

NOTICE

REGULAR MEETING OF THE BOARD OF DIRECTORS SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

will be held at

Buellton City Council Chambers, 140 West Highway 246, Buellton, California
at 6:30 pm, Wednesday, December 6, 2023

REVISED AGENDA OF REGULAR MEETING

(Revisions are noted in red)

1. Call to Order and Roll Call
2. Pledge of Allegiance
3. Public Comment (Any member of the public may address the Board relating to any non-agenda matter within the Board's jurisdiction. The total time for all public participation shall not exceed fifteen minutes and the time allotted for each individual shall not exceed five minutes. No action will be taken by the Board at this meeting on any public item.)

Staff recommends any potential new agenda items based on issues raised be held for discussion under the Agenda Item "Requests from the Board of Directors for items to be included on the next Agenda".
4. Receive and File FY 2022-23 Financial Audit, Presentation by Bartlett, Pringle & Wolf, LLP
5. Consideration of the Minutes of the Regular Meeting of September 6, 2023, and the Special Meeting of October 19, 2023
6. Financial Report – Status, discussion and possible Board action on the following subjects:
 - a. Quarterly Investment Report –1st Quarter of FY 2023-2024
 - b. Quarterly Comparison Balance Sheet
 - c. Balance Sheet & Profit/Loss Statement, FY 2023-24 Period 4, October 2023
 - d. Approval of Warrant Lists for August, September, and October 2023
7. Groundwater Program Report – Groundwater Production, Reporting and Charges Update
8. Sustainable Groundwater Management Act (SGMA) Report – Status, discussion and possible Board action on the following:
 - a. Cost Share Agreement Among EMA GSA Agencies
 - b. DWR Grant Agreement

- c. Update on Basin Governance
 - d. Update on GSPs submitted to DWR in 2022
9. Consideration of Resolution No. 725 “Changing Time and Place of Regular Meetings”
10. Officer Elections
11. Consider Appointments of Board Representatives to:
- a. Central Management Area GSA Committee
 - b. Eastern Management Area GSA Committee
 - c. Western Management Area GSA Committee
12. 2024 LAFCO Nominations
- a. Regular Special District Member
 - b. Alternate Special District Member
13. Attorney Report
14. Reports, acts by Board members, questions of staff, status reports, announcements, observations, and other matters, and/or communications not requiring action
15. Requests from the Board of Directors for items to be included on the next Agenda.
16. The next Regular Meeting is scheduled for March 6 or 20, 2024 at 6:30 pm at the Buellton City Council Chambers, 140 West Highway 246, Buellton, California.

In compliance with the California Water Code, regular meetings are scheduled for a specified Wednesday in March, June, September, and December at various locations within the District. Special meetings may be held on any day and at any location within the District.

17. Closed Session
- The Board will hold a closed session to discuss the following items:
- a. Public Employee Performance Evaluation/Appointment. (Gov’t Code § 54957(b)(1).) Title: General Manager; Assistant General Manager
 - b. Conference with Legal Counsel - Pending Litigation (Gov. Code, § 54956.9, subd. (d)(1)): Wolff vs SYRWCD, Superior Court of California, County of Santa Barbara, Case No. 20CV01552 and Case No. 22CV02062
 - c. Conference with Legal Counsel – Pending Litigation (Gov. Code, § 54956.9, subd. (d)(1)) relating to proceedings pending before the State Water Resources Control Board (SWRCB) regarding Permits 11308 and 11310 issued on Applications 11331 and 11332 of the United States Bureau of Reclamation for the Cachuma Project, and complaints filed by the California Sport Fishing Protection Alliance regarding the operation of the Cachuma Project and SWRCB Order WR 89-18; proposed

changes to the place and purpose of use of waters obtained through aforementioned permits for the Cachuma Project; and Reclamation's Petition for Reconsideration or Rehearing re Order WR 2019-0148; and proceedings related to SWRCB Permit No. 15878 (Application A022423) held by the City of Solvang including the City of Solvang's Petitions for Change and Extension of Time.

- d. Conference with Legal Counsel – Anticipated Litigation (Gov. Code, § 54956.9, subd. (d)(2)): Significant exposure to litigation (Two Matters).
- e. Conference with Legal Counsel – Anticipated Litigation (Gov. Code, § 54956.9, subd. (d)(4)): Possible initiation of litigation (Two Matters).

18. Reconvene into Open Session / Closed Session Report

19. Adjournment

[This agenda was posted on the District website (SYRWCD.com), at 3669 Sagunto Street, Suite 101, Santa Ynez, California and at 3745 Constellation Rd., Lompoc, California. Notice was delivered in accordance with Government Code Sections 54950-54963. In compliance with the Americans with Disabilities Act, if you need special assistance to review agenda materials or participate in this meeting, please contact the District at (805) 693-1156. Notification 24 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.]

December 6, 2023

Board of Directors
Santa Ynez River Water Conservation District

We are pleased to present this letter related to our audit of the financial statements and compliance of Santa Ynez River Water Conservation District (the District) for the year ended June 30, 2023. This letter is to inform the Board of Directors about significant matters related to the conduct of the annual audit so that it can appropriately discharge its oversight responsibility, and we can comply with professional standards.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States have been described to you in our engagement letter dated September 8, 2023. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated September 19, 2023 regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.

Significant Unusual Transactions

We did not identify any significant unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Alternative Treatments Discussed with Management

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the District's financial statements:

Groundwater charges accounts receivable

Accounts receivable as of June 30, 2023 is estimated based on historical periods and self-reported ground water usage statements received after year end.

Audit Adjustments

Audit adjustments and accounting consulting adjustments are attached to this letter.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management during the audit.

Difficult or Contentious Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Significant Written Communications between Management and Our Firm

In conjunction with the audit of the financial statements, we have been provided a letter of certain representations from management dated December 6, 2023.

Conclusion

This letter is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than the specified parties.

We will be pleased to respond to any questions you have about the foregoing matters. We appreciate the opportunity to continue to be of service to the Santa Ynez River Water Conservation District

Very truly yours,

BARTLETT, PRINGLE & WOLF, LLP
Certified Public Accountants and Consultants

Year End: June 30, 2023
 Journal Entries: Adjusting
 Date: 7/1/2022 To 6/30/2023

Prepared by	In-Chrg Review	Manager Review

5010

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	6/30/2023	LAIF	1350-01				12,570.00		
1	6/30/2023	LAIF	1350-01				812.00		
1	6/30/2023	Interest Receivable	1371-00			12,570.00			
1	6/30/2023	Interest Income, all sources	4934-00			812.00			
To reclassify Q4 LAIF interest receivable from the investment accounts to interest receivable, and true-up Q4 interest income to actual.									
2	6/30/2023	LAIF/SBIF FMV Adjustment	1360-00			9,249.00			
2	6/30/2023	Unrealized Gains/Losses	4920-00				9,249.00		
To record LAIF fair market value adjustment at 06/30/23.									
3	6/30/2023	Accounts Receivable	1500-00				17,709.00		
3	6/30/2023	Ground Water Charges	4910-00			17,709.00			
Client provided JE: To true-up A/R and groundwater charged to estimate based on subsequent collections.									
7	6/30/2023	Unappropriated Reserves	3200-00	6901		13,203.00			
7	6/30/2023	Retirement Costs	5507-00	6901			1,232.00		
7	6/30/2023	Fisheries Hydrology	5633-14	6901			430.00		
7	6/30/2023	Special Studies	5633-16	6901			11,541.00		
To correct balance of net position account, moving prior year accrual reversals into proper expense accounts. Factual									
8	6/30/2023	DWR Grant Reimbursement	4500-00				81,467.00		
8	6/30/2023	SGMA Pass thru Grant Expense	5600-95			81,467.00			
To record full amount of grants passed through to GSAs for 22/23. Factual									
						135,010.00	135,010.00		
Net Income (Loss)			13,836.00						

Year End: June 30, 2023
 Journal Entries: Reclassifying
 Date: 7/1/2022 To 6/30/2023

Prepared by	In-Chrg Review	Manager Review

6020

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
4	6/30/2023	Accrued Payroll	BPW-2				10,119.00		
4	6/30/2023	Accounts Payable	2220-00			11,528.00			
4	6/30/2023	Accrued Payroll Taxes	2225-00				1,409.00		
To reclassify accrued payroll and payroll tax balances from accounts payable to accrued expenses, for financial statement presentation.									
						11,528.00	11,528.00		
Net Income (Loss)			13,836.00						

Year End: June 30, 2023
 Journal Entries: Other Basis (Gov-wide)
 Date: 7/1/2022 To 6/30/2023

Prepared by	In-Chrg Review	Manager Review

6030

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement	
5	6/30/2023	Accrued Vacation	BPW-3	6211			33,852.00			
5	6/30/2023	Change in Accrued Vacation Y-O-Y	BPW-10	6211			4,520.00			
5	6/30/2023	Unappropriated Reserves	3200-00	6211		38,372.00				
		To record beginning balance of accrued PTO for government-wide financial statements, and to adjust to actual as of 06/30/23.								Recurring
6	6/30/2023	Depreciation Expense	BPW-16	8151		2,300.00				
6	6/30/2023	Accumulated Depreciation	BPW-17	8151			6,900.00			
6	6/30/2023	Unappropriated Reserves	3200-00	8151			18,400.00			
6	6/30/2023	Capital Assets - GW Bal Sheet	BPW-13.1	8151		23,000.00				
		To record beginning balance of capital assets and accumulated depreciation and current year depreciation expense, for government-wide financial statement presentation.								
						63,672.00	63,672.00			
Net Income (Loss)							13,836.00			

SANTA YNEZ RIVER WATER
CONSERVATION DISTRICT
JUNE 30, 2023
FINANCIAL STATEMENTS



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Santa Ynez River Water Conservation District:**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Santa Ynez River Water Conservation District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District, as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 4 through 8, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental schedule of revenues and expenses – actual and budget on page 28 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and the other additional procedures in accordance with GAAS. In our opinion, the supplemental schedule of revenues and expenses – actual and budget is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the list of Board of Directors on page 29 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Santa Barbara, California
December 6, 2023

This section provides Management's Discussion and Analysis of the Santa Ynez River Water Conservation District's financial performance for the fiscal year ended June 30, 2023. It includes: 1) Background and Discussion of Operations; 2) Revenues and Financial Reporting; 3) Overview of the Financial Statements; 4) Financial Highlights for fiscal years ended June 30, 2023, and 2022; and 5) Economic Factors and Next Year's Budget.

Background and Discussion of Operations

The District was formed in 1939 under the Water Conservation District Act of 1931 to protect the surface water rights and associated supplies of the citizens of the Santa Ynez Valley from diversion and export from the watershed to the South Coast of Santa Barbara County. This was in response to the construction of two dams on the Santa Ynez River by South Coast interests and plans to build a third which was subsequently constructed by the U.S. Bureau of Reclamation (Reclamation). In 2015, in response to the State of California's historic passage of significant groundwater legislation enacted in 2014 (Sustainable Groundwater Management Act or "SGMA"), the District took a leadership role in initiating additional activities to manage groundwater in the watershed pursuant to SGMA.

District representatives participate in State Water Resources Control Board (SWRCB) activities regulating the flow of the Santa Ynez River, implement various provisions of the SWRCB Orders protecting downstream water rights, and monitor activities by others with regard to the aforementioned agreements and SWRCB Orders. As provided such orders, including WR 2019-0148, the District may call for the release of water stored in Cachuma Reservoir for the benefit of water rights and replenishment of downstream alluvium and groundwater downstream of Bradbury Dam, sometimes referred to as "water rights releases," and manages the timing and rates of those flows in order to promote recharge along the river and on the Lompoc Plain.

The District's activities in defending the surface water supplies of its constituents from use by outside interests and in implementing SGMA involve the application of technical, regulatory, and legal expertise to resolve surface and groundwater issues along the river and in the adjacent uplands. The District negotiated various agreements over the years with South Coast interests and Reclamation pertaining to the operation of the dams. These agreements have dealt with, among other things, the quantity and quality of water to be released for the benefit of downstream users, peak flow management, and endangered species.

The District requires reporting of and monitors groundwater and other subsurface water pumping, use and levels in the watershed and has managed groundwater studies in the Santa Ynez Uplands, Buellton Uplands and Lompoc Area Basins, and annually levies a groundwater charge on pumping of underground water to fund District activities. In accordance with SGMA, the District, working with its agency partners and constituents, established three Groundwater Sustainability Agencies (GSA) within the Santa Ynez River Valley Groundwater Basin (Basin) and initiated activities to develop three Groundwater Management Plans (GSPs) compliant with the Sustainable Groundwater Management Act (SGMA). In 2016, representatives of the eight partner agencies all agreed through a Memorandum of Understanding (dated May 23, 2016) on the District taking an organizational and coordinating role to develop GSPs for all three GSAs to manage groundwater in the watershed. The District will continue to be involved in the implementation of the three GSPs for the Basin.

