

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
IMPROVEMENT DISTRICT NO. 1
JUNE 16, 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, June 16, 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 Karen King
 Gary Kvistad Eric Tambini Tom Fayram

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 conducted roll call and reported that 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 issuing shelter-in-home standards, 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. CORONAVIRUS (COVID-19) UPDATE:

A. General Manager’s Report

Mr. Garcia reported on the current activities related to the COVID-19 pandemic and the District’s actions. He explained that 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. Mr. Garcia stated that the District included a notice with each customer’s May water use bill that encouraged all businesses, schools, churches, residences and other buildings that have been closed for a prolonged period of time to flush their pipes prior to reopening. He stated that the notice was also posted on the District’s website. Mr. Garcia also explained that on May 22, 2020, the Santa Barbara County Health Office issued Order 2020-10 effective May 26, 2020 regarding the use of face coverings. He stated that the provisions of the Order have been implemented via a District memorandum setting additional protocols for the District’s workforce and Board of Trustees within District facilities or when conducting business on behalf of the District.

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, June 15, 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 SPECIAL MEETING OF MAY 12, 2020:

The Minutes of the Special Meeting of May 12, 2020 were presented for consideration.

President Clay asked if there were any changes or additions to the Special Meeting Minutes of May 12, 2020. There were no changes or additions requested.

It was **MOVED** by Trustee Rosenberg, seconded by Trustee Joos, and carried by a 5-0-0 roll call vote to approve the May 12, 2020 Special Meeting Minutes as presented.

VIII. CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF MAY 19, 2020:

The Minutes of the Regular Meeting of May 19, 2020 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular Meeting Minutes of May 12, 2020. One minor typographical change was requested.

It was **MOVED** by Trustee Rosenberg, seconded by Trustee Joos, and carried by a 5-0-0 roll call vote to approve the May 19, 2020 Regular Meeting Minutes as corrected.

IX. CONSENT AGENDA:

The Consent Agenda Report was provided in the Board packet.

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

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.

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

a) Update from Santa Barbara County Representative

Mr. Garcia introduced Mr. Tom Fayram, Deputy Director, Water Resources, of the Santa Barbara County Department of Public Works. Mr. Garcia stated that at the Board's request Mr. Fayram was invited to provide an update on the status of the 2020 Water Service Contract for the Cachuma Project. Mr. Fayram provided a brief history of the Cachuma Project and the negotiations that took place for the current Cachuma Project Water Service Contract that is in effect and will expire on September 30, 2020. Mr. Fayram stated that the process for negotiating a new contract began in 2017; however, progress has been extremely slow. Mr. Fayram stated that it is not feasible that a new long-term contract will be executed by the September 30, 2020 expiration date. Thus, he explained that USBR is proposing to enter an interim contract for up to three years to allow time to negotiate the terms of a new long-term water service contract for the Cachuma Project. Mr. Fayram noted that USBR has not yet released a draft of the interim contract for the County Water Agency and the Cachuma Member Units to review. He indicated that in addition to the interim contract between USBR and the County Water Agency, the sub-contracts between the County Water Agency and the Cachuma Member Units will need to be prepared and finalized. Mr. Fayram explained that the County Water Agency has also started work on a yield study for

the Cachuma Project as contemplated by the 2019 Water Rights Order issued by the State Water Resources Control Board.

Board discussion ensued on issues such as the proposed term of an interim contract, contract negotiations, and the need to emphasize to USBR the urgency of completing the negotiation and contract process as it affects the District and its customers.

Mr. Garcia reported on a teleconference meeting that was organized by USBR and held on June 10, 2020 to discuss various topics related to the Cachuma Project. He explained that the attendees included the Santa Barbara County Water Agency, the Cachuma Member Units including ID No.1, the Cachuma Conservation Release Board, the Parent District, and the Cachuma Operation and Maintenance Board. Among other topics, the USBR teleconference provided a summary-level status of the Cachuma Project Master Contract, the Operations and Maintenance Contract, the Warren Act Contract, the 2019 State Board Order, and the re-consultation process for the Cachuma Project under the federal Endangered Species Act.

Mr. Garcia and the Board of Trustees, thanked Mr. Fayram for joining the meeting and providing an update on the 2020 Water Service Contract.

B. SUSTAINABLE GROUNDWATER MANAGEMENT ACT:

1. Eastern Management Area Update

Mr. Garcia reported that a teleconference meeting was held on May 21, 2020 for the Groundwater Sustainability Agency for the Eastern Management Area (EMA). He reviewed the topics discussed which included a financial update, the confidentiality agreement for the EMA, and a technical update from GSI Solutions. Mr. Garcia indicated that a draft newsletter has been developed that soon will be circulated in final form throughout all three Management Areas of the Basin. Mr. Garcia stated the next meeting of the Eastern Management Area is scheduled for August 27, 2020.

