

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT  
IMPROVEMENT DISTRICT NO. 1  
MAY 19, 2020 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, May 19, 2020 via teleconference** due to the COVID-19 Emergency and Governor Newsom’s Executive Orders.

Trustees Present:     Michael Burchardi             Lori Parker  
                              Brad Joos                             Lee Rosenberg (arrived at 3:20 p.m.)  
                              Jeff Clay

Trustees Absent:     None

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

**I.     CALL TO ORDER AND ROLL CALL:**

President Clay called the meeting to order at 3:04 p.m., he stated this was a Regular Meeting of the Board of Trustees. Ms. Martone reported that four members of the Board were present at roll call. Trustee Rosenberg joined the meeting at 3:20 p.m.

**II.    PLEDGE OF ALLEGIANCE:**

President Clay led the Pledge of Allegiance.

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

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

Ms. Martone added that as a result of the COVID-19 emergency and Governor Newsom’s Executive Orders to protect public health by issuing shelter-in-home standards, limiting public gatherings, and requiring social distancing, this Board meeting would occur solely via teleconference as authorized by and in furtherance of Executive Order Nos. N-29-20 and N-33-20 and applicable amendments to the California Brown Act as set forth in those Executive Orders.

**IV.   ADDITIONS OR CORRECTIONS, IF ANY, TO THE AGENDA:**

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

**V.     CORONAVIRUS (COVID-19) UPDATE AND POSSIBLE ACTION:**

**A.    General Manager’s Report**

Mr. Garcia reported on the current activities related to the COVID-19 pandemic and the District’s actions. He reported the District continues to maintain the same response plan as last month, with staff being divided into two teams alternating each week. Mr. Garcia reported that the District is continuing with a rigorous daily disinfection process, along with a weekly janitorial service that conducts a commercial grade disinfection. He reiterated that the District has a professional services agreement with a staffing agency that specializes in providing certified operators and employees to water agencies (on standby and only if necessary) and that the District is a member of CalWARN, a statewide organization that enables participating public agencies to share resources on a volunteer basis in the event of emergency needs. Mr. Garcia reported the District will continue to follow guidance and/or requirements issued by the Santa Barbara County Department of Public Health, in addition to other applicable federal, state, and local guidelines and standards to ensure an effective response to the COVID-19 pandemic.

**VI. PUBLIC COMMENT:**

Mr. Garcia stated that the Notice and Agenda for this Regular Meeting requested members of the public to submit advance written comments to the District via electronic mail by 5:00 p.m. on Monday, May 18, 2020. Mr. Garcia reported that no comments were submitted to the District for the meeting. He offered time for any member of the public participating telephonically to speak and address the Board. There was no public comment.

**VII. CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF APRIL 21, 2020:**

The Minutes of the Regular Meeting of April 21, 2020 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular Meeting Minutes of April 21, 2020. There were no changes or additions requested.

It was **MOVED** by Trustee Joos, seconded by Trustee Clay, and carried by a unanimous 4-0-0 roll call vote to approve the April 21, 2020 Regular Meeting Minutes as presented.

**VIII. CONSENT AGENDA:**

Consent Agenda Report was provided in the Board packet.

Mr. Garcia reviewed the Consent Agenda Report for the month of April.

It was **MOVED** by Trustee Burchardi, seconded by Trustee Joos, and carried by a 5-0-0 roll call vote to approve the Consent Agenda.

Mr. Garcia announced that as a result of technical difficulties with the teleconference line (echoing) the meeting needed to be restarted. The teleconference call was terminated at 3:28 p.m. and restarted at 3:32 p.m. President Clay opened the meeting at 3:32 p.m. Ms. Mary Martone conducted a roll call and reported that all five Board members were present.

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

**A. DISTRICT ADMINISTRATION:**

1. Financial Report on Administrative Matters

a) Presentation of Monthly Financial Statements – Revenues and Expenses

Ms. Martone reported that the Board was provided the Statement of Revenues and expenses for the month of April via email. She also explained that the reports were posted on the District's website in the Board packet materials for anyone wishing to follow along or retrieve a copy.

Ms. Martone reviewed the Statement of Revenues and Expenses for the month of April. She highlighted several items in the report, such as the District's receipt of the second installment of the Special Tax Assessment, and that some of the District's capital improvement projects have been delayed due to the COVID-19 pandemic. She reported that revenues exceeded expenses by \$328,361.94 for the month, and the year-to-date net revenues are \$2,172,579.31.

b) Approval of Accounts Payable

The Warrant List for April 21, 2020 through May 19, 2020 was provided to the Board via email and was included in the Board packet materials that is posted on the District website for anyone wishing to review a copy.

The Board reviewed the Warrant list. Trustee Joos inquired about warrant number 23086 for certain legal expenses. Mr. Garcia stated that this month's bill was higher than normal in relation to a particular legal matter which, due to pending litigation, would require further discussion in Closed Session. Based on this discussion, the Board

consensus was to take this Agenda item out of order and discuss it after the Closed Session has been concluded.

