

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO.1
NOVEMBER 19, 2024 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 19, 2024, in-person at 1070 Faraday Street.

Trustees Present: Jeff Clay
 Mike Burchardi
 Brad Joos
 Mark Moniot
 Nick Urton

Trustees Absent: None

Others Present: Paeter Garcia Racel Cota Karen King
 Dan Drugan Gary Kvistad John Britton

1. CALL TO ORDER AND ROLL CALL:

President Clay called the meeting to order at 3:02 p.m., he stated that this was a Regular Meeting of the Board of Trustees. Ms. Cota conducted a roll call and reported that all trustees were present.

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. Cota reported that the Agenda for this meeting 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.

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 15, 2024:

The Regular Meeting minutes from October 15, 2024 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular meeting minutes of October 15, 2024. There were no changes or additions requested.

It was **MOVED** by Trustee Urton, seconded by Trustee Joos, and carried by a unanimous 5-0-0 voice vote, to approve the October 15, 2024 Regular meeting minutes as presented.

7. CONSENT AGENDA:

The Consent Agenda report was provided in the Board packet.

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

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

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

A. DISTRICT ADMINISTRATION

1. Financial Report on Administrative Matters

- a) The draft audited Financial Statements for the years ended June 30, 2024 and 2023 were included in the Board packet.

Mr. Garcia introduced Mr. John Britton from Bartlett, Pringle & Wolf, LLP for the presentation of the District's draft audited Financial Statements for the years ended June 30, 2024 and 2023.

Mr. Britton reviewed a PowerPoint presentation of Financial Statements for fiscal years ended June 30, 2024 and 2023 that included the Independent Auditor's Report, Required Communications, Significant Estimates in the Financial Statements, Overview of Significant Changes from Prior Year, Standards Implemented During the Year, and Future Standards to be Evaluated for Implementation. Mr. Britton presented the District's Total Assets & Deferred Outflows, Total Liabilities & Deferred Inflows and Total Net Position, Balance Sheet Comparison, and the Revenue and Expense Comparison. He reported that the District's financials conform to required Generally Accepted Accounting Principles and the State Controller's Minimum Audit Requirements for California Special Districts. He explained that the District's audit resulted in no disagreements with Management relating to the financials and presented the Independent Auditor's Report with an Unmodified (Clean) Opinion as the Financial Statements presented fairly, in all material respects, the financial position of the District and the respective changes in financial position and cash flows for the years ended June 30, 2024 and 2023.

The Board thanked Mr. Britton for his presentation. Mr. Garcia thanked the entire team at Bartlett, Pringle & Wolf for their assistance and expertise with the audit.

Mr. Garcia recommended acceptance and approval of the Financial Statements for fiscal years ended June 30, 2024 and 2023 as presented and authorization for Management to post and submit the final version of the Financial Statements to the State Controller's Office and the County of Santa Barbara.

It was **MOVED** by Trustee Burchardi, seconded by Trustee Urton, and carried by a unanimous 5-0-0 voice vote, to approve and accept the Financial Statements for fiscal years ended June 30, 2024 and 2023 as presented by Bartlett, Pringle & Wolf, LLP and authorize Management to execute the final documentation and distribute to the appropriate governmental agencies.

- b) Presentation of Monthly Financial Statements – Revenues and Expenses

Ms. Cota announced that the Financial Statements were provided to the Board via email earlier in the day, included in the meeting handout materials, and posted on the District's website.

Ms. Cota reviewed the Statement of Revenues and Expenses for the month of October. She highlighted various line-items related to revenue and expense transactions that occurred during the month and referred to the Fiscal-Year-to-Date Statement of Revenues and Expenses that provides a budget to actual snapshot for the first quarter of the fiscal year. Ms. Cota stated that revenue exceeded expenses by \$725,334.51 and the year-to-date October 2024 net income was \$2,169,977.81.

2. Approval of Accounts Payable

Ms. Cota announced that the Warrant List was provided to the Board via email earlier in the day, included in the meeting handout materials, and posted on the District's website.

The Board reviewed the Warrant List which covered warrants 26192 through 26257 in the amount of \$662,162.52.

It was **MOVED** by Trustee Burchardi, seconded by Trustee Urton, and carried by a unanimous 5-0-0 voice vote, to approve the Warrant List for October 15, 2024 through November 19, 2024.

B. OPERATIONS UPDATE

Mr. Dan Drugan provided a report on current operational activities. He reported that as of the end of October the District's distribution system has transferred over from state water to local groundwater and river supplies. He reported that staff have been working with PG&E and Smith Electric to coordinate the replacement of the motor control center at the Meadowlark booster pump station. Mr. Drugan reported that the field staff performed routine testing of the manual transfer switches at several locations which allow certain wells and pump stations to be operated by generators in the event of a power outage. He reported that a request for bids was issued in late October for new fencing at the District Madera Street vehicle yard, and that bid results will be presented to the Board at the December meeting.

