

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
IMPROVEMENT DISTRICT NO. 1
DECEMBER 12, 2019, SPECIAL MEETING MINUTES**

A Special Meeting of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1, was held at 3:30 p.m. on **Thursday, December 12, 2019** in the Conference Room at 1070 Faraday Street, Santa Ynez.

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

Trustees Absent: None

Others Present: Chris Dahlstrom Paeter Garcia Mary Martone
Karen King Eric Tambini Gary Kvistad
France Komoroske Kevin Crossley Wendy Berry

I. CALL TO ORDER AND ROLL CALL:

President Clay called the meeting to order at 3:30 p.m., he stated this was a Special Meeting of the Board of Trustees. Ms. Martone reported all members of the Board were present.

II. PLEDGE OF ALLEGIANCE:

President Clay led the Pledge of Allegiance.

III. REPORT BY THE SECRETARY TO THE BOARD REGARDING COMPLIANCE WITH THE REQUIREMENTS FOR POSTING OF THE AGENDA:

Mrs. Martone presented the affidavit of posting of the agenda, along with a true copy of the agenda for this meeting. She reported that the agenda was posted in accordance with the California Government Code commencing at Section 54950, specifically Section 54956 relating to noticing for a Special Meeting and also pursuant to Resolution No. 340 of the District. The affidavit is filed as evidence of the posting of the agenda items contained therein.

IV. PUBLIC COMMENT:

There was no public comment.

V. CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF NOVEMBER 19, 2019:

The Minutes of the Regular Meeting of November 19, 2019 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular Meeting Minutes of November 19, 2019. There were no changes or additions requested.

It was **MOVED** by Trustee M. Burchardi, seconded by Trustee Joos, and carried by a unanimous 5-0-0 voice vote, to approve the Regular Meeting Minutes of November 19, 2019 as presented.

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

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

VII. CONSENT AGENDA:

The Consent Agenda report was provided in the Board packet.

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

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

A. DISTRICT ADMINISTRATION

1. Board of Trustees Reorganization

- a) Selection of Officers, Reorganization of the Board - President, Vice President, Treasurer and Secretary to the Board of Trustees

Mr. Dahlstrom reported that each December elections are conducted for the seats of President and Vice President, as well as appointment of the Board Secretary and Treasurer pursuant to California Water Code. He explained the process for electing officers is based on nomination and vote by the Board members.

President Clay called for nominations from the Board. The following nominations were made:

It was **MOVED** by Trustee H. Burchardi that the selection of officers remain the same as how the current positions are seated, with Trustees Clay and Joos as President and Vice President respectively. The motion was seconded by Trustee Parker. President Clay closed the nominations and called for a vote. There was a unanimous voice vote of 5-0-0, to appoint Trustee Clay as President and Trustee Joos, Vice President.

Discussion ensued regarding the positions of Secretary and Treasurer. Trustee H. Burchardi **MOVED** to appoint Mary Martone to the positions of Secretary and Treasurer to the Board of Trustees. The motion was seconded by Trustee Parker and carried by a unanimous 5-0-0 voice vote.

- b) Appointment of Representatives to participating Agencies and Organizations - CCWA & ACWA

Mr. Dahlstrom reviewed the current Board representatives to participating agencies and organizations. He reported Trustee H. Burchardi and Mr. Dahlstrom serve as Director and Alternate respectively to the Central Coast Water Authority Board, and Trustee Clay and Mr. Dahlstrom serve as Director and Alternate to the Association of California Water Agency. Mr. Dahlstrom recommended that due to his impending retirement, Mr. Paeter Garcia assume the Alternate positions for Central Coast Water Authority and Association of California Water Agencies.

Trustee H. Burchardi **MOVED** to appoint Mr. Paeter Garcia as Alternate to Central Coast Water Authority and Association of California Water Agencies. The motion was seconded by Trustee Parker and carried by a unanimous 5-0-0 voice vote.

- c) Determination of Board Committees and Appointments

Mr. Dahlstrom reviewed the current Board representatives for the Ad Hoc Committees. He identified each Ad Hoc Committee, which included Trustees Clay and Joos - City of Solvang; Trustees Clay and Joos - COMB; Trustee Joos and Mr. Paeter Garcia - SGMA; Trustees Clay and Joos - authorized representatives to attend the City of Solvang City Council meetings; Trustees Mike Burchardi and Joos - Water Rates Committee; and Trustees Mike Burchardi and Harlan Burchardi - Cachuma Contract Committee.

