

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT  
IMPROVEMENT DISTRICT NO. 1  
JUNE 14, 2021 SPECIAL MEETING MINUTES**

A Special 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 **Monday, June 14, 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             Jeff Dinkin  
                           Alex Handlers

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

President Clay called the meeting to order at 3:00 p.m., he stated this was a Special 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 Special Meeting requested members of the public that are participating telephonically to submit advance written comments to the District via electronic mail by 12:00 p.m. on Monday, June 14, 2021. Mr. Garcia reported that no written comments were submitted to the District for the meeting.

6. **CLOSED SESSION:**

The Board adjourned to Closed Session at 3:03p.m.

A. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION:** Title - General Manager [Section 54957 of the Government Code]

B. **CONFERENCE WITH LABOR NEGOTIATOR:** Jeff Dinkin – Stradling, Yocca, Carlson & Rauth; Unrepresented Employee - General Manager [Section 54957.6 of the Government Code]

7. **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 3:33 p.m.

Mr. Jeff Dinkin, the District’s Employment Legal Counsel, reported that during Closed Session the Board completed the performance evaluation of the General Manager and also discussed a compensation adjustment for the General Manager.

A. Consideration and Ratification of General Manager Cost of Living Adjustment Increase

Mr. Dinkin stated that in an abundance of caution and in the spirit of full transparency, the Board elected to approve non pro tunc the 3.19% cost of living adjustment (COLA) increase granted to the General Manager at an earlier Board meeting effective July 1, 2020. It was **MOVED** by Trustee Clay, seconded by Trustee Burchardi, and carried by a unanimous 5-0-0 voice vote to approve the 3.19% COLA increase granted to the General Manager retroactive to July 1, 2020.

B. Consideration and Approval of General Manager Compensation Adjustment

Mr. Dinkin reported that during Closed Session the Board discussed the compensation adjustment for the General Manager. He indicated that, following the Board discussion, there was a meet and confer with the General Manager, with Mr. Dinkin acting as the Board representative. It was **MOVED** by Trustee Parker, seconded by Trustee Burchardi, and carried by a unanimous 5-0-0 voice vote to approve a 4% compensation adjustment consisting of a 1.5% cost of living adjustment and a 2.5% merit adjustment, effective July 1, 2021.

8. **CORONAVIRUS (COVID-19) UPDATE**

A. General Manager’s Report

Mr. Garcia reported on current information related to the COVID-19 pandemic and the District’s actions. He reported that effective June 9, 2021, Santa Barbara County moved to the Yellow Tier of California’s Blueprint for a Safer Economy. He referenced Santa Barbara County Public Health Officer Order No. 2021-12.9 regarding the phased reopening within Santa Barbara County, along with other materials included in the Board packet.

9. **CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF MAY 18, 2021:**

The Regular Meeting Minutes from May 18, 2021 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular Meeting Minutes of May 18, 2021. No changes or additions were requested.

It was **MOVED** by Trustee Joos, seconded by Trustee Parker, and carried by a 5-0-0 voice vote to approve the May 18, 2021 Regular Meeting Minutes as presented.

**10. CONSENT AGENDA:**

The Consent Agenda Report was provided in the Board packet.

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

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

**11. 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

The monthly financial statements were included in the handout materials.

Ms. Martone reviewed the Statement of Revenues and Expenses for the month of May. She highlighted various line-items related to revenue and expense transactions that occurred during the month. Ms. Martone reported that revenues exceeded expenses by \$215,530.15 for the month of May and the year-to-date net income was \$2,265,695.06.

b) Approval of Accounts Payable

Ms. Martone reported that the Board was provided the Warrant List for May 19, 2021 through June 14, 2021 in the handout materials.

The Board reviewed the Warrant List which covered warrants 23853 through 23898 in the amount of \$388,857.69.

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 May 19, 2021 through June 14, 2021.