Background and Discussion of Operations (Continued)

The District anticipates being a party to three new Joint Powers Agreements as the new governance structures for the three GSAs.

Revenues and Financial Reporting

The District's primary sources of revenue are *ad valorem* property taxes and groundwater pumping charges. Such charges are authorized to be levied "upon the production of groundwater from all water producing facilities...for the benefit of all who rely directly or indirectly upon the groundwater supplies..." (Water Code Section 75522). The District derives a minor portion of its revenue from investment income.

Property taxes are distributed by the County of Santa Barbara to the District according to a formula that was agreed upon in 1978. These taxes do not appear as a separate item on property tax bills but are part of the 1% tax limit on assessed valuation that was imposed State-wide by Proposition 13.

Groundwater pumping charges are set by the Board of Directors each year. About 600 statements are mailed semi-annually at the end of June and December to well owners/operators so that they may self-report and submit payment for incurred groundwater pumping charges for the prior six months of water use. Water use may be calculated using one of several methods, crop-based factors, use categories, or metered water use. (Water Code Section 7500 et seq.) There were no increases in pump charges for fiscal year 2020-2021, and a modest increase for 2021-2022. For 2022-2023, a Proposition 26 compliant single rate for all users was set which resulted in a rate increase for Agricultural production, no change for Special Irrigation production, and a decrease for Other Water production. Each year the Board of Directors evaluates the need to adjust pumping fees based on District costs to run both the surface water and groundwater programs.

Based on the foregoing, the District files its Financial Transaction Reports (FTR) with the State Controller's Office (SCO) under the Flood Control and Water Conservation category as a non-enterprise activity. The District should not be confused with the Santa Ynez River Water Conservation District (Special) Improvement District No. 1 (ID No. 1), which was formed by this District as a water purveyor and became a separate entity. As a separate entity, the ID No. 1 files its FTRs with the SCO under the water utility category as an enterprise activity.

Overview of the Financial Statements

The financial statements in this audit report include: 1) Government-wide Financial Statements, including Statement of Net Position and Statement of Activities; 2) Fund financial Statements, including a Balance Sheet, Statement of Revenues, Expenses, and Changes in Fund Balance, and Reconciliations of these statements to the government-wide financial statements, for the District's major General Fund; and 3) Notes to the Basic Financial Statements. The Notes provide detailed information pertaining to significant accounting policies, cash and investments, property taxes, insurance, net assets, and contingencies. Because the District manages its finances in a single major fund, the government-wide financial statements and fund financial statements present the same financial data in accordance with different accounting policies and in different formats.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

Financial Highlights

Government-wide Financial Statement Analysis

**Summary of Net Position
As of June 30**

			2023 - 2022 Change	
	2023	2022	\$	%
<u>Assets:</u>				
Current and other assets	\$ 2,513,786	\$ 2,467,297	\$ 46,489	2%
Capital assets, net	16,100	18,400	(2,300)	-14%
Total assets	2,529,886	2,485,697	44,189	2%
<u>Liabilities:</u>				
Current and other liabilities	157,465	129,333	28,132	18%
Total liabilities	157,465	129,333	28,132	18%
<u>Net Position:</u>				
Net investment in capital assets	16,100	18,400	(2,300)	-14%
Unrestricted - reserved	2,000,000	2,000,000	-	0%
Unrestricted	356,321	337,964	18,357	5%
Total net position	\$ 2,372,421	\$ 2,356,364	\$ 16,057	1%

**Summary of Activities
For the Year Ended June 30**

			2023 - 2022 Change	
	2023	2022	\$	%
<u>Revenue:</u>				
Charges for services	\$ 634,079	\$ 600,284	\$ 33,795	6%
Property tax	385,683	354,810	30,873	9%
Grant revenue	129,600	-	129,600	100%
Unrealized gain (loss)	9,249	(41,364)	50,613	-122%
Interest income	52,954	8,303	44,651	538%
Other revenue	630	40,650	(40,020)	-98%
Total revenue	1,212,195	962,683	249,512	26%
<u>Expenses:</u>				
Operating expenses	1,066,538	1,042,704	23,834	2%
SGMA pass-through grant expense	129,600	-	129,600	100%
Total expenses	1,196,138	1,042,704	153,434	15%
Change in net position	16,057	(80,021)	96,078	-120%
Net position - beginning of year	2,356,364	2,436,385	(80,021)	-3%
Net position - end of year	\$ 2,372,421	\$ 2,356,364	\$ 16,057	1%

Financial Highlights (Continued)

Government-wide Financial Statement Analysis (Continued)

During the year ended June 30, 2023, the District's net position increased by a total of \$16,057 (1%). This is due to revenues exceeding expenses. The District's revenues increased by \$249,512 (26%) and expenses increased by \$153,434 (15%) primarily due to the Department of Water Resources grant revenue and related passthrough expenses being received and recognized in the current year. The Department of Water Resources grant supports the Sustainable Groundwater Management Act, and all grant receipts from the Department of Water Resources were fully passed through to the three Groundwater Sustainability Agencies.

Revenues were also impacted by increases in interest income and unrealized gain/loss primarily due to increases in interest rate during the 2022/2023 fiscal year and overall market conditions at June 30, 2023 as compared to June 30, 2022. This increase was offset by a decrease of \$40,454 in other revenues related to COVID-19 Relief Funds received from the State of California in the prior year which were not recurring.

Significant variances from the prior year related to expenses include increases in pass-through grant expenses of \$129,600 and employee salaries of \$37,547, offset by decreases in SGMA expenses of \$31,263.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 27 of this report.

Economic Factors and Next Year's Budget

Of concern with the self-reporting system for the collection of groundwater pumping charges is the issue of equity: it is important to verify and establish that all wells within the District be registered, and that all wells producing water be assessed the appropriate groundwater pumping charges. This issue will become more visible as the Groundwater Sustainability Plans are implemented, and charges or fees are then adopted by the Groundwater Sustainability Agencies to fund implementation of the adopted plans versus the current funding from cash contributions by the District and GSA partner agencies.

In September 2019, the State Water Resources Control Board (SWRCB) adopted a new Water Rights Order (WRO 2019-0148) which applies to the US Bureau of Reclamation operation of the Cachuma Project, which diverts about 25,000 to 30,000 acre-feet of water annually out of the Santa Ynez watershed to the south coast of Santa Barbara County. This new WRO contained some provisions that are beneficial to Santa Ynez watershed interests, but also mandated certain studies, the outcome of which could have significant impacts on downstream water rights. As with previous SWRCB water rights orders, the District will maintain active advocacy and participation in the study, planning, and operational decisions of the Cachuma Project in order to ensure the preservation of the water rights belonging to downstream properties.

Economic Factor's and Next Year's Budget (Continued)

The federal National Marine Fisheries, acting under the US Congress Endangered Species Act (ESA), will be preparing a new Biological Opinion (BiOp) regarding the endangered southern steelhead, an anadromous form of rainbow trout species known as *O. mykiss*. In 2016, a draft BiOp was issued which contained provisions that were alarming to Santa Ynez River users, if not actually detrimental. Fortunately, this 2016 BiOp was never finalized, and never implemented.

Unlike the SWRCB, which must balance environmental concerns with water rights and economics, the ESA contains no such balancing provisions, but only focuses on what is required to protect endangered species. Currently, the District has assisted the US Bureau of Reclamation in the preparation of a Biological Assessment, which is the first step in the process for NMFS to issue another BiOp. Hopefully there will be a revised BiOp that will not be as impactful in its protective provisions as the draft 2016 version. The future costs to the District for participating in this process, and, if needed, challenging any resulting implementation in order to protect water rights are unknown.

In order to ensure the ability to defend the water rights interests in the watershed, the District has set aside a contingency of \$1.6 million for the legal and engineering defense of water rights or the initiation of litigation if necessary. At this time, neither situation is expected to occur in the near future. However, that future is uncertain, and all effected parties are looking to see how the 2019 SWRCB Water Rights Order will be implemented and/or enforced. The District also maintains a \$400,000 reserve for other unanticipated projects and/or events.

Unknown but planned for costs at this time include the implementation of three Groundwater Sustainability Plans that were adopted and subsequently submitted to DWR in January 2022 as part of the requirements set forth by the California Legislature in SGMA. In 2023, the District, on behalf of the three Groundwater Sustainability Agencies, was awarded an approximately \$5.5 million Proposition 68 Grant from the State of California Department of Water Resources (DWR) to offset the costs for implementation projects of the three GSPs between October 2022 and April 2026 in the Santa Ynez River Valley Groundwater Basin.

For the 2023-24 budget, the District is planning on modest changes in total revenues and expenditures compared to the 2022-23 budget. The groundwater pumping charge is the only source of revenue over which the District has control. The tax revenue is entirely dependent upon the office of the County of Santa Barbara Tax Assessor, an independent elected position which determines tax assessments according to statutory requirements. While the District does have some control over the revenue derived from investment income, investments are restricted by statute. At this time, the District has decided to invest primarily in the State of California Treasurer operated Local Agency Investment Fund (LAIF) and in a Joint Powers Authority investment pool California Cooperative Liquid Assets Securities (Ca CLASS). Both provide liquidity, safety, and a recent rate of return on investment that is significantly less than the rate of inflation.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

ASSETS

Current Assets:

Cash and cash equivalents	\$	239,597
Investments		1,978,563
Accounts receivable		282,055
Interest receivable		12,570
Prepaid expenses		1,001
Total current assets		2,513,786

Capital assets, net of accumulated depreciation		16,100
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Total assets		2,529,886
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LIABILITIES

Current Liabilities:

Accounts payable		104,525
Accrued salaries and benefits		19,088
Compensated absences payable		33,852
Total current liabilities		157,465

Total liabilities		157,465
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NET POSITION

Net investment in capital assets		16,100
Unrestricted, reserved for defense of water rights		1,600,000
Unrestricted, reserved for unanticipated events		400,000
Unrestricted		356,321
Total net position	\$	2,372,421

See accompanying notes

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023**

		Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets
Functions / Programs:				
Governmental activities:				
Ground water conservation	\$ 1,196,138	\$ 634,079	\$ 129,600	\$ (432,459)
Total	\$ 1,196,138	\$ 634,079	\$ 129,600	(432,459)
General Revenues:				
Property tax				385,683
Unrealized gain				9,249
Interest income				52,954
Other revenue				630
Total general revenues				448,516
Change in net position				16,057
Net Position - beginning of year				2,356,364
Net Position - end of year				\$ 2,372,421

See accompanying notes

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023**

	General Fund
<u>ASSETS</u>	
Cash and cash equivalents	\$ 239,597
Investments	1,978,563
Accounts receivable	282,055
Interest receivable	12,570
Prepaid expenses	1,001
	\$ 2,513,786
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities:	
Accounts payable	\$ 104,525
Accrued salaries and benefits	19,088
	123,613
 Fund Balances:	
Committed for defense of water rights	1,600,000
Committed for unanticipated events	400,000
Unassigned	390,173
	2,390,173
	\$ 2,513,786

See accompanying notes

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
For the Year Ended June 30, 2023**

Total fund balance of governmental funds	\$ 2,390,173
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	16,100
Compensated absences reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	<u>(33,852)</u>
Net position	<u>\$ 2,372,421</u>

See accompanying notes

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023**

	General
Revenues:	
Ground water charges	\$ 634,079
Property tax	385,683
Grant revenue	129,600
Unrealized gain	9,249
Interest income	52,954
Other revenue	630
Total revenues	1,212,195
Expenditures:	
Employee salaries	453,104
Employee benefits	7,279
Retirement plan contributions	28,328
Outside services	5,333
Office expense	46,427
Director fees	4,725
Travel	7,779
Accounting	17,862
Insurance and worker's comp	18,779
Dues and LAFCO fees	4,567
Legal	159,518
Engineering and environmental	50,599
Fishery - hydrology and consultants	27,394
Water rights	49,951
Groundwater charges program	58,966
Sustainable Groundwater Management Act (SGMA)	102,267
SGMA pass-through grant expenses	129,600
Special projects	25,509
Miscellaneous expense	371
Total expenditures	1,198,358
Net change in fund balance	13,837
Fund balance - beginning of year	2,376,336
Fund balance - end of year	\$ 2,390,173

See accompanying notes

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023**

Net change in fund balance	\$	13,837
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Amounts reported in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures; however in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period this amount is:

Depreciation expense		(2,300)
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Compensated absences reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

		4,520
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Change in net position	\$	16,057
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See accompanying notes

NOTES TO FINANCIAL STATEMENTS

Note 1 – Reporting Entity and Summary of Significant Accounting Policies**A) Nature of the Organization**

The Santa Ynez River Water Conservation District was organized in 1939, pursuant to the provisions of the Water Conservation District Law of 1931, and the Water Code pursuant to State of California, Division 21. The annual budget, prepared in advance of each fiscal year, includes an amount deemed necessary to be provided by the levy of taxes within the District. The budget is sent to the County Auditor and County Board of Supervisors in compliance with the California Water Code Section 75351 and Government Code Section 53901.

