$ 62,528.00	
	4"	1,250	18.0	\$ 87,930.00	
	6"	2,000	40.0	\$195,400.00	
	8"	4,000	64.0	\$312,640.00	

For parcels with multiple Domestic or Rural Residential meters, the meter sizes (e.g. 5/8-inch and 1-inch) may be added to result in a combined equivalent size that satisfies the minimum meter size requirements.

APPENDIX "D"

**CAPITAL FACILITIES CHARGES AND METER INSTALLATION FEES
FOR SERVICES FROM MAIN EXTENSIONS
PURSUANT TO ARTICLE 7, SECTION 709**

(Effective January 1, 2024)

<u>Lot Size</u>	<u>Minimum Meter Size</u>	<u>Capital Facilities Charge</u>	<u>Meter Installation Fee</u>	<u>Total</u>
10,000 Sq. Ft.	5/8"	\$4,885.00	\$567.44	\$5,452.44
>10,000 to 1 acre	3/4"	\$5,862.00	\$601.92	\$6,463.92
>1 to 3 acres	1"	\$9,770.00	\$757.08	\$10,527.08
>3 to 10 acres	1-1/2"	\$19,540.00	\$1,182.69	\$20,722.69
> 10 acres	2"	\$31,264.00	\$1,523.18	\$32,787.18
	3"	\$62,528.00	\$3,813.95	\$66,341.95
	4"	\$87,930.00	\$4,458.29	\$92,388.29

RESOLUTION NO. 840

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE
SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, IMPROVEMENT DISTRICT NO.1
CONCERNING DISTRICT LAND AND AIR SPACE**

WHEREAS, pursuant to California Government Code Section 50569, the District has taken or caused to be taken an inventory of all its lands to determine what land, including air rights, if any, is in excess of its foreseeable needs.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND DETERMINED, by the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1, as follows:

1. In accordance with the Representative Inventory of District Lands and Air Space attached hereto, the District does not own or control any lands or air space that are in excess of the District's foreseeable needs.

WE, THE UNDERSIGNED, being the duly qualified President and Secretary respectively, of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1, do hereby certify that the above and foregoing Resolution was duly and regularly adopted and passed by the Board of Trustees at a Regular meeting held on the 19th day of December 2023, by the following roll call vote:

AYES, and in favor thereof, Trustees:

NOES, Trustees:

ABSENT, Trustees:

Jeff Clay, President

Mary Robel, Secretary to the Board of Trustees

Santa Ynez River Water Conservation District, Improvement District No. 1
Representative Inventory of District Lands and Air Space

<u>Zone</u>	<u>Description</u>	<u>Location</u>	<u>Purchased/Easement</u>
Zone 1	Gallery Well (River)	Santa Ynez	Purchased
Zone 1	Meadowlark Booster Pump Station	Santa Ynez	Purchased
Zone 1	Wells 9, 10, 11, 20, 21, 23	Santa Ynez	Easement
Zone 1	Wells 8, 19, 22 (Chlorine Station)	Santa Ynez	Easement
Zone 1	Wells 12, 13, 14, 17, 18	Santa Ynez	Easement
Zone 1	Mesa Verde Pump Station	Santa Ynez	Easement
Zone 1	Zone 1 6.5 MG Reservoir	Solvang	Purchased
Zone 2	District Office/Maintenance Shop	3622 Sagunto Street, Santa Ynez	Purchased
Zone 2	Office Well - Lot West of District Office	3622 Sagunto Street, Santa Ynez	Purchased
Zone 2	District Yard	Madera Street E/of Faraday, Santa Ynez	Purchased
Zone 2	Zone 2 6.5 MG Reservoir	Ballard	Purchased
Zone 2	Alamo Pintado Booster Pump Station	Ballard	Purchased
Zone 2	Monitoring Well 4/Well 28	Santa Ynez	Purchased
Zone 2	Well 3	Santa Ynez	Purchased
Zone 2	Wells 1 and 2	Santa Ynez	Purchased
Zone 2	Well 27	Santa Ynez	Easement
Zone 2	Well 15	Santa Ynez	Easement
Zone 2	Refugio Booster Pump Station 2	Santa Ynez	Easement
Zone 2	Still Meadow Baseline Pressure Station	Santa Ynez	Purchased
Zone 3	Zone 3 - 0.5 MG Reservoir	Los Olivos	Purchased
Zone 3	Zone 3 - 3.2 MG Reservoir	Los Olivos	Purchased
Zone 3	Zone 3 - Reservoir Area	Los Olivos	Purchased
Zone 3	Zone 3 - Reservoir Area	Los Olivos	Purchased
Zone 3	Well 24	Los Olivos	Purchased
Zone 3	Wells 5 and 5A	Los Olivos	Purchased
Zone 3	Well 6	Los Olivos	Purchased
Zone 3	Well 7	Los Olivos	Purchased
Zone 3	Well 25	Los Olivos	Easement
Zone 3	Refugio Booster Pump Station 3	Santa Ynez	Right of Way

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, IMPROVEMENT DISTRICT No.1

Bid No: 2023-001 Results

One (1) New Ford F250 4WD – Regular Cab Truck with 8' Utility Body with Lift-Gate

Perry Ford San Luis Obispo	Santa Maria Ford	Jim Vreeland Ford Buellton	Mullahey Ford Arroyo Grande	Envision Ford of Oxnard	Jim Burke Ford Bakersfield	Simi Valley Ford	Paso Robles Ford
\$67,985.54	\$69,860.79	\$76,635.46 * *Bid submitted did not meet the minimum specifications	No Response	No Response	No Response	No Response	No Response

**Total Bid Amount for One Vehicle
(Includes taxes, license & delivery)**

Note:

1. Request for Bids were opened on December 1, 2023
2. Fiscal Year 2023-2024 Board Approved Budget included \$55,000 for the purchase of one new fleet vehicle
3. The new fleet vehicle will replace a 2015 Ford F250 truck

NOTICE OF EXEMPTION

To: Clerk of the Santa Barbara County
Board of Supervisors

105 East Anapamu Street
4th Floor, Room 407
Santa Barbara, CA 93101

From: Santa Ynez River Water Conservation
District, Improvement District No.1

P.O. Box 157
Santa Ynez, CA 93460

Project Title: Refugio 3 Booster Pump Station Replacement Project

Location – Specific: The project is located at 1821 North Refugio Road, just north of the intersection of Baseline Avenue and Refugio Road.

Description of Nature, Purpose, and Beneficiaries of Project: The purpose of this project is to improve the reliability of the District’s water distribution system by replacing a water system booster pump located within the Refugio Road right-of-way (ROW). Pipeline modifications will be incorporated to accommodate the new booster pump installation within a concrete vault.

Name of Public Agency Approving or Carrying Out Activity: Santa Ynez River Water Conservation District, Improvement District No.1 (District)

Exempt Status (check one)

Ministerial (Sec. 21080(b)(1);15268)

Declared Emergency (21080(b)(4);15269(a))

Emergency Project (21080(b)(4);15269(b)(c))

X Categorical Exemption: State CEQA Guidelines, Section 15302(c)

X Statutory Exemption: California Public Resources Code, Section 21080.21 (see also, State CEQA Guidelines, Section 15282(k).)

Reasons Why Activity Is Exempt: Under Section 21080.21 of the Public Resources Code (see also, State CEQA Guidelines, Section 15282(k)), the installation of new subsurface pipeline is exempt if the overall length of the pipeline is less than one mile in length and it is to be installed within a right-of-way for pipeline installation, maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline. Additionally, under State CEQA Guidelines Section 15302(c), the project meets categorical exemption criteria related to replacement or reconstruction of existing utility structures and/or facilities involving negligible or no expansion of capacity.

The District has determined that the project will have no significant impacts on the environment and is exempt from CEQA for the reasons stated above.

Lead Agency Contact Person: Paeter Garcia
Title: General Manager

Telephone: (805) 688-6015

Signature: _____
Title: General Manager

Date: _____

Signed by Public Agency

Date received for filing at OPR:

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Santa Ynez River Water Conservation District,
Improvement District No.1
P.O. Box 157
Santa Ynez, California 93460

Agenda Item 9. B2

THIS SPACE RESERVED FOR RECORDER
ONLY
(Gov. Code § 27361.6)

Exempt from recording fee pursuant to
Government Code § 6103

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is an agent of the owner of the interest or estate stated below.
2. The full name of the owner is **Santa Ynez River Water Conservation District, Improvement District No.1.**
3. The full address of the owner is **3622 Sagunto Street, Santa Ynez, California, 93460.**
4. The nature of the interest or estate is: **waterworks facilities, operated by the District, within public right-of-way.**
5. A work of improvement on the property herein described was completed and the Owner accepted the project as complete as authorized by the Owner's governing body on **December 19, 2023**, which is the completion date pursuant to California Civil Code Section 8180. The work completed includes: **replacement of an existing portion of District water line across Alamo Pintado Creek within the Highway 154 right-of-way as part of a Caltrans bridge replacement project.**
6. The name and address of the contractor for such work of improvement is: **Hanly General Engineering Corporation, 375 Alisal Road, Solvang, CA 93463.**
7. The property for the project is located at and near: **Alamo Pintado Pedestrian Bridge, near the intersection of Calkins Road and Highway 154, Los Olivos, California.**
8. The property on which said work of improvement was completed is located in the County of Santa Barbara, State of California.

Date: December 20, 2023

Santa Ynez River Water Conservation District,
Improvement District No.1

Paeter Garcia, General Manager

VERIFICATION

I, Paeter Garcia state: I am the General Manager of the Santa Ynez River Water Conservation District, Improvement District No.1. I have read the above Notice of Completion and know the contents thereof. I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge:

Date: December 20, 2023

Santa Ynez River Water Conservation District,
Improvement District No.1

Paeter Garcia, General Manager

PROOF OF SERVICE DECLARATION

I, _____, declare that I served copies of the above NOTICE OF COMPLETION, (check appropriate box):

a. By personally delivering copies to _____
(name(s) and title(s) of person served at _____
(address) on _____, 20____ (date), at _____ (time).

b. By Registered or Certified Mail, Express Mail, or Overnight Delivery by an express service carrier, addresses to each of the parties at the address shown above on _____ (date).

c. By leaving the notice and mailing a copy in the manner provided in §415.20 of the California Code of Civil Procedure for service of Summons and Complaint in a Civil Action. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____, 20____ (date), at _____ (City), _____ (State).

(Signature of Person Making Service)

NOTICE AND AGENDA OF REGULAR MEETING

GROUNDWATER SUSTAINABILITY AGENCY FOR THE EASTERN MANAGEMENT AREA
IN THE SANTA YNEZ RIVER GROUNDWATER BASIN
HELD AT
SANTA YNEZ COMMUNITY SERVICES DISTRICT, BOARD ROOM
1070 FARADAY STREET, SANTA YNEZ, CALIFORNIA
6:30 P.M., THURSDAY, DECEMBER 14, 2023

Director Steve Jordan will be attending the meeting via teleconference from the following location: El Dorado Country Club, 46000 Fairway Drive, Indian Wells, CA 92210. Members of the public may join Director Jordan at that location.

Optional remote public participation is available via Telephone or ZOOM

To access the meeting via telephone, please dial: 1-669-444-9171
or via the Web at: <http://join.zoom.us>

“Join a Meeting” - Meeting ID 867 6279 8342 Meeting Passcode: 607621

*** Please Note ***

The above teleconference option for public participation is being offered as a convenience only and may limit or otherwise prevent your access to and participation in the meeting due to disruption or unavailability of the teleconference line. If any such disruption of unavailability occurs for any reason the meeting will not be suspended, terminated, or continued.

Therefore in-person attendance of the meeting is strongly encouraged.

AGENDA OF REGULAR MEETING

1. Call to Order and Roll Call
2. Additions or Deletions to the Agenda
3. Public Comment (Any member of the public may address the Committee relating to any non-agenda matter within the Committee’s jurisdiction. The total time for all public comment shall not exceed fifteen minutes and the time allotted for each individual shall not exceed five minutes. No action will be taken by the Committee at this meeting on any public comments item.)
4. Review and consider approval of meeting minutes of November 16, 2023
5. Review and Consider Requests for EMA GSA Written Verifications under Executive Order N-7-22 revised under Executive Order N-5-23 in the EMA for the following parcels:
 - a. APN 137-100-062 1250 Roble Blanco Rd., Solvang, CA (Desser)
 - b. APN 137-390-003 1235 Quail Ridge Rd., Solvang, CA (Liebman)
6. Update on SGMA Governance and Draft Joint Powers Agreement for the EMA
7. Update on WY 2022-2023 EMA Annual Report
8. Receive update on Proposition 68 Grant Award
 - a. Official Receipt of Grant Check - Ceremony (Place and Time TBD)
9. Next EMA GSA Committee Special Meeting, Thursday, January 25, 2024, at 6:30 PM, Santa Ynez CSD
10. Next EMA GSA Committee Regular Meeting, Thursday, February 22, 2024, at 6:30 PM, Santa Ynez CSD
11. EMA GSA Committee reports and requests for future agenda items.
12. Adjournment

[This agenda was posted 72 hours prior to this Regular meeting at 3669 Sagunto Street, Suite 101, Santa Ynez, California, and SantaYnezWater.org in accordance with Government Code Section 54954. In compliance with the Americans with Disabilities Act, if you need special assistance to review agenda materials or participate in this meeting, please contact the Santa Ynez River Water Conservation District at (805) 693-1156. Advanced notification as far as practicable prior to the meeting will enable the GSA to make reasonable arrangements to ensure accessibility to this meeting.]