2. Water Rate Review/July 2021 Scheduled Rate Adjustment

The Board packet included an Exhibit "A" Water Rate Schedule.

Mr. Garcia recommended that the Board discuss Agenda Items 11.A.2., 11.A.3. and 11.A.4. together. The Board concurred with the recommendation.

Mr. Garcia recapped the schedule of water rates and charges pursuant to the District's 2016 Water Rate Study (WRS). He provided a summary of the previous discussions and actions related to water rates, including the Board's decision in December 2020 to defer the rate increase that was scheduled to go into effect on January 1, 2021, with an understanding that the matter would be revisited six months later in June of 2021. Mr. Garcia also explained the relationship between water rates and staff's preparation of the Draft FY 2021/2022 Preliminary Budget, including the revenue and expense comparison shown as Appendix A to the FY 2021/2022 Preliminary Budget.

Mr. Garcia reported that staff and Mr. Alex Handlers from Bartle Wells & Associates met with the District's Water Rates Ad Hoc Committee, consisting of Trustees Joos and Burchardi, on June 3<sup>rd</sup> via teleconference. He summarized the meeting and indicated that staff was asked to develop a third "hybrid" alternative for purposes of the FY 2021/2022 Preliminary Budget that would assume an increase in the consumption/volumetric component of water rates, yet no increase in the fixed/monthly meter charge component. Mr. Garcia explained the three alternatives, i.e., (1) scheduled rate increase from the 2016

WRS, (2) continued deferral of the scheduled rate increase, and (3) the hybrid approach, and the net effect each would have on the District's proposed FY 2021/2022 Budget. He also explained that specific Board action by way of an approved motion would be required to pursue alternatives (2) or (3), whereas the scheduled rate increase under alternative (1) would automatically go into effect on July 1, 2021 if the Board took no action with regard to rates.

3. Appropriation Limit for the 2021/2022 Fiscal Year - Article XIII B (Proposition 13)
  - a) Resolution No. 805: 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

The Board packet included Draft Resolution No. 805, the FY 2021/2022 Appropriation Limitation Calculation, and a copy of the Public Notice that was published in the Santa Ynez Valley News on May 27, 2021 and June 3, 2021 and posted on the District's website and at the District Office since May 20, 2021.

Mr. Garcia reported that the appropriation limit and related calculations for FY 2021/2022 were presented to the Board at the May 18, 2021 Board Meeting and were published and publicly noticed in accordance with applicable requirements. He reported that no public comment was received. Mr. Garcia explained that the FY 2021/2022 appropriation limit is \$2,136,415 based on factors and calculations published by the California Department of Finance. He stated that adoption of a Resolution is required pursuant to Government Code Section 7910 to establish an appropriation limit each fiscal year and recommended approval of Resolution No. 805 Establishing the Appropriation Limit for Fiscal Year 2021/2022.

It was **MOVED** by Trustee Burchardi, and seconded by Trustee Parker, to adopt Resolution No. 805, Establishing the Appropriation Limit at \$2,136,415 for the Fiscal Year 2021-2022 pursuant to Article XIII B of the California Constitution.

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

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

4. Consider Adoption of the Final Budget for Fiscal Year 2021/2022
  - a) Final Budget Summary  
The Board packet included the Final Budget for Fiscal Year 2021/2022, a related Staff Report, and Draft Resolution No. 806.

Mr. Garcia summarized the Final Budget for FY 2021/2022 that was included in the Board packet. He explained that the Board reviewed the Preliminary Budget at the May 18, 2021 Regular Board meeting, which included a detailed budget narrative, summary of revenues and expenses, debt service, and capital improvement project

expenses. Mr. Garcia reported that the Final Budget for FY 2021/2022 includes Appendix "A" which summarizes the three alternatives for how water rates and charges relate to District revenues for purposes of the budget.