2. Fiscal Year 2020/2021 Preliminary Budget

The Board packet included the Fiscal Year 2020/2021 Preliminary Budget.

Ms. Martone reviewed the Preliminary 2020/2021 Budget Report. She summarized the budget process, reporting basis, budget and reserve fund background, and budget categories. Ms. Martone reported that revenues under the 2020-21 Preliminary Budget are anticipated to be sufficient to meet the District's Operations & Maintenance expenses, General & Administrative expenses, and Debt Service obligations, and that a net revenue balance is projected to fund a portion of the proposed Capital Improvement Project (CIP) program, with the remaining balance of CIP expenses coming from Reserve Funds.

Mr. Garcia reported that the adopted 2016 Water Rate Study was used as a starting point for the 2020-21 Preliminary Budget. He noted that although the Water Rate Study assumed an incremental increase in the Special Tax Assessment to \$1,250,000 by fiscal year 2020-21, the Preliminary Budget for 2020-21 is based on leaving the Special Assessment at its current amount of \$875,000.

Board discussion ensued on topics such as recommended reserve balances; whether or not the Preliminary Budget should assume an increase in water rates in January 2021; whether rate increase decisions should be made later in the year and in relation to the budget process; staffing levels that were incorporated into the 2020-21 Preliminary Budget; power costs vs. solar power alternatives; Chromium 6 expenses; proposed CIP projects; and the Proposition 218 process.

Ms. Martone asked that the Board review the 2020-21 Preliminary Budget and provide any comments or questions to Management by June 5<sup>th</sup> for possible incorporation into the 2020-21 Final Budget which will be presented at the June 16, 2020 Regular Meeting.

President Clay asked if there was any public comment on the Preliminary Budget. There was no public comment.

The Board thanked Mr. Garcia and Ms. Martone for their hard work in preparing the 2020-21 Preliminary Budget.

3. Setting the Appropriation Limit for the 2020/2021 Fiscal Year – California Constitution, Article XIII B

a) California Department of Finance Calculations for 2020/2021 Appropriation Limitations

The Board packet included the May 2020 Department of Finance letter regarding the FY 2020/2021 Appropriation Limitation Calculation, Price Factor, and Population information.

Mr. Garcia explained that in connection with establishing an annual appropriation, certain language must be read verbatim into the public record, as follows: *"Pursuant to Section 7910 of the California Government Code, a resolution will be presented for adoption by the Board of Trustees at its Regular Meeting on June 16, 2020, which will set the limitations on appropriations for fiscal year 2020/2021 under Article XIII B of the Constitution of the State of California (Proposition 13), and that the documentation used in determining the appropriation limitations will be available in the District office for examination by the public for at least 15 days prior to the adoption of the proposed resolution."* Mr. Garcia explained the appropriation calculations provided by the State of California Department of Finance and how the calculations are applied to the District's Ad Valorem Special Tax

Assessment limitations. He indicated that based on the computations for the appropriation limitation, the District's FY 2020/2021 maximum assessment amount is \$2,058,600. Mr. Garcia explained that this year the per capita personal income factor was 3.73% and the County population change factor was .26%. He reiterated that although the District can set the assessment up to the maximum amount, the FY 2020/2021 Preliminary Budget proposes no increase this year, with the assessment to remain at \$875,000.

b) Review of Draft Resolutions to be presented for adoption at the June 16, 2020 Board Meeting

1. Draft Resolution 7XX: *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Establishing the Appropriation Limit for the 2020-2021 Fiscal Year Pursuant to Article XIII B of the California Constitution*
2. Draft Resolution 7XX: *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Adopting the 2020-2021 Budget and Requesting an Assessment Levy Required to Collect \$875,000 for District Obligations*

Mr. Garcia explained that each year two draft resolutions accompany the adoption of the final budget and establishment of an appropriations limit. Trustee Joos suggested that the resolutions include language stating that the Special Tax Assessment amount of \$875,000 has not been increased for the last several years despite the projected increases that were recommended in the 2016 Water Rate Study.

Mr. Garcia informed the Board that the two resolutions would be presented for consideration at the June 16, 2020 Regular Meeting.

c) Authorization to Post Notice and Make Public the 2020/2021 Appropriation Limitation Calculation

The Board packet included the FY 2020/2021 Appropriation Limitation Calculation and the Public Notice.

Mr. Garcia requested Board authorization for the Secretary to the Board of Trustees to post the Public Notice setting forth the appropriation limit and calculation factors. He reported that the Public Notice information would be posted at the District Office beginning May 20, 2020 and published in the newspaper on May 28, 2020 and June 4, 2020. The Board reviewed the Public Notice.

It was **MOVED** by Trustee Burchardi, seconded by Trustee Rosenberg, and carried by a 5-0-0 roll call vote to authorize the Secretary to the Board to post and publish the Public Notice to set the Fiscal Year 2020/2021 limit of appropriations pursuant to Article XIII B of the California Constitution.

