

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

Trustees Present: Michael Burchardi Jeff Clay
Brad Joos Lori Parker
Jeff Holzer

Trustees Absent: None

Others Present: Paeter Garcia Mary Martone Karen King
Eric Tambini Gary Kvistad Laura Copple
John Britton Alex Handlers

1. 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 at roll call. President Clay welcomed and introduced Mr. Jeff Holzer as the Board’s newest Trustee representing Division 1.

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. 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 District Resolution No. 340. 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, the 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.

4. ADDITIONS OR CORRECTIONS, IF ANY, TO THE AGENDA:

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

Mr. Garcia announced that there would be two presentations given by the District’s consultants that were in attendance and he recommended that the Board consider rearranging the order of agenda items 9A.2.a), and 9.A.4, to be discussed after Agenda Item 9.A.1.

It was **MOVED** by Trustee Burchardi, seconded by Trustee Joos, and carried by a 5-0-0 roll call vote to change the order of the agenda items 9A.2. a) and 9.A.4 after Agenda Item 9.A.1.

5. 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 were no comments received from the public. 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, December 14, 2020. Mr. Garcia reported that no written comments were submitted to the District for the meeting.

6. **CORONAVIRUS (COVID-19) UPDATE:**

A. General Manager's Report

The Board packet included information from Santa Barbara County, Santa Barbara County Public Health Department, State of California Department of Public Health, ACWA/JPIA, and Cal/OSHA regarding 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 reported that the most recently issued State and Santa Barbara County Stay-At-Home Orders remain in effect and noted that on December 14, 2020 Santa Barbara County reported its highest number of new positive cases for a single day since the pandemic began. Mr. Garcia briefly reviewed the Board packet items and reported that Cal/OSHA issued a news release on December 1st regarding Emergency Regulations to Protect Workers from COVID-19 that went into effect December 1st based on approval by the Office of Administrative Law. He reported that the Emergency Regulations require employers to implement site-specific written COVID-19 prevention programs that, among other things, address COVID-19 health hazards, correct unsafe or unhealthy conditions, and provide face coverings to employees. Mr. Garcia stated that District staff is in the process of finalizing the District's workplace plan, and that a vast majority of the required protocols from Cal/OSHA have previously been developed and implemented by the District. Mr. Garcia indicated that staff continues to receive and review updates related to COVID-19 from federal, state, regional, and local agencies. He stated the District continues to maintain a conservative response plan, with field and front office staff being divided into two teams alternating each week.

7. **CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF NOVEMBER 17, 2020:**

The Regular Meeting Minutes from November 17, 2020 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular Meeting Minutes of November 17, 2020. Trustee Burchardi requested one minor correction.

It was **MOVED** by Trustee Joos, seconded by Trustee Burchardi, and carried by 5-0-0 roll call vote to approve the November 17, 2020 Regular Meeting Minutes as corrected.

8. **CONSENT AGENDA:**

The Consent Agenda Report was provided in the Board packet.

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

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

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

A. **DISTRICT ADMINISTRATION**

1. Board of Trustees Designations
 - a) Certified Election Results

The Board packet included a November 19, 2020 letter from the Elections Division of the Santa Barbara County Clerk, Recorder and Assessor's Office regarding the November 10, 2020 Election results.

Mr. Garcia reported that on November 10, 2020, the County of Santa Barbara Board of Supervisors appointed in-lieu of election Jeffrey Holzer, Division 1; Lori Parker, Division 3; and Michael Burchardi, Division 4, as qualified candidates to the District's Board of Trustees. Mr. Garcia reported that Trustees Holzer and Burchardi will serve four-year terms and Trustee Parker will serve a two-year term. Mr. Garcia reported that each of the appointed Trustees have taken their oaths of office. Mr. Garcia congratulated the Trustees on their appointments to the Board.

- b) Selection of Officers of the Board – President, Vice President, Treasurer & Secretary
Mr. Garcia reported that each December the District's Board selects the seats of President, Vice President, and Secretary and Treasurer to the Board of Trustees. He explained that the process for selecting officers is based on nomination and vote by the Board members.