Board discussion ensued, including comments regarding the amount of revenues generated in previous years through the Special Tax Assessment, potential Chromium 6 expenses, reserve balances, the Board's recent decision to defer the scheduled water rates increase for six months, and increased costs being faced by the District.

Following Board discussion, Trustee Joos **MOVED** to defer the scheduled water rates increase for both the fixed and volumetric components. The motion failed to carry due to lack of a second.

Further discussion ensued regarding the scheduled rate adjustment, effects of the rate adjustment on customer classes, and the timing and reasons for a rate increase.

There was no public comment.

- b) Resolution No. 806: 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

Following Board discussion, it was **MOVED** by Trustee Clay and seconded by Trustee Burchardi to adopt Resolution No. 806, adopting the Final Budget for Fiscal Year 2021/2022, and requesting the collection of an assessment levy required to collect \$875,000.

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

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

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

### **A. CACHUMA PROJECT - ANNUAL ALLOCATION REQUEST**

1. Update Regarding Cachuma Member Units Allocation Request for Water Year 2021-2022  
The Board packet included June 2, 2021 and June 8, 2021 correspondence and a June 9, 2021 Agenda for the Cachuma Project Allocation Meeting.

Mr. Garcia reported that a teleconference meeting was held on June 9, 2021 among representatives from the U.S. Bureau of Reclamation, Santa Barbara County Water Agency, Cachuma Operation and Maintenance Board (COMB), Santa Ynez River Water Conservation District, and the Cachuma Member Units regarding the pending Cachuma Project allocation request for Water Year 2021-2022. Mr. Garcia provided an overview of the topics discussed at the meeting, which focused mainly on the current and projected accounting of water levels in the reservoir. He reported that the meeting was very

productive, although no request or determination was made on the allocation. Mr. Garcia explained that an allocation request must be submitted by the Cachuma Member Units no later than July 1, 2021 and that he would provide further information when available.

**B. SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

**1. Eastern Management Area Update**

The Board packet included a meeting agenda and presentation materials for the May 27, 2021 Meeting of the Eastern Management Area (EMA) Groundwater Sustainability Agency (GSA).

Mr. Garcia reported that he and Trustee Joos attended the May 27, 2021 Regular Meeting of the EMA GSA via video conference. Mr. Garcia reviewed the topics discussed at the meeting, which focused mainly on the presentation from GSI regarding "Management Actions and Projects." Trustee Joos provided additional overview about the meeting, including topics such as coordination with Santa Barbara County and other participating agencies, involvement of the Santa Ynez Water Group, and drought effects on the groundwater table.

**13. 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 the month of June 2021 and a June 7, 2021 news article regarding California drought conditions.

Mr. Garcia reported on the status of Senate Bill 559 which would create a State Treasury fund of up to \$785 million dollars to restore critical infrastructure in state water supply and delivery infrastructure.

Mr. Garcia provided an update on the Inn at Mattei's Tavern project. He reported that the mainline and facilities replacement work for the property is mostly complete at this time.

Trustee Clay reported on the Central Coast Water Authority Board of Directors meeting he attended on May 27, 2021.

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

The Correspondence List was received by the Board.

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

There were no requests from the Board.

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

President Clay stated that the next Regular Meeting of the Board of Trustees is scheduled for July 20, 2021 at 3:00 p.m.

**17. CLOSED SESSION:**

The Board adjourned to Closed Session at 6:20 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]

**18. 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 7:20 p.m.

Mr. Garcia announced that the Board met in Closed Session concerning Agenda Items 17.A.1 and 17.B. He stated that there was no reportable action from Closed Session.

**19. ADJOURNMENT:**

Being no further business, it was **MOVED** by Trustee Joos, seconded by Trustee Parker, and carried by a 4-0-0 voice vote, with Trustee Holzer absent, to adjourn the meeting at approximately 7:21 p.m.

**THE JUNE 14, 2021 SPECIAL MEETING MINUTES WERE APPROVED AT THE JULY 20, 2021 REGULAR MEETING.**