

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
IMPROVEMENT DISTRICT NO. 1
AUGUST 20, 2019 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, August 20, 2019** in the Conference Room at 1070 Faraday Street, Santa Ynez.

Trustees Present: Harlan Burchardi Michael Burchardi
 Jeff Clay Brad Joos

Trustees Absent: Lori Parker

Others Present: Chris Dahlstrom Paeter Garcia Mary Martone
 Karen King Eric Tambini Matt Caviglia
 Ray Stokes Matt VanderLinden Fred Kovol
 Frances Komoroske Kevin Crossley Tamara Rowles
 Chuck Bell

I. CALL TO ORDER AND ROLL CALL:

President Clay called the meeting to order at 3:00 p.m., he stated this was a Regular Meeting of the Board of Trustees. Mrs. Martone reported four members of the Board were present and Trustee Parker was absent.

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:

Mrs. 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.

IV. CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF July 16, 2019:

The Minutes of the Regular Meeting of July 16, 2019 were presented for consideration.

President Clay asked if there were any changes or additions to the Regular Meeting Minutes of July 16, 2019. Minor changes were requested.

It was **MOVED** by Trustee M. Burchardi, seconded by Trustee H. Burchardi and carried by a 4-0-0 voice vote, with Trustee Parker absent, to approve the Regular Meeting Minutes of July 16, 2019 as corrected.

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

Mr. Dahlstrom stated there were no additions or corrections to the agenda. He reported that Mr. Ray Stokes, CCWA Executive Director, was in attendance to present information on Agenda Item IX.C. Mr. Dahlstrom recommended that Item IX.C. be taken out of Agenda order and discussed after Item VII. The Board concurred with rearrangement of the Agenda as proposed by Mr. Dahlstrom.

VI. PUBLIC COMMENT:

Ms. Frances Komoroske and Mr. Fred Kovol provided public comment to the Board.

VII. CONSENT AGENDA:

The Consent Agenda report was provided in the Board Packet.

It was **MOVED** by Trustee H. Burchardi, seconded by Trustee Joos and carried by a 4-0-0 voice vote, with Trustee Parker absent, to approve the Consent Agenda as presented.

VIII. MANAGER'S REPORT - 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 Board was provided the Statement of Revenues and Expenses for the month of July in the handout materials.

Mr. Dahlstrom reviewed the Statement of Revenues and Expenses for the month of July. He reported the revenues exceeded the expenses by \$195,612.56 for the month of July. Mr. Dahlstrom explained that the District's 2019-2020 fiscal year began on July 1st and the financials reflect the first month of activity for the new fiscal year. He explained that the water production for the month was 209 AF short or 38.9% less than the ten-year running average for the month of July. He stated that this was due to continued customer water conservation, which in turn impacts water sales revenues.

b) Approval of Accounts Payable

The Warrant List was provided in the handout material for Board action. The Warrant List covered warrants 22437 through 22515, for the period of July 17, 2019 through August 20, 2019 in the amount of \$549,953.98.

Ms. Frances Komoroske provided comments to the Board.

It was **MOVED** by Trustee H. Burchardi, seconded by Trustee M. Burchardi and carried by a 4-0-0 voice vote, with Trustee Parker absent, to approve the Warrants List as presented.

2. Annual Review of Investment Policy

The Board packet included the District Investment Policy and Table 1 Investments Authorized under California Government Code Section 53601.

Mr. Dahlstrom explained that the Board annually reviews the Investment Policy. He indicated that historically the Board has chosen a very conservative approach to its investment portfolio. Mr. Dahlstrom reported the District currently maintains monies in a Public Investment Money Market Account (FDIC) at Rabobank and one in the Local Agency Investment Fund (LAIF), which offers local public agencies the opportunity to participate in a pooled portfolio. Mr. Dahlstrom stated that there were no recommended changes to the Investment Policy.

