

SPECIAL Meeting of the
BOARD OF DIRECTORS
SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
will be held at 6:30 pm, Wednesday, March 10, 2021

VIDEO/TELECONFERENCE MEETING ONLY – NO PHYSICAL LOCATION

Public Participation Dial-In Number: 1-267-866-0999

Meeting ID / Passcode: 7201 53 2222

Public participants can view presentation materials and live video on their device.

Website: app.chime.aws (or download *Amazon Chime* app),

“Join a meeting without an account”, Meeting ID: 7201 53 2222

You do NOT need to create an Amazon Chime account or login with email for meeting participation.

- Public participant phones and microphones will be muted, and webcams disabled.
- Live Chat Text (online users only) will be enabled for questions.
- If your device does not have a microphone or speakers, you can also call Phone Number & log in with Meeting ID listed above to listen while viewing the live presentation online.

Teleconference Meeting During Coronavirus (COVID-19) Emergency: As a result of the COVID-19 emergency and Governor Newsom’s Executive Orders to protect public health by issuing shelter-in-home standards, limiting public gatherings, and requiring social distancing, this meeting will occur solely via teleconference as authorized by and in furtherance of Executive Order Nos. N-29-20 and N-33-20. **Virtual meeting is in accordance with the SB County Health Office Order 2021-12.2**

Important Notice Regarding Public Participation in Teleconference Meeting: Those who wish to provide public comment on an Agenda Item, or who otherwise are making a presentation to the Board of Directors, may participate in the meeting using the dial-in number and passcode above. Those wishing to submit written comments instead, **please submit comments and materials to the District via electronic mail at athompson@sywcd.com**. All submittals of written comments must be received by the District no later than 5:00 p.m. on Tuesday, March 9, 2021 and should indicate “**PUBLIC COMMENT**” in the subject line. To the extent practicable, public comments and materials received in advance pursuant to this timeframe will be read into the public record during the meeting. Public comments and materials not read into the record will become part of the post-meeting Board packet materials available to the public and posted on the District’s website.

In the interest of clear reception and efficient administration of the meeting, all persons participating in this teleconference are respectfully requested to mute their phones after dialing-in and at all times unless speaking.

AGENDA OF SPECIAL MEETING

- I. Call to Order and Roll Call
- II. Pledge of Allegiance
- III. Additions, if any, to the Agenda
- IV. 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.)

- V. Consideration of the Minutes of the Regular Meeting of December 2, 2020
- VI. General Manager Report – Status, discussion and possible Board action on the following subjects:
 - A. Receive and File FY 2019-20 Audit
 - B. Surface Water Report
 - C. Financial Report
 - 1. Balance Sheet and Income Statement
 - 2. Quarterly Investment Report
 - 3. Monthly Warrants
 - D. Consider Resolution No. 701 - Investment Policy
 - E. Draft Preliminary Budget FY 2021-22
 - F. Required Ethics Training and Conflict of Interest
- VII. Groundwater Program Manager Report:
 - A. Groundwater Production, Reporting and Charges
 - 1. Groundwater Revenue July to December 2020 Update
 - 2. Preliminary 43rd Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District, FY 2020-2021
 - B. Sustainable Groundwater Management Act (SGMA) Update
 - 1. GSP Consultant Update
 - 2. Financial Update for GSP Projects
 - 3. Aerial Electromagnetic (AEM) Survey Update
 - 4. Dates of Future GSA Meetings
 - C. Well Registration Efforts
 - 1. Delinquent and New Well Registration Outreach
 - 2. Tularosa Mutual Water Company Update
- VIII. Attorney Report
- IX. Reports, acts by Board members, questions of staff, status reports, announcements, observations, and other matters, and/or communications not requiring action
- X. Requests from the Board of Directors for items to be included on the next Agenda.

- XI. Consider Special Meeting and Public Hearing tentatively planned for April 28, 2021 at 6:30 p.m. The next Regular Meeting is scheduled for June 2, 2021 at 6:30 pm and will include a Public Hearing.

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

XII. Closed Session

To accommodate the teleconferencing format of this meeting, the public participation phone line will be closed for a specified amount of time while the Board of Directors convenes into closed session. Upon the conclusion of the specified amount of time, the public participation phone line will be reopened for the remaining Agenda Items.

The Board will hold a closed session 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
- 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 (One Matter).
- D. Conference with Legal Counsel – Anticipated Litigation (Gov. Code, § 54956.9, subd. (d)(4)): Possible initiation of litigation (One Matter).

XIII. Reconvene into Open Session / Closed Session Report

XIV. Adjournment

[This agenda was posted on the District’s website (www.syrwcd.com) and at 3669 Sagunto Street, Suite 101, Santa Ynez, California, and notice delivered in accordance with Government Code Section 54954. 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 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.]

DRAFT MEETING MINUTES

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT December 02, 2020

A special meeting of the Board of Directors of the Santa Ynez River Water Conservation District was held on Wednesday, December 02, 2020. As a result of the COVID-19 emergency and Governor Newsom's Executive Orders to protect public health by issuing shelter-in-home standards, limiting public gatherings, and requiring social distancing, this meeting occurred solely via teleconference as authorized by and in furtherance of Executive Order Nos. N-29-20 and N-33-20 and in accordance with the Santa Barbara County Health Office Order 2020-12.14.

Directors Present: Cynthia Allen Mark Altshuler Steve Jordan Brett Marymee

Director Absent: Art Hibbits

Others Present: General Manager Kevin Walsh, Groundwater Program Manager Bill Buelow, Board Secretary Amber Thompson, Legal Counsel Steve Torigiani, and 2 members of the public

I. CALL TO ORDER AND ROLL CALL

President Allen called the meeting to order at 6:35 pm. Ms. Thompson called roll. All Directors except for Director Hibbits were present providing a quorum.

II. PLEDGE OF ALLEGIANCE

President Allen led the Pledge of Allegiance along with a video recording.

III. ADDITIONS, IF ANY, TO THE AGENDA

There were no additions to the agenda.

IV. PUBLIC COMMENT

There was no public comment. Ms. Thompson announced she did not receive any public comments prior to the meeting.

V. CONSIDERATION TO APPROVE MINUTES

President Allen submitted the minutes of the special meeting of September 02, 2020 for Board approval. Director Marymee made a MOTION to approve the minutes. Director Jordan seconded the motion and it passed by the following roll call vote:

AYES, Directors: Cynthia Allen, Mark Altshuler, Steve Jordan,
Brett Marymee

NOES, Directors: None

ABSENT, Directors: Art Hibbits

VI. GENERAL MANAGER REPORT

A. Presentation of Fiscal Year 2019-20 Audit

Ms. Nina Pisani, Audit Supervisor of Bartlett, Pringle and Wolf, LLP, presented highlights and main points from the Fiscal Year (FY) 2019-20 Independent Auditor's Report and Report on Internal Controls for the year ended June 30, 2020. Discussion followed.

Director Jordan made a MOTION to receive and file the Fiscal Year 2019-20 Independent Auditor's Report and Report on Internal Controls. Director Marymee seconded the motion and it passed by the following roll call vote:

AYES, Directors: Cynthia Allen, Mark Altshuler, Steve Jordan,
Brett Marymee
NOES, Directors: None
ABSENT, Directors: Art Hibbits

B. Water Rights Release

Mr. Walsh reported Water Rights Releases from Lake Cachuma which began on August 31, 2020 lasted until November 30, 2020. The amount of water released was 6,400 Acre-Feet from the Above Narrows Account (ANA) and 4,000 Acre-Feet from the Below Narrows Account (BNA).

C. Surface Water Report

Mr. Walsh reviewed the Winter 2020-21 Precipitation Outlook including "Lake Cachuma Computed Inflow compared to Oceanic Nino Index" graph created by Cachuma Operations and Maintenance Board (COMB).

Mr. Walsh reported that Santa Barbara County Water Agency Cloud Seeding program has been suspended again this year due to the destruction of vegetation in the watershed caused by the 2017 Thomas and Whittier Fires.

Mr. Walsh presented the Rainfall and Reservoir Status Report, Cachuma Daily Operations Report, Downstream Users Accounting Report and Groundwater Level Graphs.

D. Financial Reports, Monthly Warrant Reports and 1st Quarter Investment Report

Mr. Walsh presented the financial report through October 31, 2020. The Board reviewed the financial reports and notable items for Period 4 of FY 2020-21. Discussion followed, no action.

Mr. Walsh presented the Quarterly Investment Report for 1st Quarter of FY 2020-21

and said investments were made in accordance with policy and sufficient funds are available to meet District obligations in accordance with law.

Mr. Walsh presented Warrant Lists for August, September, October, and November 2020. Director Marymee made a MOTION to ratify the warrant lists as presented (nos. 5122-5200 including ACHs) for a total of \$280,305.40. Director Jordan seconded and it passed by the following roll call vote:

AYES, Directors: Cynthia Allen, Mark Altshuler, Steve Jordan,
Brett Marymee

NOES, Directors: None

ABSENT, Directors: Art Hibbits

Mr. Walsh presented a Memorandum regarding Setting Financial Reserve Amounts (Draft) dated December 02, 2020. Discussion followed, no action.

VII. GROUNDWATER PROGRAM MANAGER REPORT

A. Groundwater Production, Reporting, and Charges

1. Groundwater Revenue January – June 2020 Update

Mr. Buelow reviewed income received from Groundwater Pump Charges and Groundwater Production reported to date.

2. Groundwater Mailing FY 2020-21 Update

Mr. Buelow advised that preparation for the first groundwater mailing for FY 2020-21 is currently underway.

B. Sustainable Groundwater Management Act (SGMA)

1. GSP Consultant Update

Mr. Buelow reported that GSAs have released Draft Hydrogeologic Conceptual Models including Groundwater Conditions, for their respective GSPs. Public review periods for the documents are through the end of January 2021. Staff and consultant teams continue to work on administrative drafts of Water Budget, Numerical Groundwater Model and Monitoring Network Technical Memoranda. A second SGMA Newsletter is being prepared for distribution through member agency utility bills.

2. Financial Update for GSP Projects

Mr. Buelow presented the Central Management Area (CMA) and Western Management Area (WMA) Estimate at Completion and Budget Variance received from Stetson Engineers and reviewed the Eastern Management Area (EMA) budget. He also provided an update on DWR Prop 1 and Prop 68 Grant reimbursements. Discussion followed, no action.

Mr. Buelow reported that SkyTEM mobilized to the Santa Ynez Valley on November 14, 2020 to begin data gathering during the Aerial Electromagnetic (AEM) Survey of the EMA, CMA and WMA. The AEM Survey ended on November 28, 2020. Ramboll will work with the GSI and Stetson teams to integrate the final data into the GSPs. Discussion followed, no action.

3. Dates of Future GSA Meetings

Mr. Buelow reported that the GSA Committees plan to meet monthly through June 2021. He provided tentative GSA Committee Meeting dates for planning purposes.

C. Well Registration Efforts

1. Delinquent and New Well Registration Outreach

Mr. Buelow reported on status of communications with well owners who have delinquent registrations and those already registered with District with newly drilled additional wells.

2. Tularosa Mutual Water Company Update

Mr. Buelow reported that staff has engaged with the representative from Tularosa Mutual Water Company (Tularosa MWC) and provided an update of communications. Discussion followed, no action.

VIII. ATTORNEY REPORT

There was nothing to report.

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

Ms. Thompson offered congratulations to Director Altshuler and Director Jordan for being Appointed in Lieu of Election by the Santa Barbara County Board of Supervisors. Their new term ends December 2024. They agreed to coordinate offline to perform the Oath of Offices.

X. REQUEST FOR ITEMS TO BE INCLUDED ON THE NEXT AGENDA AND DETERMINATION OF NEXT MEETING

There were no requests.