Paeter Garcia

From: California Water Boards <public@info.waterboards.ca.gov>
Sent: Wednesday, November 22, 2023 12:02 PM
To: Paeter Garcia
Subject: 15-Day Notice: Hexavalent Chromium MCL

Having trouble viewing this? [View it as a webpage](#)



15-Day Notice: Hexavalent Chromium MCL

This is a message from the State Water Resources Control Board.

The State Water Resources Control Board is accepting written public comments on changes to the proposed Hexavalent Chromium Maximum Contaminant Level (MCL) regulation text. The public comment period ends on 15 December 2023, at 12:00 p.m. (noon).

The Notice of Public Availability of Changes, proposed regulation text, and Addendum to the Initial Statement of Reasons are available at the following link: https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/SWRCBDDW-21-003_hexavalent_chromium.html

Additional information about hexavalent chromium may be found at: https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/Chromium6.html

[Additional Information](#)

Update your subscriptions, modify your password or email address, or stop subscriptions at any time on your [Subscriber Preferences Page](#).

You will need to use your email address to log in. If you have questions or problems with the subscription service, please visit subscriberhelp.govdelivery.com.

[Home](#) | [Drinking Water](#) | [Certlic](#) | [Drinkingwater](#) | [Hexavalent Chromium MCL](#)

Hexavalent Chromium MCL (SWRCB-DDW-21-003)

Hexavalent Chromium MCL Announcements and Information

Information and Documentation Pertaining to This Regulatory Proposal

Status of Proposal

This rulemaking is in progress.

- A hearing was held on August 2, 2023
 - A video recording of the hearing is available
- Written comments are due **August 18, 2023**

Proposed MCL: **10 ppb** (0.010 mg/L)

Proposed DLR: **0.1 ppb** (0.0001 mg/L)

This MCL includes a compliance schedule based on water system size and requirements to submit compliance plans and operations plans under certain conditions. See the rulemaking documentation below for details.

Inquiries regarding the contents of these regulations may be directed to Bethany Robinson (Bethany.Robinson@waterboards.ca.gov) and Melissa Hall (Melissa.Hall@waterboards.ca.gov).

Rulemaking Documentation

15-Day Comment Period Documents

- Notice of Public Availability of Changes to Proposed Regulations
 - English | Spanish
- Text of Proposed Regulations
- Addendum to Initial Statement of Reasons (ISOR)



- [Second Revised Notice of Proposed Rulemaking](#)
- [Third Revised Notice of Proposed Rulemaking](#)
- **Text of Proposed Regulations**
 - [U.S. EPA Method 218.6](#)
 - [U.S. EPA Method 218.7](#)
- [Initial Statement of Reasons \(ISOR\) - ISOR Errata](#)
 - [ISOR Attachment 1: Cost Tables](#)
 - [ISOR Attachment 2: Standardized Regulatory Impact Assessment and Cost Estimating Methodology \(updated\)](#)
 - [ISOR Attachment 3: Other Chemicals Above the PHG](#)
 - [ISOR Attachment 4: DLR Surveys Summary](#)
 - [ISOR Attachment 5: Cost Estimates for Individual Sources](#)

Final Documentation

- [TBD](#)

Complete Rulemaking Documentation Files

CEQA Documentation

- [Draft Environmental Impact Report](#)
 - [Appendix A](#)
 - [Appendix B](#)
 - [Appendix C](#)
 - [Appendix D](#)
 - [Appendix E](#)
- [Notice of Availability of Draft Environmental Impact Report](#)
- [Notice of Completion of Draft Environmental Impact Report](#)

Peer Review Documents

- [Peer Review Request](#)
- [Peer Review](#)
 - [Reviewer 1](#)
 - [Reviewer 2](#)
 - [Reviewer 3](#)



December 2022

- SRIA
- DF-131
- Notice of Proposed Rulemaking Published: **16 June 2023**
- Close of the 45-Day Public Comment Period: **04 August 2023**
- Date of Scheduled Public Hearings: **02 August 2023**
- Date Filed with Office of Administrative Law: TBD
- Approved by Office of Administrative Law: TBD
- Filed with the Secretary of State: TBD
- Effective Date: TBD

Sections Affected

California Code of Regulations: Title 22 Sections: 64415, 64431, 64432, 64447.2, 64465, and 64481.

(Page last updated 11/22/2023)

Drinking Water Resources

[California Laboratory Intake Portal \(CLIP\)](#)
[Contaminants in Drinking Water](#)
[Consolidation and Extension of Service](#)
[COVID-19 Drinking Water](#)
[Cyanobacteria/Cyanotoxins in Drinking Water](#)
[Consumer Confidence Reports \(CCRs\)](#)
[DRINC Portal](#)
[Drinking Water Branch Districts](#)

[Drinking Water Supply Service Area Lookup Tool](#)
[Drinking Water Watch Database](#)
[Electronic Annual Reports \(EAR\)](#)
[Environmental Laboratory Accreditation Program \(ELAP\)](#)

[Funding for Public Water Systems](#)
[Information for Public Water Systems](#)
[Operator Certification - Drinking Water](#)
[Permits](#)
[PFAS: Per- and Polyfluoroalkyl Substances](#)



State Water Resources Control Board

NOTICE OF PUBLIC AVAILABILITY OF CHANGES TO PROPOSED REGULATIONS REGARDING

TITLE 22. Social Security DIVISION 4. Environmental Health CHAPTER 15 – Domestic Water Quality and Monitoring Regulations

SUBJECT: HEXAVALENT CHROMIUM MAXIMUM CONTAMINANT LEVEL (SWRCB-DDW-21-003)

NOTICE IS HEREBY GIVEN that the State Water Resources Control Board (State Water Board) has changed the text of the proposed Hexavalent Chromium Maximum Contaminant Level (MCL) regulations and is making the changed text available for public comment prior to adoption of the resulting regulations. The State Water Board has also prepared an Addendum to the Initial Statement of Reasons (ISOR) and is making both the changes to the proposed regulatory text and the Addendum to the ISOR available for public comment.

CHANGES TO THE PROPOSED REGULATORY TEXT

The proposed text with the new changes clearly illustrated is available, with additional proposed regulation text indicated by a double underline and deleted proposed regulation text indicated by a ~~double strikethrough~~. For the internet posting of this notice, the regulation text is posted as a separate document in conjunction with this public notice.

CHANGES TO COMPLIANCE PLAN AND PUBLIC NOTIFICATION REQUIREMENTS

The proposed text has been modified to (1) remove the requirement that a water system describe how it would comply by the applicable compliance deadline and (2) require increased public notification for hexavalent chromium MCL exceedances prior to the applicable compliance deadline.

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

Any interested person, or their representative, may submit written comments on the changes to the proposed regulations. Government Code section 11346.8(c) requires that changes sufficiently related to the originally proposed text be made available to the public for an additional 15-day comment period. Any written comments pertaining to the changes to the proposed regulations, regardless of method of transmittal, must be received by the Clerk by **12:00 p.m. (noon) on December 15, 2023**. Comments received after this time will not be considered timely. Written comments may be submitted via any of the following methods:

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

1. By electronic mail to: commentletters@waterboards.ca.gov;
2. By facsimile ("fax") transmission to: (916) 341-5620;
3. By mail to:
Courtney Tyler, Clerk to the Board
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-2000; or
4. By hand-delivery to:
Courtney Tyler, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814.

To facilitate timely identification and review, please identify the action by using the State Water Board regulation package identifier, "**SWRCB-DDW-21-003: Hexavalent Chromium MCL**" in any written comments.

The State Water Board requests but does not require that written comments sent by mail or hand-delivered be submitted in triplicate.

The State Water Board requests but does not require that, if reports or articles in excess of 25 pages are submitted in conjunction with the comments, the commenter provide a summary of the report or article and describe the reason for which the report or article is being submitted or its relevance to the proposed regulation.

All comments, including e-mail or fax transmissions, should include the author's name and U.S. Postal Service mailing address in order for the State Water Board to provide copies of any notices for proposed changes to the regulation text or rulemaking file on which additional comments may be solicited. Please note that under the California Public Records Act (Gov. Code, §7920.000 et seq.), written and oral comments, attachments, and associated contact information (e.g., your address, phone, email) become part of the public record and can be released to the public upon request.

Due to the limitations of the e-mail system, emails larger than 15 megabytes (MB) may be rejected and will not be delivered and received by the State Water Board. Therefore, emails larger than 15 MB should be submitted under separate emails or via another form of delivery.

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- Documents made available in an alternative format or another language;
- Disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk to the Board at (916) 341-5600 as soon as possible, but no later than **December 15, 2023**. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

SI NECESITA ARREGLOS ESPECIALES

Conforme a la Sección 7296.2, del Código del Gobierno de California, los siguientes servicios o arreglos especiales pueden ser solicitados:

- Documentos en otro idioma o en un formato alternativo;
- Arreglos razonables relacionados a una discapacidad.

Para pedir estos arreglos especiales o servicios en otro idioma, puede contactar a la Secretaria de la Junta (Board) al (916) 341-5600 lo más pronto posible, pero antes del día **15 de diciembre de 2023**. Los usuarios del Sistema TTY/TDD/Voz-a-Voz pueden marcar el 7-1-1 para utilizar el California Relay Service.

STATE WATER BOARD CONTACT PERSONS

Requests for copies of the proposed regulatory text, the Initial Statement of Reasons, subsequent modifications of the proposed regulatory text, or other inquiries concerning the proposed action may be directed to:

Melissa Hall, P.E.
Senior Water Resource Control Engineer
State Water Resources Control Board, Division of Drinking Water
Telephone: (916) 323-0373
Email address: melissa.hall@waterboards.ca.gov

In the event Miss Hall is not available to respond, please contact:

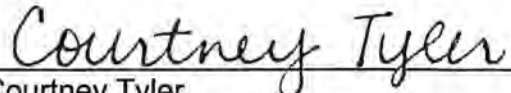
Bethany Robinson, PhD, P.E.
Water Resource Control Engineer
State Water Resources Control Board, Division of Drinking Water
Telephone: (510) 620-6285
Email address: bethany.robinson@waterboards.ca.gov

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of documents pertaining to the proposed regulations may be found on the State Water Board's Web site at the Division of Drinking Water's Hexavalent Chromium MCL Internet Web Page at

https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/SWRCBDDW-21-003_hexavalent_chromium.html.

November 22, 2023
Date



Courtney Tyler
Clerk to the Board

Title 22. Social Security
Division 4. Environmental Health
Chapter 15. Domestic Water Quality and Monitoring Regulations
Article 2. General Requirements

(1) Amend Section 64415 to read as follows:

§ 64415. Laboratory and Personnel.

(a) Except as provided in subsection (b), required analyses shall be performed by laboratories certified by the State Board to perform such analyses pursuant to Article 3, commencing with section 100825, of Chapter 4 of Part 1 of Division 101, Health and Safety Code. Unless directed otherwise by the State Board, analyses shall be made in accordance with the following U.S. EPA approved methods as prescribed at:

(1) U.S. EPA approved methods as prescribed at 40 Code of Federal Regulations sections 141.23 through 141.41, 141.66, and 141.89 (7-1-2019 edition), which are incorporated by reference; and

(2) U.S. EPA approved methods as prescribed at 40 Code of Federal Regulations section 141.852 (78 Fed. Reg. 10270 (February 13, 2013), as amended at 79 Fed. Reg. 10665 (February 26, 2014)), which is incorporated by reference; and

(3) Methods used for analysis of hexavalent chromium shall be performed using one of the following:

(A) U.S. EPA Method 218.6: Determination of Dissolved Hexavalent Chromium in Drinking Water, Groundwater, and Industrial Wastewater Effluents by Ion Chromatography, Rev. 3.3, (May 1994), which is incorporated by reference in its entirety; and

(B) U.S. EPA Method 218.7: Determination of Hexavalent Chromium in Drinking Water by Ion Chromatography with Post-Column Derivatization and UV-Visible Spectroscopic Detection, Version 1.0, (November 2011), which is incorporated by reference in its entirety.

(b) [No change to text]

Note: Authority cited: Sections 116271, 116350, and 116375, and 116385, Health and Safety Code. Reference: Sections 116375, 116385 and 116390, Health and Safety Code; and 40 Code of Federal Regulations 141.

Article 4. Primary Standards—Inorganic Chemicals

(2) Amend Section 64431 to read as follows:

§ 64431. Maximum Contaminant Levels—Inorganic Chemicals.

Public water systems shall comply with the primary MCLs in Table 64431-A as specified in this article.

Table 64431-A
Maximum Contaminant Levels
Inorganic Chemicals

<i>Chemical</i>	<i>Maximum Contaminant Level, mg/L</i>
Aluminum	1.
Antimony	0.006
Arsenic	0.010
Asbestos	7 MFL*
Barium	1.
Beryllium	0.004
Cadmium	0.005
<u>Chromium (hexavalent)</u>	<u>0.010</u>
Chromium (<u>total</u>)	0.05
Cyanide	0.15
Fluoride	2.0
Mercury	0.002
Nickel	0.1
Nitrate (as nitrogen)	10.
Nitrate+Nitrite (sum as nitrogen)	10.

Nitrite (as nitrogen)	1.
Perchlorate	0.006
Selenium	0.05
Thallium	0.002

* MFL=million fibers per liter; MCL for fibers exceeding 10 µm in length.

Note: Authority cited: Sections 116270, 116271, 116293(b), 116350, 116365, 116365.5 and 116375, Health and Safety Code. Reference: Sections 116365, 116365.5 and 116470, Health and Safety Code.

