

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
IMPROVEMENT DISTRICT NO. 1
SEPTEMBER 15, 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, September 15, 2020 via video/teleconference** due to the COVID-19 Emergency and Governor Newsom's Executive Orders.

Trustees Present: Michael Burchardi Jeff Clay
 Brad Joos Lori Parker
 Lee Rosenberg

Trustees Absent: None

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

I. CALL TO ORDER AND ROLL CALL:

President Clay called the meeting to order at 3:03 p.m., he stated this was a Regular Meeting of the Board of Trustees. Ms. Martone conducted roll call and 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:

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 limiting public gatherings and requiring social distancing, this Board meeting would occur solely via video/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. PUBLIC COMMENT:

President Clay welcomed any members of the public participating via video or telephonically 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 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, September 14, 2020. Mr. Garcia reported that no written comments were submitted to the District for the meeting.

VI. CORONAVIRUS (COVID-19) UPDATE:

A. General Manager's Report

The Board packet included copies of press releases issued by the Santa Barbara County Public Health Department dated August 20, 29 and 31, 2020 regarding the current requirements pertaining to COVID-19.

Mr. Garcia reported on the current activities related to the COVID-19 pandemic and the District's actions. He stated that staff continues to receive, and review updates related to COVID from federal, state, regional, and local agencies. Mr. Garcia referenced the materials that were included in the Board packet from the state and Santa Barbara Public Health Department related to re-opening schedules and modifications to restrictions that apply to indoor and outdoor activities, businesses, and gatherings. He explained 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 service that conducts a commercial grade disinfection.

VII. CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF AUGUST 18, 2020:

The Regular Meeting Minutes from August 18, 2020 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular Meeting Minutes of August 18, 2020. There were no changes or additions requested.

It was **MOVED** by Trustee Joos, seconded by Trustee Burchardi, and carried by a 5-0-0 roll call vote, to approve the August 18, 2020 Regular Minutes as presented.

VIII. CONSENT AGENDA:

The Consent Agenda Report was provided in the Board packet.

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

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

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 August via email. She also explained that the reports were posted on the District's website in the Board packet materials for any members of the public wishing to follow along or receive a copy.

Ms. Martone reviewed the Statement of Revenues and Expenses for the month of August. She highlighted various line-items and reported that District revenues exceeded the expenses by \$388,034.54 and the year-to-date net income was \$737,365.25. She explained that all accumulated revenues during the fiscal year to date will be earmarked and utilized for the annual State Water Project and COMB Bond payments due in June 2021.

b) Approval of Accounts Payable

Ms. Martone reported that the Board was provided the Warrant List for August 19, 2020 through September 15, 2020 via email, and it was posted on the District's website in the Board packet materials for any member of the public wishing to receive a copy.

The Board reviewed the Warrant List which covered warrants 23305 through 23366 for the period of August 19, 2020 through September 15, 2020 in the amount of \$580,580.33.

It was **MOVED** by Trustee Joos, seconded by Trustee Burchardi, and carried by a 5-0-0 roll call vote to approve the Warrant List for August 19, 2020 through September 15, 2020.

c) Water Service Late Penalties

Mr. Garcia explained that in response to the COVID-19 pandemic, the Board decided in April to temporarily suspend late penalties on past due customer accounts, which to date has been applied to water use from March through August. He stated that for the past several months, the Board has reconsidered the matter and determined to continue the temporary suspension of late penalties on a month-to-month basis. Mr. Garcia reviewed the cumulative amounts of past due charges, the number of past due customer accounts in comparison to the prior month's statistics, and the total amount of penalties that have been waived to date. He stated that at the Board's request at the August meeting, staff canvassed 16 other water agencies to see if they are administering late penalties during the COVID-19 pandemic. Mr. Garcia recapped the findings which ranged from some agencies continuing the issuance of penalties on past due accounts; suspending penalties during the pandemic; extending the timeframe before penalties are assessed; and alternative payment plan options. Mr. Garcia reported on the aggregate past due balance for customers throughout the District and reported that the number of accounts in arrears has dropped significantly from the prior month. He stated that the Administrative staff, particularly Ms. Martone, made an extraordinary effort to reach out to customers via courtesy calls to discuss unpaid balances, alternative payment options, and to encourage customers to pay any past due balances to avoid penalties in the future.