The next Board meeting will be a Regular meeting on March 3, 2021 at 6:30 pm, location to be determined. Due to COVID-19 restrictions, it may be held via video/teleconference call.

XI. CLOSED SESSION

At 8:13 pm the Board recessed for ten minutes then convened into Closed Session from 8:23 pm to 8:42 pm.

XII. RECONVENE OPEN SESSION/REPORT FROM CLOSED SESSION

President Allen advised there is nothing to report from Closed Session.

XIII. ADJOURNMENT

There being no further business, President Allen adjourned the meeting at 8:42 pm.

Cynthia Allen, President

Amber M. Thompson, Secretary

DRAFT

ANTA YNEZ RIVER WATER CONSERVATION DISTRICT

MEMORANDUM

DATE: March 10, 2021

TO: Cynthia Allen Mark Altshuler Art Hibbits
Brett Marymee Steve Jordan

FROM: Kevin D. Walsh

SUBJECT: General Manager Report

AGENDA ITEM VI

A. Receive and File FY 2019-20 Audit

The Board was presented with the FY 2019-20 draft Audit at the December 2, 2020 meeting. The Final Audit has now been received with only minor changes as directed at the meeting.

- Motion: To receive and file the FY 2019-20 Audit report. Roll Call vote.

B. Surface Water Report

At the end of December 2020, the Above Narrows Account (ANA) dewatered storage was 14,640 acre-feet. The ANA credit is 9,698 acre-feet. The Below Narrows Account (BNA) dewatered storage was at 16,102 acre-feet. The BNA credit is 4,227 acre-feet. February was unseasonably dry and will result in increases in both ANA and BNA dewatered storage.

No water rights releases are planned at this time for Summer 2021.

Precipitation Outlook. Historically February is the wettest month on average for that portion of the Santa Ynez watershed above Cachuma. The rain gauge at Gibraltar reservoir has recorded 9.18 inches, or about 35% of the yearly average. The National Weather Service outlook for early March indicates below normal rainfall. Historically, after mid-March not enough rain occurs to turn a dry year to a wet, but it is possible to turn a dry year to an average rainfall year. (April showers bring May flowers.)

Attachments (Current Month):

- Rainfall and Reservoir Status Report
- Cachuma Daily Operations
- Table 1 Summary of 2020 Water Rights Releases
- Downstream User Accounting Report
- Groundwater Level Graphs

C. Financial Report

FY 2020-21 Financial Reports

The Balance Sheets and Income Statements for Period 7 of Fiscal Year 2020-2021 are attached. Notables for Period 7 Year-to-Date FY 2020-2021:

- Period 7 year-to-date Total Revenues were greater than Budget. Groundwater Charge Rates are generating more revenue than budgeted due to dry 2020 conditions. The income from groundwater charge rates more than off-set the lower-than-expected return on invested reserves.
- There are some variations from budget in Legal and Engineering line items due to the unpredictable timing of our assistance to the USBR on the Biological Assessment (BA) as required by the National Marine Fisheries Service (NMFS), and work on the plans and studies required by the new State Water Board Order WR 2019-0148. Both Legal and Engineering total costs are at or below expected budget amounts and are projected to end the year near, but not over, the budgeted amounts.
- Expenditures from contingencies are mostly for:
 1. Payments to the Employment Development Department (EDD) for an unemployment claim (the District is self-insured in this area)
 2. Payments to EDD for extension of unemployment benefits due to COVID-19.
 3. Cost to comply with COVID-19 based restrictions and technology needs to continue running District business while under stay-at-home orders.
- The difference between Total Revenues and Total Expenses for 2020-21 is positive, rather than the negative that was budgeted, leaving more funds in the Reserve account. We will likely end the year with more funds in the Reserve Account than budgeted.

Quarterly Investment Report

Certification is attached. Information only. No action required.

Approval of Warrants

The Monthly Warrants are attached.

- Motion: Approve December, January, and February Warrants. Roll Call vote.

D. Review SYRWCD Investment Policy

By statute, a review of the District's investment Policy is required every year. The investment Policy has been reviewed by staff and no changes are recommended.

- Motion: Adopt Resolution 701, waive reading. Roll Call vote.

E. Draft Preliminary Budget FY 2020-21

See attached Memo.

F. Retirement Plan Changes

See attached Memo.

G. Required Ethics Training and Conflict of Interest

Ethics Training.

Per statute, Board members and employees are required to take ethics training every two years. New supervisors and board members are required to take the training within 6 months of assuming their position. Employers are required to inform employees and board members every year of the availability of training. Provided by CSDA (CSDA.net) to us at no charge.

Conflict of Interest Form 700.

These forms are required to be submitted when assuming office or employment (for certain employees), when leaving a position, and annually. Notice to file forms are sent annually by the County. Forms are filed electronically by the individual. Annual Form 700s are due by April 1st.

Sexual Harassment Prevention Training.

Per statute, this is required every two years for all government governing boards and supervising managers. It is optional for employees where the employer has less than 5 employees. Provided by CSDA (CSDA.net) to us at no charge.

Information only. No action required.



Santa Barbara County - Flood Control District

130 East Victoria Street, Santa Barbara CA 93101 - 805.568.3440 - www.countyofsb.org/pwd

Rainfall and Reservoir Summary

Updated 8am: **3/1/2021** **Water Year: 2021** **Storm Number: NA**

Notes: Daily rainfall amounts are recorded as of 8am for the previous 24 hours. Rainfall units are expressed in inches. All data on this page are from automated sensors, are preliminary, and subject to verification.

*Each Water Year (WY) runs from Sept 1 through Aug 31 and is designated by the calendar year in which it ends
[County Real-Time Rainfall and Reservoir Website link: > http://www.countyofsb.org/hydrology](http://www.countyofsb.org/hydrology)

Rainfall	ID	24 hrs	Storm 0day(s)	Month	Year*	% to Date	% of Year*	AI
Buellton (Fire Stn)	233	0.00	0.00	0.00	7.59	62%	46%	
Cachuma Dam (USBR)	332	0.00	0.00	0.00	9.41	65%	48%	
Carpinteria (Fire Stn)	208	0.00	0.00	0.00	3.49	27%	20%	
Cuyama (Fire Stn)	436	0.00	0.00	0.00	2.73	50%	36%	
Figueroa Mtn. (USFS Stn)	421	0.00	0.00	0.00	6.71	43%	31%	9.1
Gibraltar Dam (City Facility)	230	0.00	0.00	0.00	9.18	47%	35%	8.3
Goleta (Fire Stn-Los Carneros)	440	0.00	0.00	0.00	7.79	57%	42%	
Lompoc (City Hall)	439	0.00	0.00	0.00	9.52	89%	65%	7.0
Los Alamos (Fire Stn)	204	0.00	0.00	0.00	7.51	68%	49%	
San Marcos Pass (USFS Stn)	212	0.00	0.00	0.00	11.75	46%	35%	
Santa Barbara (County Bldg)	234	0.00	0.00	0.00	5.47	40%	30%	
Santa Maria (City Pub.Works)	380	0.00	0.00	0.00	6.04	63%	45%	
Santa Ynez (Fire Stn /Airport)	218	0.00	0.00	0.00	7.30	64%	46%	
Sisquoc (Fire Stn)	256	0.00	0.00	0.00	5.73	53%	38%	

County-wide percentage of "Normal-to-Date" rainfall : 55%

County-wide percentage of "Normal Water-Year" rainfall : 40%

County-wide percentage of "Normal Water-Year" rainfall calculated assuming no more rain through Aug. 31, 2021 (End of WY2021).

AI (Antecedent Index / Soil Wetness)

6.0 and below = Wet (min. = 2.5)
 6.1 - 9.0 = Moderate
 9.1 and above = Dry (max. = 12.5)

Reservoirs

Reservoir Elevations referenced to NGVD-29.

**Cachuma is full and subject to spilling at elevation 750 ft. However, the lake is surcharged to 753 ft. for fish release water. (Cachuma water storage is based on Dec 2013 capacity revision)

Click on Site for Real-Time Readings	Spillway Elev. (ft)	Current Elev. (ft)	Max. Storage (ac-ft)	Current Storage (ac-ft)	Current Capacity (%)	Storage Change Mo.(ac-ft)	Storage Change Year*(ac-ft)
Gibraltar Reservoir	1,400.00	1,375.82	4,559	619	13.6%	0	-1,591
Cachuma Reservoir	753.**	726.32	193,305	122,383	63.3%	0	-21,392
Jameson Reservoir	2,224.00	2,213.42	4,848	3,614	74.5%	0	-674
Twitchell Reservoir	651.50	541.05	194,971	3,133	1.6%	0	-687

CACHUMA DAILY OPERATIONS

Month & Year: February 2021
 Time of Observations: 0830 Evaporation Pan Factor: 77%

Day	Beginning Storage: 124,545			Surface Area	Rainfall		Evaporation		CCWA Inflow	Releases					Computed Inflow		
	Elevation	Storage	Change		inches	acre-feet	inches	acre-feet		Park Diversion	South Coast	Hilton Creek	WR 89-18	Outlet		Spillway	
	ft	acre-feet	acre-feet	acres	inches	acre-feet	inches	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	
1	727.27	124,523	(22)	2,263	-		0.060	8.7	-	0.02	34.8	10.4	-	5.0	-	36.9	
2	727.25	124,478	(45)	2,263	-		0.090	13.1	-	0.03	37.7	10.4	-	6.0	-	22.2	
3	727.23	124,432	(46)	2,262	0.01	1.9	0.090	13.1	-	0.03	36.4	10.5	-	5.0	-	17.1	
4	727.20	124,365	(67)	2,262	-		0.110	16.0	-	0.02	36.8	10.4	-	5.0	-	1.2	
5	727.19	124,319	(46)	2,261	-		0.100	14.5	-	0.03	37.1	10.4	-	6.0	-	22.0	
6	727.16	124,274	(45)	2,261	-		0.080	11.6	-	0.02	37.1	10.4	-	5.0	-	19.1	
7	727.15	124,252	(22)	2,260	-		0.060	8.7	-	0.03	37.2	10.4	-	5.0	-	39.3	
8	727.12	124,184	(68)	2,260	-		0.090	13.0	-	0.03	37.1	10.4	-	5.0	-	(2.4)	
9	727.10	124,138	(46)	2,259	-		0.090	13.0	-	0.02	36.6	10.4	-	6.0	-	20.1	
10	727.07	124,048	(90)	2,258	-		0.070	10.1	-	0.03	37.4	10.4	-	5.0	-	(27.0)	
11	727.06	124,048	-	2,258	0.01	1.9	0.110	15.9	-	0.02	42.3	10.4	-	5.0	-	71.8	
12	727.01	123,935	(113)	2,257	0.08	15.0	0.120	17.4	-	0.03	43.9	10.4	-	5.0	-	(51.3)	
13	727.00	123,912	(23)	2,257	-		0.120	17.4	-	0.02	37.9	10.4	-	6.0	-	48.7	
14	726.96	123,822	(90)	2,256	-		0.090	13.0	-	0.03	34.0	10.4	-	5.0	-	(27.5)	
15	726.95	123,799	(23)	2,256	-		0.080	11.6	-	0.03	33.5	10.4	-	5.0	-	37.5	
16	726.90	123,686	(113)	2,254	-		0.140	20.3	-	0.02	55.0	10.4	-	5.0	-	(22.3)	
17	726.86	123,596	(90)	2,253	-		0.200	28.9	-	0.03	60.5	10.4	-	6.0	-	15.8	
18	726.82	123,505	(91)	2,252	-		0.060	8.7	-	0.02	69.6	10.4	-	5.0	-	2.7	
19	726.78	123,415	(90)	2,251	-		0.240	34.7	-	0.03	74.3	10.4	-	5.0	-	34.4	
20	726.72	123,279	(136)	2,250	-		0.050	7.2	-	0.02	74.9	10.4	-	6.0	-	(37.5)	
21	726.67	123,166	(113)	2,249	-		0.140	20.2	-	0.03	74.8	10.4	-	5.0	-	(2.6)	
22	726.64	123,099	(67)	2,248	-		0.150	21.6	-	0.03	76.0	10.4	-	5.0	-	46.1	
23	726.61	123,031	(68)	2,247	-		0.150	21.6	-	0.02	73.3	10.4	-	5.0	-	42.4	
24	726.56	122,919	(112)	2,246	-		0.140	20.2	-	0.03	80.5	10.4	-	6.0	-	5.1	
25	726.51	122,807	(112)	2,245	-		0.100	14.4	-	0.02	84.3	10.4	-	5.0	-	2.1	
26	726.46	122,696	(111)	2,244	-		0.220	31.7	-	0.03	79.8	10.4	-	5.0	-	15.9	
27	726.42	122,606	(90)	2,243	-		0.080	11.5	-	0.02	83.3	10.4	-	6.0	-	21.2	
28	726.36	122,472	(134)	2,241	-		0.230	33.1	-	0.03	84.6	10.4	-	5.0	-	(0.9)	
TOTALS			(2,073)		0.10	18.8	3.260	471.2	-	-	0.72	1,530.7	291.3	-	148.0	-	350.1