(3) Amend Section 64432 to read as follows:

§ 64432. Monitoring and Compliance—Inorganic Chemicals.

(a) All public water systems shall monitor to determine compliance with the nitrate and nitrite MCLs in Table 64431-A, pursuant to subsections (d) through (f) and section 64432.1. All community and nontransient-noncommunity water systems shall monitor to determine compliance with the perchlorate MCL, pursuant to subsections (d), (e), and (l), and section 64432.3. All community and nontransient-noncommunity water systems shall also monitor to determine compliance with the other MCLs in Table 64431-A, pursuant to subsections (b) through (n), and, for asbestos, section 64432.2. Monitoring shall be conducted in the year designated by the State Board of each compliance period beginning with the compliance period starting January 1, 1993.

(b) Unless directed otherwise by the State Board, each community and nontransient-noncommunity water system shall initiate monitoring for an inorganic chemical within six months following the effective date of the regulation establishing the MCL for the chemical and the addition of the chemical to Table 64431-A.

If otherwise performed in accordance with this section, groundwater monitoring for an inorganic chemical performed no more than two years prior to the effective date of the regulation establishing the MCL may be used to satisfy the requirement for initiating monitoring within six months following such effective date.

(c) Unless more frequent monitoring is required pursuant to this Chapter, the frequency of monitoring for the inorganic chemicals listed in Table 64431-A, except for asbestos, nitrate/nitrite, and perchlorate, shall be as follows:

- (1) [No change to text]
- (2) [No change to text]

(d) For the purposes of sections 64432, 64432.1, 64432.2, and 64432.3, detection shall be defined by the detection limits for purposes of reporting (DLRs) in Table 64432-A.

Table 64432-A

Detection Limits for Purposes of Reporting (DLRs) for Regulated Inorganic Chemicals

<i>Chemical</i>	<i>Detection Limit for Purposes of Reporting (DLR) (mg/L)</i>
Aluminum	0.05
Antimony	0.006
Arsenic	0.002
Asbestos	0.2 MFL>10µm*
Barium	0.1
Beryllium	0.001
Cadmium	0.001
<u>Chromium (hexavalent)</u>	<u>0.0001</u>
Chromium <u>(total)</u>	0.01
Cyanide	0.1
Fluoride	0.1
Mercury	0.001
Nickel	0.01
Nitrate (as nitrogen)	0.4
Nitrite (as nitrogen)	0.4
Perchlorate	0.002 0.001 (Effective January 1, 2024)

Selenium	0.005
Thallium	0.001

* MFL=million fibers per liter; DLR for fibers exceeding 10 μ m in length.

(e) [No change to text]

(f) [No change to text]

(g) [No change to text]

(h) [No change to text]

(i) Compliance with the MCLs shall be determined by a running annual average; if any one sample would cause the annual average to exceed the MCL, the system is immediately in violation. If a system takes more than one sample in a quarter, the average of all the results for that quarter shall be used when calculating the running annual average. If a system fails to complete four consecutive quarters of monitoring, the running annual average shall be based on an average of the available data.

(j) [No change to text]

(k) [No change to text]

(l) [No change to text]

(m) [No change to text]

(n) [No change to text]

(o) Transient-noncommunity water systems shall monitor for the inorganic chemicals in ~~†~~Table 64431-A as follows:

(1) [No change to text]

(2) [No change to text]

(p) A water system shall comply with the chromium (hexavalent) MCL by the applicable compliance date in Table 64432-B.

Table 64432-B
Chromium (Hexavalent) MCL Compliance Date

<u>System Size</u> <u>(Service Connections Served on [INSERT EFFECTIVE DATE])</u>	<u>Chromium (Hexavalent) MCL</u> <u>Compliance Date</u>
<u>10,000 or greater</u>	<u>[INSERT DATE TWO YEARS AFTER REGULATION TAKES EFFECT]</u>
<u>1,000 to 9,999</u>	<u>[INSERT DATE THREE YEARS AFTER REGULATION TAKES EFFECT]</u>
<u>Fewer than 1,000</u>	<u>[INSERT DATE FOUR YEARS AFTER REGULATION TAKES EFFECT]</u>

(g) If before the applicable compliance date in Table 64432-B, a water system's monitoring for chromium (hexavalent) conducted pursuant to subsection (b) demonstrates an MCL exceedance as calculated in accordance with subsection (i), then no later than 90 days after the MCL exceedance a water system shall submit to the State Board a Hexavalent Chromium MCL Compliance Plan that is sufficient to demonstrate how the system will comply with the chromium (hexavalent) MCL.

(1) The Hexavalent Chromium MCL Compliance Plan shall state how the water system will comply with the chromium (hexavalent) MCL ~~no later than the applicable compliance date in Table 64432-B~~ and include, at a minimum, the following:

(A) The proposed method for complying with the chromium (hexavalent) MCL; if a new or modified treatment process is proposed, the Hexavalent Chromium MCL Compliance Plan shall include a pilot study adequate to demonstrate that the new or modified treatment process will result in compliance with the chromium (hexavalent) MCL;

(B) If the proposed compliance method requires construction, the date by which the water system will submit to the State Board final plans and specifications for the proposed method of compliance;

(C) If the proposed compliance method requires construction, the anticipated dates for commencing construction and completing 100 percent of construction;

(D) If a new or modified treatment process is proposed, the anticipated date by which a Hexavalent Chromium Operations Plan as specified in subsection (r) will be submitted.

(2) A public water system may make amendments to its Hexavalent Chromium MCL Compliance Plan. Any amendment made shall be submitted to the State Board for review and approval that it meets the requirements of section (1).

(3) A water system shall implement its State Board approved Hexavalent Chromium MCL Compliance Plan by the dates set forth therein.

(r) A water system utilizing a new or modified treatment process to comply with the chromium (hexavalent) MCL shall, prior to serving water treated by the new or modified treatment process to the public, submit to the State Board for review and approval a Hexavalent Chromium Operations Plan sufficient to ensure that water treated by the new or modified treatment process reliably and continuously meets the chromium (hexavalent) MCL. The Hexavalent Chromium Operations Plan shall include, at a minimum, the following:

1. Performance monitoring program that sets out how and when treatment will be monitored to ensure compliance with the chromium (hexavalent) MCL;

2. A program for maintenance of treatment process equipment that describes how and when equipment will be maintained and when equipment replacement is needed to ensure treatment is operating as designed;

3. A description of each treatment unit process and how it is operated;

4. A description of procedures used to determine chemical dose rates sufficient to ensure the treatment process is operating as designed;

5. A description of reliability features incorporated into the treatment process to ensure operation as designed; and

6. Treatment media inspection program sufficient to ensure the media is inspected at intervals and for conditions necessary to ensure compliance with the chromium (hexavalent) MCL.

...

Note: Authority cited: Sections 116271, 116275, 116293(b), 116350 and 116375, Health and Safety Code. Reference: Section 116275 and 116385, Health and Safety Code.

Article 12. Best Available Technologies (BAT)

(4) Amend Section 64447.2 to read as follows:

§ 64447.2. Best Available Technologies (BAT)—Inorganic Chemicals.

The technologies listed in Table 64447.2-A are the best available technology, treatment techniques, or other means available for achieving compliance with the MCLs in Table 64431-A for inorganic chemicals.

Table 64447.2-A
Best Available Technologies (BATs)
Inorganic Chemicals

<i>Chemical</i>	<i>Best Available Technologies (BATs)</i>
Aluminum	10
Antimony	2, 7
Arsenic	1, 2, 5, 6, 7, 9, 13
Asbestos	2, 3, 8
Barium	5, 6, 7, 9
Beryllium	1, 2, 5, 6, 7
Cadmium	2, 5, 6, 7
<u>Chromium (hexavalent)</u>	<u>5, 7, 14</u>
Chromium <u>(total)</u>	2, 5, 6 ^a , 7
Cyanide	5, 7, 11
Fluoride	1
Mercury	2 ^b , 4, 6 ^b , 7 ^b
Nickel	5, 6, 7

Nitrate	5, 7, 9
Nitrite	5, 7
Perchlorate	5, 12
Selenium	1, 2 ^c , 6, 7, 9
Thallium	1, 5

^aBAT for chromium III (trivalent chromium) only.

^bBAT only if influent mercury concentrations < 10 µg/L.

^cBAT for selenium IV only.

Key to BATs in Table 64447.2-A:

- 1= Activated Alumina
- 2= Coagulation/Filtration (not BAT for systems <500 service connections)
- 3= Direct and Diatomite Filtration
- 4= Granular Activated Carbon
- 5= Ion Exchange
- 6= Lime Softening (not BAT for systems <500 service connections)
- 7= Reverse Osmosis
- 8= Corrosion Control
- 9= Electrodialysis
- 10= Optimizing treatment and reducing aluminum added
- 11= Chlorine oxidation
- 12= Biological fluidized bed reactor
- 13= Oxidation/Filtration
- 14= Reduction/Coagulation/Filtration

Note: Authority cited: Sections 116271, 116293(b), 116350 and 116375, 434052 and 434200, Health and Safety Code. Reference: Section 116370, Health and Safety Code.

Article 18. Notification of Water Consumers and the State Board

(5) Amend Section 64463.4 to read as follows:

§ 64463.4. Tier 2 Public Notice.

(a) A water system shall give public notice pursuant to this section if any of the following occurs:

(1) Any violation of the MCL, MRDL, and treatment technique requirements, except:

(A) Where a Tier 1 public notice is required under section 64463.1; or

(B) Where the State Board determines that a Tier 1 public notice is required, based on potential health impacts and persistence of the violations;

(2) All violations of the monitoring and testing procedure requirements in this chapter, and chapters 15.5, 17, and 17.5, for which the State Board determines that a Tier 2 rather than a Tier 3 public notice is required, based on potential health impacts and persistence of the violations;~~or~~

(3) Failure to comply with the terms and conditions of any variance or exemption in place~~;~~ or

(4) Exceedance of the chromium (hexavalent) MCL before the applicable compliance date in Table 64432-B, as calculated in accordance with section 64432, subsection (i).

(b) [No change to text]

(c) [No change to text]

(6) Amend Section 64465 to read as follows:

§ 64465. Public Notice Content and Format.

...

(d) [No change to text]

**Appendix 64465-A. Health Effects Language
Microbiological Contaminants**

Appendix 64465-B. Health Effects Language

Surface Water Treatment

**Appendix 64465-C. Health Effects Language
Radioactive Contaminants**

**Appendix 64465-D. Health Effects Language
Inorganic Contaminants**

<i>Contaminant</i>	<i>Health Effects Language</i>
Aluminum	[No change to text]
Antimony	[No change to text]
Arsenic	[No change to text]
Asbestos	[No change to text]
Barium	[No change to text]
Beryllium	[No change to text]
Cadmium	[No change to text]
<u>Chromium (hexavalent)</u>	<u>Some people who drink water containing hexavalent chromium in excess of the MCL over many years may have an increased risk of getting cancer.</u>
Chromium <u>(total)</u>	[No change to text]
Copper	[No change to text]
Cyanide	[No change to text]
Fluoride	[No change to text]
Lead	[No change to text]
Mercury	[No change to text]
Nickel	[No change to text]
Nitrate	[No change to text]
Nitrite	[No change to text]
Perchlorate	[No change to text]

Selenium	[No change to text]
Thallium	[No change to text]

**Appendix 64465-E. Health Effects Language
Volatile Organic Contaminants**

**Appendix 64465-F. Health Effects Language
Synthetic Organic Contaminants**

**Appendix 64465-G. Health Effects Language
Disinfection Byproducts, Byproduct Precursors, and Disinfection Residuals**

**Appendix 64465-H. Health Effects Language
Other Treatment Techniques**

No change to Appendices 64465-A through C or 64465-E through H.

Note: Authority cited: Sections 116271, 116350 and 116375, Health and Safety Code.
Reference: Sections 116450 and 116470, Health and Safety Code.

Article 20. Consumer Confidence Report

(7) Amend Section 64481 to read as follows:

§ 64481. Content of the Consumer Confidence Report.

...

(c) If any of the following are detected, information for each pursuant to subsection (d) shall be included in the Consumer Confidence Report:

(1) Contaminants subject to an MCL, regulatory action level, MRDL, or treatment technique (regulated contaminants), as specified in sections 64426.1, 64426.6, 64431,

64442, 64443, 64444, 64448, 64449, 64533, 64533.5, 64536, 64536.2, 64653, and 64678;

(2) Contaminants specified in 40 Code of Federal Regulations part 141.40 (7-1-2007 edition) for which monitoring is required (unregulated contaminants);

(3) Microbial contaminants detected as provided under subsection (3); and

(4) Sodium and hardness.

(d) For contaminants identified in subsection (c), the water system shall include in the Consumer Confidence Report one table or several adjacent tables that have been developed pursuant to this subsection. Any additional monitoring results that a water system chooses to include in its Consumer Confidence Report shall be displayed separately.

...

(o) The ~~e~~Consumer ~~e~~Confidence ~~r~~Report prepared and delivered by July 1, 2022 shall, for bacteriological monitoring conducted from January 1, 2021 to June 30, 2021, inclusive, include the following additional information in the report:

(1) The total coliform MCL expressed as shown in ~~t~~Table 64481-C.

Table 64481-C
Total Coliform MCL for Consumer Confidence Report

<i>Contaminant</i>	<i>MCL</i>
[No change to text]	[No change to text]
[No change to text]	[No change to text]

- (2) [No change to text]
- (3) [No change to text]
- (4) The likely source(s) of any total coliform, fecal coliform, or *E. coli* detected. If the water system lacks specific information on the likely source, the table shall include the typical source for that contaminant listed in Table 64481-D.

