

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO.1
MAY 21, 2024 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 21, 2024, in-person at 1070 Faraday Street and via teleconference/video.

Trustees Present: Michael Burchardi (via teleconference)
Jeff Clay (via teleconference)
Brad Joos
Mark Moniot
Nick Urton

Trustees Absent: None

Others Present: Paeter Garcia Mary Robel Racel Cota
Karen King Dan Drugan Gary Kvistad

1. CALL TO ORDER AND ROLL CALL:

Trustee Joos called the meeting to order at 3:00 p.m. and stated this was a Regular Meeting of the Board of Trustees. Ms. Robel conducted roll call and reported that three Trustees were physically present at roll call, with Trustee Clay attending remotely in accordance with the Notice and Agenda. Trustee Burchardi joined the meeting via teleconference in accordance with the Notice and Agenda at 3:10 p.m.

2. PLEDGE OF ALLEGIANCE:

Trustee Joos 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. Robel reported that the Agenda for this meeting was posted in accordance with the California Government Code commencing at Section 54953, as well as District Resolution No. 340.

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

There were no additions or corrections to the Agenda.

5. PUBLIC COMMENT:

Trustee Joos welcomed any members of the public 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 reported that no written comments were submitted to the District for the meeting.

6. CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING OF APRIL 16, 2024:

The Regular Meeting Minutes from April 16, 2024 were presented for consideration.

Trustee Joos asked if there were any changes or additions to the Regular Meeting Minutes of April 16, 2024. There were no changes or additions requested.

It was **MOVED** by Trustee Moniot, seconded by Trustee Urton, and carried by a unanimous 4-0-0 roll call vote, with Trustee Burchardi absent, to approve the April 16, 2024 Regular meeting minutes as presented.

7. **CONSENT AGENDA:**

The Consent Agenda Report was provided in the Board Packet.

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

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

8. **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. Robel announced that the Financial Statements were provided to the Board via email earlier in the day, and also included in the meeting handout materials and posted on the District’s website.

Ms. Robel 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 and referred to the Fiscal-Year-to-Date Statement of Revenues and Expenses that provides a budget to actual snapshot for the month of April. Ms. Robel reported that the District revenues for the month of April exceeded the expenses by \$618,602.76 and the year-to-date net income was \$2,033,440.80.

b) Approval of Accounts Payable

Ms. Robel announced that the Warrant List was provided to the Board via email earlier in the day and included in the meeting handout materials and posted on the District’s website.

The Board reviewed the Warrant List which covered warrants 25850 through 25914 in the amount of \$3,546,071.24.

It was **MOVED** by Trustee Moniot, seconded by Trustee Burchardi, and carried by a 5-0-0 roll call vote, to approve the Warrant List for April 17, 2024 through May 21, 2024.

2. Board of Trustees Designations

a) Selection of Officers of the Board – Secretary and Treasurer

Mr. Garcia announced that the Board typically selects Officers of the Board in December of each year; however, with the impending retirement of Ms. Mary Robel, Treasurer and Secretary to the Board of Trustees, at the end of June, there is a need to fill those roles effective July 1, 2024. He reported that Ms. Racel Cota, Administrative & Financial Manager, was hired in April to assume Ms. Robel’s responsibilities at the District. Mr. Garcia indicated that in order to allow for continuity with the District’s Officer positions, staff recommends appointing Ms. Cota as the Treasurer and Secretary to the Board of Trustees effective July 1, 2024.

It was **MOVED** by Trustee Urton, seconded by Trustee Moniot, and carried by a 5-0-0 roll call vote, to appoint Ms. Racel Cota, as Treasurer and Secretary to the Board of Trustees, effective July 1, 2024.

3. Resolution No. 843 - A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No.1 Authorizing Signatures for Accounts at Mechanics Bank

The Board packet included draft resolution No. 843.

Mr. Garcia stated that with the approaching retirement of Ms. Robel, the authorized signatories on the District's bank accounts must be updated to remove Ms. Robel as a signatory and add Ms. Racel Cota as District Treasurer and an authorized signatory to all bank accounts held in the District's name effective July 1, 2024. Mr. Garcia reviewed the contents of the Resolution and recommended approval of Resolution No. 843.

It was **MOVED** by Trustee Moniot, seconded by Trustee Urton, to adopt Resolution No. 843, a Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement No.1 Authorizing Signatures for Accounts at Mechanics Bank.