In 2015, in response to the State of California's historic passage of significant groundwater legislation (Sustainable Groundwater Management Act or "SGMA") in 2014, the District took a leadership role in initiating activities to manage groundwater in the watershed and in 2017, three Groundwater Sustainability Agencies (GSAs) were formed, as discussed in Note 6.

B) Reporting Entity

The District has defined its reporting entity in accordance with the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards. These standards provide guidance for determining which governmental activities; organizations and functions should be included in the reporting entity and how information about them should be presented. The basic criterion for inclusion of a governmental unit in a governmental reporting entity are: (1) financial interdependency, (2) selection of governing authority, (3) designation of management, (4) ability to significantly influence operations, and (5) accountability for fiscal matters.

The scope of this report extends exclusively to the financial information of Santa Ynez River Water Conservation District. The Governing Board of the District has no oversight responsibility over any other governmental unit or District. As such, the Board's governing authority, designation of management, ability to significantly influence operation, and accountability for fiscal matters extend only to the affairs of the District.

C) Basis of Accounting and Measurement Focus

This report has been prepared in conformity with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements report information on all of the activities of the District. Separate fund financial statements are provided for governmental funds.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**C) Basis of Accounting and Measurement Focus (Continued)**

Government-wide Financial Statements - Government-wide financial statements display information about the reporting government as a whole.

Government-wide financial statements are presented using the flow of economic resources measurement focus and the accrual basis of accounting. Under the flow of economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

Fund Financial Statements – The focus of the fund financial statements is on the District’s General Fund, its sole major governmental fund.

The governmental fund financial statements are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position.

The modified accrual basis of accounting is followed by the governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District, in general, considers revenues available if they are collected within 120 days after year-end. Expenditures are recorded when the related fund liability is incurred, if measurable. However, expenditures related to compensated absences and claims and judgments are recognized only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Inter-fund activity is eliminated for the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)D) Budgetary Procedures

The District prepares an annual budget which includes estimates of its principal sources of revenue to be received during the fiscal year, as well as estimated expenditures and reserves needed for operation of District facilities.

E) Cash and Cash Equivalents

The District considers demand deposits, cash on hand, and all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

F) Investments

Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

G) Receivables

Receivables are primarily comprised of ground water service charges. Accounts receivable are considered to be fully collectible. Accordingly, no allowance has been made for doubtful accounts, and accounts receivable are shown at full value.

H) Capital Assets

Capital assets purchased by the District are recorded at cost. The District depreciates its fixed assets by the straight-line method over periods of 5 to 10 years, depending on the estimated useful life of the asset. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000, and estimated useful life in excess of two years.

I) Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts in the accompanying financial statements. Actual results could differ from those estimates.

J) Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**K) Net Position**

The Statement of Net Position presents the District's assets and liabilities, with the difference reported as net position. Net position is classified into three components as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.
- *Restricted* – This component of net position consists when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” Unrestricted, reserved net position represents unrestricted assets which are segregated by the Board of Directors for specific future uses.

When an expense is incurred for purposes for which both unrestricted and restricted resources are available for use, it is the District's policy to apply restricted assets first, then unrestricted resources.

L) Fund Balance

In the fund financial statements, governmental funds report fund balance classifications based primarily on the extent to which the District is bound to honor constraints on the use of resources.

- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Assigned fund balance* – amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the District's special revenue funds.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)L) Fund Balance (Continued)

- *Unassigned fund balance* – the residual classification for the District’s General Fund that included amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditure incurred for specific purposes exceeds the amounts restricted to those purposes.

The Board of Directors establishes, modifies or rescinds fund balance commitments and assignments by approving contractual commitments, an ordinance or a resolution.

M) Revenue Recognition – Groundwater Charges

The Board of Directors approve groundwater charges annually. On July 1 and January 1, the District mails groundwater statements to well customers for the preceding 6 month period. Customers are required to self-report their water usage and pay the groundwater charges within 30 days of the statement date. Management estimates the amount of groundwater charges the District earned during the year based on subsequent period cash collections. These amounts are recorded as accounts receivable as of June 30, 2023. Customers who did not return their statement within four months of the statement date are not included in accounts receivable as of June 30, 2023.

N) Revenue Recognition – Property Taxes

Property taxes are collected on the tax rolls of the County of Santa Barbara. The District receives an allocation of general property taxes. The property taxes and service charges are recognized when they have been collected by the County and are available for distribution to the District.

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations – are established by the Assessor of the County of Santa Barbara (County) for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From the base assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**N) Revenue Recognition – Property Taxes (Continued)**

Tax Collections – are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

Tax Levy Apportionments – Due to the nature of the District-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each District represented of the total District-wide levy for the three years prior to fiscal year 1979.

Tax Levies – are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates – are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as they exist at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Property Tax Administration Fees – The State of California FY 90-91 Budget Act, authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld.

O) Governmental Accounting Standards Board (GASB) Statements – Recent Updates

On July 1, 2022, the District adopted GASB Accounting Standards Statement 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and reporting for subscription-based information technology arrangements (SBITAs) for governments by defining a SBITA, establishing the criteria for recognizing right-to-use subscription assets and corresponding subscription liabilities, and outlining required note disclosures regarding SBITAs. There was not a material impact to net position, revenues, or expenses as a result of applying GASB 96 for the year ended June 30, 2023, and there have not been significant changes to the District's business processes, systems, or internal controls as a result of implementing the standard.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

P) Future Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board Statements listed below will be implemented in future financial statements. These statements will be evaluated by the District to determine if they will have a material impact to the financial statements once effective.

Statement No. 100 <i>"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"</i>	The requirements of this statement are effective for periods beginning after June 15, 2023. (FY 23/24)
Statement No. 101 <i>"Compensated Absences"</i>	The requirements of this statement are effective for periods beginning after December 15, 2023. (FY 24/25)

Note 2 – Cash and Investments

Cash and investments are comprised of the following at June 30, 2023:

Deposits with financial institutions	\$ 239,597
Local Agency Investment Fund	1,576,690
California CLASS	401,873
Total cash and investments	<u>\$ 2,218,160</u>

Investments Authorized by the District's Investment Policy

The District's investment policy authorizes the District to invest only in the Local Agency Investment Fund (LAIF), Santa Barbara County Investment Pool (SBIF), California Cooperative Liquid Assets Securities System (CA CLASS), FDIC insured accounts, and any investment authorized by Government Code section 53601 that is approved in advance by the Board of Directors.

Investments

The District participates in LAIF and California Cooperative Liquid Assets Securities System CA CLASS, which are regulated by the California Government Code. The District's investments in LAIF and CA CLASS are highly liquid as deposits and withdrawals can be made at any time without penalty.

The fair value of the District's investment in LAIF is reported in the accompanying financial statements based upon the District's pro rata share of the fair value provided by LAIF, in relation to the amortized cost of the portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The fair value of the District's investment in CA CLASS is measured at \$1 per share, the net asset value (NAV) determined by the pool.

NOTES TO FINANCIAL STATEMENTS

Note 2 – Cash and Investments (Continued)Interest Rate Risk

The District did not have any investments with fair values that are considered to be highly sensitive to changes in interest rates.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in LAIF and CA CLASS are not rated.

Note 3 – Risk Management

The District participates in the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority, for general and auto liability, public officials personal, error and omissions and employment practices liability, workers compensation, property damage, and fidelity insurance. The District pays a premium commensurate with the level of coverage requested. To obtain complete financial information contact SDRMA at 1112 I Street, Suite 300, Sacramento, CA 95814.

NOTES TO FINANCIAL STATEMENTS

Note 4 – Capital Assets

Capital assets activity for the fiscal year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Depreciable capital assets:				
Leasehold improvements	\$ 23,000	\$ -	\$ -	\$ 23,000
Total depreciable capital assets	23,000	-	-	23,000
Less: accumulated depreciation	(4,600)	(2,300)	-	(6,900)
Net depreciable capital assets	<u>\$ 18,400</u>	<u>\$ (2,300)</u>	<u>\$ -</u>	<u>\$ 16,100</u>

Note 5 – Deferred Compensation Plans

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457(b). Additionally, effective January 1, 2022 the District established a profit sharing plan created in accordance with IRC Section 401(a). The plans permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The District annually contributes 100% of employee contributions up to 7% of employee compensation. During the year ended June 30, 2023, the District contributed \$28,328 to the Plans.

All assets of the plans were placed in trusts for the exclusive benefit of participants and their beneficiaries. The requirements of the IRC Sections prescribes that the District no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the District's financial statements.

Note 6 – Joint Ventures**Santa Ynez River Valley Basin Eastern Management Area GSA (EMA)**

The District is a participant with the City of Solvang, Santa Ynez River Water Conservation District, Improvement District 1, and the County of Santa Barbara Water Agency in a joint venture to oversee the implementation of the Sustainable Groundwater Management Act requirements within the Eastern Management Area of the Santa Ynez River Valley Groundwater Basis. The Eastern Management Agency (EMA), a Groundwater Sustainability Agency (GSA), was created for this purpose. The EMA is governed by a committee which is comprised of one representative and an alternative from each participant.

NOTES TO FINANCIAL STATEMENTS

Note 6 – Joint Ventures (Continued)

Santa Ynez River Valley Basin Eastern Management Area GSA (EMA) (Continued)

Voting is weighted as follows:

<u>Participant</u>	<u>Board Representation</u>
County of Santa Barbara Water Agency	5 votes
Santa Ynez River Water Conservation District	3 votes
Santa Ynez River Water Conservation District, ID#1	2 votes
City of Solvang	1 vote
Total	<u>11 votes</u>

All proposed actions or resolutions must be passed by a simple majority and significant actions, such as forming a Joint Power Agency agreement, require at least 70 percent vote and concurrence of each participant’s governing body. Under the terms of the Memorandum of Agreement dated April 27, 2017, the participating governments are required to pay their pro-rata share of the operating budget. During 2022/2023, the District paid \$10,937 to the EMA. The District also provides project management and other administrative support for the EMA. Financial statements for the EMA can be obtained from the EMA’s administrative office at 3669 Sagunto Street, Suite 101, Santa Ynez, CA 93460.

Santa Ynez River Valley Basin Central Management Area GSA (CMA)

The District is a participant with the City of Buellton and County of Santa Barbara Water Agency in a joint venture to oversee the implementation of the Sustainable Groundwater Management Act requirements within the Central Management Area of the Santa Ynez River Valley Groundwater Basis. The Santa Ynez River Valley Basin Central Management Area GSA (CMA), a Groundwater Sustainability Agency (GSA), was created for this purpose. The CMA is governed by a committee which is comprised of one representative from each participant. Voting is weighted as follows:

<u>Participant</u>	<u>Board Representation</u>
Santa Ynez River Water Conservation District	1 vote
City of Buellton	1 vote
Total	<u>2 votes</u>

3

The County of Santa Barbara Water Agency is a non-voting participant. All proposed actions or resolutions must be passed by an unanimous vote. Under the terms of the Memorandum of Agreement dated January 11, 2017, the participating governments are required to pay their pro-rata share of the operating budget. During 2022/2023, the District paid \$34,849 to the CMA. The District also provides project management and other administrative support for the CMA. Financial statements for the CMA can be obtained from the CMA’s administrative office at 3669 Sagunto Street, Suite 101, Santa Ynez, CA 93460.

NOTES TO FINANCIAL STATEMENTS

Note 6 – Joint Ventures (Continued)

Santa Ynez River Valley Basin Western Management Area GSA (WMA)

The District is a participant with the City of Lompoc, Vandenberg Village Community Services District, Mission Hills Community Services District and the County of Santa Barbara Water Agency in a joint venture to oversee the implementation of the Sustainable Groundwater Management Act requirements within the Western Management Area of the Santa Ynez River Valley Groundwater Basin. The Santa Ynez River Valley Basin Western Management Area GSA (WMA), a Groundwater Sustainability Agency (GSA), was created for this purpose. The WMA is governed by a committee which is comprised of one representative from each participant. Voting is weighted as follows:

Participant	Board Representation
Santa Ynez River Water Conservation District	4 votes
City of Lompoc	2 votes
Vandenberg Village Community Services District	1 vote
Mission Hills Community Services District	1 vote
Total	8 votes

The County of Santa Barbara Water Agency is a non-voting participant. Proposed actions or resolutions must be passed by a simple majority. Actions or resolutions to adopt budgets or any type of fee or charge require at least a 75 percent vote. Under the terms of the Memorandum of Agreement dated January 11, 2017, the participating governments are required to pay all costs incurred. During 2022/2023, the District paid \$30,045 to the WMA. The District also provides project management and other administrative support for the WMA. Financial statements for the WMA can be obtained from the WMA’s administrative office at 3669 Sagunto Street, Suite 101, Santa Ynez, CA 93460.