Park Usage

Rain 75% Yr. Total 10.8

Table 1. Summary of WR2019-148 (WR89-18) Releases in 2020

Month	Above Narrows Account Releases (AF)	Below Narrows Account Releases (AF)	Total Releases (AF)
September	4,560	1,300	5,860
October	1,566	1,383	2,949
November	228 ^{a)}	1,418 ^{a)}	1,646
December	25	0	25
Total	6,379	4,101	10,480

a) Includes BNA water in transit through December 2020.

C A C H U M A
 Santa Ynez River - Downstream Users Accounting
 December 2020

SUMMARY

RESERVOIR

	Computed Inflow	-31.2
Releases		492.5
Fish	467.6	
Water rights	24.9	
Leakage	0.0	
Spills		0.0
Valves	0.0	
Spillway	0.0	
Leakage	0.0	
	Total Downstream Releases . .	492.5
Diversions		1698.5
South Coast	1697.0	
Park (SYRWCD ID #1)	1.5	
SYRWCD ID #1	0.0	
	Total Reservoir Outflows . .	2191.0
CCWA Inflow	10.0	
Releases Affecting Accounts	24.9	
Project Savings	0.0	

ABOVE NARROWS ACCOUNT (ANA)

	Previous Months ANA	9698.0
ANA Credit	25.0	
Releases from ANA	24.9	
BNA Releases Not Reaching Narrows	0.0	
ANA Dewatered Storage: Current	14640.0	
Previous	13798.0	
Change	842.0	
Spills Reducing ANA	0.0	
Current ANA		9698.1

BELOW NARROWS ACCOUNT (BNA)

	Previous Months BNA	4227.0
Measured Flow at Narrows	451.5	
Salsipuedes Creek Contribution	33.8	
Releases from BNA	0.0	
BNA Releases Reaching Narrows	0.0	
Constructive Flow at Narrows	451.5	
Elevation of Indicator well (feet)	0.0	
Percolation from Measured Flow	451.5	
Percolation from Constructive Flow	451.5	
BNA Credit	0.0	
Spills Reaching Narrows	0.0	
BNA Dewatered Storage: Current	16102.0	
Previous	16510.0	
Change	-408.0	
Spills Reducing BNA	0.0	
Current BNA		4227.0

Notes: All values are in acre-feet unless otherwise indicated.

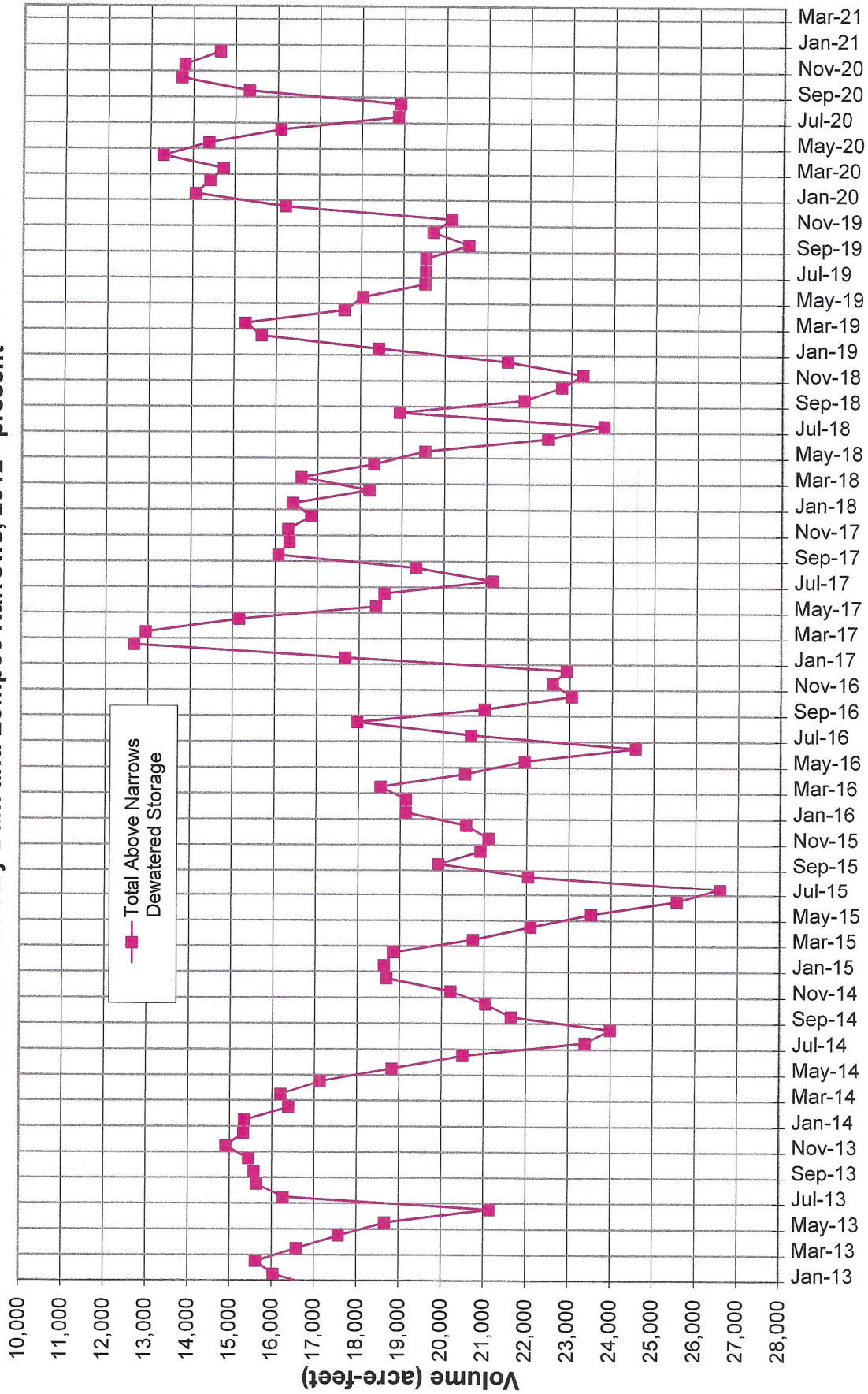
Date of Report: 02/09/2021

USING SAN LUCAS CREEK AS FIRST CHECKPOINT

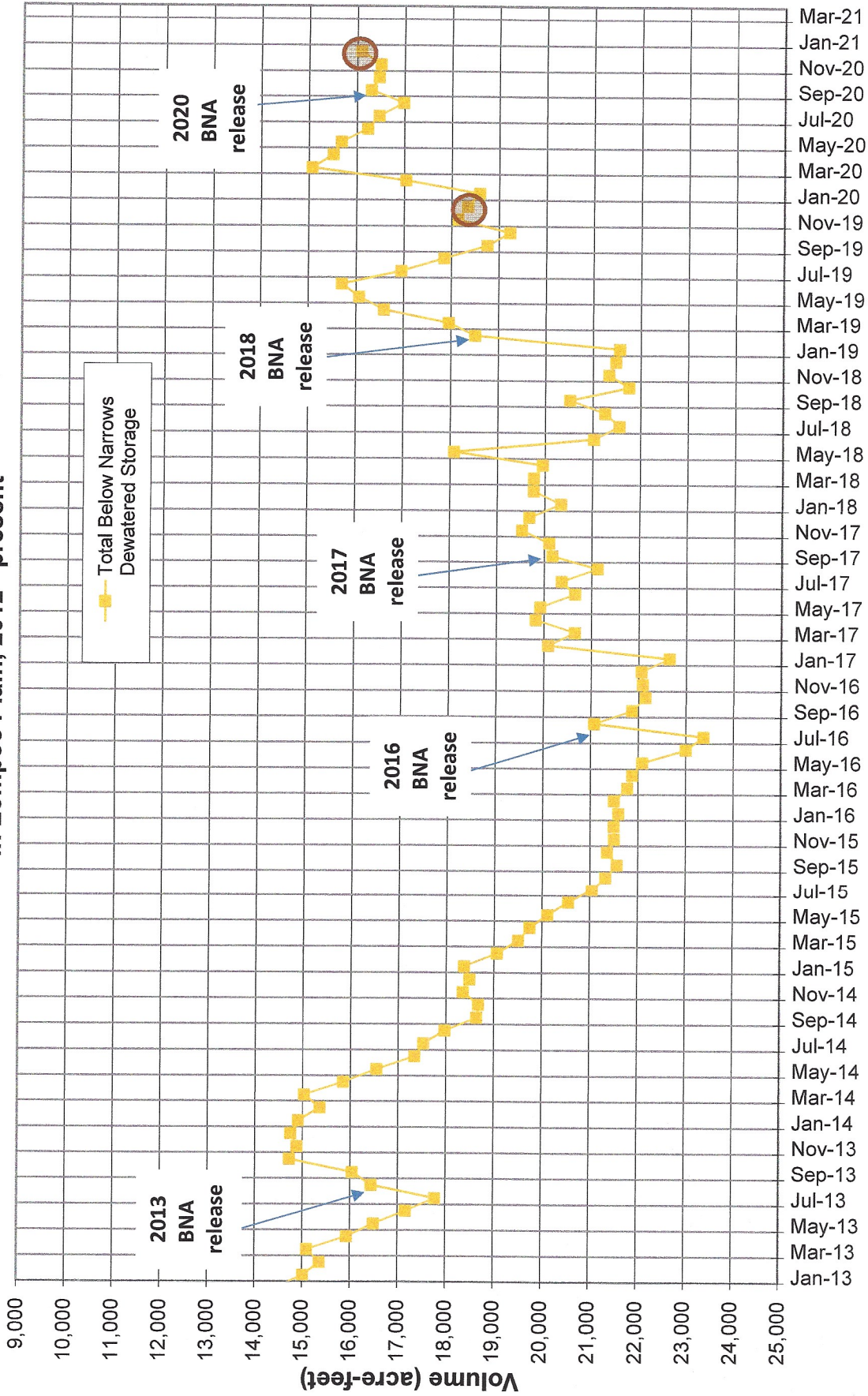
UPSTREAM OPERATIONS ADJUSTMENT ALL NEG OR ZERO

Beginning of the month ANA and BNA accounts have been adjusted (+360 cfs and -360 cfs, respectively) to account for Water Rights release in transit flow.