Mr. Garcia reiterated the importance of the SGMA process and the public meetings that are taking place related to each area of the Basin. He encouraged all stakeholders to become involved in the process.

XI. 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 May 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 receive a copy.

Ms. Martone reviewed the Statement of Revenues and Expenses for the month of May. She reported the revenues exceeded the expenses by \$344,669.25 for the month and the year-to-date net revenues were \$2,487,792.09. Ms. Martone explained that a portion of the revenues accumulated during the fiscal year will be earmarked and utilized for the District’s annual State Water Project and COMB Bond payments.

b) Approval of Accounts Payable

Ms. Martone reported that the Board was provided the Warrant List for May 20, 2020 through June 16, 2020 via email, and they were posted on the District's website in the Board packet materials for anyone wishing to receive a copy.

The Board reviewed the Warrant List which covered warrants 23138 through 23194 for the period of May 20, 2020 through June 16, 2020 in the amount of \$582,152.86.

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 May 20, 2020 through June 16, 2020 as presented.

c) Water Service Late Penalties

Mr. Garcia explained that due to the COVID-19 pandemic, the Board recently decided to temporarily suspend late penalties on past due customer accounts beginning in April and extending through June 2020, and requested that the matter be brought back for re-consideration at the June meeting. Mr. Garcia reported on the status of past due accounts and the number of customers that remain in arrears. He stated that after reviewing the District accounts receivable, he was pleased to announce that the majority of District customers continue to pay their water bills in a timely manner.

Board questions and comments focused on how many phone calls are received regarding customers' inability to pay due to COVID-19, how many months past due are the outstanding accounts, and the hope that customers will contact the District to discuss payment options when they are unable to pay due to financial hardship. Mr. Garcia stated that staff is finalizing a payment plan form that can be used in accordance with the District's recently adopted SB 998 policy to collect on the past due accounts.

It was **MOVED** by Trustee Clay, seconded by Trustee Joos and carried by a 5-0-0 roll call vote to direct staff to continue the suspension of late penalties on past due customer accounts through the July billing cycle, and bring this matter back for reassessment at the July Board meeting.

2. Appropriation Limit for the 2020/2021 Fiscal Year - Article XIII B of the California Constitution

a) Resolution 799: *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*

The Board packet included draft Resolution No. 799, FY2020/2021 Appropriation Limitation Calculation, and Public Notice that was posted in the Santa Ynez Valley News on May 28, 2020 and June 4, 2020 and in the District Office since May 20, 2020.

Mr. Garcia reported that the appropriation limit for Fiscal Year 2020/2021 was presented to the Board at the May 19, 2020 Board Meeting and was publicly noticed and posted in accordance with the Government Code. He reported that no public comment was received. Mr. Garcia explained that the 2020/2021 Fiscal Year appropriation limit is \$2,058,600 based on factors and calculations published by the California Department of Finance. Mr. Garcia stated that adoption of a Resolution is required pursuant to Government Code Section 7910 to establish an appropriation limit each fiscal year and thus recommended approval of Resolution No. 799 Establishing the Appropriation Limit for Fiscal Year 2020/2021.

It was **MOVED** by Trustee Clay, and seconded by Trustee Burchardi, to adopt Resolution No. 799, a Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement No. 1 Establishing the Appropriation Limit at \$2,058,600 for the 2020-2021 Fiscal Year pursuant to Article XIII B of the California Constitution.

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

3. Consider Adoption of Fiscal Year 2020/2021 Budget

a) Final Budget Summary

- b) Resolution 800: *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*

The Board packet included the Final Fiscal Year 2020/21 Budget and Draft Resolution No. 800.

Mr. Garcia summarized the FY 2020/21 Final Budget that was included in the Board packet. He explained that at the May 19, 2020 Board Meeting, the FY 2020/21 Preliminary Budget was presented which included a detailed budget narrative, summary of revenues and expenses, debt service, and capital improvement project expenses. He indicated that at the May 19, 2020 meeting, the Board was asked to provide any comments and/or questions prior to preparation and presentation of the Final FY 2020/21 Budget in June.

Mr. Garcia informed the Board that after the Final FY 2020/21 Budget was completed and distributed to the Board, staff learned that the District's Fiscal Year 2020/21 SWP annual payment will be reduced by \$65,000. He also highlighted the budgeted amount for Cr6 contingencies, stating that due to the uncertainty of Cr6, those expenses may come in lower than originally projected.