Note 7 – Contingencies

SWRCB Hearings

The District and other local water agencies are signatories to a 2001 Memorandum of Understanding (MOU) for Cooperation in Research and Fish Maintenance – Santa Ynez River with various federal and state agencies concerning the fishery in Santa Ynez River below Bradbury Dam. In addition, the District along with those other local, state and federal agencies is involved in ongoing quasi-legal proceedings before the State Water Resources Control Board (SWRCB) regarding Cachuma Project permits held by the United States Bureau of Reclamation on behalf of the Cachuma Member Units, including the release of water stored in the Cachuma Project facilities to downstream reaches of the Santa Ynez River.

NOTES TO FINANCIAL STATEMENTS

Note 7 – Contingencies (Continued)

The District and these other local agencies are conducting studies and constructing fish projects on the Santa Ynez River and associated tributaries in connection with the 2000 Biological Opinion issued by the National Marine Fisheries Service to Reclamation, Section 7 Re-consultation under the Endangered Species Act, the SWRCB proceedings and implementing the Lower Santa Ynez River Fish Management Plan, and the cost of those studies is a material annual expense of the District. The outcome of the re-consultation studies, Biological Opinions, and the SWRCB proceedings may affect the amount of water the District receives from the Cachuma Project in future years. The District is a participant in a Cooperation and Joint Defense Agreement and pays its direct costs of these activities.

In September 2019, the State Water Resources Control Board (SWRCB) adopted a new Water Rights Order (WRO 2019-0148) which applies to the US Bureau of Reclamation operation of the Cachuma Project. As with previous SWRCB water rights orders, the District will maintain active advocacy and participation in the study, planning, and operational decisions of the Cachuma Project in order to ensure the preservation of the water rights belonging to downstream properties.

Legal Matters

In the ordinary course of conducting business, various legal proceedings may be pending, however, in the opinion of the District’s management, the ultimate disposition of these matters will have no significant impact on the financial position of the District.

Note 8 – Lease Commitment

The District has a lease agreement for office space in Santa Ynez, California beginning August 1, 2018 and expiring July 31, 2023. Monthly rent is \$1,500. Annual rent expense under the lease as of June 30, 2023 was \$18,000. In July 2023 a five year extension was executed, extending the lease through July 31, 2028 with monthly rent of \$1,600.

No right of use asset or lease liability has been recorded at June 30, 2023 due to immateriality. At the effective date of the extension, August 1, 2023, a right of use asset and corresponding liability for \$86,675 will be recorded.

Future minimum lease commitments are as follows for the years ending June 30:

2024	\$	19,100
2025		19,200
2026		19,200
2027		19,200
2028		1,600
	\$	<u>78,300</u>

NOTES TO FINANCIAL STATEMENTS

Note 9 – Subsequent Events

Subsequent events have been evaluated through December 6, 2023, the date the financial statements were available to be issued.

In July 2023 the District extended their office lease agreement through July 31, 2028. See Note 8 for additional information.

Supplementary Information

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES - ACTUAL AND BUDGET
For the Year Ended June 30, 2023**

	2023 Actual	2023 Budget	2023 Over/(Under)
Revenues:			
Ground water charges	\$ 634,079	\$ 674,000	\$ (39,921)
Property tax	385,683	355,000	30,683
Grant revenue	129,600	48,000	81,600
Unrealized gain	9,249	-	9,249
Interest income	52,954	10,000	42,954
Other revenue	630	-	630
Total revenues	1,212,195	1,087,000	125,195
 Expenditures:			
Employee salaries	453,104	452,000	1,104
Employee benefits	7,279	6,000	1,279
Retirement plan contributions	28,328	30,000	(1,672)
Outside services	5,333	7,000	(1,667)
Office expense	46,427	60,000	(13,573)
Director fees	4,725	6,000	(1,275)
Travel	7,779	7,000	779
Accounting	17,862	12,000	5,862
Insurance and worker's comp	18,779	20,000	(1,221)
Dues and LAFCO fees	4,567	5,000	(433)
Legal	159,518	100,000	59,518
Engineering and environmental	50,599	35,000	15,599
Fishery - hydrology and consultants	27,394	60,000	(32,606)
Water rights	49,951	85,000	(35,049)
Groundwater charges program	58,966	65,000	(6,034)
Sustainable Groundwater Management Act (S	102,267	150,000	(47,733)
SGMA pass-through grant expenses	129,600	-	129,600
Special projects	25,509	50,000	(24,491)
Miscellaneous expense	371	3,000	(2,629)
Total expenditures	1,198,358	1,153,000	45,358
Change in Fund Balance	\$ 13,837	\$ (66,000)	\$ 79,837

Other Information

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT BOARD OF DIRECTORS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Cynthia Allen, President	Division 1	December 2026
J. Brett Marymee, Vice President	Division 5	December 2026
Steven Jordan	Division 2	December 2024
Mark Altshuler	Division 3	December 2024
Art Hibbits (* Retired June 30, 2023)	Division 4	*June 30, 2023
Larry Lahr (Appointed August 15, 2023)	Division 4	December 2024

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**To the Board of Directors
Santa Ynez River Water Conservation District:**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Santa Ynez River Water Conservation District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Santa Ynez River Water Conservation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Santa Barbara, California
December 6, 2023

REGULAR MEETING MINUTES

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT SEPTEMBER 6, 2023

A regular meeting of the Board of Directors of the Santa Ynez River Water Conservation District was held on Wednesday, September 6, 2023, at 6:30 p.m. at the Buellton City Council Chambers, 140 West Highway 246, Buellton, California.

Directors Present: Cynthia Allen, Steve Jordan, Larry Lahr, and Brett Marymee

Director Absent: Mark Altshuler

Others Present, in-person: Assistant General Manager Bill Buelow,
Board Secretary Amber Thompson, and General Manager Kevin Walsh

Others Present, remote participation: Legal Counsel Michelle Gearhart (Adamski Moroski Maden Cumberland & Green LLP) and Legal Counsel Steve Torigiani (Young Wooldridge LLP)

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

President Allen called the meeting to order at 6:30 pm. Ms. Thompson called roll. Four Directors were present providing a quorum.

2. **CLOSED SESSION**

At 6:31 p.m., President Allen closed the Open Session and the Board convened into Closed Session from 6:31 p.m. to 6:58 p.m. to discuss the following items:

- a. Conference with Legal Counsel - Pending Litigation (Gov. Code, § 54956.9, subd. (d)(1)): Wolff vs SYRWCD, Superior Court of California, County of Santa Barbara, Case No. 20CV01552 and Case No. 22CV02062

3. **RECONVENE INTO OPEN SESSION / CLOSED SESSION REPORT PUBLIC COMMENT**

President Allen reconvened into Open Session at 6:58 p.m. and reported that Agenda Item No. 12, Closed Session, and Item No. 13, Reconvene/Report were moved to be addressed after Agenda Item No. 2a during the first agenized Closed Session. There was no action taken to report.

4. **PLEDGE OF ALLEGIANCE**

President Allen led the Pledge of Allegiance.

5. PUBLIC COMMENT

There were no public comments. Ms. Thompson reported that no public comments were received prior to the meeting.

6. CONSIDERATION OF THE MINUTES OF THE SPECIAL MEETING OF AUGUST 15, 2023

President Allen submitted the minutes of the Special Meeting of August 15, 2023, for Board approval. There was no discussion or public comment.

Director Lahr made a **MOTION** to approve the minutes of the Special Meeting of August 15, 2023, as presented. Director Marymee seconded, there was no discussion, and the motion passed 4-0-1, with Director Altshuler being absent.

7. GENERAL MANAGER REPORT

a. Water Rights Release 2023

Mr. Kevin Walsh announced that there were no Water Rights Releases in 2023 nor are any being planned for, at this time. Discussion followed. There was no public comment or action.

b. Surface Water Report

Mr. Walsh presented the Winter 2023-24 Precipitation Outlook, an update on Santa Barbara County Cloud Seeding plans for winter of 2023-24, Rainfall and Reservoir Status Report dated August 28, 2023, Cachuma Daily Operations for August 2023, Downstream Users Accounting for June 2023, and Dewatered Groundwater Storage Charts through June 2023. There was discussion but no public comment or action.

c. Financial Reports

i. Update on Fiscal Year 2022-23 Audit

Mr. Walsh reported that a formal presentation of the Fiscal Year 2022-23 Audit by the accounting firm, Bartlett Pringle, Wolf is scheduled for the December 6, 2023 meeting. Discussion followed. There was no public comment or action.

ii. Quarterly Investment Reports – 4th quarter of FY 2022-2023

Mr. Walsh presented the Certification for Fiscal Year 2022-23, 4th Quarter Investment Report. There was no discussion, public comment, or action.

iii. Quarterly Comparison Balance Sheet

Mr. Walsh presented the Balance Sheet - Quarterly Comparison of March 31,

2023, and June 30, 2023, Balance Sheets. There was no discussion, public comment, or action.

iv. Balance Sheet & Profit/Loss Statement, FY 2023-24 Period 1, July 2023

Mr. Walsh presented the Balance Sheet and Profit & Loss Budget vs. Actual report as of July 31, 2023. There was no discussion, public comment, or action.

v. Approval of Warrant Lists for May, June, and July 2023

Mr. Walsh presented the Warrant Lists for May, June, and July 2023. Discussion followed. There was no public comment.

Director Jordan made a **MOTION** to approve the May, June and July 2023 warrant lists which include check #s 1143-1175 plus ACH transactions totaling \$360,125.92. Director Marymee seconded the motion and it passed 4-0-1, with Director Altshuler being absent.

8. GROUNDWATER PROGRAM MANAGER REPORT

a. Groundwater Production, Reporting and Charges Update

Mr. Bill Buelow reported that \$270,333.04 in Groundwater Charges for the production period of January 1 through June 30, 2023, has been received to date at the unified rate of \$14.14 per acre-foot water produced. He explained that receipts are lower than anticipated due to less pumping during the wet winter. Most large producers have submitted their statements and payments. He reported that Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1) submitted its payment for January 1 through June 30, 2022, under protest. Delinquent reports are currently being followed up on.

Discussion followed. District staff and counsel indicated that they are not in agreement with ID No. 1's grounds for protest and will so advise ID No. 1 so that the record is clear on this matter. There was no public comment or action.

b. Sustainable Groundwater Management Act (SGMA) Update

Mr. Buelow provided updates on SGMA efforts in the Basin and the District's involvement. In August 2023, the WMA GSA endorsed a draft Joint Exercise of Powers Agreement (JPA) for the WMA which will be presented to each governing board of the member agencies for consideration of approval by December 2023. The CMA GSA, at the meeting scheduled for September 25, 2023, is expected to consider endorsing a draft JPA for the CMA which will then need to be presented to each governing board of the member agencies for consideration of approval. The EMA GSA does not have a draft JPA prepared for consideration as the member agencies disagree on proposed changes to the current Memorandum of Agreement voting structure. Discussion followed. There was no public comment and no action.

i. Update on Basin Governance from Ad-Hoc Committee

Directors Steve Jordan and Brett Marymee presented an update on basin governance ideas. The top two priorities for items that they would like to see resolved as soon as possible are the approval of a formal cost sharing agreement for the EMA GSA and starting the process to conduct a Rate Study for all three GSAs as a coordinated and combined effort. Discussion followed. There was no public comment or action.

Ad-Hoc Committee recommended that District staff poll current water users to help find agriculture representatives to recommend to the GSA Committees. Mr. Buelow suggested looking at the Citizen Advisory Groups for the agriculture representatives to recommend. The Board directed staff that there should be a two-step plan to secure an agriculture representative for the EMA GSA.

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

Mr. Buelow reported that he attended the CSDA Annual Conference in Monterey, CA. He recommended that Board Members attend this conference next year in Indian Wells. Director Marymee indicated his interest in attending.

10. REQUESTS FROM THE BOARD OF DIRECTORS FOR ITEMS TO BE INCLUDED ON THE NEXT AGENDA

There were no requests.

11. NEXT REGULAR MEETING IS SCHEDULED FOR WEDNESDAY, DECEMBER 6, 2023, AT 6:30 PM AT THE BUELLTON CITY COUNCIL CHAMBERS, 140 WEST HIGHWAY 246, BUELLTON, CALIFORNIA

The next scheduled regular meeting of the Board meeting will be December 6, 2023, at 6:30 p.m., at the Buellton City Council Chambers, 140 West Highway 246, Buellton, California.