It was **MOVED** by Trustee H. Burchardi, seconded by Trustee M. Burchardi and carried by a 4-0-0 voice vote, with Trustee Parker absent, to accept the Investment Policy as presented.

3. 2018/2019 Annual Audit Preparation and Field Work

Mr. Dahlstrom reported that each year the District is required to have the District's financials audited by an outside firm. He explained that Bartlett, Pringle & Wolf will be conducting the audit field work at the District office the last week of August. He stated management is currently preparing all of the year-end financial transactions in preparation

of the field work. Mr. Dahlstrom stated the final draft audit will be presented to the Board of Trustees in October or November.

B. OPERATIONS AND MAINTENANCE:

1. Landscape and Agricultural Irrigation System Evaluations

The Board packet included an article titled Cal Poly's Thriving Irrigation Training Center and a sample Landscape Evaluation Report and Irrigation Evaluation Report.

Mr. Dahlstrom reported that the District hired a student intern from Cal Poly San Luis Obispo Irrigation Training & Research Center (ITRC) to develop a landscape and agricultural irrigation system evaluation process which will be utilized by the District in an effort to work with customers on their individual landscape efficiency patterns. Mr. Dahlstrom explained that typically the District works with the Cachuma Resource Conservation District (CRCD) to refer customers to the CRCD for assistance with their private land irrigation and agriculture efficiency practices.

Mr. Dahlstrom introduced Mr. Matt Caviglia, District Intern. He explained that Mr. Caviglia developed the Landscape and Irrigation Evaluation Program which will provide irrigation/agricultural system analysis and technical assistance to improve customer water use efficiency. Mr. Dahlstrom reviewed the two samples of the evaluations that were conducted as test pilots for the new program. He explained the criteria and method for each of the examples as well as the recommendations provided. The Board was provided time for questions and comments. Mr. Caviglia provided comments to the Board. Mr. Dahlstrom expressed his appreciation to Mr. Caviglia for his work on this program and for his interest in working with the District this summer. Mr. Dahlstrom stated this program will be available and offered to interested customers wishing to improve irrigation practices once District staff have been trained to implement the program. Trustee Joos requested this program be announced in the next quarterly newsletter. The Board thanked Mr. Caviglia for developing the program and working with the District.

2. Water Meter Replacement Program

a) Purchase of Neptune Meters - Phase I

The Board packet included Purchase Order #982 for Ferguson Enterprises Inc. (FEI) in the amount of \$113,822.73.

Mr. Dahlstrom provided background on the District's infrastructure dating back to the 1960's and water meter longevity. He explained that as part of the 2019/20 Budget, the Board approved Phase I of Meter Replacement program. Mr. Dahlstrom reported that the last meter replacement program took place in 2005, where approximately 90% of the District's inventory was replaced. He explained that the typical lifespan of water meters is guaranteed for 10 years. He stated that over time meters begin to deteriorate and do not record full allotment of water that is being used, or malfunctions in the registers or the housing in the meter begin to occur. Mr. Dahlstrom stated that Purchase Order No.982 in the amount of \$113,822.73 that is included in the Board packet is for Phase I of the Meter Replacement Program. He reported the Field crew will begin replacing approximately 292 meters in a systematic process of routes. Mr. Dahlstrom explained that prior to installation, customers will be notified so that they are aware of the District work that will be completed. He indicated that the Meter Replacement Program will be no cost to customers. Mr. Dahlstrom recommended approval of the Purchase Order No. 982 for FEI - Ferguson Enterprises Inc. in the amount of \$113,822.73.

The Board discussed the benefits of replacing meters; types of meters, leak notifications, compatibility with current billing system, comparative pricing, reliability, radio-read technology (AMI/AMR) as well as costs associated with telemetry/communications. Trustee Joos indicated that he would like staff to keep an eye on technology so that in the future customers will have the ability to identify and monitor their use and any leaks that may occur.

