

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO.1
MAY 19, 2026 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, 2026, in-person at 1070 Faraday Street and via teleconference.

Trustees Present: Michael Burchardi (via telephone from remote location listed on the Notice and Agenda)
Jeff Clay
Brad Joos

Nick Urton

Trustees Absent: Mark Moniot

Others Present: Paeter Garcia Racel Cota Kylie Kelleher
Dan Drugan Jessica Diaz Steven Anderson

1. CALL TO ORDER AND ROLL CALL:

President Clay called the meeting to order at 3:03 p.m., he stated that this was a Regular Meeting of the Board of Trustees. Ms. Cota conducted roll call and reported that three Trustees were present in person, Trustee was present via videoconference, and that Trustee Moniot 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. 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 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 APRIL 21, 2026

The Regular Meeting Minutes from April 21, 2026 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular Meeting Minutes of April 21, 2026. There were no changes or additions requested.

It was **MOVED** by Trustee Joos, seconded by Trustee Urton to approve the April 21, 2026 Regular meeting minutes as presented.

The Motion carried and the Minutes of the Regular Meeting on April 21, 2026 were adopted by the following 4-0-0 roll call vote, with Trustee Moniot absent:

AYES, Trustees:	Brad Joos Nick Urton Mike Burchardi Jeff Clay
NOES, Trustees:	None
ABSENT, Trustees:	Mark Moniot

7. CONSENT AGENDA:

The Consent Agenda Report was provided in the Board Packet.

Mr. Garcia reviewed the Consent Agenda materials for the month of April. Various topics were discussed among the Board and staff.

It was **MOVED** by Trustee Joos, seconded by Trustee Urton to approve the Consent Agenda as presented.

The Motion carried and the Consent Agenda was adopted by the following 4-0-0 roll call vote, with Trustee Moniot absent:

AYES, Trustees:	Brad Joos Nick Urton Mike Burchardi Jeff Clay
NOES, Trustees:	None
ABSENT, Trustees:	Mark Moniot

8. 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. 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 April. 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 ten months ending April 30, 2026. Ms. Cota stated that revenue exceeded expenses by \$831,931.43 and the year-to-date April 2026 net income was \$4,184,684.55, which will be earmarked and utilized for the District’s annual State Water Project which is due in June 2026.

b) 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 27209 through 27262 in the amount of \$3,983,507.23.

It was **MOVED** by Trustee Urton, seconded by Trustee Joos, to approve the Warrant List for April 22, 2026 through May 19, 2026.

The Motion carried and the Warrant List was approved by the following 4-0-0 roll call vote, with Trustee Moniot absent:

AYES, Trustees:	Brad Joos Nick Urton Mike Burchardi Jeff Clay
NOES, Trustees:	None
ABSENT, Trustees:	Mark Moniot

2. Fiscal Year 2026/2027 Preliminary Budget

The Board packet included a Staff Report and line-item details for the FY 2026/2027 Preliminary Budget

Ms. Cota provided a PowerPoint presentation regarding the budget timeline, budget components, revenue and expenditure highlights, capital improvement projects, reserve funds, and FY 2026/2027 Preliminary Budget comparison to FY 2025/2026 Adopted Budget. Ms. Cota reported that revenues are anticipated to fully fund all expense categories, including Operations and Maintenance, General and Administrative, Debt Service, Other Expenses and Special Studies, and a majority of Capital Improvement Project program costs, leaving a projected budget shortfall of \$1,529,669 (resulting entirely from a proposed project to install a new groundwater production well at a cost of approximately \$3,000,000). To achieve a balanced budget, District management proposes a budget transfer from Unrestricted, Board Reserved Funds to Unrestricted Funds of \$1,529,669. She reported that the FY 2026/2027 Preliminary Budget also assumes no increase in the \$875,000 Special Assessment/Ad Valorem Tax, even though the authorized limit for FY 2026/2027 is \$2,785,514.

Discussion ensued regarding anticipated revenues from water rates and charges, proposed capital improvement projects, the appropriation limit for a special assessment, and the status of District reserves.

Ms. Cota asked that the Board review the FY 2026/2027 Preliminary Budget and provide any additional comments or questions to management by early June for possible incorporation into the FY 2026/2027 Final Budget which will be presented at the June 16, 2026 Board meeting.

Mr. Garcia expressed his appreciation and compliments to District staff for their hard work and collaboration in preparing the FY 2026/2027 Preliminary Budget.

The Board thanked District staff for their hard work and collaboration in preparing the FY 2026/2027 Preliminary Budget.