Trustee M. Burchardi **MOVED** that the current representatives remain unchanged for the City of Solvang, COMB, SGMA, authorized representatives to attend Solvang City Council Meetings Committee; Water Rates Committee and the Cachuma Contract Committee. The motion was seconded by Trustee Joos and carried by a 5-0-0 voice vote.

2. Financial Report on Administrative Matter

a) Presentation of Monthly Financial Statements – Revenues and Expenses

The Board was provided the Statement of Revenues and Expenses for the month of November. Mr. Dahlstrom reported that the revenues exceeded the expenses by \$183,225.15 and the year-to-date net income was \$1,354,402.48. Mr. Dahlstrom explained the water sales revenues were down 13.57% over the previous month due to lower demand with the onset of winter. He explained that all year-to-date net revenues are earmarked and utilized for the annual State Water Project and COMB Bond payments due in June 2020.

b) Approval of Accounts Payable

The Warrant List was provided in the handout material for Board action. The Warrant List covered warrants 22736 through 22793, for the period of November 20, 2019 through December 12, 2019 in the amount of \$ 468,981.78.

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

c) Resolution No. 793 – *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Authorizing Signatures for Accounts at Mechanics Bank*

The Board packet included Resolution No. 793.

Mr. Dahlstrom reviewed the current authorized signatories on the District’s banking account at Mechanics Bank. He explained that with his upcoming retirement he needed to be removed as an authorized signatory and Mr. Paeter Garcia added.

Mr. Dahlstrom recommended approval of Resolution No. 793 authorizing signatures for Accounts at Mechanics Bank.

It was **MOVED** by Trustee Joos and seconded by Trustee H. Burchardi to adopt Resolution No. 793, a Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement No. 1 Authorizing signatures for Accounts at Mechanics Bank.

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

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

3. Resolution No. 795: *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Acknowledging the Contributions and Appreciation of 50 Years of Service – Trustee Harlan Burchardi*
The Board packet included Resolution No. 795.

President Clay read Resolution No. 795 recognizing Trustee Harlan Burchardi. Mr. Dahlstrom and the Board members expressed their appreciation to Trustee Harlan Burchardi for 50 years of dedicated service to the District.

It was **MOVED** by Trustee M. Burchardi and seconded by Trustee Joos to adopt Resolution No. 795 Acknowledging the Contributions and Appreciation of 50 Years of Service of Trustee Harlan Burchardi.

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

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

4. Amendment to Rules & Regulations and Capital Facilities Charges
- a) Resolution No. 796: *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement No. 1 Approving the Attachment of Appendix "C" and Appendix "D" the Automatic Annual Adjustment to the Capital Facilities Charges and Meter Installation Fees into Sections 603 and 709 of the Rules and Regulations – effective January 1, 2020*
The Board packet included a December 12, 2019 Staff Report and Resolution No. 796.

Mr. Dahlstrom explained that draft Resolution No. 796 amends the District's Rules and Regulations, Section 603 and 709 and Appendix "C" & "D". He reported that the Board was provided a draft Resolution in November of the proposed changes to the Rules and Regulations related to Capital Facilities Charges. He explained that the Board must be provided written notice of any proposed amendment/change or addition to the Rules and Regulations at least 20-days prior to any meeting (special or regular). Mr. Dahlstrom stated that there were no changes made to the draft resolution or the appendices since the November meeting. He reviewed the capital facilities charge calculations and recommended approval of Resolution No. 796 for the annual adjustment to the capital facilities charges and meter installation fees effective January 1, 2020, into Sections 603 and 709 of the District Rules & Regulations.

It was **MOVED** by Trustee H. Burchardi, seconded by Trustee M. Burchardi, to adopt Resolution No. 796 Approving the Attachment of Appendix "C" and Appendix "D" the Automatic Annual Adjustment to the Capital Facilities Charges and Meter Installation Fees into Sections 603 and 709 of the Rules and Regulations – effective January 1, 2020.

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

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

NOES, Trustees: None
ABSTAIN, Trustees: None
ABSENT, Trustees: None

5. District Land and Air Space

- a) Resolution No. 797: 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

The Board packet included draft Resolution No. 797 and supporting documentation.