Mr. Garcia stated that the Board also requested staff to provide options for Board consideration at this meeting. He reviewed four options, including: (1) continue the suspension of late penalties; (2) resume issuing late penalties for all past due customer accounts; (3) continue the suspension of late penalties on past due domestic and rural residential/limited agriculture accounts only and resume issuing late penalties for agriculture accounts; and (4) resume issuing late penalties beginning in October for customers that have been in arrears for more than 60 days. Mr. Garcia provided staff's recommendation to resume issuing late penalties beginning in October (for September water use) for agriculture and commercial accounts only and to resume penalties for domestic accounts once they are 60 days past due.

Board discussion ensued and comments included appreciation to staff for their efforts in collecting on past due accounts and for developing alternative approaches for assessing late penalties. The Board discussed an approach that would continue the suspension of late penalties for one additional month, but then resume issuing penalties on all customer accounts beginning with the November water bills (for October water use). Staff and the Board noted this approach would allow a message to be included with water bills going out in October that late penalties will resume in November for all past due accounts.

Based on the discussion, it was **MOVED** by Trustee Clay, seconded by Trustee Parker, and carried by a 5-0-0 roll call vote, to resume issuing late penalties on all past due customer accounts beginning with the November billing period that includes October water use.

Staff indicated that a note will be included on the September water use bill that are mailed the first week of October notifying all customers of this action.

B. PUBLIC HEARING FOR ADOPTION OF 2020 CONFLICT OF INTEREST CODE

1. Resolution No. 801 – *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Approving an Update to Its Conflict of Interest Code*

The Board packet included draft Resolution No. 801 and Appendices A and B.

President Clay stated that a public hearing would be conducted related to the adoption of the District’s Updated 2020 Conflict of Interest Code. President Clay opened the public hearing at 4:06 p.m.

Mr. Garcia reported that public agencies are required by provisions of Government Code Section 81000 et seq. to review and update their respective conflict of interest codes, as applicable, on a bi-annual basis. He indicated that the District’s Conflict of Interest Code and Appendix A thereto require an update to include current designated positions within the Districts. Mr. Garcia stated there were no changes to Appendix B of the Conflict of Interest Code. He recommended approval and adoption of Resolution No. 801 Approving an Update to the District’s Conflict of Interest Code in accordance with applicable provisions of the California Government Code.

President Clay provided time for public comment. There was no public comment on this item. President Clay closed the public comment period and invited comments or questions from the Board. There were no comments or questions from the Board.

President Clay closed the public hearing at 4:10 p.m.

It was **MOVED** by Trustee Joos, and seconded by Trustee Burchardi, to adopt Resolution No. 801, a Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement No.1 Approving an Update to Its Conflict of Interest Code.

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

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

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 Amendment to Contract No. I75r-180R between United States Bureau of Reclamation and Santa Barbara County Water Agency
2. First Amendment to Cachuma Project Member Unit Contract between Santa Barbara County Water Agency and Santa Ynez River Water Conservation District, Improvement District No.1

Agenda Items X. A. 1 & 2. were discussed together.

The Board packet included a September 15, 2020 Staff Report discussing an Amendment to the Cachuma Project Master Contract No. I75r-1802R between the United States Bureau of Reclamation (USBR) and the Santa Barbara County Water Agency (Water Agency), First Amendments to the Cachuma Project Member Unit Contracts between the Water Agency and each Cachuma Project Member Unit, and correspondence from the Water Agency regarding the proposed First Amendments to the Cachuma Project Member Unit Contracts.