Table 64481-D

Typical Origins of Microbiological Contaminants with Primary MCL

<i>Contaminant</i>	<i>Major Origins in Drinking Water</i>
[No change to text]	[No change to text]
[No change to text]	[No change to text]

- (5) Information on any data indicating violation of the total coliform MCL, including the length of the violation, potential adverse health effects, and actions taken by the water system to address the violation. To describe the potential health effects, the water system shall use the relevant language in Table 64481-E.

Table 64481-E

Health Effects Language for Microbiological Contaminants

<i>Contaminant</i>	<i>Health Effects Language</i>
[No change to text]	[No change to text]
[No change to text]	[No change to text]
[No change to text]	[No change to text]

- (6) [No change to text]

(p) A Consumer Confidence Report issued after [INSERT EFFECTIVE DATE OF THE PROPOSED REGULATION] and prior to the applicable compliance date in Table 64432-B shall include the following information for chromium (hexavalent):

(1) If chromium (hexavalent) is detected, the Consumer Confidence Report shall include information pursuant to subsections (c) and (d).

(2) If chromium (hexavalent) exceeds the MCL, the Consumer Confidence Report shall include additional information indicated in Table 64481-F.

Table 64481-F CCR Language
Hexavalent Chromium MCL Exceedance

<u>CCR Language</u>
<u>Chromium (hexavalent) was detected at levels that exceed the chromium (hexavalent) MCL. While a water system of our size is not considered in violation of the chromium (hexavalent) MCL until after [INSERT APPLICABLE TABLE 64432-B COMPLIANCE DATE], we are working to address this exceedance and comply with the MCL. Specifically, we are [INSERT ACTIONS TAKEN AND PLANNED TO COMPLY WITH THE APPLICABLE COMPLIANCE DATE IN TABLE 64432-B].</u>

Appendix 64481-A.

**Typical Origins of Contaminants with Primary MCLs, MRDLs,
Regulatory Action Levels, and Treatment Techniques**

<i>Contaminant</i>	<i>Major origins in drinking water</i>
<i>Microbiological</i>	
[No change to text]	[No change to text]
<i>Surface water treatment</i>	
[No change to text]	[No change to text]

Radioactive

[No change to text]	[No change to text]
---------------------	---------------------

Inorganic

Aluminum	[No change to text]
Antimony	[No change to text]
Arsenic	[No change to text]
Asbestos	[No change to text]
Barium	[No change to text]
Beryllium	[No change to text]
Cadmium	[No change to text]
<u>Chromium (hexavalent)</u>	<u>Erosion of natural deposits; transformation of naturally occurring trivalent chromium to hexavalent chromium by natural processes and human activities such as discharges from electroplating factories, leather tanneries, wood preservation, chemical synthesis, refractory production, and textile manufacturing facilities.</u>
<u>Chromium (total)</u>	[No change to text]
Copper	[No change to text]
Cyanide	[No change to text]
Fluoride	[No change to text]
Lead	[No change to text]
Mercury	[No change to text]
Nickel	[No change to text]
Nitrate	[No change to text]
Nitrite	[No change to text]
Perchlorate	[No change to text]

Selenium	[No change to text]
Thallium	[No change to text]

Synthetic organic

[No change to text]	[No change to text]
---------------------	---------------------

Volatile organic

[No change to text]	[No change to text]
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Disinfection Byproducts, Disinfection Byproduct Precursors, and Disinfectant Residuals

[No change to text]	[No change to text]
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...

Note: Authority cited: Sections 116271, 116350 and 116375, Health and Safety Code.
Reference: Sections 116275 and 116470, Health and Safety Code.

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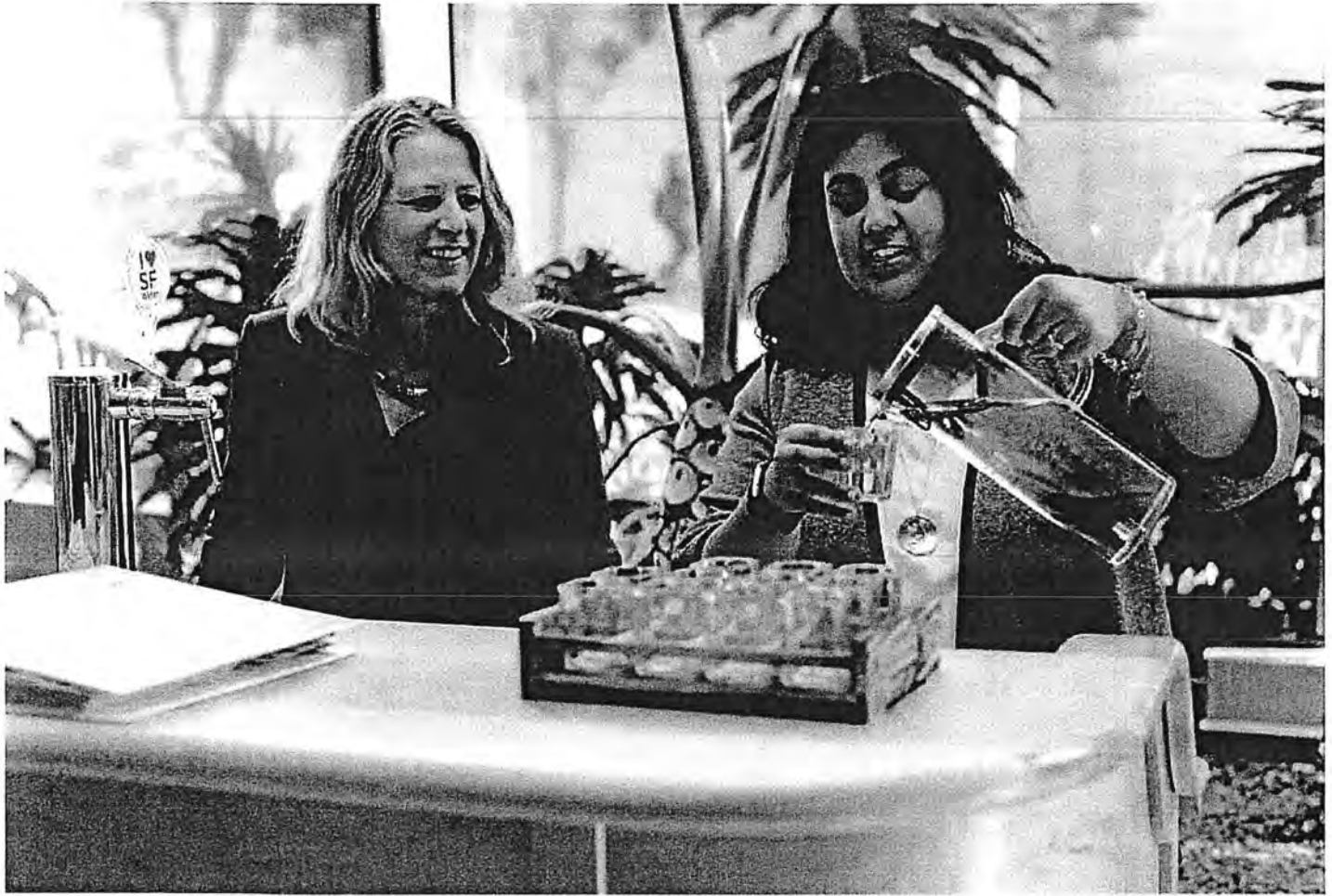
US & WORLD // CALIFORNIA

California poised to allow ‘toilet to tap’ projects, in landmark water rule

By **Kate Galbraith**

Dec 11, 2023





Manisha Kothari, right, a project manager at the San Francisco Public Utilities Commission, pours purified water in the glasses at the agency's headquarters in 2019. The experimental water came from wastewater in the building, including toilets, sinks and shower drains.

Constanza Hevia H./Special to the Chronicle 2019

California water regulators are poised to approve long-awaited rules that will allow local water agencies to convert sewage — such as what drains from toilets and showers — directly into drinking water.


The landmark regulations will go before the State Water Resources Control Board for consideration next week. If approved, they would enable projects sometimes dubbed “toilet to tap” to move forward in numerous communities, including Santa Clara County, Los Angeles and San Diego.

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Reusing water “gives us a supply that in essence is always going to be there,” said Darrin Polhemus, deputy director in the division of drinking water at the water board.

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Additional options for drinking water are expected to become critical as climate change intensifies the risk of drought.

Right now, most wastewater in California gets treated and then discharged into the ocean, rivers or other bodies of water. Under the proposed rules, some water could be kept within the system — treated to a higher level and, in a matter of hours or days, returned to the main water supply, in a process known as direct potable reuse.

Because of the extra treatment, “It really will be some of the highest water quality available,” said Polhemus, who has himself tasted some recycled water at a project in Southern California.

A few other Western states, including Texas and Colorado, are also experimenting with direct potable reuse. Other parts of the world, including Singapore and Namibia, have embraced it, according to Heather Cooley, director of research at the Oakland-based Pacific Institute, a water think tank.

The impact on water supplies in California will not be immediate. Even after the water board approves the regulations, they cannot take effect until the state's Office of Administrative Law signs off, which would likely happen next summer or fall. And it could be another several years before the first projects receive approval.

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Coastal communities will particularly benefit from California's proposed rules, Cooley said. That is because they typically discharge wastewater in the oceans, not rivers, and therefore do not have to worry about whether reusing treated sewage will take water away from fragile ecosystems or downstream users.

Plenty of water is already reused in California, but it is not immediately funneled back into taps after treatment.

Treated wastewater is increasingly widely used for irrigation, including in the Napa Valley, and for industrial uses.

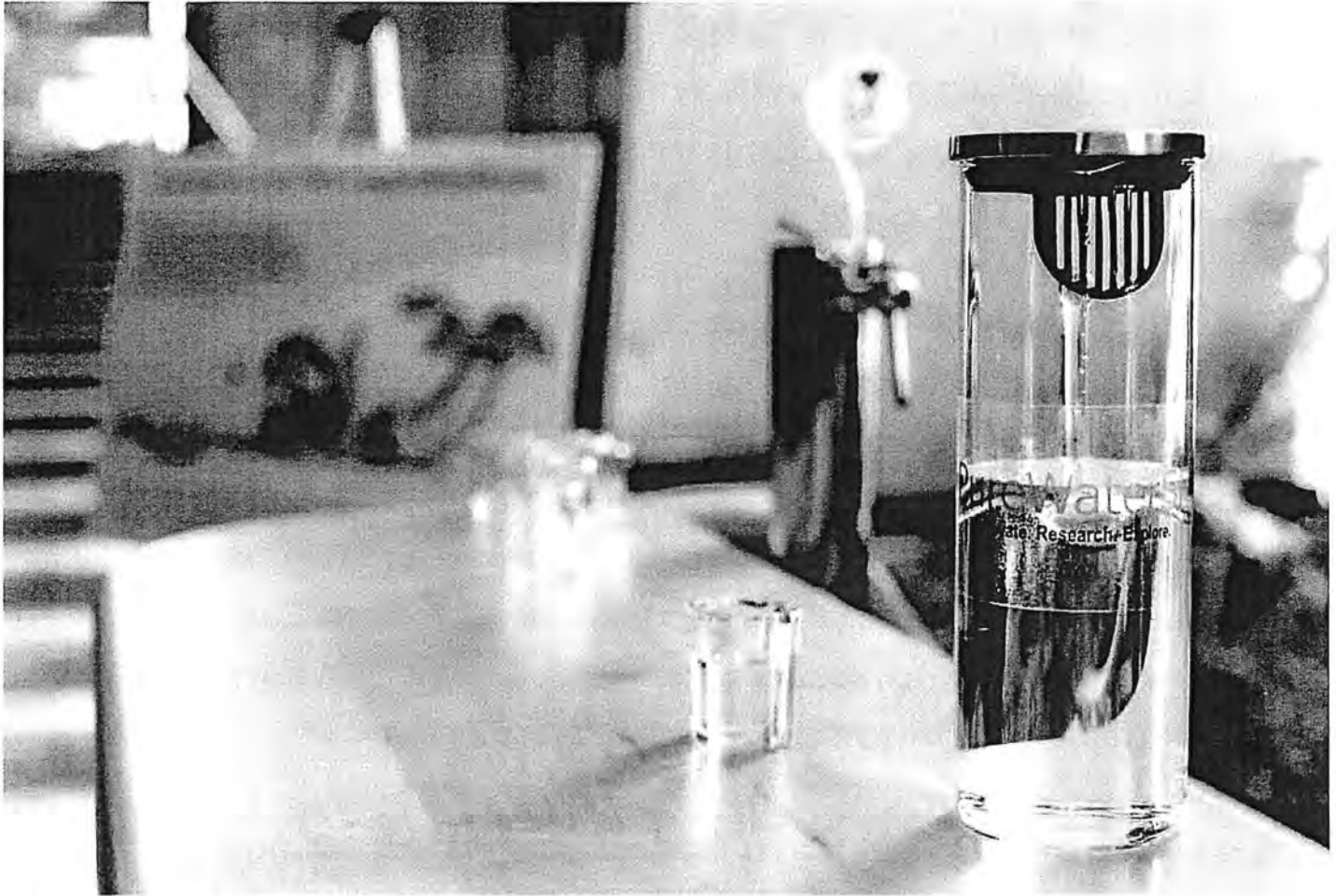
And in a few parts of California, treated wastewater is pumped down into aquifers, where it mixes with groundwater before being pumped back up, treated again and

sent to taps. That is a slower and less direct process than would be possible under the new rules the water board is considering.