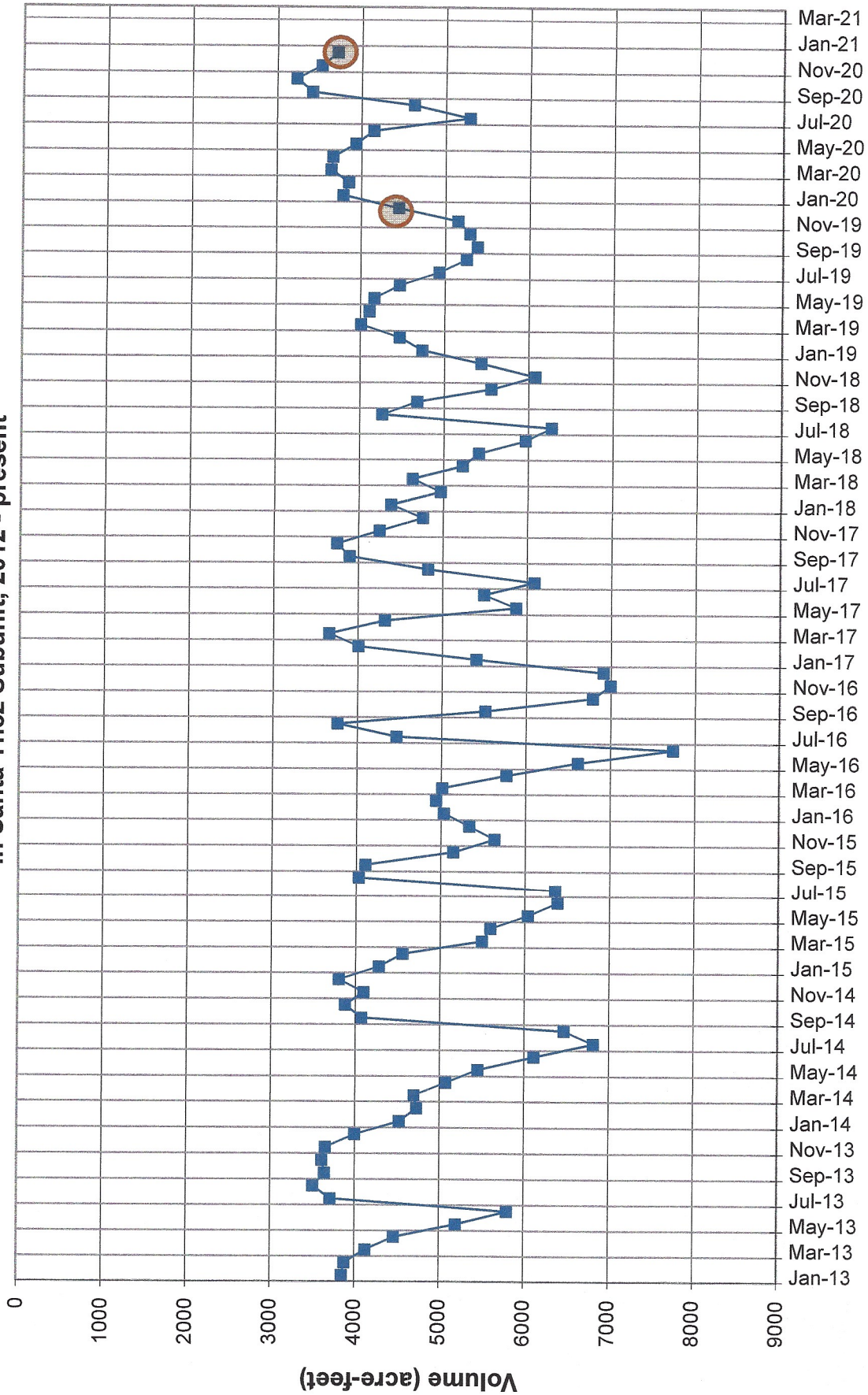
Total Dewatered Groundwater Storage (DWS)
Between Bradbury Dam and Lompoc Narrows, 2012 - present

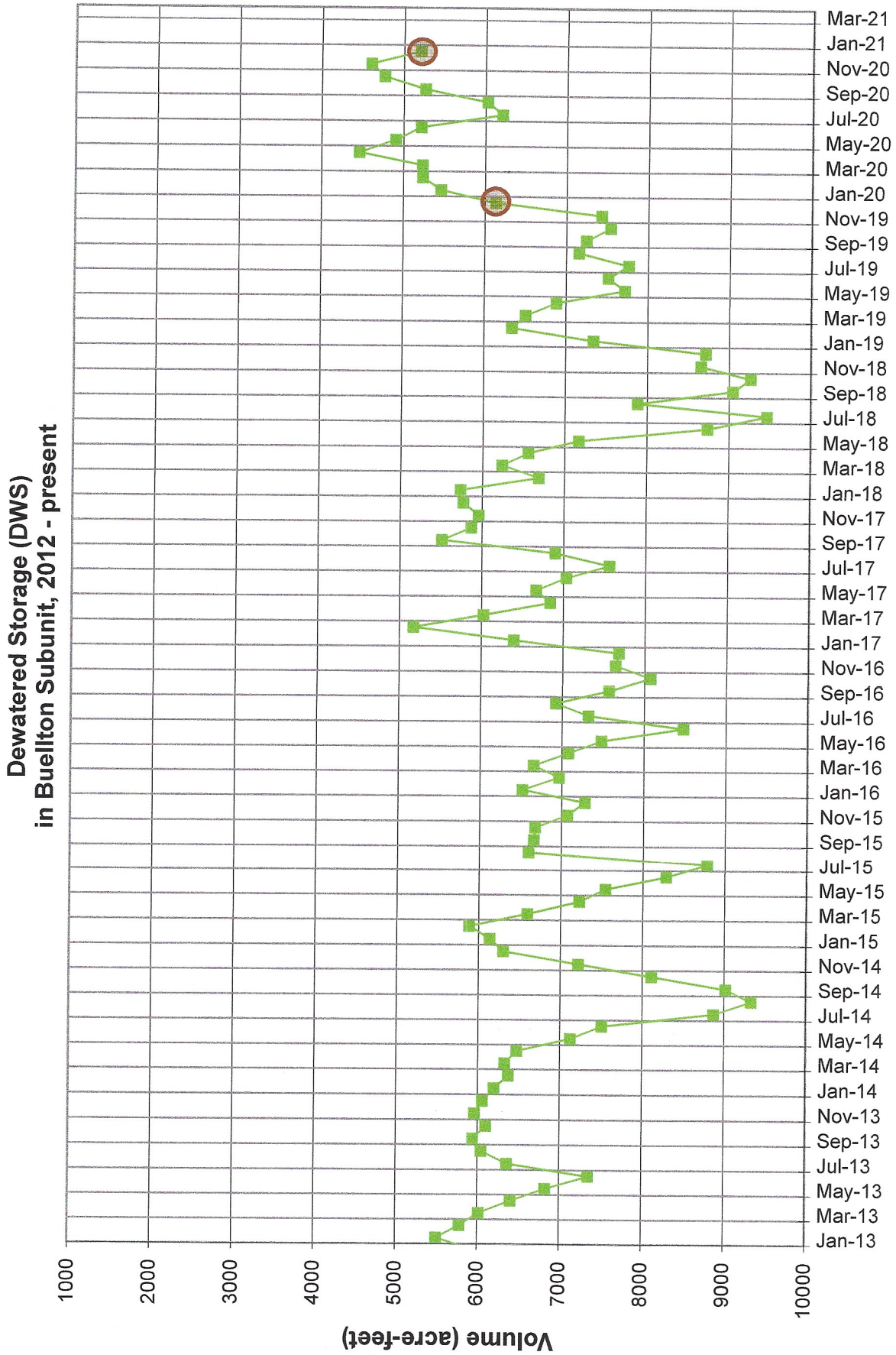


**Total Dewatered Groundwater Storage (DWS)
in Lompoc Plain, 2012 - present**

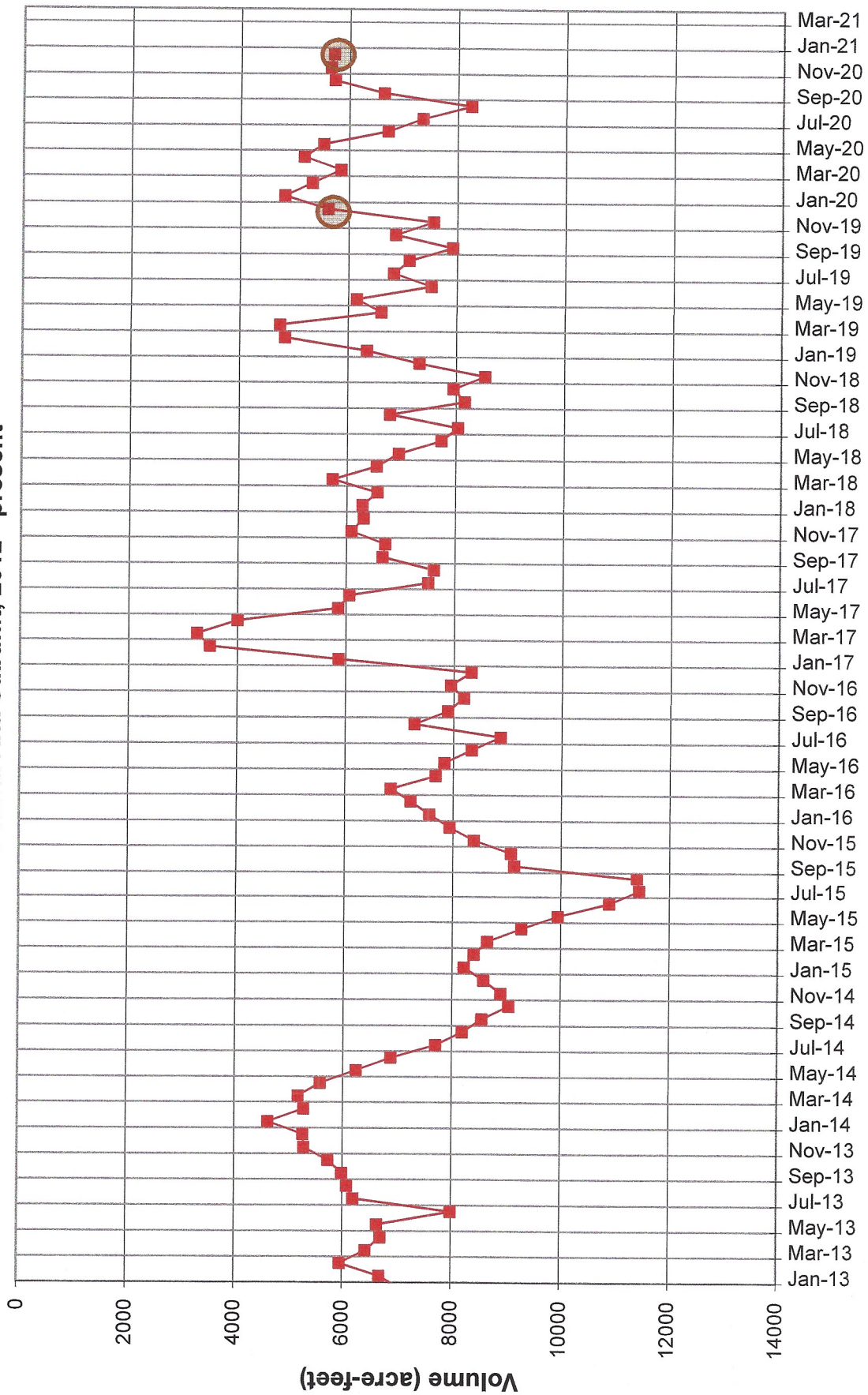


Dewatered Storage (DWS)
in Santa Ynez Subunit, 2012 - present





Dewatered Storage (DWS)
in Santa Rita Subunit, 2012 - present



SY River Water District
BALANCE SHEET
JANUARY 31, 2021

ASSETS

ASSETS

Mechanics Checking #7071-01	\$5,109.74
Mechanics #7311 (GW Revenue)	264,442.28
Mechanics #7313 (2nd MM)	3,186.41
Mechanics #7314 (Grant Funds)	3,096.62
LAIF	1,567,094.80
SBIF	389,296.74
Unrealized gains & losses	.00
Taxes Receivable	.00
Interest Receivable	.00
Deferred Expenses	.00
Prepaid Expenses	395.00
Accounts Receivable	.00
Temporary Suspense Account	(440.00)
Pass through Transfer	.00