Mr. Garcia provided background information and reported on the status of the proposed Amendment to the existing Cachuma Project Master Contract between USBR and the Water Agency, and the proposed First Amendments to the Cachuma Project Member Unit Contracts, all of which are set to expire on September 30, 2020. He indicated that the proposed Amendment and the proposed First Amendments retain all of the substantive provisions of the current Master Contract current Member Unit Contracts, yet extend those contracts for up to an additional three years to allow time for negotiations to take place on the next long term contracts. Mr. Garcia stated that USBR published notice of the proposed Amendment on July 20, 2020 and that the 60-day public comment period will close on September 17, 2020. He stated that once the public comment period closes, USBR and the Water Agency are expected to finalize and execute the Amendment to the Master Contract. He further explained that, according to the Water Agency, once the Amendment to the Master Contract is executed, the Water Agency will sign the First Amendments to the Cachuma Project Member Unit Contracts. Mr. Garcia stated that in August 2020 the Santa Barbara County Board of Supervisors, acting as the Water Agency's Board of Directors, authorized the County Public Works Director to execute the Amendment to the Master Contract and the First Amendments to the Cachuma Project Member Unit Contracts. He reported that the Water Agency has determined that its actions to enter the interim three-year contracts are not considered "projects" pursuant to the California Environmental Quality Act (CEQA) and that the actions are otherwise exempt from the requirements of CEQA. Mr. Garcia reviewed the staff recommendations for the District's actions related to the First Amendment to the Cachuma Project Member Unit Contract between the District and the Water Agency, as outlined in the staff report. Board discussion ensued and the following two motions were made and approved:

It was **MOVED** by Trustee Clay, seconded by Trustee Rosenberg, and carried by a 5-0-0 roll call vote to determine that the proposed action to enter the First Amendment to the Cachuma Project Member Unit Contract between the District and the Water Agency is not a project pursuant to the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378(b)(2), continuing organization or administrative activities, and Section 15378(b)(5), organization or administrative activities that will not result in a direct or indirect physical change in the environment; and further, that the proposed action is not subject to and is exempt from the requirements of CEQA under CEQA Guidelines Section 15061(b)(3), no possibility that the activity may have a significant effect on the environment, Section 15261(a), project approved prior to November 23, 1970, and Section 15301, operation of existing facilities.

It was **MOVED** by Trustee Clay, seconded by Trustee Burchardi and carried by a 5-0-0 roll call vote to authorize the District's General Manager to execute the First Amendment to the Member Unit Contract between the District and the Water Agency in a form substantially similar to that presented by the Water Agency and subject to final review and approval by the District's General Manager and Legal Counsel.

3. Draft Rescheduling/Carryover Guidelines and Draft Yield Study for the Cachuma Project

Mr. Garcia reported on the status of USBR's proposed rescheduling/carryover guidelines for the Cachuma Project. He explained that the Cachuma Project Member Units collectively responded in opposition to USBR on August 10, 2020 with comments on the draft proposal to change storage and carryover operations for the Cachuma Project. Mr. Garcia reported that USBR held a teleconference on September 10th with USBR representatives, Member Unit Managers, and legal counsel for the various agencies to address the comments that were submitted in response to the proposed rescheduling/carryover guidelines. He stated that as a result of the teleconference, USBR determined that carryover issues are an appropriate subject to be included in the upcoming negotiations for the next long-term contract, and therefore USBR will not seek to implement the proposed rescheduling/carryover guidelines in the 2020/2021 federal water year that begins on October 1, 2020. Mr. Garcia reiterated that the proposed rescheduling/carryover guidelines as currently drafted appear to be inconsistent with the language of the existing Cachuma Project Master Contract and the pending Amendment thereto. Mr. Garcia also reported on the Draft Yield Study for the Cachuma Project that has been prepared by the County Water Agency. The Draft Yield Study was provided to and reviewed by the District's Board in August. He explained that the Draft Yield Study recommends substantial reductions in Project yield and that it was prepared without input from the Cachuma Member Units. Mr. Garcia reported that the Cachuma Member Units sent a collective response letter to the Water Agency setting forth various concerns and objections to the Draft Yield Study, and that the Member Units have indicated that they intend to undertake an independent study to evaluate Project yield and related issues.

B. SUSTAINABLE GROUNDWATER MANAGEMENT ACT

1. Eastern Management Area Update

The Board packet included a Notice and Agenda for the August 27, 2020 meeting of the Groundwater Sustainability Agency (GSA) for the Eastern Management Area in the Santa Ynez River Groundwater Basin.