Mr. Garcia recommended approval of Resolution No. 800 approving and adopting the FY 2020/21 Final Budget and requesting the collection of an assessment levy of \$875,000 for the Fiscal Year 2020/21.

Board discussion ensued, including comments about the assumed water rate increase that was included in FY 2020/21 Final Budget, historical Special Tax Assessment amounts that have been collected, which were significantly less than what the District was authorized to assess, timing of future water rate proposals, and potential Cr6 expenses.

Trustee Joos indicated that he was not in favor of including an assumed water rate increase in the FY 2020/21 Final Budget and he preferred not to fill the two vacant positions this budget cycle.

Trustee Clay commented that many of the District's customers are unaware that the Board has chosen not to increase the Special Ad Valorem Tax amount over the past four years, which equates to savings to customers.

No public comment was provided.

After discussion, it was **MOVED** by Trustee Burchardi, and seconded by Trustee Clay, to adopt Resolution No. 800, a Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement No. 1 Adopting the Final Fiscal Year 2020/2021 Budget and requesting an Assessment Levy required to collect \$875,000 for District Obligations.

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

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

4. Consider Establishing Ad Hoc Committee – Alternative Power / Solar

Mr. Garcia explained that Trustee Rosenberg requested that the Board consider establishing an Ad Hoc Committee to discuss alternative power/solar facilities. Board discussion ensued, and President Clay asked if any of the Trustees were interested in serving on the Alternative Power/Solar Ad Hoc Committee. Trustees Rosenberg and Joos volunteered to be on the Alternative Power/Solar Ad Hoc Committee.

It was **MOVED** by Trustee Clay, seconded by Trustee Burchardi, and carried by a 5-0-0 roll call vote to establish an Ad Hoc Committee to discuss alternative power/solar facilities and to designate Trustees Joos and Rosenberg to the Committee.

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 a June 16, 2020 Memorandum to the Board of Trustees discussing the 2020 Election Information. Ms. Martone summarized the memo which discussed the upcoming November 3, 2020 consolidated general election including three seats on the District Board of Trustees, Divisions 1, 3 and 4. Ms. Martone reported that the District received a letter from Santa Barbara County Elections Office announcing that the candidate filing period opens July 13, 2020 and closes at 5:00 p.m. on August 7, 2020. She indicated that the filing period would be extended to 5:00 p.m. on August 12, 2020 for anyone other than the incumbent(s) if the incumbent(s) had not filed by 5:00 p.m. on August 7, 2020. She explained that according to the Elections Office letter, the candidate filing will be available by appointment only at the Santa Barbara and Santa Maria Election Offices. Ms. Martone stated that the District is not involved in the election process and anyone with questions should contact the Santa Barbara County Elections Office directly. Ms. Martone referenced Resolution No. 607, which was adopted as the District's policy regarding candidates' statements and states that all expenses related to candidate filings are borne by the candidates. She explained that the District is required to reimburse the Santa Barbara County Elections Office for its cost to conduct the election. Ms. Martone indicated that the FY 2020/2021 budget includes an estimated cost of \$15,000 for the upcoming election.

The Board packet included an ACWA May 15, 2020 letter, May 14, 2020 City of Coachella letter, May 15, 2020 ID No.1 letter, and May 13, 2020 and November 14, 2020 Rancho Marcelino Water & Service Company letters submitting comments on the White Paper on Economic Feasibility in consideration of a Hexavalent Chromium Drinking Water Maximum Contaminant Level. Mr. Garcia stated that he included these letters for informational purposes only as they were not readily available to add in the May Board meeting materials.

The Board packet included the Family Farm Alliance Monthly Briefing for the month of May 2020. Mr. Garcia briefly discussed current activities relating to the Klamath River basin.

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 July 21, 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 ninety (90) minutes to allow the Board to convene into Closed Session. He explained that the public participation video and phone lines would be reopened ninety (90) 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 8:00 p.m. to report any action taken during Closed Session.

XVI. CLOSED SESSION:

The Board adjourned at 6:25 p.m. for a brief recess. At 6:30 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

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 8:01 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.1-3. He stated that there was no reportable action from Closed Session.

XVIII. ADJOURNMENT:

Being no further business, it was **MOVED** by Trustee Joos, seconded by Trustee Burchardi, and carried by a 4-0-0 roll call vote, with Trustee Rosenberg absent, to adjourn the meeting at approximately 8:05 p.m.

THE JUNE 16, 2020 REGULAR MEETING MINUTES WERE APPROVED AT THE JULY 21, 2020 REGULAR MEETING.