Mr. Dahlstrom reported the District must inventory its land and air space on an annual basis to determine if surplus land exists. He stated based on the inventory, no lands were deemed surplus and recommended approval of Resolution No. 797.

It was **MOVED** by Trustee Clay, seconded by Trustee H. Burchardi, to adopt Resolution No. 797 Concerning Inventory of Land and Air Space.

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

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

NOES, Trustees: None
ABSTAIN, Trustees: None
ABSENT, Trustees: None

B. OPERATIONS AND MAINTENANCE:

1. Lateral Replacement Project - Phase 2

- a) Bid Summary
b) Award of Contract

Agenda Item VIII. B.1. a). & b). were discussed together.

The Board was provided the bid summary and a December 11, 2019 letter from Hanly General Engineering Corporation in the handout materials.

Mr. Dahlstrom explained that the Lateral Replacement Project - Phase 2 will replace aged undersized lines that no longer meet State standards. He stated the Phase 2 plans were prepared and reviewed by Filipin Engineering, Inc. and were included in the bid specifications. Mr. Dahlstrom reported that the District had an engineering cost estimate prepared for the project which totaled \$672,895.00.

Mr. Dahlstrom reported that the District received bids for the Lateral Replacement Project – Phase 2 on December 10, 2019. He reported that two bids were received. Bidders included Tierra Contracting and Hanly General Engineering. He explained that Hanly General Engineering submitted a bid which resulted in the low bid; however, after the bid opening, Hanly General Engineering realized that there was a significant cost error with their bid and requested withdrawal of their bid. Mr. Dahlstrom read the December 11, 2019 letter from Mr. Hanly requesting to withdraw the bid for the Lateral Replacement Project, Phase 2 pursuant to Public Contract Code 5103(b) & (c) on the basis that a mistake was done in transferring the numbers from the excel spreadsheet.

Mr. Dahlstrom explained that based on the withdrawal of Hanly General Engineering bid, the next lowest responsible bid was from Tierra Contracting in the amount of \$612,650.00. The Board discussed the bids received, current public works projects, availability of contractors, and past District projects that Hanly Engineering and Tierra Contracting have worked on as well as contracting policy and bid process.

Mr. Dahlstrom explained that based on the withdrawal of Hanly General Engineering bid, the next lowest responsible bid is Tierra Contracting in the amount of \$612,650.00.

Mr. Dahlstrom recommended approving the bid withdrawal from Hanly General Engineering Corp for the Lateral Replacement Project – Phase 2, accept the bid from Tierra Contracting and request the Board authorize him to sign the Notice of Award.

After a brief discussion, it was **MOVED** by Trustee H. Burchardi, seconded by Trustee M. Burchardi and carried by a unanimous voice vote to approve the bid withdrawal from Hanly General Engineering Corp, accept the bid of \$612,650.00 from Tierra Contracting, and authorize the General Manager to sign the Notice of Award and execute the contract with Tierra Contracting.

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

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

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

Mr. Dahlstrom p reported on the Cachuma Project activities. He stated staff submitted 2020 Exchange Agreement water order. Mr. Dahlstrom explained the CCWA Exchange Agreement terms and process.

Mr. Dahlstrom explained that the conveyance losses or “unaccounted for” water in the South Coast conduit serving the south coast agencies through COMB which has accumulated over time for the last several years is still a topic of discussion with USBR and remains unresolved at this time.

Mr. Dahlstrom reported that Cachuma Lake is currently at 72.1% of capacity.

2. 2020 Water Service Contract

Mr. Dahlstrom stated there was no new information to report on the 2020 Water Service Contract.

B. Sustainable Groundwater Management Act

1. Consider Approval of the Intra-Basin Administrative Agreement for Implementation of the Sustainable Groundwater Management Act in the Santa Ynez River Valley Groundwater Basin

The Board packet included an August 2019 Intra-Basin Administrative Agreement for Implementation of the Sustainable Groundwater Management Act in the Santa Ynez River Valley Groundwater Basin.