12. CLOSED SESSION

This agenda item was moved to be discussed after Agenda Item 2a. The Board convened into Closed Session from 6:31 p.m. to 6:58 p.m. to discuss Agenda Item 2a and the following items:

- b. Conference with Legal Counsel – Pending Litigation (Gov. Code, § 54956.9, subd. (d)(1)) relating to proceedings pending before the State Water Resources Control Board (SWRCB) regarding Permits 11308 and 11310 issued on Applications 11331 and 11332 of the United States Bureau of Reclamation for the Cachuma Project, and complaints filed by the California Sport Fishing Protection Alliance regarding the

operation of the Cachuma Project and SWRCB Order WR 89-18; proposed changes to the place and purpose of use of waters obtained through aforementioned permits for the Cachuma Project; and Reclamation's Petition for Reconsideration or Rehearing re Order WR 2019-0148; and proceedings related to SWRCB Permit No. 15878 (Application A022423) held by the City of Solvang including the City of Solvang's Petitions for Change and Extension of Time.

- c. Conference with Legal Counsel – Anticipated Litigation (Gov. Code, § 54956.9, subd. (d)(2)): Significant exposure to litigation (Two Matters).
- d. Conference with Legal Counsel – Anticipated Litigation (Gov. Code, § 54956.9, subd. (d)(4)): Possible initiation of litigation (Two Matters).

13. RECONVENE INTO OPEN SESSION / CLOSED SESSION REPORT PUBLIC COMMENT

This agenda item was moved to be discussed after Agenda Item 2a. President Allen advised there is nothing to report from Closed Session

14. ADJOURNMENT

There being no further business, President Allen adjourned the meeting at 8:09 p.m.

Cynthia Allen, President

Amber M. Thompson, Secretary

SPECIAL MEETING MINUTES

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT OCTOBER 19, 2023

A special meeting of the Board of Directors of the Santa Ynez River Water Conservation District was held on Thursday, October 19, 2023, at 6:30 p.m. at the Santa Ynez River Water Conservation District, Conference Room, 3669 Sagunto Street, Suite 101, Santa Ynez, California.

Directors Present: Cynthia Allen, Steve Jordan, Larry Lahr, and Brett Marymee

Director Absent: Mark Altshuler

Others Present, in-person: Assistant General Manager Bill Buelow, and
Board Secretary Amber Thompson

Others Present, remote participation: Legal Counsel Steve Torigiani (Young Wooldridge LLP)

1. CALL TO ORDER AND ROLL CALL

President Allen called the meeting to order at 6:30 pm. Ms. Thompson called roll. Four Directors were present providing a quorum.

2. PLEDGE OF ALLEGIANCE

President Allen led the Pledge of Allegiance.

3. PUBLIC COMMENT

There were no public comments.

4. DISCUSS AND CONSIDER APPROVING A JOINT EXERCISE OF POWERS AGREEMENT FOR THE SANTA YNEZ RIVER VALLEY GROUNDWATER BASIN WESTERN MANAGEMENT AREA GROUNDWATER SUSTAINABILITY

Mr. Bill Buelow presented a staff memorandum dated October 19, 2023, regarding the Joint Powers Agreement for the WMA and CMA as well as the JOINT EXERCISE OF POWERS AGREEMENT SANTA YNEZ RIVER VALLEY BASIN WESTERN MANAGEMENT AREA GROUNDWATER SUSTAINABILITY AGENCY (WMA JPA). He reported that the WMA GSA Committee endorsed the draft final WMA JPA at a regular meeting held on August 23, 2023, and that the governing bodies for the WMA GSA member agencies, City of Lompoc, Vandenberg Village CSD, and Mission Hills CSD, have all approved the agreement during recent public meetings. The County of Santa Barbara Board of Supervisors is expected to consider approving the WMA JPA at the November 28, 2023, meeting. Discussion followed. There were no public comments.

Director Jordan made a **MOTION** for the Santa Ynez River Water Conservation District Board of Directors to hereby approve the Draft Final JOINT EXERCISE OF POWERS AGREEMENT SANTA YNEZ RIVER VALLEY BASIN WESTERN MANAGEMENT AREA GROUNDWATER SUSTAINABILITY AGENCY and hereby direct the General Manager or Assistant General Manager to sign the agreement on behalf of the Board. Director Lahr seconded the motion. There was no discussion or public comment. The motion passed 4-0-1 by voice vote, with Director Altshuler being absent.

5. DISCUSS AND CONSIDER APPROVING A JOINT EXERCISE OF POWERS AGREEMENT FOR THE SANTA YNEZ RIVER VALLEY GROUNDWATER BASIN CENTRAL MANAGEMENT AREA GROUNDWATER SUSTAINABILITY

Mr. Bill Buelow presented the JOINT EXERCISE OF POWERS AGREEMENT SANTA YNEZ RIVER VALLEY BASIN CENTRAL MANAGEMENT AREA GROUNDWATER SUSTAINABILITY AGENCY (CMA JPA). He reported that the CMA GSA Committee endorsed the CMA JPA at a regular meeting held on September 25, 2023. The City of Buellton City Council is expected to consider approving the CMA JPA at an October 26, 2023, meeting. The County of Santa Barbara Board of Supervisors is expected to consider the CMA JPA at a November 28, 2023, meeting. Discussion followed. There were no public comments.

Director Jordan made a **MOTION** for the Santa Ynez River Water Conservation District Board of Directors to hereby approve the Draft Final JOINT EXERCISE OF POWERS AGREEMENT SANTA YNEZ RIVER VALLEY BASIN CENTRAL MANAGEMENT AREA GROUNDWATER SUSTAINABILITY AGENCY and hereby direct the General Manager or Assistant General Manager to sign the agreement on behalf of the Board. Director Marymee seconded the motion. There was no discussion or public comment. The motion passed 4-0-1 by voice vote, with Director Altshuler being absent.

6. GROUNDWATER PROGRAM MANAGER REPORT – STATUS, DISCUSSION AND POSSIBLE BOARD ACTION ON THE FOLLOWING

a. Sustainable Groundwater Management Act (SGMA) Update

Mr. Buelow provided updates on SGMA efforts in the Basin and the District's involvement. At the request of the Santa Ynez Water Group (SYWG), the EMA GSA member agencies' staff and attorneys met with the SYWG last week to discuss the EMA GSA's future governance and voting structure options. Those discussions will continue. The EMA CAG reviewed the draft EMA JPA and met on October 18, 2023, to discuss and provide feedback for the EMA GSA Committee. A cost share agreement is being constructed for the EMA GSA. Discussion followed. There was no public comment and no action.

Directors Steve Jordan and Brett Marymee presented an update on basin governance ideas. Discussion followed. There was no public comment and no action.

b. Consider Appointments of Board Representatives to:

- i. Central Management Area (CMA)
- ii. Eastern Management Area (EMA)
- iii. Western Management Area (WMA)

Mr. Buelow reviewed the current appointments of SYRWCD Directors to the CMA, EMA, and WMA GSA Committees. Discussion followed.

Director Marymee made a **MOTION** to keep President Cynthia Allen as the District representative and appoint Director Larry Lahr to replace Director Jordan as the District alternate to the CMA GSA Committee, effective immediately; appoint President Cynthia Allen to replace Director Jordan as the District representative and appoint Director Steve Jordan to replace President Allen as the District alternate to the WMA GSA Committee, effective immediately; and make no change in District representatives to the EMA GSA Committee. Director Lahr seconded the motion. There was no discussion or public comment. The motion passed 4-0-1 by voice vote, with Director Altshuler being absent.

7. REQUESTS FROM THE BOARD OF DIRECTORS FOR ITEMS TO BE INCLUDED ON THE NEXT AGENDA

Director Marymee requested an update on Department of Water Resources' responses to the three Groundwater Sustainability Plans that were submitted by the GSAs in January 2022.

8. NEXT REGULAR MEETING IS SCHEDULED FOR WEDNESDAY, DECEMBER 6, 2023, AT 6:30 PM AT THE BUELLTON CITY COUNCIL CHAMBERS, 140 WEST HIGHWAY 246, BUELLTON, CALIFORNIA

The next scheduled regular meeting of the Board meeting will be December 6, 2023, at 6:30 p.m., at the Buellton City Council Chambers, 140 West Highway 246, Buellton, California.

9. CLOSED SESSION

The Board convened into Closed Session from 8:04 p.m. to 8:17 p.m. to discuss the following items:

- a. Conference with Legal Counsel - Pending Litigation (Gov. Code, § 54956.9, subd. (d)(1)): Wolff vs SYRWCD, Superior Court of California, County of Santa Barbara, Case No. 20CV01552 and Case No. 22CV02062
- b. Conference with Legal Counsel – Pending Litigation (Gov. Code, § 54956.9, subd. (d)(1)) relating to proceedings pending before the State Water Resources Control Board (SWRCB) regarding Permits 11308 and 11310 issued on Applications 11331 and 11332 of the United States Bureau of Reclamation for the Cachuma Project, and complaints filed by the California Sport Fishing Protection Alliance regarding the

operation of the Cachuma Project and SWRCB Order WR 89-18; proposed changes to the place and purpose of use of waters obtained through aforementioned permits for the Cachuma Project; and Reclamation's Petition for Reconsideration or Rehearing re Order WR 2019-0148; and proceedings related to SWRCB Permit No. 15878 (Application A022423) held by the City of Solvang including the City of Solvang's Petitions for Change and Extension of Time.

- c. Conference with Legal Counsel – Anticipated Litigation (Gov. Code, § 54956.9, subd. (d)(2)): Significant exposure to litigation (Two Matters).
- d. Conference with Legal Counsel – Anticipated Litigation (Gov. Code, § 54956.9, subd. (d)(4)): Possible initiation of litigation (Two Matters).

10. RECONVENE INTO OPEN SESSION / CLOSED SESSION REPORT PUBLIC COMMENT

President Allen advised there is nothing to report from Closed Session

11. ADJOURNMENT

There being no further business, President Allen adjourned the meeting at 8:17 p.m.

Cynthia Allen, President

Amber M. Thompson, Secretary

QUARTERLY INVESTMENT REPORT
(REF. CGC 53646 (B) (1) AND 53646 (E))
SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
1ST QUARTER, FY 2023-24
JULY, AUGUST, SEPTEMBER 2023

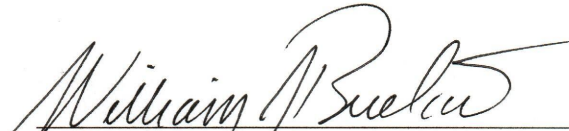
Certification is hereby provided that:

- A. All investment actions executed during the last quarter have been made in full compliance with the Investment Policy; and,
- B. Sufficient funds exist so that the District will meet its expenditure obligations for the next six months as required by CGC 53646 (b) (2) and (3), respectively.

CERTIFICATION:

Kevin D. Walsh, General Manager

Date



William J. Buelow, Treasurer



Date

Santa Ynez River Water Conservation District

BALANCE SHEET - QUARTERLY COMPARISON

	<u>June 30, 2023</u>	<u>September 30, 2023</u>
<u>ASSETS</u>		
ASSETS		
Mechanics Checking #7071-01	601.30	601.30
Five Star Checking #5935	19,661.88	7,513.96
Mechanics Money Market #7311	4,867.00	3,287.24
Five Star Money Market #5986	214,466.51	178,781.08
Five Star Money Market #5994	0.00	0.00
LAIF	1,614,361.02	1,628,911.36
California CLASS	401,872.76	407,372.00
LAIF/SBIF FMV Adjustment *	(33,538.00)	(33,538.00)
Prepaid Expenses	1,001.29	395.00
Accounts Receivable	299,763.65	299,763.65
TOTAL ASSETS	<u>2,523,057.41</u>	<u>2,493,087.59</u>
TOTAL ASSETS	<u>\$ 2,523,057.41</u>	<u>\$ 2,493,087.59</u>
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES		
Accounts Payable	116,052.79	71,027.08
Accrued Payroll Taxes	5,263.35	6,078.81
Deferred Comp - Lincoln National	2,296.91	2,491.48
TOTAL LIABILITIES	<u>123,613.05</u>	<u>79,597.37</u>
RESERVES (aka EQUITY)		
Unappropriated Reserves	2,389,539.95	2,389,539.95
RETAINED EARNINGS - CURRENT YEAR	9,904.41	9,904.41
Net Income	0.00	14,045.86
TOTAL RESERVES (EQUITY)	<u>2,399,444.36</u>	<u>2,413,490.22</u>
TOTAL LIABILITIES AND EQUITY	<u>2,523,057.41</u>	<u>2,493,087.59</u>

Santa Ynez River Water Conservation District
Balance Sheet
 As of October 31, 2023