TOTAL ASSETS		2,232,181.59
TOTAL ASSETS		\$2,232,181.59
		=====

LIABILITIES AND EQUITY

LIABILITIES

Accounts Payable	300.00
Accrued Payroll Taxes	.00
Deferred Comp - Lincoln Nat'l	.00
Due USGS Lpc. Monit. Study	.00
Due ID No 1 LAFCO	.00
Due Misc	.00
SYRHM Project (Agency Fund)	.00
SGMA Funds Interest Income	96.62
SGMA Funds Due to other Govts	(361,682.80)

TOTAL LIABILITIES		(361,286.18)
TOTAL LIABILITIES		(361,286.18)

RESERVES

Unappropriated Reserves	2,428,117.57
RETAINED EARNINGS-CURRENT YEAR	165,350.20

TOTAL RESERVES		2,593,467.77
TOTAL LIABILITIES AND EQUITY		\$2,232,181.59
		=====

SY River Water District
INCOME STATEMENT
FOR THE 7 PERIODS ENDED JANUARY 31, 2021

	PERIOD TO DATE			YEAR TO DATE		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
INCOME						
DWR Grant Reimbursement	\$88,118.44	.00	88,118.44	159,364.54	161,500.00	(2,135.46)
Ground Water Charges	166,859.38	145,000.00	21,859.38	438,925.89	396,000.00	42,925.89
SB Co. Property Taxes	5,964.28	10,000.00	(4,035.72)	189,291.91	180,000.00	9,291.91
Interest Income, all sources	4.94	.00	4.94	7,731.19	13,000.00	(5,268.81)
Miscellaneous Income	.00	.00	.00	88.89	.00	88.89
TOTAL INCOME	260,947.04	155,000.00	105,947.04	795,402.42	750,500.00	44,902.42
GROSS PROFIT	260,947.04	155,000.00	105,947.04	795,402.42	750,500.00	44,902.42
EXPENSES:						
EXPENSES, OPERATIONS						
Employee Compensation	29,778.08	29,500.00	(278.08)	192,681.64	206,500.00	13,818.36
Payroll (SS & Medicare)	2,278.00	2,250.00	(28.00)	13,402.62	15,750.00	2,347.38
Employee Benefits	430.71	500.00	69.29	3,014.97	3,500.00	485.03
Retirement Costs	1,488.94	1,475.00	(13.94)	8,902.83	10,325.00	1,422.17
Outside Staff Support	300.00	416.67	116.67	2,100.00	2,916.69	816.69
Director Fees	.00	250.00	250.00	675.00	1,750.00	1,075.00
Ground Water Charges Admin.	5,349.95	3,750.00	(1,599.95)	24,439.64	26,250.00	1,810.36
Office Supplies-Incl Computer	560.63	250.00	(310.63)	3,047.52	1,750.00	(1,297.52)
IT Services	105.00	166.67	61.67	105.00	1,166.69	1,061.69
Communications	633.15	541.67	(91.48)	3,157.13	3,791.69	634.56
Travel & Subsistance	.00	583.33	583.33	380.90	4,083.31	3,702.41
Audit/Accounting	.00	.00	.00	.00	10,700.00	10,700.00
Insurance, Bonds, Work. Comp	.00	.00	.00	17,858.86	16,000.00	(1,858.86)
Misc. Expense	(95.15)	250.00	345.15	385.61	1,750.00	1,364.39
Dues	.00	.00	.00	2,094.00	2,000.00	(94.00)
Tax Admin Fee/LAFCO Cost	.00	.00	.00	332.00	500.00	168.00
Office Occupancy	1,500.00	1,875.00	375.00	12,822.65	13,125.00	302.35
Credit Card Processing Fees	.00	.00	.00	2.00	.00	(2.00)
TOTAL EXPENSES, OPERATIONS	42,329.31	41,808.34	(520.97)	285,402.37	321,858.38	36,456.01
EXPENSES, SGMA						
SGMA General	.00	.00	.00	371.66	.00	(371.66)
SGMA WMA	.00	33,027.83	33,027.83	67,628.04	231,194.81	163,566.77
SGMA CMA	.00	23,263.83	23,263.83	192,008.35	162,846.81	(29,161.54)
SGMA EMA	.00	1,541.67	1,541.67	(18,010.00)	10,791.69	28,801.69
TOTAL EXPENSES, SGMA	.00	57,833.33	57,833.33	241,998.05	404,833.31	162,835.26
EXPENSES, SPECIAL STUDIES						
SYR Monitoring Program	.00	.00	.00	.00	.00	.00
SYR Studies Program	.00	.00	.00	.00	.00	.00
TOTAL EXPENSES, SPECIAL STUDIE	.00	.00	.00	.00	.00	.00
EXPENSES, LEGAL						
General & Misc	861.34	833.33	(28.01)	3,529.77	5,833.31	2,303.54
WR89-18	.00	.00	.00	.00	.00	.00
Upper SYR Ops	.00	.00	.00	.00	.00	.00

SY River Water District
 INCOME STATEMENT
 FOR THE 7 PERIODS ENDED JANUARY 31, 2021

	PERIOD TO DATE			YEAR TO DATE		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
EXPENSES, LEGAL	(Continued)					
WR 2019-0148 Decision; EIR	\$79.50	2,083.33	2,003.83	12,053.00	14,583.31	2,530.31
Fisheries, Legal	.00	.00	.00	1,711.00	25,000.00	23,289.00
HR	.00	416.67	416.67	.00	2,916.69	2,916.69
SGMA	5,468.75	.00	(5,468.75)	10,753.50	.00	(10,753.50)
GW Program	.00	.00	.00	3,505.75	.00	(3,505.75)
TOTAL EXPENSES, LEGAL	6,409.59	3,333.33	(3,076.26)	31,553.02	48,333.31	16,780.29
EXPENSES, ENGINEER						
General & Misc.	177.75	833.33	655.58	1,209.96	5,833.31	4,623.35
Annual G.W. Report	.00	1,250.00	1,250.00	.00	8,750.00	8,750.00
WR 89-18 Operations	5,767.64	5,416.67	(350.97)	40,021.54	37,916.69	(2,104.85)
Upper SYR Operations	355.50	833.33	477.83	3,061.37	5,833.31	2,771.94
WR 2019-0148 Decision; EIR	.00	2,083.33	2,083.33	2,936.59	14,583.31	11,646.72
Fisheries Hydrology	4,427.12	3,333.33	(1,093.79)	9,431.56	23,333.31	13,901.75
Fisheries Consulting	.00	1,250.00	1,250.00	.00	8,750.00	8,750.00
TOTAL EXPENSES, ENGINEER	10,728.01	14,999.99	4,271.98	56,661.02	104,999.93	48,338.91
EXPENSES, CONTINGENCIES						
All Zones, General	283.43	4,166.67	3,883.24	10,049.33	29,166.69	19,117.36
Tenant Improvements	.00	.00	.00	4,388.43	.00	(4,388.43)
TOTAL EXPENSES, CONTINGENCIES	283.43	4,166.67	3,883.24	14,437.76	29,166.69	14,728.93
TOTAL EXPENSES	59,750.34	122,141.66	62,391.32	630,052.22	909,191.62	279,139.40
NET INCOME FROM OPERATIONS	201,196.70	32,858.34	168,338.36	165,350.20	(158,691.62)	324,041.82
EARNINGS BEFORE INCOME TAX	201,196.70	32,858.34	168,338.36	165,350.20	(158,691.62)	324,041.82
NET INCOME (LOSS)	\$201,196.70	32,858.34	168,338.36	165,350.20	(158,691.62)	324,041.82

QUARTERLY INVESTMENT REPORT
(REF. CGC 53646 (B) (1) AND 53646 (E))
SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
2ND QUARTER, FY 2020-21
OCTOBER, NOVEMBER, DECEMBER 2020

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

8 February 2021
Date



William J. Buelow, Treasurer

11 Feb - 2021
Date

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
DECEMBER 2020 WARRANT LIST FOR BOARD APPROVAL**

<u>NUMBER</u>	<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ACH	12/1/2020	Payroll	November 16-31, 2020 Salary	\$ 9,370.21
ACH	12/1/2020	Employment Development Dept.	EDD Tax Deposit (Nov. 16-31, 2020 Salary)	\$ 691.31
ACH	12/1/2020	Lincoln Financial Group	457 Plan Combined Contributions (#1 December)	\$ 2,730.05
ACH	12/1/2020	Mechanics Bank (Payroll Acct)	Payroll Tax Deposit (Nov. 16-31, 2020 Salary)	\$ 3,238.64
5201	12/10/2020	Judith K. Adams	November 2020 GW Admin Service	\$ 606.25
5202	12/10/2020	Cynthia Allen	11/16 CMA; 11/19 EMA; 12/2 Board Meetings	\$ 225.00
5203	12/10/2020	Mark Altshuler	12/2 Board Meeting	\$ 75.00
5204	12/10/2020	William Buelow	November 2020 Reimbursables	\$ 24.64
5205	12/10/2020	Guardian	December 2020 Life, LTD & ADD Insurance	\$ 293.01
5206	12/10/2020	Jim Heyerly	December 2020 Rent	\$ 1,500.00
5207	12/10/2020	Art Hibbits	11/16 CMA; 11/18 WMA Meetings	\$ 150.00
5208	12/10/2020	Humana Insurance Co.	December 2020 Dental Insurance	\$ 116.94
5209	12/10/2020	Inklings Printing Co.	Library Project	\$ 10.68
5210	12/10/2020	Steve Jordan	11/18 WMA; 12/2 Board Meetings	\$ 150.00
5211	12/10/2020	Brett Marymee	11/19 EMA; 12/2 Board Meetings	\$ 150.00
5212	12/10/2020	Onsite Computers & Design	Troubleshoot Remote Meetings Issues (COVID-19)	\$ 157.50
5213	12/10/2020	Alex Pappas	November 2020 GW & SGMA: Admin & GIS	\$ 1,490.76
5214	12/10/2020	Pacific Gas & Electric	November 2020 Electric Service	\$ 157.07
5215	12/10/2020	Shirley Scales Bookkeeping	November 2020 GW Admin Service	\$ 3,272.50
5216	12/10/2020	Staples Credit Plan	Office Supplies	\$ 188.18
5217	12/10/2020	Stetson Engineers	October 2020 Engineering Service	\$ 9,309.55
5218	12/10/2020	US Bank Corp	November 2020 CalCard	\$ 1,274.62
5219	12/10/2020	Valley Bookkeeping Services	November 2020 Bookkeeping Service	\$ 300.00
5220	12/10/2020	Vision Service Plan	December 2020 Vision Insurance	\$ 20.76
5221	12/10/2020	Kevin Walsh	October 2020 Reimbursables	\$ 34.22
5222	12/10/2020	Young Wooldridge	November 2020 Legal Service	\$ 2,348.12
ACH	12/18/2020	Payroll	December 1-15, 2020 Salary	\$ 9,410.34
ACH	12/18/2020	Employment Development Dept.	EDD Tax Deposit (Dec. 1-15, 2020 Salary)	\$ 691.31
ACH	12/18/2020	Lincoln Financial Group	457 Plan Combined Contributions (#2 December)	\$ 2,730.05
ACH	12/18/2020	Mechanics Bank (Payroll Acct)	Payroll Tax Deposit (Dec. 1-15, 2020 Salary)	\$ 3,158.38
TOTAL				\$ 53,875.09