A longstanding project in Orange County is the marquee example of such “indirect potable reuse” (that’s where Polhemus tasted some treated wastewater, even before it was pumped down into an aquifer). But other communities are working on similar projects. For example, Valley Water in Santa Clara County is working on a partnership with Mountain View and Palo Alto to reuse treated wastewater after it has been sent into an aquifer and has mingled with groundwater, according to assistant officer Kirsten Struve.

Large buildings in San Francisco also have requirements — potentially unique in the country, according to Cooley — to reuse some water on-site, albeit for non-potable applications such as landscaping and flushing toilets. The city has also been thinking about how it might directly reuse potable water. Experimentation a few years ago at a San Francisco Public Utilities Commission building on Golden Gate Avenue showed that “this approach to highly treated water is viable and reliable,” John Coté, a spokesperson for the commission, said by email.

“We plan to make upgrades to our onsite water treatment system in our building for ongoing research,” Coté added, noting that the commission is doing technical analysis on several potential purified water projects, including one in San Francisco.



Glasses with purified water — wastewater that was treated at a high level until it could be drinkable — sits on a counter at the San Francisco Public Utilities Commission's headquarters in November 2019.

Constanza Hevia H./Special to the Chronicle 2019

A big hurdle is cost, which is significant — and probably too high for many small communities. But direct potable reuse is substantially cheaper than desalination, Polhemus said.

Acceptance among ordinary people who would drink the water remains a concern; Struve estimates that one-third of the public is not keen on the concept. However, water experts believe that Californians are increasingly receptive to direct potable reuse — in part due to water scarcity struggles statewide.

Conscious of the public's concerns, many water agencies plan to start small. Valley Water in Santa Clara County, for example, hopes to start a pilot project for direct

potable reuse before rolling it out longer term in a partnership with the city of San Jose. Currently, about 5% of Valley Water's supplies come from recycled water (though none is currently sent to taps); the agency aims to increase that number to 10%, Struve said.

Under the new rules, direct potable reuse cannot be the only source of supply for a local water agency (though there is no real limit otherwise). That allows for some cushion just in case the water needs to be dumped.

One of the biggest issues the water board has grappled with, Polhemus said, is the risk of an unknown chemical or pathogen that is not directly monitored entering the water supply. However, because water agencies test for many things that can be similar to those unknown contaminants, the risk is considered low.

For example, Polhemus said, when the coronavirus pandemic hit, there were early worries that the novel virus would be transmissible via drinking water. But the ability of water treatment systems to handle other viruses helped establish confidence that the coronavirus too could be handled by treatment systems.

Cooley noted that direct potable reuse is an opportunity to raise the public's awareness about what they are sending down the drain, to prevent contaminants like pharmaceuticals "from getting into wastewater systems in the first place."

Reach Kate Galbraith: kgalbraith@sfnchronicle.com

Dec 11, 2023



By **Kate Galbraith**



Kate Galbraith is The Chronicle's Climate Editor, overseeing energy and environment coverage. Previously she edited COVID and business coverage. Kate has also worked for the Texas Tribune, CALmatters, The New York Times and the Economist. A native of Washington, DC, Kate began her writing career at Let's Go and Lonely



Monthly Briefing

A Summary of the Alliance's Recent and Upcoming Activities and Important Water News

Confidential Memo Outlines Federal Government Plans to Mitigate Breaching of Snake River Dams

A confidential draft mediation document released last month by four members of Congress outlines steps the U.S. Government (USG) will take to mitigate the breaching of four Lower Snake River dams, albeit recognizing the Congress would need to authorize actual dam removal.

"While this USG response does not constitute a decision by the USG to support legislation to authorize dam breaching, the USG continues to be committed to exploring restoration of the Lower Snake River, including dam breach," the November 2, 2023 draft memo states. "To that end, the USG is prepared to deliver the commitments below, in partnership with the

Six Sovereigns and other stakeholders in the region."

The Six Sovereigns include the State of Oregon, State of Washington, Nez Perce Tribe, Confederated Tribes and Bands of the Yakama Nation, Confederated Tribes of the Umatilla Indian Reservation, and the Confederated Tribes of the Warm Springs Reservation.

The draft confidential memo was released by Reps. Dan Newhouse (R-WASHINGTON), Cathy McMorris Rodgers (R-WASHINGTON), Cliff Bentz (R-OREGON) and Russ Fulcher (R-IDAHO), who have sent a letter to President Biden raising numerous questions about provisions in the document that require clarification.



Lower Monumental Lock and Dam on the Lower Snake River. Photo source: U.S. Army Corps of Engineers

STORIES INSIDE.....

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Lower Snake River Dams (Cont'd from Page 1)

“As best we can tell, this document reflects the negotiating positions of the U.S. Government (USG) in the long-standing mediation concerning the Columbia River System Operations (CRSO),” the letter states. “Due to the document’s use of vague and imprecise language, it appears susceptible to misinterpretation.”

Concerns: Transparency and Impacts to Agriculture

In a joint statement, the executive directors of Northwest RiverPartners, the Public Power Council, and the Pacific Northwest Waterways Association expressed extreme concern about the transparency of this process and the USG Commitments’ impacts on millions of Northwesterners.

“Instead of working with all interests, the US Government chose for months to hold secret negotiations and refused to share any details with us, let alone allow our participation,” the groups stated. “It is not surprising, then, that this proposal turns its back on over three million electricity customers as well as the farming, transportation, navigation, and economic needs of the region. By purposely excluding our respective organizations from the negotiations, literally millions of Northwest residents were deprived of fair representation in this process.”

The Family Farm Alliance last April transmitted a letter to U.S. Secretary of Agriculture Tom Vilsack, requesting Biden Administration Cabinet-level intervention in ongoing mediation talks involving the Lower Snake River dams.

Western Farmer-Stockman in April also ran a guest editorial by Alliance Executive Director Dan Keppen explaining why Pacific Northwest ag interests should be better integrated into the river talks.

“Altering operations along the Columbia and Lower Snake Rivers, whether through shifted flow regimes or dam removal, would send ripple effects throughout the broader

agricultural community served by this system,” said Mr. Keppen. “The multiple-year drought we have faced in many parts of the West – coupled with other domestic and global developments – has already affected the availability and price of food for many Americans.”

A study developed earlier this year by the Pacific Northwest Waterways Association examined the economic, environmental and social justice impacts associated with breaching the dams.

About 7,644 farms in 12 Northwest counties generate approximately \$2 billion in annual sales, according to the report. If the dams were removed, barging wheat to downstream ports for export would be impossible. Farm bankruptcy would result in employment and wage losses that would lead to less tax revenue and services, including schools, clean drinking water, safe roads and emergency services, the report said.

Next Steps

Last September, the Biden administration announced that an agreement in the long-running legal battle over Columbia and Snake River dams is expected by the 15th of this month. The news emerged in a joint motion filed where the Justice Department asked for six weeks to seek final approval on “a package of actions and commitments.”

On Dec. 15 the plaintiffs and federal defendants will either request a multi-year stay of the lawsuit to implement the proposal or they will return to court.

A panel discussion on the Lower Snake River dams – featuring water, farming, transportation, and navigation experts from the Pacific Northwest – is on the agenda of the 2024 Family Farm Alliance annual conference, February 22-23, 2024 in Reno, Nevada.

Go to www.familyfarmalliance.org for registration and other conference details.

Congress Passes Stopgap Measure to Keep Government Open Work on FY 2024 Appropriations Bills Continues

House Democrats teamed up with a majority of Republicans last month to pass a two-tiered stopgap spending measure that extends government funding into early next year.

“Getting us beyond the shutdown and making sure the government stays in operation is a matter of conscience for all of us,” said House Speaker Mike Johnson (R-LA), who crafted the temporary funding patch, known as a continuing resolution (CR). “We owe that to the American people. I believe that we can fight on principle and do these things simultaneously.”

The CR passed with overwhelming bipartisan support, 336-95.

The Senate quickly took up and passed the measure, sending the CR to President Biden who signed it into law.

“Obviously, the Republican-led House needed Democratic votes to avoid a shutdown, and I was pleased to see that the speaker was willing to work with Democrats and resisted the siren song of the hard right in the House,” said Majority Leader Chuck Schumer (D-NY). “And if that continues, we can avoid further shutdowns and finish the work of funding the government.”

That expectation was dashed for the time being. House leaders abruptly ended the session and departed ahead of schedule for the Thanksgiving break after encountering resistance from hard-right conservatives on moving forward with another FY 2024 appropriations bill.

House Leaves Early For Thanksgiving

The cancellation of remaining votes was triggered by a revolt that disrupted progress on the spending bill, a move perceived as a manifestation of frustration towards House Speaker Mike Johnson due to the recent bipartisan deal extending current spending.

Speaker Johnson, relatively new to the role, emphasized this as a natural part of the legislative process while striving for consensus within the caucus.

“We’re not frustrated,” Speaker Johnson said following the vote. “This is part of the process.”

The disrupted procedural vote, halting work on the FY 2024 Commerce-Justice-Science spending bill, prompted the leaders to adjourn for the holiday, with plans to resume post-Thanksgiving.

Interior-Environment Approps Bill Passes House

The House earlier in the month passed the fiscal 2024 Interior-Environment appropriations bill, after several marathon sessions to vote to adopt more than 100 adopted amendments to the bill.

“This spending bill is an important one for Western water users, since it funds agencies who have natural resources jurisdiction in the West,” said Family Farm Alliance Executive Director Dan Keppen.

Ultimately, the bill included a 13% spending cut to Interior Department, EPA, U.S. Forest Service budgets and limits on agency rulemakings, including rescissions of some Inflation Reduction Act funding.

While many contentious amendments on both spending and policy riders were adopted along party lines, the House voted down changes targeting the salaries of Interior Secretary Deb Haaland, Council on Environmental Quality Chair Brenda Mallory, EPA Administrator Michael S. Regan, and other Interior and EPA officials.

Industry leaders and associations representing rural America released statements in response to the House passing H.R. 4821, which passed by a bipartisan vote of 213-203.

“The Interior and Environment Appropriations bill supports the thousands of ranching families who face unique challenges in the West,” said Public Lands Council Executive Director Kaitlynn Glover. “The bill protects public lands grazing as an important use of our nation’s public lands, limits burdensome Endangered Species Act rules, and nullifies the Bureau of Land Management’s

‘Conservation and Landscape Health’ rule, which would upend congressionally approved land management practices if finalized.”

The path forward on this bill is unclear, with the House bill getting a veto threat from President Joe Biden and the Senate Appropriations Committee approved version of the Interior-Environment bill including \$5.3 billion higher top-line spending.

House GOP Conservatives Reconsider Spending Cuts

Members of the House Freedom Caucus, known for their staunch fiscal conservatism, have shifted their stance on



“Obviously, the Republican-led House needed Democratic votes to avoid a shutdown, and I was pleased to see that the speaker was willing to work with Democrats and resisted the siren song of the hard right in the House.”

Majority Leader Chuck Schumer (D-NY).

Photo source: Office of Senator Schumer

2023 Farm Bill Extended

Lawmakers are currently navigating the drafting of the next five-year Farm Bill, although the recent one-year extension in the CR of the 2018 Farm Bill - to September 30, 2024 - has alleviated some immediate pressure. Still, American farm leaders are urging Congress to keep their foot on the pedal.

"While an extension is necessary, they're running out of time to write a new bill. We need a new farm bill in early 2024," said Zippy Duvall, President of the American Farm Bureau. "The farm bill affects every American by helping to ensure a safe, stable and affordable food supply. Let's make sure we get it right in 2024."

There will be plenty of obstacles to surmount for Congress to complete the omnibus, multiyear law that governs an array of agricultural and food programs. One key debate revolves around how to fund anticipated increases in "reference" prices for farm commodities, impacting government support to farmers during market price declines.

Only farmers who grow covered commodities, such as corn, soybeans, rice, wheat, cotton, and peanuts, are eligible to receive Price Loss Coverage Program payments. Those payments are triggered when the national average market value of a commodity falls below a price floor, or "reference price," that is established in the farm bill.

Commodity groups argue that reference prices must be increased in the 2023 Farm Bill to reflect the rising costs of production.

"The resounding message we hear from farmers is that risk management is their most important tool," said Ryan Yates, who works in public policy at the American Farm Bureau. "As Congress looks to write a bill, we need to make sure reference prices are reasonable for a safety net to be in place."

U.S. Department of Agriculture Secretary Tom Vilsack recently told a conference that raising reference prices would cost \$2 billion a year, which Mr. Yates acknowledges could be a tough sell for some conservative lawmakers.

"We understand the politics of the world we live in," Mr. Yates told NPR in early October. "Any adjustments to those reference prices will increase the cost of the bill."

House Agriculture Chair Glenn Thompson (R-PA) and Senate Agriculture ranking member John Boozman (R-AR) are awaiting updated cost estimates from the Congressional Budget Office, crucial for decisions on adjusting reference prices. Despite differing perspectives, there's consensus that these prices no longer align with market realities and need adjustment. However, balancing this adjustment could potentially affect conservation efforts if funding is redirected from programs like the Inflation Reduction Act's (IRA's) climate-smart conservation initiatives.

Republicans have eyed the IRA's \$20 billion for conservation and climate-smart agriculture to boost reference prices in USDA commodity programs. House Agriculture Committee Republicans have also looked at the Supplemental Nutrition Assistance Program to free up additional funds, something that Senate Ag Chair Debbie Stabenow (D-Mich.) will fight.