The Motion carried and Resolution No. 843 was adopted by the following 5-0-0 roll call vote:

AYES, Trustees:	Mike Burchardi Jeff Clay Brad Joos Mark Moniot Nick Urton
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NOES, Trustees:	None
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ABSTAIN, Trustees:	None
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ABSENT, Trustees:	None
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4. Fiscal Year 2024/2025 Preliminary Budget

The Board packet included a Staff Report and line-item details for the FY 2024/2025 Preliminary Budget.

Ms. Robel provided a PowerPoint presentation regarding the budget process, major revenue and expense accounts, capital improvement projects, reserve funds, and related budget categories. Ms. Robel reported that revenues are anticipated to be sufficient to meet the District's Operations and Maintenance expenses, General and Administrative expenses, Debt Service obligations, Other expenses, and the proposed Capital Improvement Program projects forecasted for FY 2024/2025, with a net revenue balance of \$2,166,061 to be added to District reserves to assist with upcoming expenditures related to the newly adopted regulatory standards for Hexavalent Chromium (Cr6). Ms. Robel stated that the FY 2024/2025 Preliminary Budget assumes that current water rates and charges remain unchanged for the next fiscal year based on the rate schedule set forth in the District's 2016 Rate Study. She reported that the Preliminary Budget also assumes no increase in the \$875,000 Special Assessment/ Ad Valorem Tax, even though the authorized limit for FY 2024/2025 is \$2,481,499.

Discussion ensued regarding anticipated revenues from water rates and charges, anticipated expenses related to compliance with the new drinking water standard for Cr6, proposed capital improvement projects, the appropriation limit for a special assessment, and the status of District reserves.

Ms. Robel asked that the Board review the FY 2024/2025 Preliminary Budget and provide any additional comments or questions to management by early June for possible

incorporation into the 2024/2025 Final Budget which will be presented at the June 18, 2024 Board meeting.

Mr. Garcia expressed his appreciation and compliments to District staff for their hard work and collaboration in preparing the Preliminary Budget.

Trustee Joos asked if there was any public comment on the Preliminary Budget. There was no public comment.

The Board thanked District staff for their hard work and collaboration in preparing the FY 2024/2025 Preliminary Budget.

5. Setting the Appropriation Limit for the 2024/2025 Fiscal Year - Article XIII B (Proposition 13)
 - a) California Department of Finance Calculations for 2024/2025 Appropriation Limitations and Authorization to Post Notice and Make Public the 2024/2025 Appropriation Limitation Calculation

The Board packet included the April 30, 2024 California Department of Finance letter regarding the FY 2024/2025 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 18, 2024, which will set the limitations on appropriations for fiscal year 2024/2025 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 materials provided by the California Department of Finance for calculating the FY 2024/2025 appropriation limitation, and how the calculations are applied to the District’s Special Assessment/Ad Valorem Tax limitation. He illustrated that based on the applicable calculations; the District’s FY 2024/2025 maximum special assessment amount is \$2,481,499. Mr. Garcia noted that although the District is authorized to set the Special Assessment/Ad Valorem Tax up to the maximum amount, the FY 2024/2025 Preliminary Budget proposes no increase this year, similar to previous years, with the assessment to remain at \$875,000. The Board reviewed the information presented and the related Public Notice. Discussion ensued regarding the maximum amount the District could collect versus the proposed FY 2024/25 amount of \$875,000. The consensus of the Board was to keep the Special Assessment/Ad Valorem Tax amount at \$875,000 for FY 2024/2025, but to evaluate the possibility of increasing that amount in future fiscal years as part of the upcoming water rate study.

Mr. Garcia requested Board authorization to post and publish the Public Notice setting forth the appropriation limit and calculation factors. He reported that the Public Notice and FY 2024/2025 appropriation limitation calculation would be posted at the District Office, on the District website beginning May 22, 2024, and published in the local newspaper on June 6, 2024 and June 13, 2024.

It was **MOVED** by Trustee Burchardi, seconded by Trustee Urton, and carried by a 5-0-0 roll call vote, to authorize the Secretary to the Board to post and publish the Public Notice establishing the Fiscal Year 2024/2025 appropriations limit.

- b) Review of Draft Resolutions to be presented for adoption at the June 18, 2024 Board Meeting

The Board packet included two draft resolutions:

1. Draft Resolution: 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 2024/2025 Pursuant to Article XIII B of the California Constitution
2. Draft Resolution: 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 2024/2025 and Requesting an Assessment Levy Required to Collect \$875,000

Mr. Garcia reported that each year the draft resolutions are presented a month in advance of the adoption of the final budget in conjunction with the establishment of an appropriations limit, and no action is required at this time. He stated that the two resolutions would be presented for consideration at the June 18, 2024 Board meeting.