3. Setting the Appropriation Limit for the 2026/2027 Fiscal Year – Article XIII B (Proposition 13)
 - a) California Department of Finance Calculations for 2026/2027 Appropriation Limitations and Authorization to Post Notice and Make Public the 2026/2027 Appropriation Limitation Calculation

The Board packet included the May 2026 California Department of Finance letter regarding the FY 2026/2027 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, 2026, which will set the limitations on appropriations for fiscal year 2026/2027 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 at the District office and on the District’s website for examination by the public for at least 15 days prior to the adoption of the proposed resolution.”*

Mr. Garcia explained the materials provided by the California Department of Finance for calculating the FY 2026/2027 appropriation limitation, and how the calculations are applied to the District’s Special Assessment/Ad Valorem Tax limitation. He illustrated that based on the applicable calculations, the District’s FY 2026/2027 maximum special assessment amount is \$2,785,514. Mr. Garcia noted that although the District is authorized to set the Special Assessment/Ad Valorem Tax up to the maximum amount, the FY 2026/2027 Preliminary Budget proposes no increase this year, similar to previous years, with the assessment to remain at \$875,000. The Board reviewed the information presented and the related Public Notice. Discussion ensued regarding the maximum amount the District could collect versus the proposed FY 2026/2027 amount of \$875,000. The consensus of the Board was to keep the Special Assessment/Ad Valorem Tax amount at \$875,000 for FY 2026/2027, but to evaluate the possibility of increasing that amount in future fiscal years as part of the upcoming water rate study.

Mr. Garcia requested authorization to post and publish the Public Notice setting forth the appropriation limit and calculation factors. He reported that the Public Notice and FY 2026/2027 appropriation limitation calculation would be posted at the District Office, on the District website beginning May 20, 2026, and published in the local newspaper on June 4, 2026 and June 11, 2026.

- b) Review of Draft Resolutions to be presented for adoption at the June 16, 2026 Board Meeting
The Board packet included two draft Resolutions:

1. Draft Resolution: A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Establishing the Appropriation Limit for Fiscal Year 2026/2027 Pursuant to Article XIII B of the California Constitution
2. Draft Resolution: A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Adopting the Final Budget for Fiscal Year 2026/2027 and Requesting an Assessment Levy Required to Collect \$875,000

Mr. Garcia reported that each year the draft Resolutions are presented a month in advance of the adoption of the Final Budget in conjunction with the establishment of an appropriations limit, and no action is required at this time. He stated that the two Resolutions would be presented for consideration at the June 16, 2026 Board meeting.

4. Draft Ordinance: An Ordinance of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Establishing Regulations and Fines Relating to Water Theft

Mr. Garcia reported that water theft is an ongoing and possibly growing problem that undermines the fairness, affordability, water conservation, and financial objectives of the District's water system. He explained that recently enacted California law (SB 394, 2026) establishes stiffer fines for water theft and unauthorized uses of District fire hydrants and other water supply infrastructure, and that the Draft Ordinance would enable ID No.1 to impose higher fines as needed to address cases of water theft and/or related damage to District facilities. The Board and staff discussed ways to inform people about the Draft Ordinance and agree to bring the Ordinance back for possible Board in adoption in a month or two.

B. OPERATIONS

1. General Update

Mr. Drugan reported that staff are proactively transitioning the distribution system from State Water supplies back to well supplies due to water quality issues being addressed by CCWA. He noted that staff are actively coordinating with CCWA to determine when the District may shift back to State Water supplies. Mr. Drugan stated that the District recently completed installation of a variable frequency drive at the Mesa Verde Pump Station and that staff are preparing for a minor shutdown at the intersection of Faraday Street and Lindero Street to install new valve improvements.

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 the Cancellation Notice for the March 26, 2026 Regular Meeting of the Groundwater Sustainability Agency for the Eastern Management Area.

Mr. Garcia reported that the next meeting of the EMA GSA is currently scheduled for Thursday, May 28, 2026.

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**

Mr. Garcia reported that he and Trustee Joos attended the Annual Santa Ynez Airport Day and hosted an informational booth. The District is also planning to host an informational booth at the Old Santa Ynez Days event in June.

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 June 16, 2026 at 3:00 p.m.

14. **CLOSED SESSION**
The Board adjourned to closed session at 5:23 p.m.

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 LITIGATION

[Subdivision (d)(4) of Section 54956.9 of the Government Code - Potential Initiation of Litigation by the Agency - Two Matters]

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

The Board reconvened to open session at approximately 6:40 p.m. Mr. Garcia announced that the Board met in closed session in accordance with Agenda Items 14.A through 14.B, and that there was no reportable action for any of the closed session Agenda Items.

16. **ADJOURNMENT:**
Being no further business, it was **MOVED** by Trustee Urton, seconded by Trustee Joos, and carried by a 3-0-0 voice vote, with Trustee Moniot and Trustee Burchardi absent, to adjourn the meeting at approximately 6:40 p.m.

THE MAY 19, 2026 MEETING MINUTES WERE APPROVED AT THE JUNE 16, 2026 BOARD MEETING.