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

A. SUSTAINABLE GROUNDWATER MANAGEMENT ACT

1. Eastern Management Area (EMA) Update

The Board packet included notice of the October 24, 2024 Special Meeting of the Board of Directors for the EMA Groundwater Sustainability Agency; a November 18, 2024 Department of Water Resources (DWR) article titled "The Road to Sustainability: SGMA 10-Year Anniversary Event"; and a Valley Ag Voice article titled "Recent Developments Intensify California's Groundwater Management Landscape."

Trustee Joos provided an overview of topics discussed at the October 24, 2024 Special Meeting of the EMA GSA, including the approval of an Agricultural Director and Alternate Agricultural Director for the EMA GSA, approval of a contract services agreement with GSI for the preparation of the 2024 EMA GSA Annual Report, and information regarding Executive Order N-3-24 and the County of Santa Barbara rescission of Emergency Ordinance 51158 (Well Verifications).

Mr. Garcia briefly discussed DWR's SGMA 10-Year Anniversary Event regarding the Road to Sustainability and the topics discussed by the hosted panels. Mr. Garcia mentioned that there will be a recorded webinar available, if the Board is interested. The Board briefly discussed the Valley Ag Voice article regarding current activities such as the Tule Subbasin being placed on probation by the State Water Resources Control Board.

B. STATE WATER PROJECT

1. Informational Update on SWP Operations and Deliveries

The Board packet included a November 5, 2024 DWR Letter to All State Water Project Contractors; a November 4, 2024 DWR Announcement regarding "New Operating Permit Issued for California's State Water Project to Preserve Water Supply while Protecting Endangered Species"; an Association of California Water Agencies news article titled "New Incidental Take Permit Issued for State Water Project"; excerpts from DWR's 2023

State Water Project Delivery Capability Report; and current news articles relating to state water.

Mr. Garcia provided an overview of the Board packet materials relating to State Water Project operations and deliveries.

C. AMENDMENT TO RULES & REGULATIONS AND CAPITAL FACILITIES CHARGES

1. Draft Resolution No. XXX: The Board packet included a draft 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 Charges Contained in Appendix "C" and Appendix "D" of the District's Rules and Regulations

Mr. Garcia explained that the draft Resolution is being provided for advance review by the Board because adjustments to the District's Capital Facilities Charges and meter installation charges are implemented through amendments to Appendix "C" and Appendix "D" of the District's Rules and Regulations. He explained that the Board must be provided with at least 20 days' advance written notice of any proposed amendments or changes to the Rules and Regulations. Mr. Garcia explained the process by which the charges are prepared. He stated that no action was required at this time and a final resolution would be presented for consideration and action at the December 17, 2024 Board meeting. Mr. Garcia noted that the automatic adjustments are scheduled to take effect on January 1, 2025.

10. 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:

Trustee Burchardi provided a summary of topics discussed at the Los Olivos Community Services District meeting held on November 13, 2024.

President Clay reported on the October 24, 2024 Central Coast Water Authority Board of Directors meeting and the presentation by Mr. Chandra Chilmakuri, Assistant General Manager of the State Water Contractors.

The Board packet included the Family Farm Alliance Monthly Briefing for the month of November 2024.

11. CORRESPONDENCE: GENERAL MANAGER RECOMMENDS FILING OF VARIOUS ITEMS:

The Correspondence List was received by the Board.

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

There were no requests from the Board.

13. NEXT MEETING OF THE BOARD OF TRUSTEES:

President Clay stated that the next Regular Meeting of the Board of Trustees is scheduled for December 17, 2024 at 3:00 p.m.

14. CLOSED SESSION:

The Board adjourned to closed session at 4:29 p.m.

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)(4) of Section 54956.9 of the Government Code – Potential Initiation of Litigation By the Agency – One Matter]

15. RECONVENE INTO OPEN SESSION:

[Sections 54957.1 and 54957.7 of the Government Code]

A. Report (if any) on Closed Session Agenda Items 14.A – 14.B

The Board reconvened to open session at approximately 4:51 p.m. Mr. Garcia announced that the Board met in closed session in accordance with Agenda Items 14.A through 14.B. He reported that there was no reportable action regarding any of the closed session Agenda items.

16. ADJOURNMENT:

Being no further business, it was **MOVED** by Trustee Moniot, seconded by Trustee Urton, and carried by a 5-0-0 voice vote, to adjourn the meeting at approximately 4:51 p.m.

THE NOVEMBER 19, 2024 MINUTES WERE APPROVED AT THE DECEMBER 17, 2024 REGULAR MEETING.