"We absolutely are going to continue to keep that money in there," Senator Stabenow told *Politico*. When asked how GOP farm bill demands could be met, she replied, "We'll see, but it's not coming from conservation, and it's not coming from nutrition."

Chair Stabenow, in her final tenure overseeing the Farm Bill, has pledged to maintain the focus on climate-friendly conservation programs in the bill's drafting.

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House Conservatives Reconsider Cuts (*Cont'd from Pg 3*)

spending levels for the FY 2024 appropriations. Initially demanding deeper cuts, they reluctantly accepted the \$1.59 trillion spending level originally agreed to in the bipartisan Fiscal Responsibility Act (FRA).

This move marked a departure from their previous demands and removed a major barrier in negotiations with the Senate over the FY 2024 appropriations bills.

"It's still too much for many of us, but [what] was agreed to around Memorial Day was this FRA number of \$1.59 trillion," Freedom Caucus Chair Scott Perry (R-PA) said at a press conference last month. "No more gimmicks: Most of the House voted for it; most of the Senate voted for it. That's where we have to be."

The Freedom Caucus change in position followed a stand-off where conservatives blocked a House spending bill before the Thanksgiving break and opposed House Speaker Mike Johnson's (R-LA) decision on a stopgap funding continuing resolution (CR) that did not reduce spending. Although they view \$1.59 trillion as costly, they conceded that their preferred lower top-line of \$1.47 trillion was unattainable.

"Let's write the appropriations bills. Let's get the spending bills right," said Rep. Perry. "Let's set that as the number, and then when we do that, let's start conferencing bills."

However, this adjustment doesn't guarantee an expedited appropriations process.

"The House bills, aligned with a lower spending top line, clash with the Senate's bills, written above the FRA level," said Mark Limbaugh with The Ferguson Group, the Family Farm Alliance's representative on Capitol Hill.

The House conservatives have integrated spending cuts for various federal programs into their bills, triggering opposition from Senate Democrats and the threat of presidential vetoes. Moreover, the Freedom Caucus' endorsement of the \$1.59 trillion spending level is contingent on eliminating additional spending mechanisms agreed to by former Speaker Kevin McCarthy and President Biden.

The appropriations challenges and delay of the 2023 Farm Bill concern farmers and ranchers across the country, including ag producers and water managers in the Western U.S. (*see related story, above*).

Western Pond Turtle Listing Poses Another Threat to Agriculture

The U.S. Fish and Wildlife Service (FWS) has proposed listing the northwestern pond turtle and the southwestern pond turtle as threatened species under the federal Endangered Species Act (ESA), with a final listing decision likely to occur next year. The proposed rule, which was apparently driven by litigation deadlines, would impose broad-ranging regulatory restrictions over more than 100 million acres in Washington, Oregon, Nevada, and California.

“There is nothing good that can come out of this proposed listing,” said Alliance Executive Director Dan Keppen. “This originates from a petition to list over a decade ago by the anti-farming, litigious Center for Biological Diversity, the source of countless lawsuits that have hurt so many Western family farms and ranches.”

The turtles rely on aquatic habitats such as streams, ponds, and adjacent uplands. In other words – smack in the middle of many Western farms and ranches, including many irrigation features.

Family Farm Alliance Engagement

The Family Farm Alliance joined a dozen other organizations from the four affected states that signed a letter urging that FWS not adopt the proposed rule. It argues that the proposed rule’s reach and prescriptions are unnecessary and far too broad, and that there has been no effort to reach out to regulated communities to pursue well focused strategies that would serve the interests of the species.

“We worked with California Farm Bureau, Klamath Water Users Association, or KWUA, and others to put together a coalition comment letter for the record on this troubling development,” said Mr. Dan Keppen. “Many thanks to Paul Simmons at KWUA, who did the heavy lifting on this one.”

The coalition letter expresses concerns that the listing could have negative impacts on ongoing agricultural activities, particularly irrigated agriculture, where agricultural producers and water managers could – overnight – become exposed to legal liability for ordinary and necessary practices that are not identified in the proposed rule as being a significant future threat to the species.

In this case, it appears that the threats to the species include predation – especially from exotic bullfrogs – and sev-

eral other non-human factors and concerns beyond the FWS’s reasonable ability to control.

“We believe that a strategy of public education and collaboration, including incentives for population-enhancing actions, would be well received by citizens and far more effective than new regulatory burdens that are not directed toward measurable improvements in turtle populations,” the letter states.

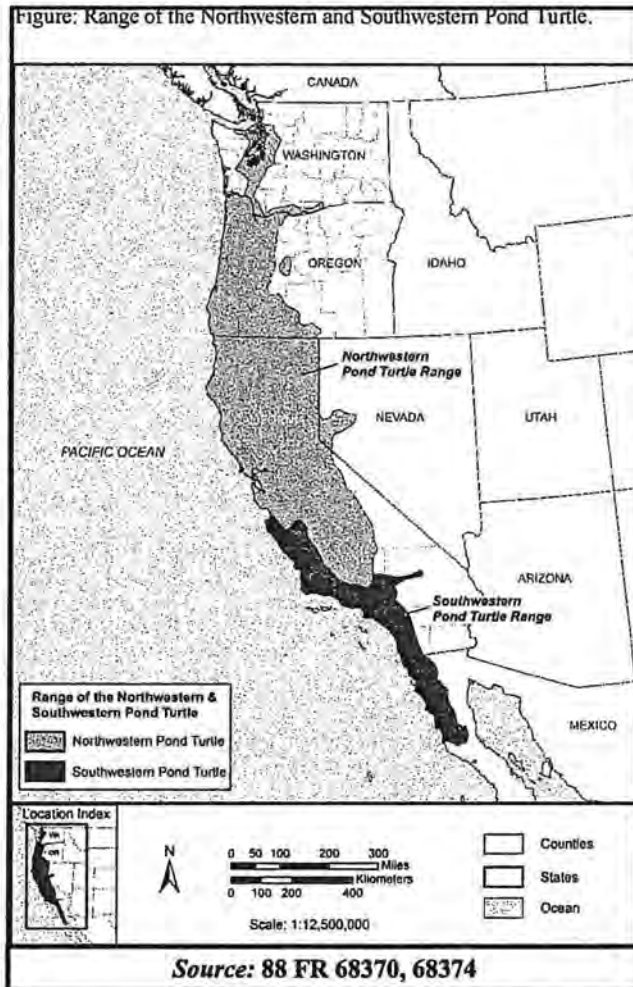
The letter further requests that FWS extend the comment period and provide opportunity for meaningful engagement with stakeholders.

The listing is not warranted, the letter states, the proposed 4(d) rule is excessive and not justified, and the proposed exemptions are too narrow.

“The listing decision and any other determinations will benefit from a more deliberate process that affords opportunity for engagement with stakeholders rather than the hurried adoption of regulatory mandates not tailored to the circumstances at hand,” the letter states.

In addition to the organizations noted above, ten others signed on, including Family Water Alliance (CALIFORNIA), Oregon Water Resources Congress, Washington State Water Resources Association, Truckee Carson Irrigation District (NEVADA), Washington State Potato Commission, and Kittitas Reclamation District (WASHINGTON).

The state Farm Bureaus from Oregon and Washington signed on, as did the California Cattlemen and Western Washington Agricultural Association.



More Turtle Talk

The western pond turtle is now recognized by FWS as two separate species: the northwestern pond turtle and the southwestern pond turtle. If FWS finalizes this rule as proposed, it would add the northwestern pond turtle and southwestern pond turtle to the List of Endangered and Threatened Wildlife and extend ESA protections to the two species.

FWS also concludes that the designation of critical habitat for the northwestern pond turtle and southwestern pond turtle is not determinable at this time.

Listing the turtles would affect large areas of California,

Continued on Page 6

2023 Farm Bill Extended (Continued from Page 4)

The recent extension in the CR funded programs that are not originally part of the Farm Bill's budget, such as organic certification cost shares, has prompted discussions over their fate in the new bill. Agricultural groups are advocating for permanent funding for these "orphan" programs, emphasizing their significance.

There's a growing call from stakeholders for updated federal policies that promote equity, invest in climate resilience, and adapt to changing agricultural landscapes, as well.

"We've been consistently stressing the need for a new bill that addresses current challenges in farming, ranching, and food systems, including Western drought," said Dan Keppen, Family Farm Alliance Executive Director.

The Alliance has been working with members of the Western Agriculture and Conservation Coalition (WACC) to advance Farm Bill legislative concepts with Congress that are intended to better streamline the implementation of the Natural Resources Conservation Service (NRCS) Regional Conservation Partnership Program and the PL-566 program.

PL-566 Legislation

The Healthy Watershed, Healthy Communities Act – legislation the Alliance has worked on with the WACC and the office of Senator Michael Bennet (D-COLORADO) - focuses on the NRCS's Watershed and Flood Prevention Operations program, known as "PL-566".

This program is one of many NRCS programs authorized in the conservation title of the Farm Bill.

Senator Bennet, Chair of the Senate Agriculture Subcommittee on Conservation, Climate, Forestry, and Natural Re-

sources, and U.S. Senators Deb Fischer (R-NEBRASKA) and Jeff Merkley (D-OREGON) last August introduced the *Healthy Watersheds, Healthy Communities Act* to help American agriculture and communities become more resilient to drought and flooding by improving PL-566.

The legislation aims to improve the PL-566 program by streamlining the program's planning and administrative processes and creating parity in funding allocations between Western states and other areas of the country.

Rep. Juan Ciscomani (R-ARIZONA) last month introduced a bipartisan companion bill (H.R. 697) in the House. He was joined on the legislation by Reps. Caraveo (D-COLORADO), Hageman (R-WYOMING), Petterson (D-COLORADO), Flood (R-NEBRASKA) and Neguse (D-COLORADO).

"In areas across my district, programs like the PL-566 program are essential to mitigate flood or drought damage, ultimately ensuring better water security, a lifeline for Arizona's desert communities," said Rep. Ciscomani. "By cutting red tape and implementing commonsense fixes, we build on previous successes of the program and allow our communities to tap into the full potential of the resources available to them."

The Family Farm Alliance believes H.R. 697 includes important streamlining and other provisions that will help ensure the NRCS Watershed and Flood Prevention Operations Program works better for Western irrigated agriculture.

"The Alliance appreciates the leadership of Congressman Ciscomani and the five bipartisan cosponsors who seek to streamline this important program and recognize the importance of drought resilience in the West," said Mr. Keppen.

Turtle Listing Raises Concerns With Ag (Cont'd from Pg 5)

Oregon, Washington, and parts of Nevada.

The northwestern pond currently inhabits portions of Washington, Oregon, Nevada, as well as northern and central California.

The southwestern variety is found in central and southern California from northern Monterey County into Baja California, Mexico.

Climate change, habitat loss, and habitat modification - including altered hydrology through wetland conversion, stream channelization, water diversions, and water regulation for flood risk management - are identified by FWS as the primary drivers of the species' decline.

However, the agency also cites managed stream flows below dams as a threat to the turtles.

"This may very well present a conundrum for dam operators and other water managers that engage in voluntary, and oftentimes mandatory, water releases that purposefully reduce summer water temperatures for the benefit of listed salmonids," the law firm of Troutman Pepper noted in a November 29 on-line commentary.

The FWS' proposal does not identify critical habitat for the species but would generally prohibit "take" wherever the species are found.

The FWS has until October 3, 2024 to either publish a final rule listing one or both of the turtles, withdraw the proposed listing, or extend the proposed listing for an additional six months.

Elsewhere....Wolverines Gain ESA ProtectionBased on 2100 Climate Projections

FWS also announced last month it will list wolverines as a threatened species, citing future global warming as the main threat to the snow-dwelling carnivore in Washington, Idaho, Montana and Wyoming.

"This has implications for resource managers in those states," said Mr. Keppen. "More importantly, the precedence set by using a climate 'projection' that would supposedly occur over 75 years from now is even more unsettling."

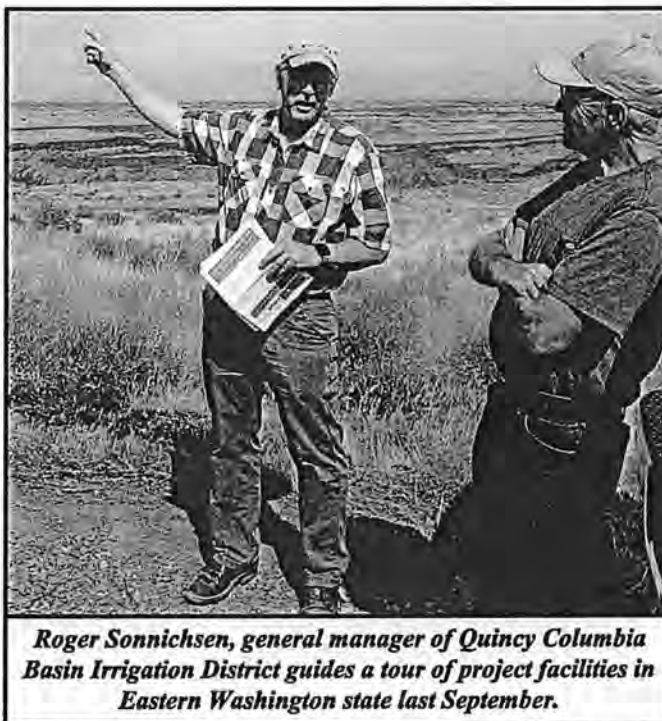
Alliance Engages with Reclamation on BIL Implementation

The Family Farm Alliance throughout 2023 has engaged with the Bureau of Reclamation (Reclamation), seeking ways to ensure that the billions of dollars now available to repair aging water infrastructure, improve conservation efforts, and develop new storage and delivery infrastructure are efficiently and effectively implemented.