	Oct 31, 23
ASSETS	
Current Assets	
Checking/Savings	
1325-00 · Mechanics Checking #7071-01	601.30
1330-00 · Five Star Checking #5935	28,720.83
1340-05 · Mechanics #7311 (GW Revenue)	3,287.30
1345-00 · Five Star MM #5986	84,505.35
1350-01 · LAIF	1,018,911.36
1350-03 · California Class	1,020,572.32
1360-00 · LAIF/SBIF FMV Adjustment	-33,538.00
1374-00 · Prepaid Expenses	395.00
Total Checking/Savings	2,123,455.46
Accounts Receivable	
1500-00 · Accounts Receivable	299,763.65
Total Accounts Receivable	299,763.65
Total Current Assets	2,423,219.11
TOTAL ASSETS	2,423,219.11
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2220-00 · Accounts Payable	70,127.97
Total Accounts Payable	70,127.97
Other Current Liabilities	
2225-00 · Accrued Payroll Taxes	6,044.39
2225-06 · Deferred Comp - Lincoln Nat'l	2,491.48
2230-00 · Due USGS Lompoc Monitor Study	3,786.00
Total Other Current Liabilities	12,321.87
Total Current Liabilities	82,449.84
Total Liabilities	82,449.84
Equity	
3200-00 · Unappropriated Reserves	2,389,539.95
32000 · Retained Earnings	9,904.41
Net Income	-58,675.09
Total Equity	2,340,769.27
TOTAL LIABILITIES & EQUITY	2,423,219.11

Santa Ynez River Water Conservation District
Profit & Loss Budget vs. Actual
July through October 2023

	FY 22-23, Period 4		TOTAL		
	Oct 23	Budget	Jul - Oct 23	Budget	\$ Over Budget
Income					
4500-00 · DWR Grant Reimbursement	0.00	0.00	0.00	0.00	0.00
4910-00 · Ground Water Charges	6,404.89	5,000.00	282,025.06	340,000.00	-57,974.94
4930-00 · SB County Property Taxes	22,603.47	16,000.00	22,603.47	16,000.00	6,603.47
4934-00 · Interest Income, all sources	3,870.74	2,000.00	25,602.75	17,000.00	8,602.75
4937-00 · Miscellaneous Income	0.00	0.00	82.29	0.00	82.29
Total Income	32,879.10	23,000.00	330,313.57	373,000.00	-42,686.43
Gross Profit	32,879.10	23,000.00	330,313.57	373,000.00	-42,686.43
Expense					
5500-00 · Employee Compensation	41,878.08	41,916.66	167,512.32	167,666.72	-154.40
5505-00 · Payroll (SS and Medicare)	3,226.66	2,820.00	12,986.95	11,280.00	1,706.95
5506-00 · Employee Benefits	767.28	816.66	3,738.43	3,266.72	471.71
5507-00 · Retirement Costs	2,931.50	3,000.00	11,726.00	12,000.00	-274.00
5512-00 · Outside Staff Support	500.00	666.66	1,640.00	2,666.72	-1,026.72
5513-00 · Director Fees	300.00	0.00	975.00	1,125.00	-150.00
5513-50 · Director Fees SGMA	0.00	150.00	1,275.00	750.00	525.00
5514-00 · Ground Water Charges Admin	1,545.63	6,300.00	2,191.53	25,200.00	-23,008.47
5521-00 · Office Supplies - Incl Computer	1,171.17	500.00	1,639.76	2,000.00	-360.24
5522-00 · IT Services	0.00	170.00	1,467.80	680.00	787.80
5523-00 · Communications	746.34	560.00	1,813.83	3,800.00	-1,986.17
5524-00 · Travel & Training	1,510.19	1,200.00	5,000.36	3,750.00	1,250.36
5527-00 · Audit/Accounting	8,185.77	3,000.00	8,185.77	3,500.00	4,685.77
5529-00 · Insurance, Bonds, Worker's Comp	-682.96	0.00	19,772.39	21,000.00	-1,227.61
5530-00 · Miscellaneous Expense	0.00	333.33	342.00	1,333.36	-991.36
5531-00 · Dues	0.00	0.00	0.00	0.00	0.00
5540-00 · LAFCO Cost	0.00	0.00	842.00	2,000.00	-1,158.00
5560-00 · Office Occupancy	1,921.22	2,200.00	8,222.45	9,100.00	-877.55
5570-00 · Records Services	163.64	165.00	490.94	660.00	-169.06
5590-00 · Credit Card Processing Fees	13.59	90.00	501.44	190.00	311.44
5600-00 · SGMA General	10,925.50		27,061.63		
5600-20 · SGMA WMA	67.13	2,666.67	379.68	10,666.64	-10,286.96
5600-30 · SGMA CMA	28.48	1,666.67	225.75	6,666.64	-6,440.89
5600-40 · SGMA EMA	18.00	1,750.00	236.96	7,000.00	-6,763.04
5600-90 · SGMA Legal	7,572.50	5,000.00	44,441.25	28,000.00	16,441.25
5626-00 · General & Miscellaneous	1,214.13	1,250.00	4,929.98	5,000.00	-70.02
5626-02 · WR89-18 (WRR)	0.00	0.00	0.00	0.00	0.00
5626-08 · Upper SYR Ops	0.00	0.00	0.00	0.00	0.00
5626-12 · WR 2019-0148 Decision	130.00	2,083.33	5,317.00	8,333.36	-3,016.36
5626-14 · Fisheries, Legal	0.00	2,500.00	130.00	10,000.00	-9,870.00
5626-20 · HR	0.00	208.33	0.00	833.36	-833.36
5626-50 · GW Program	0.00	416.66	0.00	1,666.72	-1,666.72
5626-60 · Assessments/Charges	5,095.00	0.00	5,095.00	500.00	4,595.00
5633-00 · General & Misc	62.81	750.00	347.01	3,000.00	-2,652.99
5633-01 · Annual G.W. Report	0.00	0.00	0.00	0.00	0.00
5633-02 · WR 89-18 Operations (WRR)	791.75	10,000.00	7,372.99	31,000.00	-23,627.01
5633-08 · Upper SYR Operations	286.50	416.66	1,528.00	1,666.72	-138.72
5633-12 · WR 2019-0148 Decision,	0.00	1,666.66	0.00	6,666.72	-6,666.72
5633-14 · Fisheries Hydrology	1,860.75	2,500.00	2,195.00	10,000.00	-7,805.00
5633-16 · Special Studies	648.75	800.00	3,476.25	4,400.00	-923.75
5700-00 · All Zones, General	12,720.64	4,166.66	35,928.19	16,666.72	19,261.47
Total Expense	105,600.05	101,729.95	388,988.66	424,035.40	-35,046.74
Net Income	-72,720.95	-78,729.95	-58,675.09	-51,035.40	-7,639.69

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
AUGUST 2023 WARRANT LIST FOR BOARD APPROVAL
(Account held at Five Star Bank)

<u>NUMBER</u>	<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>FY</u> <u>2022-23</u>
ACH	8/2/2023	Payroll	July 16-31, 2023 Salary	\$ 12,426.13	
ACH	8/4/2023	Employment Development Dept.	EDD Tax Deposit (July 16-31, 2023)	\$ 1,150.39	
ACH	8/4/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (July 16-31, 2023)	\$ 6,472.89	
ACH	8/4/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 7/31/23)	\$ 525.32	
ACH	8/4/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (7/31/23) & Employer Match (partial due 7/31/23)	\$ 3,431.91	
ACH	7/3/2023	Dennis/Yvonne Bailey	Reimburse overpaid Groundwater Charges due to error (Amount due \$14.56 but debit card was charged \$1,444.68)	\$ 1,430.12	
1176	8/10/2023	Alex Pappas	July 2023 SGMA TSS Grant Support	\$ 234.00	
1177	8/10/2023	Jim Heyerly	August 2023 Rent	\$ 1,600.00	
1178	8/10/2023	Pacific Gas & Electric	July 2023 Electric Service	\$ 218.87	
1179	8/10/2023	County of Santa Barbara	IRWM Participation Cost (1/1/23-6/30/23)	\$ 77.62	\$ 77.62
1180	8/10/2023	US Bank Corp	July 2023 CalCard	\$ 2,413.58	\$ 1,438.58
1181	8/10/2023	Valley Bookkeeping Services	July 2023 Bookkeeping	\$ 380.00	
1182	8/10/2023	William Buelow	Expense Reimbursement and Mileage (July 2023)	\$ 121.26	
1183	8/10/2023	Young Wooldridge	July 2023 Legal Service	\$ 18,711.66	
1184	8/10/2023	GSI Water Solutions Inc.	July 2023 Analysis of several Zone C wells	\$ 2,827.50	
ACH	8/16/2023	SDRMA	September 2023 and balance due for August 2023 (rate adjustments) for Insurance - Employee Benefits	\$ 915.39	
ACH	8/17/2023	Payroll	August 1-15, 2023 Salary	\$ 12,426.13	
ACH	7/17/2023	Employment Development Dept.	EDD Tax Deposit (August 1-15, 2023)	\$ 1,150.39	
ACH	7/18/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (August 1-15, 2023)	\$ 6,472.89	
TOTAL				\$ 72,986.05	\$ 1,516.20
				FY 2022-23	\$ 1,516.20
				FY 2023-24	\$ 71,469.85

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
 SEPTEMBER 2023 WARRANT LIST FOR BOARD APPROVAL
 (Account held at Five Star Bank)**

<u>NUMBER</u>	<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ACH	9/5/2023	Payroll	August 16-31, 2023 Salary	\$ 12,426.13
ACH	9/5/2023	Cynthia Allen	Meetings: 8/15 SYRWCD; 8/7 & 8/21 CMA; 8/9 & 8/23 WMA	\$ 346.31
ACH	9/5/2023	Mark Altshuler	Meeting: 8/15 SYRWCD	\$ 69.26
ACH	9/5/2023	Steve Jordan	Meetings: 8/15 SYRWCD; 8/7 & 8/21 CMA; 8/9 & 8/23 WMA; 8/10 & 8/24 EMA	\$ 484.84
ACH	9/5/2023	Brett Marymee	Meeting: 8/24 EMA	\$ 69.26
ACH	9/5/2023	Employment Development Dept.	EDD Tax Deposit (August 16-31, 2023)	\$ 1,150.39
ACH	9/5/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (August 16-31, 2023)	\$ 6,633.55
ACH	9/6/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 8/15/23)	\$ 525.32
ACH	9/6/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (8/15/23) & Employer Match (partial due 8/15/23)	\$ 3,431.91
ACH	9/6/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 8/31/23)	\$ 525.32
ACH	9/6/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (8/31/23) & Employer Match (partial due 8/31/23)	\$ 3,431.91
1185	9/14/2023	Amber Thompson	Expense Reimbursement July & August 2023	\$ 219.60
1186	9/14/2023	Jim Heyerly	September 2023 Rent	\$ 1,600.00
1187	9/14/2023	Onsite Computers & Design	IT Support and 1-year Anti-virus software	\$ 1,280.30
1188	9/14/2023	Pacific Gas & Electric	August 2023 Electric Service	\$ 371.56
1189	9/14/2023	Shirley Scales Bookkeeping	July & August 2023 GWAdmin Service	\$ 475.00
1190	9/14/2023	Stetson Engineers	July 2023 Engineering Service	\$ 10,651.60
1191	9/14/2023	US Bank Corp	August 2023 CalCard	\$ 2,222.33
1192	9/14/2023	Valley Bookkeeping Services	August 2023 Bookkeeping	\$ 380.00
1193	9/14/2023	Young Wooldridge	August 2023 Legal Service	\$ 24,287.54
1194	9/14/2023	County of Santa Barbara	FY 2023-24 LAFCO Cost	\$ 842.00
ACH	9/15/2023	SDRMA	October 2023 Insurance - Employee Benefits	\$ 767.28
ACH	9/18/2023	Payroll	September 1-15, 2023 Salary	\$ 12,426.13
ACH	9/18/2023	Brett Marymee	Meeting: 8/15 SYRWCD	\$ 69.26
ACH	9/18/2023	Larry Lahr	Meeting: 8/15 SYRWCD	\$ 69.26
ACH	7/17/2023	Employment Development Dept.	EDD Tax Deposit (September 1-15, 2023)	\$ 1,150.39
ACH	7/18/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (September 1-15, 2023)	\$ 6,495.85
ACH	7/18/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 9/15/23)	\$ 525.32
ACH	7/18/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (9/15/23) & Employer Match (partial due 9/15/23)	\$ 3,431.91

TOTAL \$ 96,359.53
SYRWCD Board Meeting - December 6, 2023
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**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
OCTOBER 2023 WARRANT LIST FOR BOARD APPROVAL
(Account held at Five Star Bank)**