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
JANUARY 2021 WARRANT LIST FOR BOARD APPROVAL**

<u>NUMBER</u>	<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ACH	1/5/2021	Payroll	December 16-31, 2020 Salary	\$ 8,645.93
ACH	1/5/2021	Employment Development Dept.	EDD Tax Deposit (Dec. 16-31, 2020)	\$ 683.37
ACH	1/5/2021	Lincoln Financial Group	457 Plan Combined Contributions (#1 January)	\$ 2,730.13
ACH	1/5/2021	Mechanics Bank (Payroll Acct)	Payroll Tax Deposit (Dec. 16-31, 2020)	\$ 4,713.08
5223	1/13/2021	Judith K. Adams	December 2020 GW Admin Service	\$ 1,275.00
5224	1/13/2021	Guardian	January 2020 Life, LTD & ADD Insurance	\$ 293.01
5225	1/13/2021	Jim Heyerly	January 2020 Rent	\$ 1,500.00
5226	1/13/2021	Humana Insurance Co.	January 2020 Dental Insurance	\$ 116.94
5227	1/13/2021	Inklings Printing Co.	GW Forms & envelopes	\$ 605.15
5228	1/13/2021	Onsite Computers & Design	Troubleshoot Remote Audio Issues (COVID-19)	\$ 105.00
5229	1/13/2021	Shirley Scales Bookkeeping	December 2020 GW Admin Service	\$ 3,491.25
5230	1/13/2021	Staples Credit Plan	Office Supplies	\$ 388.84
5231	1/13/2021	Stetson Engineers	November 2020 Engineering Service	\$ 10,728.01
5232	1/13/2021	US Bank Corp	December 2020 CalCard	\$ 1,066.92
5233	1/13/2021	Valley Bookkeeping Services	December 2020 Bookkeeping Service	\$ 300.00
5234	1/13/2021	Vision Service Plan	January 2020 Vision Insurance	\$ 20.76
5235	1/13/2021	Young Wooldridge	December 2020 Legal Service	\$ 6,409.59
ACH	1/18/2021	Payroll	January 1-15, 2020 Salary	\$ 8,645.98
ACH	1/18/2021	Employment Development Dept.	EDD Tax Deposit (Jan. 1-15, 2021)	\$ 683.38
ACH	1/18/2021	Lincoln Financial Group	457 Plan Combined Contributions (#2 January)	\$ 2,730.05
ACH	1/18/2021	Mechanics Bank (Payroll Acct)	Payroll Tax Deposit (Jan. 1-15, 2021)	\$ 4,713.10
TOTAL				\$ 59,845.49

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
FEBRUARY 2021 WARRANT LIST FOR BOARD APPROVAL**

<u>NUMBER</u>	<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ACH	2/3/2021	Payroll	January 16-31, 2021 Salary	\$ 8,645.98
ACH	2/3/2021	Employment Development Dept.	EDD Tax Deposit (Jan. 16-31, 2021)	\$ 683.38
ACH	2/3/2021	Lincoln Financial Group	457 Plan Combined Contributions (#1 February)	\$ 2,730.05
ACH	2/3/2021	Mechanics Bank (Payroll Acct)	Payroll Tax Deposit (Jan. 16-31, 2021)	\$ 4,713.10
5236	2/16/2021	Access	January 2021 Document Shredding	\$ 60.00
5237	2/16/2021	Guardian	February 2021 Life, LTD & ADD Insurance	\$ 293.01
5238	2/16/2021	Jim Heyerly	February 2021 Rent	\$ 1,500.00
5239	2/16/2021	Humana Insurance Co.	February 2021 Dental Insurance	\$ 116.94
5240	2/16/2021	Alex Pappas	December 2020 & January 2021 SGMA: Admin & GIS	\$ 1,221.00
5241	2/16/2021	Shirley Scales Bookkeeping	January 2021 GW Admin Service	\$ 3,097.50
5242	2/16/2021	Staples Credit Plan	Office Supplies	\$ 86.87
5243	2/16/2021	Stetson Engineers	December 2020 Engineering Service	\$ 5,132.02
5244	2/16/2021	US Bank Corp	January 2021 CalCard	\$ 2,903.00
5245	2/16/2021	Valley Bookkeeping Services	January 2021 Bookkeeping Service	\$ 300.00
5246	2/16/2021	Vision Service Plan	February 2021 Vision Insurance	\$ 20.76
5247	2/16/2021	Young Wooldridge	January 2021 Legal Service	\$ 6,793.74
ACH	2/17/2021	Payroll	February 1-15, 2021 Salary	\$ 8,645.98
ACH	2/18/2021	Cynthia Allen	1/25 CMA Meeting	\$ 69.26
ACH	2/18/2021	Art Hibbits	1/25 CMA Meeting	\$ 69.26
ACH	2/18/2021	Steve Jordan	1/27 WMA Meeting	\$ 69.26
ACH	2/18/2021	Brett Marymee	1/21 EMA Meeting	\$ 69.26
ACH	2/18/2021	Employment Development Dept.	EDD Tax Deposit (Feb. 1-15, 2021)	\$ 683.38
ACH	2/18/2021	Lincoln Financial Group	457 Plan Combined Contributions (#2 February)	\$ 2,730.05
ACH	2/18/2021	Mechanics Bank (Payroll Acct)	Payroll Tax Deposit (Feb. 1-15, 2021)	\$ 4,759.02
TOTAL				\$ 55,392.82

RESOLUTION NO. 701

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
ADOPTING A REVISED INVESTMENT POLICY**

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of Statewide concern (California Government Code Sections 53600.6 and 53630.1); and

WHEREAS, the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5921 and 53601 et seq.; and

WHEREAS, the Santa Ynez River Water Conservation District invests its monies in accordance with the provisions described above; and

WHEREAS, the Investment Policy shall be reviewed by the Board of Directors annually and any modifications must be approved in a public meeting; and

WHEREAS, the Board of Directors determined that modifications are not needed in the Investment Policy.

NOW, THEREFORE, BE IT RESOLVED, that the Investment Policy, as attached to this resolution, is hereby approved and re-adopted by the Board of Directors.

WE, THE UNDERSIGNED, being the fully 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 adopted and passed by the Board of Directors of said District at a special meeting duly held on the 3rd day of March 2021 by the following roll call vote:

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSENT/ABSTAINING, Directors:

Cynthia Allen, President

Amber M. Thompson, Secretary

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
INVESTMENT POLICY

(Adopted by Resolution No. 688 dated March 6, 2019)

1.0 INTRODUCTION

The deposit and investment of public funds by local officials and local agencies is an issue of statewide concern. (Gov. Code, §§ 53600.6, 53630.1). As representatives of a local agency, the Board of Directors of the Santa Ynez River Water Conservation District (SYRWCD or District) may invest surplus monies not required for the immediate necessities of the District in accordance with the provisions of Government Code sections 5921 and following and 53601 and following. The Treasurer of the District shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors at a public meeting. (Gov. Code, § 53646(a).) It shall be the policy of the SYRWCD to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of the District's funds.

2.0 SCOPE

This Investment Policy applies to all financial assets and investment activities under the direct control of the SYRWCD. It does not apply to the District's employee retirement plans.

3.0 PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (Gov. Code, § 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

As specified in Government Code section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

A. Safety: Safety of principal is the foremost objective of the investment program. Investments of the SYRWCD shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

B. Liquidity: The investment portfolio will remain sufficiently liquid to enable to the SYRWCD to meet all operating requirements which might be reasonably anticipated.

C. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from California Government Code sections 53600 and following. Management responsibility for the investment program is hereby delegated by the Board of Directors to the General Manager/Treasurer, who shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the General Manager/Treasurer. The General Manager/Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of Government Code section 53600.3, the General Manager/Treasurer is a trustee and a fiduciary subject to the prudent investor standard.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The SYRWCD will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience, and a minimal capitalization authorized to provide investment services. No public deposit shall be made except in a qualified public depository as established by state laws.

A list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. The SYRWCD shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the General Manager/Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the SYRWCD's account with that firm has reviewed the SYRWCD's Investment Policy and that the firm understands the Policy and intends to present investment recommendations and transactions to the SYRWCD that are appropriate under the terms and conditions of the Investment Policy.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

The SYRWCD is empowered by Government Code sections 53601 and following to invest in the types of investments shown in Figure 1. However, it has authorized its General Manager/Treasurer to invest only in the following:

1. Collateralized Bank Deposits, in accordance with Government Code sections 53601(m), 53652, and 53653, including waiver of collateralization in amounts up to the amount insured by the Federal Deposit Insurance Corporation (FDIC).
2. Non-negotiable CDs, offered by a depository institution that is a participant in a private CD placement service, which allocates funds to other institutions such that all accounts are insured by the FDIC (CDARS) in accordance with Government Code sections 53601.8 and 53635.8 (limited to 30% of portfolio).
3. Local Agency Investment Fund (LAIF) (Gov. Code, § 53601(d))
4. County Pooled Investment Funds (SBIF) (Gov. Code, § 53601(d))
5. Any investment authorized by Government Code section 53601 that is approved in advance by the Board of Directors.

9.0 SAFEKEEPING AND CUSTODY

All security transactions entered into by the SYRWCD shall be conducted on delivery-versus-payment basis. All securities purchased or acquired shall be delivered to the SYRWCD by book entry, physical delivery, or by third party custodial agreement as required by Government Code section 53601.

10.0 DIVERSIFICATION

The SYRWCD will diversify its investments by security type and institution. It is the policy of the SYRWCD to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- A. Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- B. Maturities selected shall provide for stability of income and liquidity.
- C. Disbursement and payroll dates shall be covered through securities investments, marketable U.S. Treasury bills or other cash equivalent instruments such as money market mutual funds.

11.0 REPORTING

In accordance with Government Code section 53646(b)(1), the General Manager/Treasurer shall submit to each member of the SYRWCD Board a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments, issuers, maturity dates, par values and current market values of each component of the portfolio, including funds managed for SYRWCD by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in Government Code section 53646(e), if all funds are placed in LAIF, FDIC-insured accounts, and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the SYRWCD will meet its expenditure obligations for the next six months as required by Government Code section 53646(b)(2) and (3), respectively. The General Manager/Treasurer shall maintain a complete and timely record of all investment transactions.

12.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the SYRWCD. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the SYRWCD Board.