“To increase water customer confidence and ensure effective funding delivery, we’ve been urging Reclamation to invite outside guidance to seek ways to improve funding distribution, delivery and investment of Bipartisan Infrastructure Law funds that lead to projects getting built on the ground in a timely and efficient manner,” said Alliance Executive Director Dan Keppen.

Through the Bipartisan Infrastructure Law (BIL), Reclamation is investing a total of \$8.3 billion over five years for water infrastructure projects, including rural water, water storage, conservation and conveyance, nature-based solutions, dam safety, water purification and reuse, and desalination. The Inflation Reduction Act (IRA) is investing an additional \$4.6 billion to address the historic drought.

In the past month, Alliance representatives and members participated in forums intended to improve coordination between Reclamation and its water customers, and to identify areas of improvement.



Roger Sonnichsen, general manager of Quincy Columbia Basin Irrigation District guides a tour of project facilities in Eastern Washington state last September.

developed to further explain the criteria for extraordinary maintenance (XM) funding determinations, the associated repayment and contracting provisions, and the particulars of the annual Aging Infrastructure Account funding application cycle. The draft subject D&S is available on the Reclamation Manual Website.

Some of these changes are significant, which generated some interest in Reclamation’s webinar on PEC 05-03, which is an important D&S to many Western water district managers.

“Some of our members had concerns with new provisions regarding emergency XM projects,” said Mr. Keppen. “Recently added language proposing that 75% of local emergency funds be spent before getting any of this EXM funding. We have previously argued against including this provision in the D&S.”

Roger Sonnichsen, the general manager of Quincy Columbia Basin Irrigation District (QCBID) in Washington state, is leading his district’s efforts to fix urban canal XM issues around Ephrata without depleting QCBID’s emergency reserve funds. Those local reserve funds are necessary to maintain as the district’s facilities grow older. Districts like QCBID who maintain large facilities—such as the 38 ft wide x 19 ft deep West Canal - need to retain large local reserves to brace against major impacts resulting from a potential canal failure.

Draft D&S Raises Concerns on EXM Issues

The BIL included provisions from earlier legislation strongly advocated by the Family Farm Alliance regarding the authorization of a new Aging Infrastructure Account.

Reclamation last month published the draft Directive and Standard (D&S) titled, Funding and Extended Repayment of Extraordinary Maintenance Costs (PEC 05-03), for public comment and hosted a related webinar on November 29th.

The Alliance, National Water Resources Association (NWRA) and others in 2021 worked closely with Reclamation to address some troubling provisions contained in the original draft D&S.

“Our members were very pleased with the Reclamation process set up at the beginning of 2021,” said Mr. Keppen. “Water and power customers were invited to engage directly with Reclamation on the development of the D&S text for the new aging infrastructure account. The final D&S that resulted after several months of collaborative negotiations – PEC 05-03 – is something we can all be proud of.”

However, that document has now essentially been completely re-written. New revisions to the subject D&S were

“As our canals age, districts like ours must be prepared for major canal issues,” he said.

He shared his concerns on the November 29 Reclamation webinar.

“Districts are very fiscally conservative and will naturally strive for the path that results in the least amount of payment versus risk coverage,” he said. “These requirements should not be mandated in a D&S. Where the majority of the XM and EXM funding is repaid, these requirements to use reserves are misplaced. Requiring a district to use reserved funds puts the district in a risky financial position if something unforeseen would occur.”

Mr. Sonnichsen, who serves on the Family Farm Alliance Advisory Committee – believes the XM and EXM funding should be a tool for districts like his to help maintain reserve funds.

“Because the XM and EXM funding come at a cost compared to use of reserve funds, districts should be left to deter-

Continued on Page 13

Reclamation Announces Over \$100 M for Conservation Projects

The Bureau of Reclamation (Reclamation) last month announced the award of over \$50 million in environmental water resources projects and rolled out new grant opportunities for another \$50 million to fund additional water conservation projects.

Through the Bipartisan Infrastructure Law (BIL), Reclamation is investing a total of \$8.3 billion over five years for water infrastructure projects, including rural water, water storage, conservation and conveyance, nature-based solutions, dam safety, water purification and reuse, and desalination. Over the first two years of its implementation, Reclamation has obligated 372 projects to receive almost \$2.8 billion.

The Family Farm Alliance—along with the Association of California Water Agencies, the California Farm Bureau, National Water Resources Association, and Western Growers and helped lead nation-wide coalitions in support of Congressional action to advance the BIL in 2021.

\$50 Million for Water and Energy Efficiency Projects

The Department of Interior and Reclamation have announced the availability of up to \$50 million for water conservation and efficiency projects to enhance the resilience of the West to drought and climate change.

“Adequate, resilient and safe water supplies are fundamental to the health, economy and security of every community in our nation,” said Interior Secretary Deb Haaland. “The Interior Department is focused on ensuring that funding through President Biden’s Investing in America agenda is going to collaborative projects throughout the West that will benefit the American people.”

Funding from the BIL will boost Reclamation’s Water and Energy Efficiency Grants Program (WEEG), which provides funding for projects that result in quantifiable water savings, implement renewable energy components, and support broader resilience and sustainability benefits. Through the WaterSMART program, Reclamation provides financial assistance for projects that seek to conserve and use water more efficiently and accomplish other benefits that contribute to sustainability in the West.

This is a two-year funding opportunity. The first application period ends in February 2024. For further information on this grant visit [Grants.gov](https://www.grants.gov). This water and energy efficiency funding builds upon previously announced funding as part of the \$140 million designated for WEEG in 2023.

Water Resources & Ecosystem Health Grants Awarded

Reclamation has announced \$51 million for 30 new Environmental Water Resource Projects in 11 states. The collaborative projects – under the WaterSMART umbrella - focus on water conservation, water management and restoration efforts that will result in significant benefits to ecosystem or watershed health.

Family Farm Alliance member Kittitas Reclamation District (WASHINGTON) will receive \$3 million in funding to support its South Branch piping project, which is one of five WaterSMART Environmental Water Resources Projects totaling \$8.7 million in Washington state to focus on restoration and water conservation and management.

“Saving our salmon is a top priority for me, and restoring the ecosystems our fish populations rely on is absolutely fundamental to the health of our environment, and our economy and communities,” said Senator Patty Murray (D-WASH), who chairs the Senate Appropriations Committee. “These projects are yet another example of the far-reaching improvements the Bipartisan Infrastructure Law is making possible all across Washington state.”



The Kittitas Reclamation District’s South Branch Canal is being alternately lined and piped as is most efficient and otherwise suited for each area. Projects are funded in part by Reclamation grants. Photo courtesy of Kittitas Reclamation District.

Announcement for Small-Scale Water Efficiency Projects

Reclamation has released a WaterSMART Notice of Funding Opportunity (NOFO) Announcement for the Small-Scale Water Efficiency Projects to complete on-the-ground small-scale water efficiency upgrades supported by previous planning efforts.

“Community-driven projects are at the heart of WaterSMART, and small investments can go a long way to support water supply and reliability,” said Reclamation Commissioner Camille Calimlim Touton. “These water efficiency improvements are small, but when combined throughout the West, the projects play an important role in communities becoming more resilient to drought.”

Applicants may request up to \$100,000 for projects to be completed within two years. A 50% non-federal cost share is required. This funding includes four application periods. Application will be due each January and July through July 2025.

The funding opportunity is available on [grants.gov](https://www.grants.gov) by searching for opportunity number R24AS00059. The first application period closes on Tuesday, January 16, 2024. Learn more about the Small-Scale Water Efficiency Projects program at <https://www.usbr.gov/watersmart/swep/index.html>.

Guest Commentary: Sites Reservoir

Editor's note -

The Sites Reservoir Project has been certified by Governor Gavin Newsom as being an eligible project under legislation that seeks to avoid costly and time-consuming litigation delays related to the California Environmental Quality Act (CEQA). If ultimately approved, the project would establish an additional 1.5 million acre-feet of water storage capacity.

Located about 80 miles northwest of Sacramento, Sites Reservoir would store water diverted from the Sacramento River, after all other water rights and regulatory requirements are met. Water will be released to beneficiaries throughout the state primarily during drier periods when it is needed. The proposed project includes an off-stream reservoir located north of the Sacramento-San Joaquin Delta where the majority of California's rainfall occurs.

Qualifying the Sites Reservoir Project under this state legislation means that CEQA challenges will need to be decided within 270 days, if feasible. Sites would be the first project to receive certification under the legislative package aimed at streamlining critical infrastructure.

The Sites Reservoir Project has thus far received \$46.75 million in early funding from the state. Sites is eligible for a total of \$875.4 million of Proposition 1 funding. Reclamation and Sites Project Authority recently finalized the Environmental Impact Review and Environmental Impact Statement for the project.

The Family Farm Alliance has been on record for over a decade in support of this project. We're pleased to share this brief commentary by our good friend Mike Wade, whose organization has also been a strong advocate for this important storage project.

Statement on Sites Reservoir

Mike Wade, Executive Director
California Farm Water Coalition

All Californians should have an adequate and dependable water supply and that includes the farmers who provide a safe, healthy, domestic food supply for the 39 million people who live here. Californians often face numerous hurdles in securing reliable water sources, particularly in times of drought and diminishing groundwater reserves. Forecasters tell us to expect an El Niño weather pattern this winter. If that happens, without Sites Reservoir, California is unprepared to store as much water as we should. If El Nino doesn't occur, it's just one more reminder that we need to do more to capture excess water during wet years and to do so in ways that deliver it to people in cities and towns, the farmers who grow our food, and for the environment.

Sites Reservoir presents an opportunity to alleviate some of these challenges by capturing and storing excess winter runoff that would otherwise cause damaging floods or serve no beneficial use. With a storage capacity of up to 1.5 million acre-feet, Sites Reservoir offers a substantial update to California's water infrastructure, ensuring a more resilient water supply system.

Since 1982, California has experienced five periods with very wet conditions. On average, those wet years delivered 6-million acre-feet more water than the annual average over the past 40 years. If Sites Reservoir had been operational last year, it could have saved 700,000 acre-feet of water for the future, the amount it takes to supply 1.4 million families for a year or to irrigate over 184,000 acres of farmland.

California will likely experience more drought and flood cycles before this project goes online, missing who knows how many opportunities to store water for future droughts.

The Sites Project will provide flexibility for farm water supplies, offering more dependability that is essential for sustaining crop production and maintaining the livelihoods of farmers, farmworkers and rural communities. By reducing reliance on groundwater, Sites will also contribute to the restoration and preservation of vital groundwater basins, safeguarding our state's precious water resources for generations to come.

Sites Reservoir also provides many environmental benefits. It will enable increased flows in rivers and streams during dry spells, benefiting aquatic ecosystems and endangered species, and it will be available to improve water quality and supply for urban areas. The project clearly demonstrates its alignment with California's goals of conservation and environmental stewardship.

California will likely experience more drought and flood cycles before Sites Reservoir goes online, missing opportunities to save additional water supplies. Only by completing this project will all the work finally pay off after decades of hope.

Senate EPW Holds Hearing on the Next WRDA

The Senate Environment and Public Works (EPW) Committee last month held a hearing centered on the Army Corps of Engineers' (Corps') role in upcoming infrastructure projects, particularly within the next Water Resources Development Act (WRDA). The hearing scrutinized the Corp's infrastructure partnership agreements, seeking to evaluate their efficacy and areas for improvement.

Witnesses included Kirsten Wallace, Interstate Council on Water Policy (ICWP), Jimmy Hague, the Nature Conservancy (TNC), and Bren Haase, Coastal Protection and Restoration Authority Board.

This hearing follows earlier discussions within the Committee about the next WRDA bill, where Chair Tom Carper (D-DE) stressed collaboration between the Corps and nonfederal partners, while ranking member Shelley Moore Capito (R-WV) emphasized the potential of public-private partnerships (PPPs) to accelerate projects.

Mr. Hague – who represents TNC on the Western Agriculture and Conservation Coalition – testified in support of reforming Public Private Partnerships, or PPPs.

Authorized by WRDA, PPAs are agreements between the Corp and a non-federal sponsor to establish cost-sharing responsibilities in the construction of a water resources project.

Sen. Capito would like the next WRDA to be more project-oriented, steering away from heavy policy emphasis.

"I have said previously it is important any WRDA bill supports the timely and efficient delivery of water resources projects, while continuing to meet national priorities," she said at the hearing.

Democrats – including Committee Chair Carper - want to

embed a stronger focus on climate change and resilience into the bill considering the escalating severe weather impacts on coastal and other communities.

"Last Congress, through critical funding from the Bipartisan Infrastructure Law and WRDA authorizations, we made historic progress in advancing the Corps' ability to support infrastructure that is vital to commerce and job creation," Chairman Carper said at a committee hearing earlier this year. "WRDA empowered the Corps to better account for climate change, support disadvantaged communities, and improve infrastructure while also protecting our environment."



The House Transportation and Infrastructure (T&I) Committee postponed a similar hearing on their WRDA due to disruptions linked to the House Speaker race. The T&I Water Resources Subcommittee is set to convene its inaugural hearing the first week of December on a 2024 WRDA package.

The Subcommittee, led by Chair David Rouzer (R-NC) and ranking member Grace Napolitano (D-CALIFORNIA), will also see a divergence in priorities among House and Senate Republicans and Democrats regarding the upcoming WRDA bill.