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

**A. CACHUMA PROJECT - OPERATIONS AND SUPPLIES:**

1. Cachuma Project Water Service Contract No. I75r-1802R and Status of 2020 Water Service Contract Process

Mr. Garcia reported there was no new information to report on the 2020 Water Service Contract. He stated that he would follow up on Trustee Joos' request to have a representative from the Santa Barbara County Water Agency attend the next Board of Trustees meeting to provide an update on the status of contract negotiations with the United States Bureau of Reclamation.

**B. SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

**1. Eastern Management Area Update**

Mr. Garcia reported that the Groundwater Sustainability Agency (GSA) for the Eastern Management Area (EMA) of the Basin will hold a quarterly meeting on Thursday, May 21, 2020 at 6:30 p.m. via teleconference. He reported that the notice and agenda for the GSA meeting has been posted on the District's website, and on websites for the Santa Ynez River Water Conservation District and the Santa Barbara County Water Agency. Mr. Garcia announced that the Citizens' Advisory Committee for the EMA continues to work with staff to provide feedback on how to best disseminate information and encourage more participation by the public. Mr. Garcia briefly summarized the current activities relating to the Sustainable Groundwater Management Act (SGMA) and encouraged all members of the public to participate in the SGMA process.

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

Mr. Garcia stated the Board packet included the Family Farm Alliance Monthly Briefing for April 2020.

Trustee Burchardi inquired about potential FEMA reimbursement for public agency expenses incurred in response to the COVID-19 pandemic. Mr. Garcia reported that the District is registered through the FEMA portal and staff is submitting costs on a weekly basis.

Mr. Garcia spoke briefly about the State Water Resources Control Board White Paper on Economic Feasibility of a new Hexavalent Chromium regulation. He informed the Board that public comments were due to the State Board last Friday, and a copy of the District's comments will be provided to the Board in next month's Board packet.

Trustee Clay reported that he attended the April 23, 2020 Central Coast Water Authority Board of Directors meeting. Mr. Garcia stated that he also attended the meeting and reported that a heartwarming tribute to Trustee Harlan Burchardi was conducted at the onset of the meeting.

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

The Correspondence list was received by the Board.

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

Trustee Joos requested that staff contact the Santa Barbara County Water Agency to attend the June 16, 2020 Board of Trustees meeting to provide information regarding negotiations for the 2020 Cachuma Contract. Trustee Rosenberg requested staff include an agenda item to establish an Ad Hoc Committee to discuss solar power.

**XIV. NEXT MEETING OF THE BOARD OF TRUSTEES:**

President Clay stated the next Regular Meeting of the Board of Trustees is scheduled for June 16, 2020 at 3:00 p.m.

Mr. Garcia announced that the Open Session public participation phone line would be closed for sixty (60) minutes to allow the Board to convene into Closed Session. He explained that the public participation phone line would be reopened sixty (60) minutes later for the remaining Agenda items. Mr. Garcia thanked everyone for participating in the teleconference and stated the Open Session meeting would reconvene at 7:32 p.m. to report any action taken during Closed Session and to discuss Agenda item IX.A.1.b. regarding approval of the Accounts Payable.

**XV. CLOSED SESSION:**

The Board adjourned at 6:31 p.m. for a brief recess. At 6:34 p.m. the Board reconvened and adjourned to Closed Session.

**A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:**

[Subdivision (d)(1) of Section 54956.9 of the Government Code - 3 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 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, Petitions for Change, and Related Protests
3. Name of Case: Santa Barbara County Superior Court Case No. 19CV01873, Cachuma Operation and Maintenance Board v. Santa Ynez River Water Conservation District, Improvement District No.1

**XVI. RECONVENE INTO OPEN SESSION:**

[Sections 54957.1 and 54957.7 of the Government Code]

The public participation phone line was re-opened, and the Board reconvened to Open Session at approximately 7:32 p.m. Mr. Garcia announced that the Board met in Closed Session concerning Agenda Items XV.A.1-3. He reported that there was no reportable action from Closed Session.

**IX A.1.b. Approval of Accounts Payable**

This Agenda item was taken out of order and discussed after the Closed Session items. The Board reviewed the Warrant List which covered warrants 23076 through 23137 for the time period of April 22, 2020 through May 19, 2020 in the amount of \$3,988,433.89.

It was **MOVED** by Trustee Rosenberg, seconded by Trustee Burchardi, and carried by a unanimous 5-0-0 roll call vote to approve the Warrant List for April 22, 2020 through May 19, 2020 as presented.

**XVII. ADJOURNMENT:**

Being no further business, it was **MOVED** by Trustee Burchardi, seconded by Trustee Joos, and carried by a 5-0-0 roll call vote to adjourn the meeting at approximately 7:39 p.m.

**THE MAY 19, 2020 REGULAR MEETING MINUTES WERE APPROVED AT THE JUNE 16, 2020 REGULAR MEETING.**