After discussion, it was MOVED by Trustee M. Burchardi, seconded by Trustee H. Burchardi, and carried by a 4-0-0 voice vote, with Trustee Parker absent, to approve Purchase Order No. 982 to Ferguson Enterprises Inc. (FEI) in the amount of \$113,822.73 for the first phase of the Meter Replacement Program.

3. Purchase of Two Fleet Vehicles

a) Consideration of and Award of Bid

The Board packet included the bid results for the purchase of two fleet vehicles.

Mr. Dahlstrom explained that as part of the approved 2019/20 Budget, the District sent out six bids for the purchase of two (2) Chevrolet Silverado 2500HD Regular Cab 4wd trucks with service bodies and lift-gates. He reported that two bids were received. Mr. Dahlstrom reviewed the bid results. He reminded the Board that the District has various makes and model of fleet vehicles, ranging from Dodge, Toyota, Chevrolet and Ford. He explained that this year bids were sought from Chevrolet dealers since last year the District successfully obtained two vehicles from Ford. Trustee Joos questioned why bids were not sought from Ford this year. Mr. Dahlstrom explained that this was done last year and this year the District chose to purchase from Chevrolet. Trustee Joos expressed his desire to use local dealerships when possible including getting additional bids from Ford this year. Based on this discussion, the Board consensus was to delay action on the purchase of the vehicles at this time, and to request staff to review the possibility of obtaining bids from both Ford and Chevrolet. Mr. Dahlstrom stated that information will be provided to the Board at the October meeting related to the fleet vehicle bids.

4. Water Treatment/Maintenance Building for Office Water Production Well

The Board packet included preliminary drawings of the water treatment & maintenance building and outline specifications.

Mr. Dahlstrom reviewed the architectural preliminary drawings of the water treatment & maintenance building. He stated the new building will include a water treatment area and laboratory, maintenance shop, operations room, maintenance office, and equipment storage. He explained that the next step in the process was to file the CEQA Notice of Exemption for the project.

a) Notice of Exemption

The Board packet included a copy of the CEQA Notice of Exemption for the Water Treatment/Maintenance building.

Mr. Dahlstrom recommended approval of the Notice of Exemption (NOE) and requested authorization to post and file the NOE. Trustee Burchardi noted there was an error in the project description. He indicated that the structure size needed to be corrected to read "The proposed structure would be approximately 20' high 54' long x 36" (not 20" high x 45' x 32' wide as indicated on the NOE).

It was **MOVED** by Trustee M. Burchardi, seconded by Trustee H. Burchardi and carried by a 4-0-0 voice vote, with Trustee Parker absent, to approve the CEQA Notice of Exemption for the Water Treatment/Maintenance Building for the Office Water Production well, as corrected, and authorize the General Manager to sign and file the NOE with the Santa Barbara Clerk Recorder's Office.

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

A. Cachuma Project - U.S. Bureau of Reclamation Continuing Operations

1. Cachuma Project Water Service Contract No. I75r-1802R, Water Deliveries, Exchange Agreement, Entitlement, Water Storage, Accounting, Water Supply Projections
The Board packet included a July 22, 2019 US Bureau of Reclamation letter re: Cachuma Reservoir Water Year 2020 Allocation Request, State Water Resources Control Board Meeting Agenda for August 20, 2019 and August 1, 2019 Warren Act Contract Teleconference information.

Mr. Dahlstrom reviewed the current activities relating to the Cachuma Project. He stated that the US Bureau of Reclamation concurs and supports the Santa Barbara County's request made on behalf of the Member Units for the Cachuma Reservoir Water Year 2020 Allocation request for a full 25,714 af.

Mr. Dahlstrom reported the State Water Resources Control Board was scheduled to meet in Closed Session to discuss the draft order on Permits 11308 and 11310 of the US Bureau of Reclamation for the Cachuma Project considering whether and how to modify the permits to 1) protect public trust values and downstream water rights, and 2) act on petitions to change the place and purpose of those permits. He recapped the history of the State Board Hearings and activities dating back to 1999, 2000 and in 2012. Mr. Dahlstrom indicated that the State Board will likely not take any action until a new Biological Opinion is released.