<u>NUMBER</u>	<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ACH	10/3/2023	Payroll	September 16-30, 2023 Salary	\$ 12,426.13
ACH	10/3/2023	Cynthia Allen	Meetings: 9/6 SYRWCD; 9/25 CMA; 9/27 WMA	\$ 207.79
ACH	10/3/2023	Steve Jordan	Meetings: 9/6 SYRWCD; 9/25 CMA; 9/27 WMA; 9/28 EMA	\$ 277.05
ACH	10/3/2023	Larry Lahr	Meetings: 9/6 SYRWCD	\$ 69.26
ACH	10/3/2023	Brett Marymee	Meetings: 9/6 SYRWCD; 9/28 EMA	\$ 138.52
ACH	10/3/2023	Employment Development Dept.	EDD Tax Deposit (September 16-30, 2023)	\$ 1,150.39
ACH	10/3/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (September 16-30, 2023)	\$ 6,587.65
ACH	10/3/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 9/30/23)	\$ 525.32
ACH	10/3/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (9/30/23) & Employer Match (partial due 9/30/23)	\$ 3,431.91
1195	10/12/2023	Alex Pappas	September 2023 SGMA TSS Grant Support	\$ 234.00
1196	10/12/2023	Amber Thompson	September 2023 Expense Reimbursement	\$ 98.25
1197	10/12/2023	Pacific Gas & Electric	September 2023 Electric Service	\$ 341.50
1198	10/12/2023	Stetson Engineers	August 2023 Engineering Service	\$ 13,925.72
1199	10/12/2023	County of Santa Barbara	FY 2023-24 ID No. 1 Pass-through LAFCO Cost	\$ 11,688.00
1200	10/12/2023	Jim Heyerly	October 2023 Rent	\$ 1,600.00
1201	10/12/2023	Onsite Computers & Design	IT Support - Network back up battery issue	\$ 187.50
1202	10/12/2023	Ricky Villalobos	Tenant Improvements - for meetings in Conference Room	\$ 220.00
1203	10/12/2023	Valley Bookkeeping Services	September 2023 Bookkeeping	\$ 380.00
1204	10/12/2023	US Bank Corp	September 2023 CalCard	\$ 2,830.09
1205	10/12/2023	Young Wooldridge	September 2023 Legal Service	\$ 26,109.95
ACH	10/16/2023	SDRMA	November 2023 Insurance - Employee Benefits	\$ 767.28
ACH	10/17/2023	Payroll	October 1-15, 2023 Salary	\$ 12,426.13
ACH	10/18/2023	Employment Development Dept.	EDD Tax Deposit (October 1-15, 2023)	\$ 1,150.39
ACH	10/18/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (October 1-15, 2023)	\$ 6,472.89
ACH	10/18/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 10/15/23)	\$ 525.32
ACH	10/18/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (10/15/23) & Employer Match (partial due 10/15/23)	\$ 3,431.91
TOTAL				\$ 107,202.95

INTERIM COST SHARING AGREEMENT
Santa Ynez River Valley Groundwater Basin - Eastern Management Area

This Interim Cost Sharing Agreement (“Agreement”) is made as of November 15, 2023 by and among the Santa Barbara County Water Agency (“Water Agency”), Santa Ynez River Water Conservation District (“SYRWCD”), City of Solvang (“Solvang”), and Santa Ynez River Water Conservation District, Improvement District No.1 (“ID No.1”). The entities listed above may be referred to herein individually as a “Party” or jointly as the “Parties.” For purposes of this Agreement, the “Effective Date” shall be the date the last Party executes this Agreement.

RECITALS

- A. Whereas, on or about April 27, 2017, the Parties entered into the “Memorandum of Agreement for Formation of a Groundwater Sustainability Agency for the Eastern Management Area in the Santa Ynez Valley Groundwater Basin under the Sustainable Groundwater Management Act” (the “2017 MOA”); and
- B. Whereas, among the stated purposes of the 2017 MOA are to form a Groundwater Sustainability Agency (“GSA”) for the Eastern Management Area (“EMA”) of the Santa Ynez River Valley Groundwater Basin (“Basin”) under the Sustainable Groundwater Management Act (“SGMA”), and to develop and submit a Groundwater Sustainability Plan (“GSP”) for the EMA portion of the Basin; and
- C. Whereas, the EMA is one of three Management Areas in the Basin, and pursuant to separate 2017 Memoranda of Understanding, the local public agencies in the Western Management Area (“WMA”) and Central Management Area (“CMA”), respectively, formed a WMA GSA and a CMA GSA; and
- D. Whereas, in January 2022, the EMA GSA, the WMA GSA, and the CMA GSA each timely adopted and submitted to the California Department of Water Resources (“DWR”) its own GSP for its respective Management Area; and
- E. Whereas, the EMA GSP identifies various Projects and Management Actions (“PMAs”) to be pursued in the EMA, some to be pursued in the initial years following adoption and submittal of the GSP, to help achieve sustainable groundwater management in accordance with SGMA and the GSP, where funding will be needed for the development and implementation of said PMAs; and
- F. Whereas, SGMA and other applicable law authorize the imposition of fees and charges, including, but not limited to, permit fees and fees and charges on groundwater extraction or other regulated activity to fund, without limitation, the costs of a groundwater sustainability program and implementing a GSP in accordance with SGMA; and
- G. Whereas, to date, the EMA GSA has not imposed any fees or charges to generate funding needed for the development and implementation of PMAs identified in the EMA GSP; and
- H. Whereas, the Department of Water Resources (“DWR”) has awarded a grant to the three GSAs for certain PMAs (“DWR Grant Funds”); and

- I. Whereas, the Parties to this Agreement are currently negotiating the formation of a new Joint Powers Agency (“JPA”) to serve as the EMA GSA, with authority under SGMA and other applicable law to adopt and impose fees and charges throughout the EMA to carry out sustainable groundwater management, including, but not limited to, the administration, development, and implementation of PMAs identified in the EMA GSP, the preparation and administration of reports and other documentation required for SGMA compliance, and the carrying out of other administrative functions for the EMA GSA; and
- J. Whereas, the Parties to this Agreement recognize that a source or sources of interim funding is needed to begin administration, development, and implementation of certain PMAs identified in the EMA GSP, to prepare reports and other documentation required for SGMA compliance, and to carry out other administrative functions for the EMA GSA, where such interim funding is needed prior to the receipt of DWR Grant Funds and/or prior to when the EMA JPA has developed its own funding sources; and
- K. Whereas, the purpose of this Agreement is to address interim cost sharing among the Parties as one source of funding to assist with initial efforts to administer, develop, and implement PMAs identified in the EMA GSP, prepare reports and other documentation required for SGMA compliance, and carry out other administrative functions for the EMA GSA prior to the receipt of DWR Grant Funds and/or prior to when the EMA JPA has developed its own funding sources, recognizing that the interim cost sharing arrangement set forth by this Agreement is specifically limited in term, function, and scope as set forth below.

NOW, THEREFORE, based on the Recitals set forth above, and on the terms and conditions set forth below, the Parties agree as follows:

AGREEMENT

- 1. Cost Sharing / Reimbursement. Upon execution of this Agreement, the Parties agree to share in expenses (“Shared Costs”) for certain initial efforts to help implement SGMA in the EMA, as further described in Sections 2 and 3, below. This initial cost sharing arrangement is being agreed to by each Party pursuant to the express understanding and condition that any amounts paid in accordance with this Agreement by any Party on or after the Effective Date, including but not limited to each Party’s proportionate share of Shared Costs, shall be reimbursed, without interest, by the EMA GSA (whether the future EMA JPA or the GSA established under the 2017 MOA and any amendment thereto) through grant funds received by or on behalf of the EMA GSA to the extent allowed by the terms of such grant(s), or through other funds generated, acquired, or otherwise held by or on behalf of the EMA GSA, including but not limited to SGMA-related fees, charges, loans, or other funding, to the extent such reimbursement is authorized by law. Such reimbursement will be made when the EMA GSA determines it has funds available for such reimbursement that may legally be used for that purpose and such reimbursement will be made no later than December 2026, unless such date is extended by written agreement by the Parties hereto.

2. Cost Share Activities. Subject to other terms and conditions of this Agreement, the Parties acknowledge and agree that EMA GSA activities for which Shared Costs may be needed under this Agreement may include, without limitation:

- Consultant/Contractor work to prepare and submit Annual Report(s) required by SGMA;
- Consultant/Contractor work to prepare and submit materials in response to comments or requests from DWR and/or the State Water Resources Control Board;
- Consultant/Contractor work in support of developing, adopting, and implementing fees and/or charges authorized by SGMA and other applicable law to implement the EMA GSP;
- Consultant/Contractor work in support of grant writing or other applications to secure funding to implement the EMA GSP;
- Consultant/Contractor work to assist with the administration of this Agreement and/or other administrative activities on behalf of the EMA GSA to comply with SGMA;
- Consultant/Contractor work in support of Group 1 PMAs set forth in the EMA GSP;
- Securing and maintaining applicable insurance coverage(s) to be held by the EMA GSA.

3. Approval of Shared Costs. Each separate and specific activity to be undertaken by or on behalf of the EMA GSA for which the Parties agree to contribute Shared Costs under this Agreement (individually, a “Cost Share Activity”), such as an activity identified in Section 2 above, shall be expressly described and set forth as a new and separate Task Order, where each Party will have an opportunity to review and determine whether to contribute its portion of Shared Costs for such Cost Share Activity. Each proposed Cost Share Activity set forth as a new Task Order shall include a not-to-exceed dollar amount for the work to be undertaken, plus a ten percent (10%) contingency, the total of which shall constitute the “Total Cost” of said Cost Share Activity. On each occasion where all Parties are presented with a proposed Cost Share Activity and corresponding Total Cost, the Parties collectively shall endeavor in good faith to reach unanimous agreement on whether the Total Cost is acceptable, and upon reaching such unanimity, as applicable, each Party shall endeavor in good faith to notify the other Parties in writing within three (3) business days regarding its agreement to cost share. On any occasion where all Parties are informed that the costs to complete a Cost Share Activity will exceed its corresponding Total Cost as originally approved by the Parties (individually, a “Total Cost Exceedance”), the Parties collectively shall endeavor in good faith to reach unanimous agreement on whether the amount of the Total Cost Exceedance is acceptable, and upon reaching such unanimity, as applicable,

each Party shall endeavor in good faith to notify the other Parties in writing within three (3) business days regarding its agreement to cost share.

No Party shall be responsible for a proportionate or any other share of Shared Costs in excess of the maximum limits established in this Agreement without the express written agreement of that Party.

4. Allocation of Shared Costs. The Shared Costs shall be allocated among the Parties as follows:

Water Agency:	25%
SYRWCD:	25%
Solvang:	25%
ID No.1:	25%
Total:	100.0%

5. Administrative Coordination. The Parties agree to cooperatively share in the administrative duties related to this Agreement, including but not limited to soliciting, entering into, and coordinating professional services agreement(s) for consultant work contemplated by this Agreement. The Parties agree that any work undertaken by any Party, including its elected officials, officers, managers, employees, consultants, attorneys, experts, or agents, shall be at that Party's sole cost and expense and shall not become part of any Shared Costs incurred by or paid to any Party under this Agreement, except as otherwise expressly agreed upon in writing by all Parties to this Agreement.
6. Payments and Accounting. For each approved Task Order, the Parties agree to designate one Party, which designation must be unanimously agreed to by the Parties, for the purpose of administering payments and refunds of Shared Costs by and to the Parties, and administering expenses of Shared Costs for activities authorized by this Agreement. For each approved Total Cost or Total Cost Exceedance, each Party shall pay its proportionate share of Shared Costs on a lump sum basis. For each approved Task Order, to the extent that final actual costs are less than the corresponding Total Cost or Total Cost Exceedance as approved under this Agreement, the remaining Shared Costs shall be refunded to each contributing Party in proportion to its contribution of Shared Costs; provided, however, a Party may elect to carry forward any refund due under this Section as a credit of Shared Costs.
7. Term. This Agreement shall commence on the Effective Date and shall continue in effect for up to two (2) years unless extended, amended, or terminated by the Parties in accordance with Sections 9 or 10, below.
8. Extension or Amendment. The term of this Agreement may be extended by the Parties at any time prior to its expiration by unanimous written agreement of the Parties. The terms of this Agreement may be amended or modified only by the mutual written agreement of

the Parties. No extension, supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by all Parties.

9. Termination. This Agreement may be terminated, and such termination shall be effective immediately, upon unanimous written consent of all Parties.
10. Withdrawal. Any Party may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, where such withdrawal shall be effective immediately upon written notice to the other Parties. Upon withdrawal of a Party, the remaining Parties may agree in writing to a different allocation of Shared Costs in accordance with Section 4.
11. Effect of Termination or Withdrawal. Upon termination of this Agreement or unilateral withdrawal of a Party, each Party, including a withdrawing Party, shall remain obligated to pay its entire share(s) and obligation(s) of Shared Costs pursuant to the terms of this Agreement, but only to the extent that such share(s) and obligation(s) of Shared Costs were approved by the obligated Party prior to the effective date of such termination or withdrawal. No termination of, or withdrawal from, this Agreement shall be construed as affecting any Party's right to reimbursement from the EMA GSA (whether the future EMA JPA or the GSA established under the 2017 MOA and any amendment thereto) of any Shared Costs paid by said Party under this Agreement.
12. Relationship. Nothing in this Agreement creates an attorney-client relationship between any attorney and any Party that is not represented by that attorney as its legal counsel.
13. Written Notice. Whenever notice under this Agreement is required to be in writing, it shall be provided to all Parties by United States Mail with postage prepaid, by overnight delivery service, or via electronic mail, at the following addresses:

To Water Agency:

130 E. Victoria Street, Suite 200
Attn: Matt Young
Santa Barbara, CA 93101
mcyoung@countyofsb.org

To SYRWCD:

P.O. Box 719
Attn: William Buelow
Santa Ynez, CA 93460
bbuelow@syrwcd.com

To Solvang:

1644 Oak Street
Attn: Randy Murphy
Solvang, CA 93463
randym@cityofsolvang.com

To ID No.1:

P.O. Box 157
Attn: General Manager
Santa Ynez, CA 93460
pgarcia@syrwd.org

If sent by United States Mail, notice shall be considered to have been given forty-eight (48) hours after it has been deposited in the United States Mail with postage prepaid, addressed as set forth above. If sent by overnight delivery service, notice shall be considered to have been given twenty-four (24) hours after it has been deposited with the overnight delivery service.