President Clay reviewed the current officers and called for nominations from the Board. Consensus of the Board was to leave the current positions and designations unchanged.

It was **MOVED** by Trustee Holzer, seconded by Trustee Parker, and carried by a 5-0-0 roll call vote to select Trustee Clay as President, Trustee Joos as Vice President, and Mary Martone as Treasurer and Secretary to the Board of Trustees.

- c) Appointment of Representatives to Participating Agencies and Organizations – CCWA & ACWA
President Clay reviewed the current Board representatives to participating agencies and organizations. He reported that he and Trustee Joos serve as Director and Alternate respectively to the Central Coast Water Authority Board, and he and Mr. Paeter Garcia serve as Representative and Alternate to the Association of California Water Agencies.

It was **MOVED** by Trustee Burchardi, seconded by Trustee Parker, and carried by a 5-0-0 roll call vote to appoint Trustee Clay and Trustee Joos as Director and Alternate, respectively, to the Central Coast Water Authority Board of Directors, and to appoint Trustee Clay and Paeter Garcia as Representative and Alternate, respectively, to the Association of California Water Agencies.

- d) Appointment of Board Committees
President Clay reviewed the current Board representatives for the Ad Hoc Committees. He identified each Ad Hoc Committee, which included Trustees Clay and Joos – City of Solvang; Trustees Burchardi and Joos – Water Rates; Trustees Clay and Joos – COMB; Trustees Joos and Mr. Garcia – SGMA; Trustees Burchardi and Parker – Cachuma Contract; and Trustee Joos and former Trustee Rosenberg – Alternative Power/Solar.

Discussion ensued regarding the SGMA and Alternate Power/Solar Ad Hoc Committees. Mr. Garcia suggested the Board may want to consider appointing a Trustee as Alternate for the SGMA Ad Hoc Committee since staff is already continuously engaged with the SGMA process. Trustee Holzer volunteered to be the Alternate for the SGMA Ad Hoc Committee. Trustee Burchardi volunteered to be on the Alternative Power/Solar Ad Hoc Committee.

It was **MOVED** by Trustee Parker, seconded by Trustee Burchardi, and carried by a 5-0-0 roll call vote to appoint Trustees Clay and Joos to the City of Solvang Ad Hoc Committee; Trustees Burchardi and Joos to the Water Rates Ad Hoc Committee; Trustees Clay and Joos to the COMB Ad Hoc Committee; Trustees Joos and Holzer to the SGMA Ad Hoc Committee; Trustees Burchardi and Parker to the Cachuma Contract Ad Hoc Committee; and Trustees Joos and Burchardi to the Alternative Power/Solar Ad Hoc Committee.

2. Financial Report on Administrative Matters

- a) Draft June 30, 2020 & 2019 Financial Statements – Presentation by Bartlett, Pringle & Wolf, LLP

The Draft Financial Statements were included in the Board packet.

Mr. Garcia introduced Mr. John Britton and Ms. Laura Copple, from Bartlett, Pringle & Wolf, LLP for presentation of the District’s draft June 20, 2020 and 2019 Financial Statements.

Mr. Britton provided a PowerPoint presentation of the June 30, 2020 and 2019 Financial Statements. He reviewed the District’s current assets, liabilities and fund equity, statement of revenues, statement of changes, statement of cash flows, and notes to financial statements. Mr. Britton 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 was a clean audit with no reportable findings or exceptions.

The Board thanked Mr. Britton and Ms. Copple for their presentation.

Mr. Garcia recommended acceptance and approval of the June 30, 2020 and 2019 Financial Statements as presented and authorization for Management to post and submit the final version of the Financial Statements to the State Controller and Santa Barbara County.

It was **MOVED** by Trustee Joos, seconded by Trustee Burchardi, and carried by a 5-0-0 roll call vote, to approve and accept the June 30, 2020 and 2019 Financial Statements 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. Martone reported that the Board was provided the Statement of Revenues and Expenses for the month of November 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 November. She highlighted various line-items and reported that the District’s revenues exceeded expenses by \$216,101.40 and the year-to-date net income was \$873,877.38. 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.

c) Approval of Accounts Payable

Ms. Martone reported that the Board was provided the Warrant List for November 18, 2020 through December 15, 2020 via email, and that it was posted on the District's website in the Board packet materials for any member of the public wishing to follow along or receive a copy.