Mr. Dahlstrom reported that CCWA is considering an increase in the amount of State Water for the South Coast participating agencies to store in the Lake for Warren Act purposes. He explained the Exchange Agreement and the Warren Act terms and conditions and discussed the possible impacts to ID No1. if CCWA increases the volume of water for the South Coast.

Mr. Dahlstrom stated there are several contracts that are expiring concurrently in September 2020 which include; Master Contract, Member Unit Contracts, O&M Transfer Contract, Warren Act Contract, Settlement Agreement and the Exchange Agreement. Mr. Dahlstrom reported there was a teleconference scheduled to discuss the Warren Act Contract, however it was cancelled.

2. 2020 Water Service Contract

Mr. Dahlstrom stated the 2020 Water Service Contract I75r-1802R expires September 30, 2020. He reported there has been no response from the US Bureau of Reclamation regarding the basis of negotiation. He stated that meetings to begin discussions on the new Contract have been set and confirmed for September 4th. He stated that the Cachuma Member Unit Managers will meet with Santa Barbara County Water Agency representatives and USBR to discuss the new contract. He stated that information would be provided at the September meeting.

B. Sustainable Groundwater Management Act

1. Eastern Management Area Update

Mr. Paeter Garcia reported on the current activities related to the Eastern Management Area (EMA) Groundwater Sustainability Agency. He reviewed the topics discussed at the July 25th EMA Meeting, which included selection of the seven member citizen advisory group from the application process that was developed, a draft communications and engagement plan for the first chapter that the consultants have to work on, and a draft Intra-Basin Administrative Agreement. Mr. Garcia discussed the major objectives of the Sustainable Groundwater Management Act and the purpose of the agreements for the EMA. He stated the next meeting of the EMA will be in October.

C. State Water Project - Central Coast Water Authority

1. State of California Department of Water Resources Delta Conveyance Project

This item was taken out of agenda order and discussed at 3:15 p.m.

Mr. Dahlstrom introduced Mr. Ray Stokes, Executive Director of Central Coast Water Authority.

Mr. Stokes provided a PowerPoint presentation on the Department of Water Resources (DWR) Delta Conveyance Project. The presentation included: What problems is the Delta Conveyance trying to address; how did Cal Waterfix propose to address those issues; Benefits of Delta Conveyance; DWR/SWP Contract Amendment Negotiations; Single Tunnel Delta Conveyance Cost Estimates; Key Considerations; Likely DWR Requests of Individual SWP Contractors and CCWA Project Participant and Board Decisions. Mr. Stokes reported that DWR announced that the contract amendment negotiations are now expected to be complete by the end of September rather than August; therefore, the CCWA Project participants have additional time to discuss participating in the Delta Conveyance project. Mr. Stokes provided time for the Board to ask questions and provide comments. Mr. Dahlstrom reported that the City of Solvang management has indicated they do not wish to participate in the Delta Conveyance project, which would mean that if ID No.1 does choose to participate all costs will be incurred by ID No.1.

2. Consideration of Participating with CCWA in the Delta Conveyance Project

Mr. Dahlstrom stated there is no recommendation or action required at this time, he would provide further information regarding costs at the September meeting.

Mr. Fred Kovol provided comment to the Board.

The Board thanked Mr. Stokes for his presentation.

X. 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 July 24, 2019 Association of California Water Agencies article titled "Governor signs SB200 Approving Second Part of the Safe Drinking Water Funding Solution"

The Board packet included Assembly Bill No. 756 Relating to the California Safe Drinking Water Act – authorizing the State Board to order a public water system to monitor for perfluoroalkyl and polyfluoroalkyl substances.