14. Conditional Approval of Shared Cost Contributions. The Parties agree that their contributions of Shared Costs under this Agreement are conditioned upon and subject to approvals by the EMA GSA (including the future EMA JPA and the GSA established under the 2017 MOA and any amendment thereto) to provide reimbursement to the Parties as provided in Section 1 of this Agreement.
15. Law Governing. This Agreement is made in and shall be construed in accordance with the laws of the State of California.
16. Section Headings. All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the operative language of this Agreement or to define or limit the scope of any provision of this Agreement.
17. Severability. If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.
18. Construction of Agreement. Each Party acknowledges and agrees that said Party has had an informed and complete opportunity to participate in the negotiation and drafting of this Agreement and has had access to competent legal counsel to advise said Party concerning the terms and effects of this Agreement, and all Parties agree that no Party shall be deemed to be the drafting Party of this Agreement in any dispute involving construction of the terms of this Agreement.
19. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

- 20. No Third Party Beneficiary. This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.
- 21. Authorized Signature. Each Party represents that the individual signing this Agreement on its behalf is duly authorized to execute this Agreement and will legally bind that Party to the terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto agree to the terms and conditions hereof and have executed this Agreement.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

By: _____ Date: _____
William J. Buelow
Assistant General Manager

CITY OF SOLVANG

By: _____ Date: _____
Randy Murphy
City Manager

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO.1**

By: _____ Date: _____
Paeter Garcia
General Manager

SANTA BARBARA COUNTY WATER AGENCY

ATTEST:

Mona Miyasato
County Executive Officer
Clerk of the Board, Ex Officio Clerk of
the Santa Barbara County Water Agency

By: _____
Deputy Clerk

By: _____
Das Williams, Chair
Board of Directors

Date: _____

RECOMMENDED FOR APPROVAL:

Santa Barbara County Water Agency

APPROVED AS TO FORM:

Greg Milligan, ARM
Risk Manager

By: _____
Scott D. McGolpin
Public Works Director

By: _____
Risk Management

APPROVED AS TO FORM:

Rachel Van Mullem
County Counsel

**APPROVED AS TO ACCOUNTING
FORM:**

Betsy M. Schaffer, CPA
Auditor-Controller

By: _____
Deputy County Counsel

By: _____
Deputy

RESOLUTION NO. 725

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT CHANGING TIME AND PLACE OF REGULAR MEETINGS

WHEREAS, Water Code section 74223 provides that the Board shall hold regular meetings in its office on the first Tuesday in March, June, September, and December, and additional special meetings as may be required, and Water Code section 74224 provides that, notwithstanding Water Code section 74223, the Board may by resolution change the day and location for holding regular meetings; and

WHEREAS, due to the geographical area encompassing the District and the various constituencies within the District have different interests and needs, it is appropriate that the Board not hold its meetings in one location, but rather, meet from time to time at different locations throughout the District;

NOW, THEREFORE, BE IT RESOLVED, by this Board of Directors as follows:

1. The four (4) regular meetings will be held on the third Wednesday in March, June, September, and December, which may be adjourned from time to time, and will be held at 6:30 p.m., unless otherwise designated by the President and duly noticed, and shall be held at one of the following locations:

Santa Ynez River Water Conservation District
3669 Sagunto Street, Suite 101
Santa Ynez, CA

City of Solvang

- City Council Chambers located at 1644 Oak Street
 - Veterans Hall located at 1745 Mission Drive
- Solvang, CA

City of Buellton

- City Council Chambers located at 140 West Highway 246
 - City Hall located at 107 West Highway 246
- Buellton, CA

City of Lompoc

- City Hall located at 100 Civic Center Plaza
 - Lompoc Public Library located at 501 East North Avenue
 - Water Treatment Plant located at 601 East North Avenue
- Lompoc, CA

Santa Ynez Community Services District
1070 Faraday Street
Santa Ynez, CA

Vandenberg Village Community Services District
3745 Constellation Road
Lompoc, CA

2. Pursuant to Water Code section 74224, notice of this action shall be given by publishing such notice once a week for at least two consecutive weeks before March 20, 2024, in the Santa Barbara News Press, a newspaper of general circulation within the County of Santa Barbara.
3. District staff and consultants are authorized and directed to do all things necessary and appropriate to carry out this action.

WE, THE UNDERSIGNED, being the duly qualified and acting President and Secretary, respectively, of the Board of Directors of the Santa Ynez River Water Conservation District, County of Santa Barbara, California, do hereby certify that the above and foregoing resolution was duly and regularly adopted and passed by the Board of Directors of said District at a special meeting duly held on the 6th day of December 2023, by the following roll call vote:

AYES, and in favor thereof, Directors:

Cynthia
M. Altsh

NOES, Directors:

ABSENT/ABSTAINING, Directors:

Cynthia Allen, President

Amber M. Thompson, Secretary

**SANTA BARBARA
LOCAL AGENCY FORMATION COMMISSION**

<p style="text-align: center;">NOMINATION FOR <u>REGULAR</u> SPECIAL DISTRICT MEMBER</p> <p style="text-align: center;"><i>Return to:</i> Executive Officer Santa Barbara LAFCO 105 East Anapamu Street, Room 407 Santa Barbara CA 93101 or FAX to (805) 568-2249 or email to lafco@sblafco.org</p>	<p>LAFCO STAFF USE</p> <p>Date Received: _____</p>
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Please print in ink or type

POSITION SOUGHT:	Regular Special District Member
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NAME OF NOMINEE: _____

NOMINEE'S DISTRICT: Santa Ynez River Water Conservation District

MAILING ADDRESS:

π
Phone: Bus. _____ Cell: _____

SIGNATURE OF NOMINATOR:

Santa Ynez River Water Conservation District
Name of Independent Special District

Signature

Cynthia Allen
Print Name

Nominator Title (please check one)

Presiding Officer of the Special District Board

Presiding Officer's alternate as designated by Special District Board to vote or make a nomination in this election. (Gov. Code sec. 56332.)

Date: _____

ADDITIONAL INFORMATION: On this form or an accompanying letter, describe the nominee's personal interests, qualifications, experience, education, volunteer activities or community organization memberships that may bear on the nomination for the Regular Special District Member: This information will be distributed to all independent special districts.

**SANTA BARBARA
LOCAL AGENCY FORMATION COMMISSION**

<p style="text-align: center;">NOMINATION FOR <u>ALTERNATE</u> SPECIAL DISTRICT MEMBER</p> <p style="text-align: center;"><i>Return to:</i> Executive Officer Santa Barbara LAFCO 105 East Anapamu Street, Room 407 Santa Barbara CA 93101 or FAX to (805) 568-2249 or email to lafco@sblafco.org</p>	<p>LAFCO STAFF USE</p> <p>Date Received: _____</p>
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Please print in ink or type

POSITION SOUGHT:	Alternate Special District Member
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NAME OF NOMINEE: _____

NOMINEE'S DISTRICT: Santa Ynez River Water Conservation District

MAILING ADDRESS:

π
Phone: Bus. _____ Cell: _____

SIGNATURE OF NOMINATOR:

Santa Ynez River Water Conservation District
Name of Independent Special District

Signature

Cynthia Allen
Print Name

Nominator Title (please check one)

Presiding Officer of the Special District Board

Presiding Officer's alternate as designated by Special District Board to vote or make a nomination in this election. (Gov. Code sec. 56332.)

Date: _____

ADDITIONAL INFORMATION: On this form or an accompanying letter, describe the nominee's personal interests, qualifications, experience, education, volunteer activities or community organization memberships that may bear on the nomination for the Alternate Special District Member: This information will be distributed to all independent special districts.

LAFCO

Santa Barbara Local Agency Formation Commission
105 East Anapamu Street ♦ Santa Barbara CA 93101
805/568-3391 ♦ FAX 805/568-2249
www.sblafco.org ♦ lafco@sblafco.org

November 1, 2023

TO: Members of the Independent Special District Selection Committee

SUBJECT: Nominations for one Regular and one Alternate Special District Member to Santa Barbara LAFCO;

CALL FOR NOMINATIONS FOR AND NOTICE OF ELECTION FOR LAFCO

REGULAR AND ALTERNATE SPECIAL DISTRICT MEMBERS

This is a Call for Nominations of one Regular and one Alternate Special District Member to serve as the special district members on LAFCO. It is recommended that this be placed on your Board's Agenda. The Committee is made up of the presiding officer of each district; however, if a presiding officer is unable to participate, a district board may appoint one of its members as an alternate to participate in the presiding officer's place, a copy of the meeting minutes showing the appointment needs to be presented along with your nomination form.

A Nomination Form is attached and must be filled out and signed by the presiding officer of a district or, if that person is unable to participate, then by his or her alternate as designated by the district board. (See GC § 56332.) Nominations are requested by no later than January 4, 2024.

1. **Nominations for the one LAFCO Regular and one Alternate Special District Member.** The current term of office of the current Regular Special District Member and the Alternate Special District Member ends on March 1, 2024. The term of office shall be four years or until the appointment and qualification of his or her successor. The new term of office ends on March 1, 2028.
2. **Voting Requirements.** The Independent Special District Selection Committee consist of the presiding officer of the legislative body of each independent special district. If the presiding officer of an independent special district is unable to participate in the nomination process or an election, the legislative body of the district may appoint one of its members as an alternate to participate in the presiding officer's

place. A copy of the meeting minutes showing the appointment needs to be presented along with your nomination form and future ballot.

3. **Nomination Period and Voting Period.** The Nomination Period will end on January 4, 2024. Following the nomination period, unless there is only one nominee for a seat, ballots containing the names of qualified nominees will be mailed to each eligible special district. The voting period will be up to 45-days.
4. **Quorum; Majority Vote; Possible Runoff Election.** There are 39 special districts. For the election to be valid, at least 20 valid votes must be received. Election shall be by a majority of those voting, and not by plurality. In the event that a nominee does not receive a majority of votes cast, a runoff election shall be held between the two nominees receiving the highest number of votes.

Notice: There will be no election if pursuant to Government Code section 56332(c)(2), “[at] the end of the nomination period, if only one candidate is nominated for a vacant seat, that candidate shall be deemed appointed” to the Commission.

Nominations for one Regular Special District Member and one Alternate Special District Member should be submitted to the LAFCO Executive Officer, at the following address, faxed, or emailed by **January 4, 2024** Nomination Forms are attached to this notice.

Santa Barbara Local Agency Formation Commission
105 East Anapamu Street, Santa Barbara CA 93101
FAX 805/568-2249
Email Address: lafco@sblafco.org

Please contact the LAFCO office if you have any questions.

Sincerely,



Mike Prater
Executive Officer

Enc.

Santa Ynez River Water Conservation District

2024 Dates of Regular Board of Director Meetings and GSA Committee Meetings

	<u>SYRWCD</u> First Wednesday 6:30 pm	<u>SYRWCD</u> Third Wednesday 6:30 pm	<u>CMA GSA</u> Mondays 10:00 am	<u>WMA GSA</u> Wednesdays 10:00 am	<u>EMA GSA</u> Thursdays 6:30 pm
January	-	-	22	24	25
February	-	-	26 Regular Qtr	28 Regular Qtr	22 Regular Qtr
March	6	20	25	27	28
April	-	-	22	24	25
May	-	-	20 * Regular Qtr	22 Regular Qtr	23 Regular Qtr
June	5	19	24	26	27
July	-	-	22	24	25
August	-	-	26 Regular Qtr	28 Regular Qtr	22 Regular Qtr
September	4	18	23	25	26
October	-	-	28	23	24
November	-	-	18 * Regular Qtr	20 * Regular Qtr	21 * Regular Qtr
December	4	18	16 *	18 *	19 *
Location:	Typically held at Buellton City Council Chambers multiple optional locations in District	Typically held at Buellton City Council Chambers multiple optional locations in District	Buellton City Council Chambers	Vandenberg Village CSD Meeting Room	Santa Ynez CSD Meeting Room

* Meeting is one week earlier than normal due to holidays.

Regular Qtr = GSA Committees' Regular Meetings to conduct quarterly business.

All other GSA meeting dates are to "Save the Date" in case a special meeting is needed.