

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT  
IMPROVEMENT DISTRICT NO. 1  
MAY 18, 2021 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 18, 2021** via teleconference and in the Conference Room at 1070 Faraday Street, Santa Ynez.

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

Trustees Absent:     None

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

**1. CALL TO ORDER AND ROLL CALL:**

President Clay called the meeting to order at 3:07 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.

**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 in person and via 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.

**5. PUBLIC COMMENT:**

President Clay welcomed any members of the public participating 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 that are participating telephonically to submit advance written comments to the District via electronic mail by 5:00 p.m. on Monday, May 17, 2021. 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

Mr. Garcia reported on the current activities related to the COVID-19 pandemic and the District's actions. He reported that effective April 21, 2021, Santa Barbara County moved to the Orange Tier of the Blueprint for a Safer Economy. Mr. Garcia discussed the phased reopening protocols and the Santa Barbara County Department of Public Health's guidance regarding use of face coverings which remains in effect. He reported that as of May 3rd all District staff have returned to regular work schedules, with all health and safety, disinfection, and social distancing measures and protocols in full force. Mr. Garcia stated that District management continues to receive, review, and implement updates from federal, state, regional, and local agencies related to the COVID-19 pandemic.

7. **CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF APRIL 20, 2021**

The Regular Meeting Minutes from April 20, 2021 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular Meeting Minutes of April 20, 2021. No changes or additions were requested.

It was **MOVED** by Trustee Parker, seconded by Trustee Burchardi, and carried by a 5-0-0 voice vote to approve the April 20, 2021 Regular Meeting Minutes as presented.

8. **CONSENT AGENDA:**

The Consent Agenda Report was provided in the Board packet.

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

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

9. **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 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. Ms. Martone reported that the revenues exceeded expenses by \$635,994.11 for the month of April and the year-to-date net income was \$2,061,276.17. She reported that the District's annual State Water Project payments will be paid this month as they are due June 1<sup>st</sup>. Ms. Martone mentioned that there will be an increase in expense activities during May and June as staff continues to close out projects before the fiscal year end June 30, 2021.

b) Approval of Accounts Payable

Ms. Martone reported that the Board was provided the Warrant List for April 21, 2021 through May 18, 2021 in the handout materials.

The Board reviewed the Warrant List which covered warrants 23801 through 23852 in the amount of \$ 4,690,097.00.

It was **MOVED** by Trustee Parker, seconded by Trustee Burchardi, and carried by a 5-0-0 voice vote to approve the Warrant List for April 21, 2021 through May 18, 2021.

2. Preliminary Budget for Fiscal Year 2021/2022

The Board packet included materials for the Preliminary Budget for FY 2021/2022, including a staff report and line-item details.

Mr. Garcia reported that the FY 2021/2022 Preliminary Budget was developed based on the assumption of including the final scheduled rate increase as set forth in 2016 Water Rate Study. Mr. Garcia stated that a revenue and expense comparison was also included in Appendix A of the line-item budget details that summarizes a net budget effect assuming that the final scheduled water rate increase would be deferred for the entire FY 2021/2022 period. He indicated that management prepared a PowerPoint presentation providing an overview and highlights of the Preliminary Budget, which would be presented by Ms. Martone.

Ms. Martone presented the PowerPoint presentation, which included the budget process, reporting, budget and reserve fund background, and budget categories. Ms. Martone reported that revenues are anticipated to be sufficient to meet the District's Operations & Maintenance expenses, General & Administrative expenses, Debt Service obligations, Other expenses, and proposed Capital Improvement Program projects forecasted for FY 2021/2022, with a net revenue balance of \$333,667 to be added to District Reserves. She also reviewed the revenue and expense comparison included in Appendix A of the line-item budget details and summarized the net budget effect under an assumption that the final scheduled water rate increase would be deferred for the entire FY 2021/2022 period.

Board discussion ensued on topics such as recommended reserve balances, whether or not the Preliminary Budget should assume an increase in water rates in FY 2021/2022, the Special Ad Valorem Tax Assessment, DWR/CCWA fixed costs, potential Chromium 6 expenses, inflation and cost of service increases, infrastructure costs, the financial effects of COVID-19 on District customers, and the effects of customer water conservation measures on revenues.

Mr. Garcia asked that the Board review the 2021/2022 Preliminary Budget and provide any comments or questions to management by early June for possible incorporation into the 2021/2022 Final Budget which will be presented at the June Board meeting.

President Clay asked if there was any public comment on the Preliminary Budget. There was no public comment.

The Board thanked Mr. Garcia and Ms. Martone for their hard work in preparing the FY 2021/2022 Preliminary Budget.

3. Setting the Appropriation Limit for the 2021/2022 Fiscal Year - Article XIII B (Proposition 13)

a) California Department of Finance Calculations for 2021/2022 Appropriation Limitations and Authorization to Post Notice and make Public the 2021/2022 Appropriation Limitation Calculation

The Board packet included the May 2021 Department of Finance letter regarding the FY 2021/2022 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 15, 2021, which will set the limitations on appropriations for fiscal year 2021/2022 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 appropriation calculation provided by the State of California Department of Finance and how the calculations are applied to the District’s Ad Valorem Special Tax Assessment limitations. He indicated that based on the computations for the appropriation limitation, the District’s FY 2021/2022 maximum assessment amount is \$2,136,415. Mr. Garcia explained that this year the per capita personal income factor was 5.73% and the County population change factor was -1.84%. He reiterated that although the District can set the assessment up to the maximum amount, the FY 2021/2022 Preliminary Budget proposes no increase this year, with the assessment to remain at \$875,000.