Mr. Paeter Garcia, Policy & Legal Affairs Manager reviewed the Intra-Basin Administrative Agreement (Agreement). He stated that the Agreement, which was prepared by staff and legal counsel of the Santa Ynez River Water Conservation District (SYRWCD), is designed to formalize cost-sharing and other administrative matters among the three GSAs in the Basin. He explained that feedback was gathered from the signatory parties and incorporated into the draft Agreement, which has been presented to the Western GSA, the Eastern GSA, and the Central GSA and each GSA has endorsed the Agreement. Mr. Garcia reviewed the Agreement terms and stated the SYRWCD approved the Agreement on December 4, 2019. He recommended that the Board consider approving the Intra-Basin Administrative Agreement and authorize the Board President to execute the Agreement. Mr. Dahlstrom stated that Mr. Garcia assisted in the development of the Agreement and expressed his appreciation for his participation in this process.

It was **Moved** by Trustee H. Burchardi, seconded by Trustee Joos, and carried by a unanimous 5-0-0 voice vote to approve the Intra-Basin Administrative Agreement for Implementation of the Sustainable Groundwater Management Act in the Santa Ynez River Valley Groundwater Basin and authorize the Board President to sign the Agreement.

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

The Board packet included the 53rd Mid Pacific Water User's Conference date of January 22-24, 2020. Mr. Dahlstrom stated that he would be chairing and attending the conference in January. He stated if any of the Board members were interested in attending to please let Ms. Martone know.

The Board packet included a Certificate from the State of California Secretary of State stating that Henry Jones was elected to the office of Member, Board of Administration; CalPERS for a four-year term beginning on the 16th day of January 2020 (term expiring January 15, 2024).

The Board packet included a November 20, 2019 ACWA/JPIA letter awarding the District with that President's Special Recognition Award for achieving a low ratio of Paid Claims and Case Reserves in the Liability, Property and Workers Compensation Programs for the period of 10/1/2015 - 9/30/2018.

Mr. Dahlstrom stated that this meeting would be his last meeting as General Manager. He expressed his appreciation to staff and the Board for their support over the last 23 years he has worked at the District. The Board members all expressed their appreciation to Mr. Dahlstrom.

Trustee Clay and Mr. Paeter Garcia provided a verbal report on their attendance at the ACWA Fall Conference held in San Diego during the first week of December.

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

The Correspondence list was received by the Board.

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

There were no requests from the Board.

XIII. NEXT MEETING OF THE BOARD OF TRUSTEES:

Mr. Dahlstrom stated the next Regular Meeting of the Board of Trustees is scheduled to be held on January 21, 2020; however, discussion ensued regarding availability conflicts with this date due to the Mid Pacific Water Users Conference. Staff recommended possibly rescheduling the date of the meeting. The Board determined the Regular January 21, 2020 meeting will be cancelled and rescheduled to a Special Meeting held on January 28, 2020.

XIV. CLOSED SESSION:

The Board adjourned at 5:21 p.m. for a brief recess. At 5:26 p.m., the Board reconvened and adjourned to closed session to discuss agenda items XIV.A. 1., 2., 3. & 4.

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

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

1. Name of Case: Adjudicatory proceedings pending before the State Water Resources Control Board regarding Permits 11308 and 11310 issued on Applications 11331 and 11332 to the United States Bureau of Reclamation and complaints filed by the California Sport fishing Protection Alliance regarding the operating of the Cachuma Project and State Board Orders WR73-37, 89-18 and 94-5; and proposed changes to the place of use of waters obtained through aforementioned permits for the Cachuma Project
2. Name of Case: Adjudicatory proceedings pending before the State Water Resources Control Board regarding Permit 15878 issued on Application 22423 to the City of Solvang regarding petitions for change and extension of time and protests to the petitions
3. Name of Case: Santa Barbara Superior Court Case No. 18CV05437, Santa Ynez River Water Conservation District, Improvement District No.1 v. Holland, et al.
4. Name of Case: Santa Barbara Superior Court Case No. 19CV01873, Cachuma Operation and Maintenance Board v. Santa Ynez River Water Conservation District, Improvement District No.1

The Board reconvened to open session at 6:20 p.m. Mr. Garcia announced there was no reportable action on agenda items XIV.A. 1., 2., 3. & 4.

XV. ADJOURNMENT:

Being no further business, it was **MOVED** by Trustee Joos, seconded by Trustee M. Burchardi and carried by a unanimous 5-0-0 voice vote, to adjourn the meeting at 6:21 p.m.

THE DECEMBER 12, 2019 SPECIAL MEETING MINUTES WERE APPROVED AT THE SPECIAL MEETING OF JANUARY 28, 2020.