Attachments:

Figure 1

Operating Procedures

Government Code sections 53600 through 53610

FIGURE 1

**ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE
(AS OF JANUARY 1, 2019)^A APPLICABLE TO ALL LOCAL AGENCIES^B**

See “Table of Notes for Figure 1” on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM REMAINING MATURITY ^C	MAXIMUM SPECIFIED % OF PORTFOLIO ^D	MINIMUM QUALITY REQUIREMENTS	GOVERNMENT CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations: CA and Others	5 years	None	None	53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S. Agency Obligations	5 years	None	None	53601(f)
Bankers’ Acceptances	180 days	40% ^E	None	53601(g)
Commercial Paper: Non-pooled Funds ^F	270 days or less	25% of the agency’s money ^G	Highest letter and number rating by an NRSRO ^H	53601(h)(2)(C)
Commercial Paper: Pooled Funds ^I	270 days or less	40% of the agency’s money ^G	Highest letter and number rating by an NRSRO ^H	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% ^J	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	30% ^K	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	30% ^K	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days ^L	20% of the base value of the portfolio	None ^M	53601(j)
Medium-term Notes ^N	5 years or less	30%	“A” rating category or its equivalent or better	53601(k)
Mutual Funds and Money Market Mutual Funds	N/A	20% ^O	Multiple ^{P,Q}	53601(l) and 53601.6(b)
Collateralized Bank Deposits ^R	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-through and Asset Backed Securities	5 years or less	20%	“AA” rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple ^S	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund ^T	N/A	None	None	16340
Supranational Obligations ^U	5 years or less	30%	“AA” rating category or its equivalent or better	53601(q)

TABLE OF NOTES FOR FIGURE 1

- A *Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, and 53635.8.*
- B *Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.*
- C *Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.*
- D *Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.*
- E *No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.*
- F *Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.*
- G *Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.*
- H *Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.*
- I *Includes agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).*
- J *No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).*
- K *No more than 30 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service (excludes negotiable certificates of deposit authorized under Section 53601(i)).*
- L *Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.*
- M *Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.*
- N *"Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."*
- O *No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.*
- P *A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.*
- Q *A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.*
- R *Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.*
- S *A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).*
- T *Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.*
- U *Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.*

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

OPERATING PROCEDURES

INVESTMENT PROGRAM
(REFERENCE INVESTMENT POLICY)

1. This program shall be implemented in accordance with the District's Investment Policy.
2. General Manager/Treasurer (GM/T) shall monitor and manage funds between investments and institutions in order to maximize return from such accounts while providing for safety of principal, diversification of investment/maturities, and cash flow available to meet District obligations.
3. Authorized financial institutions include Rabobank, Union Bank, and Montecito Bank and Trust (MBT). Public money contracts are in place at these institutions. SYRWCD does not retain a broker/dealer for investment purposes.
4. GM/T and the Board President are authorized to conduct LAIF and/or SBIF transactions. Such transactions are accomplished through wire transfers between the LAIF and SBIF accounts and the Rabobank accounts. These transfers can be accomplished only with appropriate bank contacts and passwords known to authorized individuals. Transfers between Rabobank and other institutions are by double-signature District checks or cashier's checks in the name of the District.

Government Code

Title 5. Local Agencies

Division 2. Cities, Counties, and Other Agencies

Part 1. Powers and Duties Common to Cities, Counties, and Other Agencies

Chapter 4. Financial Affairs

Article 1. Investment of Surplus

§ 53600. “Local agency” defined

As used in this article, “local agency” means county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

(Added by Stats.1949, c. 81, p. 289, § 1. Amended by Stats.1984, c. 124, § 2; Stats.1984, c. 1226, § 1; Stats.1987, c. 887, § 2.)

§ 53600.3. Prudent investor standard; investments on behalf of local agencies

Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

(Added by Stats.1995, c. 784 (S.B.866), § 11. Amended by Stats.1996, c. 749 (S.B.109), § 4.)

§ 53600.5. Objectives; managing public funds

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.

(Added by Stats.1995, c. 784 (S.B.866), § 12. Amended by Stats.1996, c. 749 (S.B.109), § 5.)

§ 53600.6. Legislative findings and declarations; solvency and creditworthiness

The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

(Added by Stats.1995, c. 784 (S.B.866), § 13.)

§ 53601. Local agencies; authorized investments

This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decisionmaking authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j)

(1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4)

(A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, “significant banking relationship” means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency's activities.

(iii) Acceptance of a local agency's securities or funds as deposits.

(5)

(A) “Repurchase agreement” means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank’s customer book-entry account may be used for book-entry delivery.

(B) “Securities,” for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) “Reverse repurchase agreement” means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) “Securities lending agreement” means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of “A” or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(l)

(1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k),

inclusive, and subdivisions (m) to (q), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the

statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

(q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(Added by Stats.1949, c. 81, p. 289, § 1. Amended by Stats.1951, c. 1643, p. 3697, § 1; Stats.1953, c. 537, p. 1798, § 2; Stats.1954, 1st Ex.Sess., c. 10, p. 257, § 1, eff. April 6, 1954; Stats.1967, c. 275, p. 1433, § 1; Stats.1967, c. 1316, p. 3140, § 2; Stats.1974, c. 1354, p. 2938, § 1; Stats.1975, c. 649, p. 1406, § 1; Stats.1977, c. 1138, p. 3657, § 1.5; Stats.1978, c. 65, p. 181, § 1; Stats.1979, c. 158, p. 354, § 1; Stats.1979, c. 275, p. 942, § 2.5; Stats.1981, c. 185, § 2; Stats.1982, c. 508, § 2; Stats.1983, c. 550, § 1; Stats.1983, c. 567, § 1.5; Stats.1984, c. 659, § 2; Stats.1984, c. 741, § 1; Stats.1985, c. 983, § 14, eff. Sept. 26, 1985; Stats.1985, c. 983, § 15, eff. Sept. 26, 1985, operative Jan. 1, 1988; Stats.1985, c. 1526, § 1; Stats.1985, c. 1526, § 1.5, operative Jan. 1, 1988; Stats.1986, c. 784, § 1; Stats.1986, c. 784, § 2, operative Jan. 1, 1988; Stats.1986, c. 853, § 1, eff. Sept. 17, 1986; Stats.1986, c. 853, § 2, operative Jan. 1, 1987; Stats.1986, c. 853, § 1.5; Stats.1986, c. 853, § 2.5, operative Jan. 1, 1988; Stats.1987, c. 446, § 1; Stats.1987, c. 887, § 3.5; Stats.1988, c. 294, § 1, eff. July 7, 1988; Stats.1988, c. 491, § 1; Stats.1992, c. 173 (A.B.3576), § 1; Stats.1994, c. 705 (S.B.1804), § 10; Stats.1995, c. 784 (S.B.866), § 14; Stats.1996, c. 156 (S.B.864), § 7, eff. July 12, 1996; Stats.1998, c. 588 (S.B.1793), § 1; Stats.1999, c. 643 (A.B.1679), § 9; Stats.1999, c. 644 (A.B.530), § 1.5; Stats.2000, c. 135 (A.B.2539), § 80; Stats.2000, c. 339 (A.B.2220), § 1; Stats.2001, c. 57 (A.B.609), § 1; Stats.2002, c. 664 (A.B.3034), § 120; Stats.2002, c. 454 (S.B.1326), § 20; Stats.2003, c. 197 (S.B.787), § 1; Stats.2004, c. 470 (A.B.969), § 4; Stats.2007, c. 340 (A.B.1745), § 1; Stats.2008, c. 179 (S.B.1498), § 106; Stats.2008, c. 709 (S.B.1124), § 10.5; Stats.2010, c. 328 (S.B.1330), § 91; Stats.2011, c. 382 (S.B.194), § 3; Stats.2014, c. 59 (A.B.1933), § 1, eff. Jan. 1, 2015; Stats.2016, c. 366 (S.B.974), § 12, eff. Jan. 1, 2017; Stats.2018, c. 271 (A.B.1770), § 1, eff. Jan. 1, 2019.)

§ 53601.1. Investment in financial futures or financial option contracts

The authority of a local agency to invest funds pursuant to Section 53601 includes, in addition thereto, authority to invest in financial futures or financial option contracts in any of the investment categories enumerated in that section.

(Added by Stats.1983, c. 534, § 3.)

§ 53601.2. Corporation; limited liability company

As used in this article, “corporation” includes a limited liability company.

(Added by Stats.2004, c. 118 (S.B.1165), § 18.)

§ 53601.5. Investments; qualified purchase agent

The purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank.

(Added by Stats.1984, c. 929, § 1. Amended by Stats.1985, c. 983, § 16, eff. Sept. 26, 1985; Stats.2001, c. 57 (A.B.609), § 2.)

§ 53601.6. Prohibited investments

(a) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips.

(b) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in any security that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (l) of Section 53601.

(Added by Stats.1995, c. 784 (S.B.866), § 15. Amended by Stats.1996, c. 156 (S.B.864), § 8, eff. July 12, 1996; Stats.2001, c. 57 (A.B.609), § 4; Stats.2009, c. 332 (S.B.113), § 68.1.)

§ 53601.7. Repealed by Stats.2006, c. 164 (A.B.1794), § 1, operative Jan. 1, 2011

§ 53601.8. Investment in deposits

<Section operative until Jan. 1, 2021. See, also, section operative Jan. 1, 2021.>

Notwithstanding Section 53601 or any other provision of this code, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of deposits. The following conditions shall apply:

(a) The local agency shall choose a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the “selected” depository institution.

(b) The selected depository institution may use a private sector entity to help place local agency deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States and are within the network used by the private sector entity for this purpose.

(c) Any private sector entity used by a selected depository institution to help place its local agency deposits shall maintain policies and procedures requiring both of the following:

(1) The full amount of each deposit placed pursuant to subdivision (b) and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(2) Every depository institution where funds are placed shall be capitalized at a level that is sufficient, and be otherwise eligible, to receive such deposits pursuant to regulations of the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable.

(d) The selected depository institution shall serve as a custodian for each such deposit.

(e) On the same date that the local agency's funds are placed pursuant to subdivision (b) by the private sector entity, the selected depository institution shall receive an amount of insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution pursuant to subdivision (b).

(f) Notwithstanding subdivisions (a) to (e), inclusive, a credit union shall not act as a selected depository institution under this section or Section 53635.8 unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(g) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.

(h) The deposits placed pursuant to this section and Section 53635.8 shall not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose.

(i) This section shall remain in effect only until January 1, 2021, and as of that date is repealed.

(Added by Stats.2006, c. 459 (A.B.2011), § 1. Amended by Stats.2009, c. 332 (S.B.113), § 68.3; Stats.2010, c. 112 (S.B.1344), § 1; Stats.2013, c. 228 (A.B.279), § 1; Stats.2015, c. 181 (A.B.283), § 1, eff. Jan. 1, 2016.)

§ 53602. Investment in legal investments for savings banks; securities of public districts

The legislative body shall invest only in notes, bonds, bills, certificates of indebtedness, warrants, or registered warrants which are legal investments for savings banks in the State, provided, that the board of supervisors of a county may, by a four-fifths vote thereof, invest in notes, warrants or other evidences of indebtedness of public districts wholly or partly within the county, whether or not such notes, warrants, or other evidences of indebtedness are legal investments for savings banks.

(Added by Stats.1949, c. 81, p. 289, § 1. Amended by Stats.1953, c. 537, p. 1799, § 3; Stats.1954, 1st Ex.Sess., c. 10, p. 257, § 2, eff. April 6, 1954.)

§ 53602.1. Repealed by Stats.1990, c. 216 (S.B.2510), § 40

§ 53603. Direct purchase of securities

The legislative body may make the investment by direct purchase of any issue of eligible securities at their original sale or after they have been issued.

(Added by Stats.1949, c. 81, p. 289, § 1. Amended by Stats.1953, c. 537, p. 1799, § 4.)

§ 53604. Sale or exchange of securities; reinvestment of proceeds

The legislative body may sell, or exchange for other eligible securities, and reinvest the proceeds of, the securities purchased.

(Added by Stats.1949, c. 81, p. 289, § 1. Amended by Stats.1953, c. 537, p. 1799, § 5.)

§ 53605. Sale of securities; application of proceeds to original purposes

From time to time, the legislative body shall sell the securities so that the proceeds may be applied to the purposes for which the original purchase money was placed in the sinking fund or the treasury of the local agency.

(Added by Stats.1949, c. 81, p. 289, § 1. Amended by Stats.1953, c. 537, p. 1799, § 6.)