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

A. SUSTAINABLE GROUNDWATER MANAGEMENT ACT

1. Eastern Management Area (EMA) Update

The Board packet included a Notice and Agenda for the May 23, 2024 EMA GSA meeting.

Mr. Garcia reviewed the topics that will be discussed at the May 23rd EMA GSA meeting, such as Spring 2024 groundwater level measurements, proposed allocation of DWR grant funds among the three Management Areas in the Basin, and status of the Draft EMA Joint Powers Agreement.

Mr. Garcia reviewed the activities that have taken place related to finalizing the language of the Draft JPA. He stated that the parties appear to have reached consensus on the few outstanding issues, including appointment of an agricultural representative on the EMA JPA Board, initial cost sharing by the member public agencies, and hiring of consulting staff for the new JPA. Mr. Garcia stated that he remains hopeful with the progress that has been made and remains confident that a final JPA can be completed soon. Mr. Garcia stated that once the negotiations on the draft JPA are complete, the JPA will be presented for approval to each respective member agency of the EMA GSA, including the Santa Barbara County Water Agency, the City of Solvang, the Conservation District, and ID No.1.

B. HEXAVALENT CHROMIUM (Cr6) – ADOPTED MAXIMUM CONTAMINANT LEVEL (MCL)

1. Update on SWRCB Final Drinking Water MCL for Cr6 of 10 parts per billion.

The Board packet included SWRCB Resolution No. 2024-0015, and a CalMatters April 17, 2024 news article regarding the newly adopted Cr6 regulation.

Mr. Garcia referred to the materials included in the Board packet and reported that on April 17, 2024 the State Water Resources Control Board held a public hearing to officially adopt the new Maximum Contaminant Level (MCL) for Hexavalent Chromium 6 (Cr6) of 10 parts per billion and certify the state's Final Environmental Impact Report for the MCL. He stated that the next step will be approval of the MCL by the Office of Administrative Law, which is expected to be completed by October 1, 2024. Mr. Garcia briefly discussed the timing, compliance period, studies, costs, potential legal challenges, and the need for public outreach once the MCL becomes law.

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

Trustee Moniot stated that he had attended the Los Olivos Community Services District (LOCSD) meeting on May 15, 2024. He reported that the LOCSD is evaluating treatment options and reconsidering an option to connect to the City of Solvang.

Mr. Garcia reported that he, Trustee Joos, Dan Drugan, Water Resources Manager, and Joe Come', District Superintendent, helped host an ID No.1 informational booth at the May 18, 2024 "Santa Ynez Airport Day" event, noting that Trustee Burchardi assisted in establishing the ID No.1 booth. He thanked the Board, Trustees, and District staff for another successful year of having the District participate in this important community event.

The Board packet included various materials, including a May 16, 2024 California Department of Water Resources news article titled "Analysis: Benefits of the Delta Conveyance Project Far Exceed Costs," the May 2024 Family Farm Alliance Monthly Briefing, and an April 30, 2024 District letter to Congressman Salud Carbajal regarding support of funding for the City of Solvang Wastewater Treatment Plant Project.

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

The Correspondence List was received by the Board.

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

Trustee Joos requested an overview presentation on the CalPERS retirement program.

13. NEXT MEETING OF THE BOARD OF TRUSTEES:

Trustee Joos stated that the next Regular Meeting of the Board of Trustees is scheduled for June 18, 2024 at 3:00 p.m.

14. CLOSED SESSION:

The Board adjourned to closed session at 5:47 p.m.

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: Central Coast Water Authority, et al. v. Santa Barbara County Flood Control and Water Conservation District, et al., Santa Barbara County Superior Court Case No. 21CV02432

B. CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

[Subdivision (d)(2) of Section 54956.9 of the Government Code – Significant Exposure to Litigation Against the Agency – One Matter]

C. CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

[Subdivision (d)(4) of Section 54956.9 of the Government Code – Potential Initiation of Litigation By the Agency – One Matter]

15. RECONVENE INTO OPEN SESSION:

[Sections 54957.1 and 54957.7 of the Government Code]

The Board reconvened to open session at approximately 6:20 p.m. Mr. Garcia announced that the Board met in closed session in accordance with Agenda Items presented on the Agenda. He reported that there was no reportable action for any of the closed session Agenda Items.

16. ADJOURNMENT:

Being no further business, it was **MOVED** by Trustee Urton, seconded by Trustee Joos, and carried by a 3-0-0 voice vote, with Trustees Clay and Burchardi absent, to adjourn the meeting at approximately 6:21 p.m.

THE MAY 21, 2024 MINUTES WERE APPROVED AT THE REGULAR JUNE 18, 2024 MEETING.