The Board reviewed the Warrant List which covered warrants 23499 through 23558 for the period of November 18, 2020 through December 15, 2020 in the amount of \$436,948.92.

It was **MOVED** by Trustee Joos, seconded by Trustee Clay, and carried by a 4-0-0 roll call vote, with Trustee Burchardi absent, to approve the Warrant List for November 18, 2020 through December 15, 2020.

3. Amendment to Rules & Regulations

a) Resolution No. 802: A 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 Fees Contained in Appendix "C" and Appendix "D" of the District's Rules and Regulations

The Board packet included a December 15, 2020 Staff Report and Resolution No. 802 with appendices.

Mr. Garcia explained that draft Resolution No. 802 amends Appendix "C" and Appendix "D" of the District's Rules and Regulations relating to the District's Capital Facilities Charges under Sections 603 and 709 of the Rules and Regulations. He reported that draft Resolution No. 802 was also presented to the Board of Trustees as part of the Regular Meeting in November. Mr. Garcia stated that no changes have been made to the draft Resolution or the Appendices since the November meeting. He reviewed the calculations used to establish the Capital Facilities Charges and recommended approval of Resolution No. 802 for the automatic annual adjustment to the District's Capital Facilities Charges and meter installation fees effective January 1, 2021 pursuant to Sections 603 and 709 of the District Rules & Regulations.

It was **MOVED** by Trustee Joos, seconded by Trustee Clay, to adopt Resolution No. 802 Approving the Automatic Annual Adjustment to the Capital Facilities Charges and Meter Installation Fees contained in Amendments to Appendix "C" and Appendix "D" of the District's Rules and Regulations.

The Motion carried and Resolution No. 802 was adopted by the following 4-0-0 roll call vote:

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

4. Water Rate Review/January 2021 Scheduled Rate Adjustment

The Board packet included Exhibit "A" Water Rate Schedule of Proposed Rates of District Resolution No. 756 and a November 19, 2019 Bartle Wells Associates Water Rate Review presentation.

Mr. Garcia welcomed and introduced Mr. Alex Handlers, of Bartle Wells Associates. Mr. Garcia indicated that the District's previously approved water rate adjustments are scheduled to take effect on January 1, 2021 pursuant to the Board-approved 2016 Water Financial Plan & Rate Study. He explained that the January 1, 2021 rate adjustments do not require Board approval as they were previously approved and adopted under Board Resolution No. 756 on December 13, 2016. However, this matter was being presented to inform the Board of the scheduled adjustments and to provide an opportunity for Board discussion prior to implementation. Mr. Garcia reported that in 2019, the Board requested staff to provide a water rate verification prior to the previous rate adjustments in January 2020, which was done and presented by Alex Handlers of Bartle Wells Associates. He explained that Mr. Handlers was in attendance at this meeting to review the water rate verification scenarios presented in 2019 and to answer any questions that the Board may have at this time.

Mr. Handlers summarized the information contained in his 2019 presentation to the Board and discussed several potential rate adjustment scenarios, each scenario's impact on revenues and reserves, and the District 2019/20 water sales and the Special Tax Assessment.

Board discussion ensued regarding the future financial effects of deferring the scheduled January 1, 2021 rate increase or decreasing the percentage of the rate adjustments. The Board also discussed the financial effects that COVID-19 has had on District customers, the potential financial impacts of the pending Chromium 6 MCL mandate by the State, the District's Capital Improvement Program, the Special Tax Assessment, recovery of reserves, decreased water sales, public awareness and customer communication, completion of a new water rate study and the Proposition 218 process, and the District's debt service.

It was **MOVED** by Trustee Parker, seconded by Trustee Clay, and carried by a 4-0-0 roll call vote, with Trustee Burchardi absent, to defer the water rate increases scheduled to take effect on January 1, 2021, and to bring the matter back for Board discussion in June 2021.

The Board and Mr. Garcia thanked Mr. Handlers for his attendance and participation in the discussion.