"Republicans emphasize concentrating on the agency's primary mission, advocating for timely project delivery and tailored solutions for community needs," said Mark Limbaugh with The Ferguson Group, the Alliance's representative in Washington, D.C. "In contrast, Democrats emphasize addressing climate change effects, seeking increased provisions on flooding, climate resilience, and sea-level rise, building on the 2022 bill's direction."

House NR Committee Approves Reclamation Drought Legislation *Subcommittee Considers Urban Canal Bill*

Lawmakers on the House Natural Resources Committee last month passed by voice vote a bipartisan drought relief bill, H.R. 4385, sponsored by Colorado Democratic Rep. Joe Neguse.

"I am excited to see the Natural Resources Committee take action to address the historic drought crisis and send my bill, the Drought Preparedness Act, to the House Floor for consideration," said Rep. Neguse. "We must continue to ensure that key drought relief initiatives have the support needed to tackle this issue head on, and I will keep pushing to get this bill across the finish line."

The legislation would reauthorize the Reclamation States Emergency Drought Relief Act through 2028, giving the Bureau of Reclamation power to assist communities in dealing with pervasive drought.

The Natural Resources Committee Water Wildlife and Fisheries Subcommittee also held a November hearing to con-

sider four bills relating to water data and infrastructure, including the Urban Canal Modernization Act (H.R. 6107).

The Family Farm Alliance is on record for formerly supporting H.R. 6107, which would authorize Reclamation to help irrigation districts with transferred works address extraordinary operation and maintenance needs for canals that could pose risks to surrounding communities in the case of failures. Reclamation would be able to fund work on eligible canals up to 35% on a non-reimbursable basis.

Ron Platt from the Idaho Water Users Association testified on the urban canal bill at the November 14 subcommittee hearing.

"We were fortunate to have Ron join us on our farmer lobbyist trip last September, where he was one of the point people on the urban canal issue," said Alliance Executive Director Dan Keppen.

Reclamation Proceeds on Colorado River Conservation Efforts Elsewhere, Imperial Valley Farmers Are “Exposed”...for Growing Food

The Bureau of Reclamation last month announced the latest in agreements that commit Arizona entities to conserve nearly 1 million acre-feet of water in Lake Mead by 2026.

Meanwhile, growers in California’s Imperial Valley were the subject of news coverage that estimated how much Colorado River water 20 farm families were using on their lands, comparing that amount to other competing uses, and then listing each family’s water use...by name.

Interior Pays \$63M for Arizona Water Conservation

Commissioner of Reclamation Camille Touton announced \$63.4 million for agreements with Arizona entities to save the Colorado River last month.

“Addressing the drought crisis requires an all-hands-on-deck moment, and close collaboration among federal, state, Tribal and local communities. We are excited to see so many Arizona entities committing to system conservation and partnership,” said Commissioner Touton. “Together, we can come together to find solutions to meet the challenges of these unprecedented drought conditions.”

During a visit with Arizona Governor Katie Hobbs and other state and tribal leaders, Commissioner Touton said payments to the Yuma Mesa Irrigation and Drainage District, Mohave Valley Irrigation and Drainage District, San Carlos Apache Tribe, Hopi Tribe, Cibola Valley Irrigation and Drainage District, Spanish Trail Water, and Cathcart Farms will save nearly 163,000 acre-feet of water for storage in Lake Mead through 2026.

The conservation agreements will help finance voluntary system conservation to protect Colorado River reservoir storage volumes amid persistent drought conditions driven by climate change.

The seven new agreements announced last month join eleven previously announced contracts in Arizona. In total, the 18 agreements executed in Arizona will commit water entities across the state to conserve nearly 349,000 acre-feet of water in Lake Mead in 2023, and approximately 984,000 acre-feet by 2026.

Reclamation is working with its partners to finalize additional agreements.

These agreements are part of the 3 million acre-feet of system conservation commitments made by the Lower Basin states, 2.3 million acre-feet of which will be compensated through funding from the Inflation Reduction Act, which invests a total of \$4.6 billion to address the historic drought across the West.

Demonizing Hay Producers in the American Southwest

Meanwhile, in neighboring California, farmers in the Coachella and Imperial Valleys continue to fend off attacks and criticism for growing alfalfa and other forage using Colorado River water. The *Desert Sun* and *ProPublica* ran a story about water use in Imperial Irrigation District (IID), “The 20 family farmers who use more water from the Colorado River than some states.”

This prompted a response from the Family Farm Alliance, which submitted a guest commentary – “Demonizing hay producers in the American Southwest” - to *Western Farm Progress* to address the *ProPublica* story which listed 20 individual family farms, and how much water they use, based on data provided through a satellite data platform called OpenET. The Alliance *Issue Alert* that was sent out on this matter generated a positive response, and *The Desert Review*, a weekly community newspaper located in Imperial County, asked for permission to reprint the column.

“That article naming the families that use water to grow food and crops is indeed frightening knowing how that can trigger people ignorant of the true value of what these farmers produce for the good of our Valley, State, Country, and World,” the editor of *The Desert Review* said.

IID’s board president Cardenas and board member Gina Dockstader (who also serves on the Alliance Advisory Committee)

later in the month wrote a compelling opinion that was published in the *Desert Sun*, “The 20 families boogiemans implies control and influence over Colorado River water supply”.

“The reporting also fails to acknowledge what basic research reveals – the Colorado River is the Imperial Valley’s sole source of water,” President Cardenas and Director Dockstader write. “This fact is clearly not emphasized enough. There simply is no reason to waste our water, or to leave it in the River for others to divert, as without this water supply – no matter what type of crops get planted and harvested – our entire community cannot exist.”

The original article on the 20 families also generated a response from at least one *Desert Sun* reader who shared his support for the production of forage crops, where the bale of hay is not the final product.

“The final product is protein, dairy products, leather goods and even medicine, including medicine used for diabetes, blood thinners, osteoarthritis, etc.,” wrote Bill Collins of Indio (CALIFORNIA). “Food grows where water flows and I am thankful for the farmers in Imperial and Coachella Valley.”

“...[T]he bale of hay is not the final product. The final product is protein, dairy products, leather goods and even medicine, including medicine used for diabetes, blood thinners, osteoarthritis, etc..... Food grows where water flows and I am thankful for the farmers in Imperial and Coachella Valley.”

**Bill Collins, Indio, CA
Reader Submission” to Palm Springs Desert**



SAVE THE DATE: February 22-23, 2024

The 2024 Annual Meeting and Conference is an opportunity for producers, policy makers and water professionals from throughout the West to focus on topics of critical concern.

A wide variety of speakers will take on the issues that make a difference to irrigators. Members of Congress and their staff, Administration officials, and representatives from constructive NGOs are regulars on the program.

Much of the Western U.S. is recovering from at least two to three consecutive years of crippling drought.

The drought, rising inflation and the Ukraine crisis all have a direct and serious impact on American consumers, along with global food supplies.

Policy makers must understand the relationship between all of these challenges and how they intersect to impact national and global food security.

Our irrigated system of agriculture in the West has and can continue to provide the most stable food supply in the world - but only if we allow it to function.

Conference Highlights

- Family Farm Alliance Administration and Board Meeting
- Utah's Best Farm, U.S. Water Award Winner
- Colorado River Tribal Water Panel - moderated by Senator Inhofe, Department Assistant Secretary, America
- Western Agriculture and Water Panel - West: Harsh Hoop: Help Us Help You!
- Post-Wildfire Water Management Challenge
- Roundtable - featuring the Governor and regional directors
- Address from Capitol Hill
- Lower Snake River Dam - perspectives from the agricultural and river community
- The Green Desert - Colorado River Irrigation
- and much more!

Silver Legacy Resort Reno, NV

Conference agenda coming soon!

Go to www.familyfarmalliance.org to register today with online and mail-in options.

Sponsorship and exhibitor booth opportunities are also available!

Concerns with EXM Issues Raised (Continued from Page 7)

mine how best they wish to balance cost versus managing risk," he said. "QCBID requests that Reclamation remove the district reserved funding use requirements from the revised PEC 05-03."

The Family Farm Alliance will work with its members and NWRA in the coming weeks to resolve this and other concerns with the draft revised D&S.

Reclamation Leadership Conference

The Alliance for much of the past year has worked with a subset of Reclamation leadership, led by the Commissioner's office, to find ways to make implementation of the BIL - particularly the WaterSMART program - more efficient and responsive to water user concerns. Mr. Keppen had an opportunity to directly raise implementation concerns with 200 upper-level Reclamation managers gathered in Austin (TEXAS) last month for a leadership conference.

Mr. Keppen participated in a virtual panel discussion chaired by Governor Stephen Lewis (Gila River Indian Community). Fellow panelists included Kyle Arthur (Central Oklahoma Master Conservancy District), John Entsminger (Southern Nevada Water Authority), Leslie James (Colorado River Energy Distributors Association), Gene Shawcroft (Colorado River Authority of Utah), and April Snell (Oregon Water Resources Congress, and a member of the Alliance's Advisory Committee).

The panelists provided perspectives on what is working at Reclamation and what is not.

"I was open with my criticisms and praise for Reclamation

and did my best to capture the good suggestions that many of our member managers provided us with," said Mr. Keppen.

A primary area of concern shared by Alliance managers relates to WaterSMART program implementation, issues which the Alliance raised with the Commissioner's office earlier this year.

"The biggest gripe is process delays," Mr. Keppen told the conference. "Many projects are taking too long to complete. Some of our members believe that many of the delays in federal project processing - things like design, and NEPA - are a result of staffing issues."

Mr. Keppen explained that, while Reclamation can and sometimes does use third party contractors, the contracting process could be streamlined and improved to reduce time and costs.

"Several of our district managers wanted me to reemphasize pleas we've already made: Allow districts and water customers to be empowered to fill the voids at Reclamation to move projects along," he said. "We also need to keep talks going on regulatory challenges."

Mr. Keppen explained that the Alliance is encouraged by discussions this year with Reclamation leadership on improvements in the project funding processes. Still, the perception with some Alliance members is that Reclamation is acting like they are working in the era when Dan Beard was commissioner, and the agency was operating on a shoestring budget.

"Au contraire!", Mr. Keppen told the conference. "We have once-in-a-generation historic amounts of funding right now, three years left to spend it, and we helped get you those dollars. Help us let you spend it to get some projects built!"



See Page 2 for more details!

DONOR SUPPORT

Make your tax-deductible gift to the Alliance today!
Grassroots membership is vital to our organization.
Thank you in advance for your loyal support.

If you have questions, please call our fundraising coordinator,
Jane Townsend, at (916)206-7186
OR EMAIL jane@familyfarmalliance.org

Contributions can also be mailed directly to:
Family Farm Alliance
P.O. Box 1705
Clearlake Oaks,



CORRESPONDENCE LIST**DECEMBER 2023**

1. November 17, 2023 – Notice and Agenda received from the Los Olivos Community Services District for the November 20, 2023 Grants Subcommittee Meeting
2. November 19, 2023 - Notice and Agenda received from the Santa Ynez Community Services District for the November 22, 2023 Personnel Committee Meeting
3. November 19, 2023 - Notice and Agenda received from the Santa Ynez Community Services District for the November 22, 2023 Wastewater Committee Meeting
4. November 21, 2023 - Letter received from the Santa Barbara County Fire Department regarding Fire Service Requirements for APN 135-093-004
5. November 21, 2023 - Letter received from the Santa Barbara County Fire Department regarding Fire Service Requirements for APN 143-143-013
6. November 27, 2023 – Letter received from California State Controller, Malia Cohen, regarding 2022-2023 Special District Financial Transactions Report
7. December 1, 2023 – Notice received from CIO Solutions regarding 2024 Annual Agreement Increase Notification
8. December 4, 2023 - Notice and Agenda received from the Los Olivos Community Services District for the December 5, 2023 State of the District Meeting for the community
9. December 4, 2023 – Letter received from ACWA/JPIA regarding the District receiving the “President’s Special Recognition Award” (Liability, Property or Workers’ Compensation Programs)
10. December 4, 2023 - Notice and Agenda received from the Santa Ynez River Water Conservation District for the December 6, 2023 Regular Board of Directors Meeting
11. December 4, 2023 – Notice from State Water Contractors announcing Allocation of State Water Project Supplies for 2024 – 10% Allocation.
12. December 5, 2023 – New Annual Reporting Requirement received from California State Water Resources Control Board – Clearinghouse Annual Inventory Report (CAIR)
13. December 5, 2023 – Notice and Agenda received from the Los Olivos Community Services District for the December 8, 2023 Finance Subcommittee Meeting
14. December 6, 2023 – Letter from District to customer regarding termination of metered agricultural water service – APN 141-060-006
15. December 6, 2023 – Notice and Agenda received from the Los Olivos Community Services District for the December 11, 2023 Rescheduled Finance Subcommittee Meeting
16. December 6, 2023 – Notice and Agenda received from the Los Olivos Community Services District for the December 11, 2023 Rescheduled Technical Subcommittee Meeting

17. December 7, 2023 - Notice received from the Los Olivos Community Services District regarding recording of the December 5, 2023 State of the District Meeting available online
18. December 8, 2023 - Notice and Agenda received from the Los Olivos Community Services District for the December 13, 2023 Regular Meeting
19. December 8, 2023 - Letter sent from District to two customers regarding past due water service accounts
20. December 11, 2023 - Notice and Agenda received from the Eastern Management Area Groundwater Sustainability Agency Regular December 14, 2023 Board Meeting
21. December 11, 2023 - Memorandum received from Central Coast Water Authority regarding Monthly Water Deliveries