Mr. Garcia requested Board authorization for the Secretary to the Board of Trustees to post the Public Notice setting forth the appropriation limit and calculation factors. He reported that the Public Notice and 2021/2022 fiscal year appropriation limitation calculation would be posted at the District Office and on the District’s website, beginning May 19, 2021 and published in the local newspaper on May 27, 2021 and June 3, 2021. The Board reviewed the Public Notice.

It was **MOVED** by Trustee Burchardi, seconded by Trustee Clay, and carried by a 5-0-0 voice vote to authorize the Secretary to the Board to post and publish the Public Notice to set the Fiscal Year 2021/2022 limit of appropriations pursuant to Article XIII B of the California Constitution.

- b) Review of Draft Resolutions to be presented for adoption at the June 15, 2021 Board Meeting
  - 1. Draft Resolution XXX: 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 2021-2022 Pursuant to Article XIII B of the California Constitution
  - 2. Draft Resolution XXX: 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 2021-2022 and Requesting an Assessment Levy Required to Collect \$875,000

Mr. Garcia explained that each year two draft resolutions are presented a month in advance of the adoption of the final budget and establishment of an appropriation limit, and no action is required at this time. He stated the two resolutions would be presented for consideration at the June Board meeting.

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

**A. STATEWIDE DROUGHT CONDITIONS**

- 1. Update Regarding Statewide Drought Conditions

The Board packet included a May 10, 2021 Executive Department – State of California - Proclamation of a State of Emergency issued by Governor Gavin Newsom; a May 10, 2021 State Water Contractors Press Release in response to Governor Newsom’s Expanded Drought Proclamation; and two news articles relating to the Drought Emergency.

Mr. Garcia reported that the Governor has now extended the State of Emergency Drought Proclamation as applied to 41 counties in California, where Santa Barbara County and many of the southern California counties are not included at this time. Mr. Garcia reported that Santa Barbara County has not declared a drought emergency at this point.

**B. SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

1. Eastern Management Area Update

The Board packet included meeting agendas and presentation materials for the April 29, 2021 and May 13, 2021 meetings of the Eastern Management Area GSA.

Mr. Garcia reported that he and Trustee Joos attended the April 29<sup>th</sup> and May 13<sup>th</sup> Special Meetings of the EMA GSA via video conference. Mr. Garcia reviewed the topics discussed at the meetings, which focused mainly on the EMA Sustainable Management Criteria for inclusion in the Draft EMA Groundwater Sustainability Plan. Mr. Garcia provided the District Board with information on the well impact study and analysis and reviewed the PowerPoint presentations provided at the GSA meetings by GSI Water Solutions.

**C. CENTRAL COAST WATER AUTHORITY**

1. Update Regarding Amendment No. 21 to the SWP Contract (Water Management Amendment)

The Board packet included an April 22, 2021 CCWA Board of Directors Meeting Agenda and related materials regarding Amendment No. 21 to the SWP Contract.

Mr. Garcia reported that on April 20, 2021 the Santa Barbara County Board of Supervisors took action to approve SWP Contract Amendment No. 21 pursuant to a Resolution which imposes certain limitations on how CCWA member agencies can implement the Amendment. Mr. Garcia discussed the conditions imposed by the County and the consequences the additional conditions can impose on CCWA member agencies. He reported the CCWA Board of Directors is evaluating the additional conditions imposed by the County’s resolution. He stated the next meeting of the CCWA Board of Directors will be held on May 27, 2021. Trustee Clay expressed his appreciation and compliments to Mr. Ray Stokes, Executive Director of CCWA, for his role and expertise in the SWP Contract matters.

**11. 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 a May 12, 2021 County of Santa Barbara Public Works Department Press Release announcing that “Dos Pueblos High School Wins Waterwise High School Video Contest” and the Family Farm Alliance Monthly Briefing for the month of May 2021.

**12. CORRESPONDENCE: GENERAL MANAGER RECOMMENDS FILING OF VARIOUS ITEMS:**

The Correspondence list was received by the Board.

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

Trustee Burchardi requested an update on the Mattei's Tavern Project.

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

President Clay stated that the next Regular Meeting of the Board of Trustees is scheduled for June 15, 2021 at 3:00 p.m.

Mr. Garcia announced that the Open Session public participation phone line 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 phone line would be reopened forty-five (45) minutes later for the remaining Agenda items. Mr. Garcia thanked everyone for participating in the teleconference and stated that the Open Session meeting would reconvene at 6:35 p.m. to report any action taken during Closed Session.

**15. CLOSED SESSION:**

The Board adjourned to Closed Session at 5:50 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 - ANTICIPATED LITIGATION**

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

**16. RECONVENE INTO OPEN SESSION**

[Sections 54957.1 and 54957.7 of the Government Code]

The public participation phone line was re-opened, and the Board reconvened to Open Session at approximately 6:45 p.m.

Mr. Garcia announced that the Board met in Closed Session concerning Agenda Items 15.A.1 and 15.B. He stated that there was no reportable action from Closed Session.

**17. ADJOURNMENT**

Being no further business, it was **MOVED** by Trustee Parker, seconded by Trustee Joos, and carried by a 5-0-0 voice vote to adjourn the meeting at approximately 6:46 p.m.

**THE MAY 18, 2021 REGULAR MEETING MINUTES WERE APPROVED AT THE JUNE 14, 2021 SPECIAL MEETING.**