The Board packet included a July 15, 2019 letter from Thompson Housing Consultants discussing a proposed project on the corner of Sagunto Street and Meadowvale Road. Mr. Dahlstrom stated that the District has not received a water service application for the project at this time.

The Board packet included the July 2019 Family Farm Alliance Monthly Briefing.

XI. CORRESPONDENCE: GENERAL MANAGER RECOMMENDS THE ITEMS NOT MARKED WITH AN ASTERISK (*) FOR FILE:

The Correspondence list was received by the Board.

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

There were no requests from the Board.

XIII. NEXT MEETING OF THE BOARD OF TRUSTEES:

Mr. Dahlstrom stated the next Regular Meeting of the Board of Trustees is scheduled for September 17, 2019 at 3:00 p.m.

XIV. CLOSED SESSION:

Mr. Garcia announced prior to adjourning to Closed Session that Closed Session Agenda Item XIV. B.1. relates to a potential legal position, transactions occurrences or other events that could result in litigation disputes and/or adjudicatory proceedings against ID No.1 in connection with the Sustainable Groundwater Management Act (SGMA) and within that context. He reported that the Item pertains to a request that has been received by ID No.1 from its legal counsel Brownstein, Hyatt Farber Schreck to execute a conflict waiver to allow the Brownstein Hyatt Farber Schreck firm to provide ongoing legal representation to ID No.1 on all of its matters including those items related to SGMA and to concurrently provide legal services to Montecito Water District and Montecito Water District Groundwater Sustainability Agency with regard to SGMA Matters.

The Board adjourned at 5:31 p.m. for a brief recess. At 5:39 p.m., the Board reconvened and adjourned to closed session to discuss agenda items XIV.A. 1. - 4. & B.1.

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

[Subdivision (d)(1) of Section 54956.9 of the Government Code - 4 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 and complaints filed by the California Sport fishing Protection Alliance regarding the operating of the Cachuma Project and State Board Orders WR73-37, 89-18 and 94-5; and proposed changes to the place of use of waters obtained through aforementioned permits 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 regarding petitions for change and extension of time and protests to the petitions
3. Name of Case: Santa Barbara Superior Court Case No. 18CV05437, Santa Ynez River Water Conservation District, Improvement District No.1 v. Holland, et al.
4. Name of Case: Santa Barbara Superior Court Case No. 19CV01873, Cachuma Operation and Maintenance Board v. Santa Ynez River Water Conservation District, Improvement District No.1

B. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION

1. Potential initiation of litigation against the agency [Subdivision (d)(2) of Section 54956.9 of the Government Code – 1 case]

XV. RECONVENE INTO OPEN SESSION:

[Sections 54957.1 and 54957.7 of the Government Code]

The Board reconvened to open session at 6:47 p.m. Mr. Garcia announced that the Board met in Closed Session concerning Agenda Items XIV.A. 1-4. He reported that there is no reportable action on the Agenda Items XIV.A. 1-4.

Mr. Garcia stated that with regard to Closed Session item XIV. B.1 in Open Session we announced the facts and circumstances relating to the matter prior to adjourning to Closed Session. He stated that the Board considered the matter in Closed Session and took action by a 4-0 voice vote, with Trustee Parker absent, to decline to approve the Conflict Waiver as requested by ID No.1's legal counsel Brownstein Hyatt Farber Schreck to allow the Brownstein Hyatt Farber Schreck firm to provide legal services to Montecito Water District and the Montecito Groundwater Sustainability Agency with regard to the Sustainable Groundwater Management Act.

XVI. ADJOURNMENT:

Being no further business, it was **MOVED** by Trustee M. Burchardi, seconded by Trustee Joos and carried by a unanimous 4-0-0 voice vote, with Trustee Parker absent, to adjourn the meeting at 6:49 p.m.

THE AUGUST 20, 2019 REGULAR MINUTES WERE APPROVED AT THE REGULAR MEETING OF SEPTEMBER 17, 2019.