5. District Land and Air Space

a) Resolution No. 803: A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Concerning Inventory of District Land and Air Space

The Board packet included draft Resolution No. 803 and supporting documentation.

Mr. Garcia reported that pursuant to Section 50569 of the California Government Code, the District must inventory its land and air space on an annual basis to determine if any surplus land exists. He stated that based on the inventory, no District lands are deemed surplus to the District's foreseeable needs and recommended approval of Resolution No. 803 as presented.

It was **MOVED** by Trustee Joos, seconded by Trustee Parker, to adopt Resolution No. 803 Concerning Inventory of District Land and Air Space.

The Motion carried and Resolution No. 803 was adopted by the following 4-0-0 roll call vote:

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

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

A. SUSTAINABLE GROUNDWATER MANAGEMENT ACT

1. Eastern Management Area Update

The Board packet included a Notice and Agenda of the Special Meeting of the Groundwater Sustainability Agency for the Eastern Management Area in the Santa Ynez River Valley Groundwater Basin for December 10, 2020, and a December 10, 2020 Sustainable Management Criteria PowerPoint presentation for the Eastern Management Area.

Mr. Garcia reported that he and Trustee Joos attended the December 10, 2020 video/teleconference meeting of the Eastern Management Area (EMA) Groundwater Sustainability Agency for the (GSA). Mr. Garcia reviewed several topics discussed at the meeting. Trustee Joos reported on the meeting and stated that his focus has been getting an accurate description of the basin. He indicated that data gathering includes how much groundwater storage is in the basin, the recharge rate, and how much natural drainage occurs, all of which are very important in developing an accurate description. Mr. Garcia explained that more technical analysis and modeling is being completed in early 2021 that will determine the status of the basin. Mr. Garcia stated that he would provide further updates to the Board and encouraged the public and all stakeholders to become involved in the GSA meetings and overall SGMA process. He stated the next meeting of the EMA GSA will be held on January 21, 2021.

11. UPDATE FROM ALTERNATIVE POWER/SOLAR AD HOC SUBCOMMITTEE

Mr. Garcia updated the Board on the Alternative Power / Solar Ad Hoc Committee activities. He reported that the Ad Hoc Committee and staff have conducted site visits with two solar companies. He explained that each company will utilize information from the site visits to determine whether solar installations may be advantageous, and that staff expects to receive additional feedback from the companies in the early months of 2021.

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

The Board packet included the Family Farm Alliance Monthly Briefing for November 2020.

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

The Correspondence list was received by the Board.

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

There were no requests from the Board.

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

President Clay stated that the next Regular Meeting of the Board of Trustees is scheduled for January 19, 2021 at 3:00 p.m.

Mr. Garcia announced that the Open Session public participation video and phone lines would be closed for the next thirty (30) minutes to allow the Board to convene into Closed Session. He explained that the public participation video and phone lines would be reopened thirty (30) minutes later for the remaining Agenda items. Mr. Garcia thanked everyone for participating in the video/teleconference and stated that the Open Session meeting would reconvene at 6:55 p.m. to report any action taken during Closed Session.

16. **CLOSED SESSION:**

The Board adjourned to Closed Session at 6:25 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

17. **RECONVENE INTO OPEN SESSION:**

[Sections 54957.1 and 54957.7 of the Government Code]

The public participation video and phone lines were re-opened at approximately 6:55 p.m. The Board reconvened to Open Session and Ms. Martone conducted roll call at 7:09 p.m. and reported that four Trustees were present when the meeting reconvened to Open Session, with Trustee Burchardi absent.

Mr. Garcia announced that the Board met in Closed Session concerning Agenda Item 16.A.1. He stated that there was no reportable action from Closed Session.

18. **ADJOURNMENT:**

Being no further business, it was **MOVED** by Trustee Joos, seconded by Trustee Clay, and carried by a 4-0-0 roll call vote, with Trustee Burchardi absent, to adjourn the meeting at approximately 7:10 p.m.

THE DECEMBER 15, 2020 MINUTES WERE APPROVED AT THE JANUARY 19, 2021 REGULAR BOARD MEETING.