Trustee Joos, ID No.1's representative to the Eastern Management Area GSA Committee, stated he attended the August 27, 2020 teleconference meeting of the GSA and summarized the meeting. Trustee Joos stated that GSI Solutions provided an update and slide presentation on the activities in the Eastern Management Area. He reported that the meeting was well attended and stated that a new group of landowners referred to as the Santa Ynez Water Group, which includes agricultural representatives, has become involved in the SGMA process and provided comments at the meeting.

XI. UPDATE FROM ALTERNATIVE POWER / SOLAR AD HOC SUBCOMMITTEE:

Mr. Garcia reported that, based on feedback from the Alternative Power/Solar Ad Hoc Subcommittee, District staff has been providing information and working with representatives from two solar energy companies regarding the possibility of introducing solar power into the District's operations. He indicated that each company has been provided access to the District's utility data to conduct their initial reviews and that site visits may also be scheduled.

XII. 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 Family Farm Alliance Monthly Briefing for August 2020.

Mr. Garcia reported that a very positive voice message was received from a customer that had a leak at their property. He stated the customer took the time to call and acknowledge Mr. Joe Come,

Construction and Maintenance Supervisor, and the field crew who fixed the leak. The customer expressed his gratitude and commented that the field crew did a terrific job, and were very efficient, clean, polite, and knowledgeable.

Mr. Garcia reported that the District has seen a significant increase in the number of Water Service Applications that are being submitted to the District. He stated that staff is evaluating a process for administering the applications to ensure they are processed in a timely and efficient manner despite the number of submittals and adjustments that have been required in response to COVID-19. He provided examples of the various types of applications the District has received, such as new development of vacant properties, additional dwelling unit(s), demolitions, and complete remodels, many of which typically involve ongoing communications with applicants regarding changed or revised plans along the way, water demand calculations, project designs, county approvals, and other issues. Mr. Garcia noted that staff fully recognizes how important these matters are to District customers and that staff is committed to providing excellent and improved customer service on all District matters.

Ms. Martone reported that during the first week of September the representatives from Bartlett, Pringle & Wolf conducted the field work for the District 's Annual Audit. Ms. Martone stated the work was all done remotely. She reported that Bartlett Pringle & Wolf anticipates the final audit presentation at the November or December meeting.

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

The Correspondence list was received by the Board.

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

There were no requests from the Board.

XV. NEXT MEETING OF THE BOARD OF TRUSTEES:

President Clay stated the next Regular Meeting of the Board of Trustees is scheduled for October 20, 2020 at 3:00 p.m.

Mr. Garcia announced that the Open Session public participation video and phone lines would be closed for the next forty-five (45) minutes to allow the Board to convene into Closed Session. He explained that the public participation video and phone lines would be reopened forty-five (45) minutes later for the remaining Agenda items. Mr. Garcia thanked everyone for participating in the video/teleconference and stated the Open Session meeting would reconvene at 5:50 p.m. to report any action taken during Closed Session.

XVI. CLOSED SESSION:

The Board adjourned to Closed Session at 5:05.

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

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

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

B. CONFERENCE WITH LEGAL COUNSEL - POTENTIAL INITIATION OF LITIGATION

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

XVII. RECONVENE INTO OPEN SESSION:

[Sections 54957.1 and 54957.7 of the Government Code]

The public participation video and phone lines were re-opened, and the Board reconvened to Open Session at approximately 5:50 p.m. Ms. Martone conducted roll call and reported that four Trustees were present when the meeting reconvened, with Trustee Rosenberg absent.

Mr. Garcia announced that the Board met in Closed Session concerning Agenda Items XVI.A.1 and XVI.B. He stated that there was no reportable action from Closed Session.

XVIII. ADJOURNMENT:

Being no further business, it was **MOVED** by Trustee Parker, seconded by Trustee Burchardi, and carried by a 4-0-0 roll call vote, with Trustee Rosenberg absent, to adjourn the meeting at approximately 5:55 p.m.

THE SEPTEMBER 15, 2020 MEETING MINUTES WERE APPROVED AT THE OCTOBER 20, 2020 REGULAR BOARD MEETING.