§ 53606. Cancellation of bonds issued by purchaser; resale

The bonds purchased, which were issued by the purchaser, may be canceled either in satisfaction or sinking fund obligations or otherwise. When canceled, they are no longer outstanding, unless in its discretion, the legislative body holds them uncanceled. While held uncanceled, the bonds may be resold.

(Added by Stats.1949, c. 81, p. 289, § 1.)

§ 53607. Delegation of duties to treasurer; monthly report

The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

(Added by Stats.1957, c. 220, p. 882, § 1. Amended by Stats.1996, c. 749 (S.B.109), § 6.)

§ 53608. Deposit of securities; receipt; delegation of authority

The legislative body of a local agency may deposit for safekeeping with a federal or state association (as defined by Section 5102 of the Financial Code), a trust company or a state or national bank located within this state or with the Federal Reserve Bank of San Francisco or any branch thereof within this state, or with any Federal Reserve bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System, the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants, or other evidences of indebtedness in which the money of the local agency is invested pursuant to this article or pursuant to other legislative authority. The local agency shall take from such financial institution a receipt for securities so deposited. The authority of the legislative body to deposit for safekeeping may be delegated by the legislative body to the treasurer of the local agency; the treasurer shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the treasurer.

(Added by Stats.1959, c. 1392, p. 3670, § 1. Amended by Stats.1967, c. 582, p. 1928, § 1; Stats.1980, c. 689, p. 2080, § 1; Stats.1985, c. 983, § 17, eff. Sept. 26, 1985.)

§ 53609. Eligible securities for investment of funds held by local agency pursuant to deferred compensation plans

Notwithstanding the provisions of this chapter or any other provisions of this code, funds held by a local agency pursuant to a written agreement between the agency and employees of the agency to defer a portion of the compensation otherwise receivable by the agency's employees and pursuant to a plan for such deferral as adopted by the governing body of the agency, may be invested in the types of investments set forth in Sections 53601 and 53602 of this code, and may additionally be invested in corporate stocks, bonds, and securities, mutual funds, savings and loan accounts, credit union accounts, life insurance policies, annuities, mortgages, deeds of trust, or other security interests in real or personal property. Nothing herein shall be construed to permit any type of investment prohibited by the Constitution.

Deferred compensation funds are public pension or retirement funds for the purposes of Section 17 of Article XVI of the Constitution.

(Added by Stats.1971, c. 1629, p. 3511, § 2. Amended by Stats.1972, c. 1370, p. 2736, § 12; Stats.1974, c. 544, p. 1254, § 26; Stats.1975, c. 822, p. 1874, § 1; Stats.1979, c. 373, p. 1320, § 162.)

§ 53610. Proposition 1A receivables; purchase by local agency

(a) For purposes of this section, "Proposition 1A receivable" means the right to payment of moneys due or to become due to a local agency, pursuant to clause (iii) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the Revenue and Taxation Code.

(b) Notwithstanding any other law, a local agency may purchase, with its revenue, Proposition 1A receivables sold pursuant to Section 53999.

(c) A purchaser of Proposition 1A receivables pursuant to this section shall not offer them for sale pursuant to Section 6588.

(Added by Stats.2009, c. 634 (S.B.67), § 5, eff. Oct. 19, 2009.)

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

MEMORANDUM

DATE: March 10, 2021

TO: Cynthia Allen Mark Altshuler Art Hibbits
Brett Marymee Steve Jordan

FROM: Kevin D. Walsh

SUBJECT: Draft Budget FY 2021-2022

Recommendation

- Review Fiscal Year 2021-2022 Draft Budget

Discussion

INCOME:

Income to the District from four sources:

- Groundwater Production Charge Rates
- Property Taxes
- Investment Income
- California Dept. Water Resources (DWR) Grant Reimbursements

Groundwater Production Charge Rates. For FY 2021-22, the average of the 2020-21 budgeted revenue and the projected revenue estimate is used. Given current weather patterns, this should be a conservative amount. The Draft Budget does not anticipate the need for any changes in the groundwater production charge rates.

Note: For all municipal suppliers, water production has not returned to pre-drought levels.

Property Tax Revenue. Based on the County of Santa Barbara Assessors Office estimate of 3% increase over the FY 2020-21 amounts.

Note: The Educational Revenue Augmentation Fund (ERAF) tax shift has resulted in a cumulative loss of tax revenue of \$956,355 since 1992.

Investment Income. Most of our financial reserves are held in the State Local Investment Fund (LAIF), which is mostly invested in shorter term treasuries for safety and liquidity. The return on treasuries has dropped significantly in the last 12 months. Investment income for FY 2021-22 is based on the most recent LAIF interest rate of 0.42%. The average rate for FY 2019-20 was just over 2%.

DWR Grant Reimbursements. Sometime during FY 2021-22 the District expects to receive its share of the 10% retention on both the \$1 million Proposition 1 Grant, and the \$296,000 Proposition 68 Grant for the SkyTEM effort in the CMA and WMA. (The SkyTEM work in the EMA was fully funded by the County of Santa Barbara.)

EXPENSES:

Each line item in the FY 2020-21 District budget was reviewed and an estimate of total projected expenses to the end of the current FY was made. For the upcoming FY 2021-22 budget, expenses were estimated using these projections. Where it is known that large expenditures will be made, those line items were adjusted using the known figures.

Total expenses for internal operations and office expenses are estimated to be about 7.6% more than the FY 2021-21 projected actual amounts. The increase is mostly due to a change in the District Administrator position from ¾-time to full-time status, a 2% COLA increase in salaries, and previously Board approved 2% change to the retirement benefits. (*See separate agenda item and memo on retirement plan changes.)

Work on the three Groundwater Sustainability Plans (GSP's) is expected to be completed just after the mid-point of the 2021-22 Fiscal Year. These numbers reflect the District's total cost share, not the total costs of the effort.

Both Legal and Engineering costs remain basically unchanged for the third year in a row. (This cannot continue indefinitely, obviously.)

Contingencies are set at the same amount as FY 2020-21.

RESERVES:

Reserves provide for un-expected large expenditures, rate stabilization, and a contingency for potential litigation.

The District has set a goal of \$2.0 million in total reserves. Of this amount, \$1.6 million is earmarked for legal and engineering services mostly surrounding the activities of State Water Control Resources Board water rights orders and decisions. The remaining \$400,000 is for other contingencies.

Budget projections for FY 2021-22 show that the June 30, 2022 year-end reserve amounts will be about \$100,000 under the \$2.0 million goal,

BUDGET WORKSHEET
SANTA YNEZ RIVER WATER CONSERVATION DISTRICT BUDGET
JULY 1, 2021 - JUNE 30, 2022

March 1, 2021 PRELIMINARY DRAFT

	2020-21	2020-21 <u>As of</u> <u>Feb 24</u>	2020-21	2021-22
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>BUDGET</u>
<u>REVENUES:</u>				
Groundwater Charge Rates	535,000	574,100	575,000	555,000
SB County Property Taxes	321,000	189,292	321,000	330,600
Interest Income	26,000	7,731	14,000	8,400
SGMA Grant Reimbursement	323,000	159,365	498,800	64,800
TOTAL INCOME	1,205,000	930,488	1,408,800	958,800
<u>EXPENSES</u>				
<u>Internal Operations / Expenses</u>				
Employee Salaries	354,000	192,681	359,000	383,000
Payroll (SS and Medicare)	27,000	13,402	27,000	27,300
Employee Benefits	6,000	3,015	5,200	5,000
Retirement Plan Contributions	17,700	8,903	17,950	26,800
Outside Services	5,000	2,100	5,000	5,000
Office Expense	34,000	19,132	34,000	34,000
Director Fees	3,000	675	3,000	3,000
Travel & Training	7,000	381	7,000	7,000
Annual Audit	10,700	-	10,700	11,000
Insurance & Worker's Comp	16,000	17,859	20,000	17,000
Dues and LAFCO Fees	6,500	2,426	6,500	6,500
Groundwater Charges Program	45,000	24,442	45,000	46,000
Miscellaneous	3,000	386	3,000	3,000
SUB-TOTAL INTERNAL OPERATIONS	534,900	285,402	543,350	574,600
<u>Legal</u>				
General & Misc.	10,000	3,530	10,000	10,000
Downstream Releases / Upper SYR Operations	5,000	-	5,000	5,000
WR Decision (2019-0148)	25,000	12,053	25,000	25,000
Fisheries Issues	25,000	1,711	20,000	20,000
Employment/HR	5,000	-	5,000	5,000
Groundwater Program	0	3,506	5,000	5,000
SUB-TOTAL LEGAL	70,000	20,800	70,000	70,000
<u>Engineering / Environmental</u>				
General & Misc.	10,000	1,210	10,000	10,000
Annual GW Report	15,000	-	15,000	15,000
Downstream Releases Operations	65,000	40,021	65,000	65,000
Upper SYR Operations	10,000	3,061	10,000	10,000
WR Decision (2019-0148)	25,000	2,937	25,000	25,000
Fisheries Hydrology	40,000	9,432	40,000	40,000
Other Consultants	15,000	-	15,000	15,000
SUB-TOTAL ENGINEERING / ENVIRONMENTAL	180,000	56,661	180,000	180,000
SUSTAINABLE GROUNDWATER ACT (SGMA)	694,000	252,751	710,700	190,600
CONTINGENCIES	50,000	14,438	20,000	50,000
TOTAL EXPENSES	1,528,900	630,052	1,524,050	1,065,200
INCOME LESS EXPENSES	\$ (323,900)	\$ 300,436	(115,250)	\$ (106,400)
<u>RESERVES</u>				
Amount from Reserves	\$ 323,900	\$ 255,000	255,000	\$ 106,400
Reserves, Total Balance	\$ 1,873,825	\$ 1,958,991	2,000,000	\$ 1,893,600



PMIA/LAIF Performance Report as of 02/11/21



PMIA Average Monthly Effective Yields⁽¹⁾

Jan	0.458
Dec	0.540
Nov	0.576

Quarterly Performance Quarter Ended 12/31/20

LAIF Apportionment Rate ⁽²⁾ :	0.63
LAIF Earnings Ratio ⁽²⁾ :	0.00001719170547343
LAIF Fair Value Factor ⁽¹⁾ :	1.002271318
PMIA Daily ⁽¹⁾ :	0.49%
PMIA Quarter to Date ⁽¹⁾ :	0.58%
PMIA Average Life ⁽¹⁾ :	165

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 01/31/21 \$124.0 billion

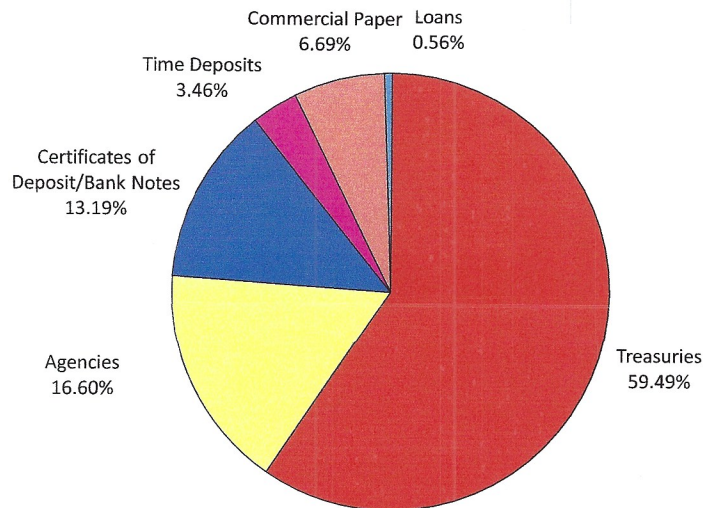


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



ERAF Shift Allocations

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Fund 5800 - S Ynez Rvr Wtr Cons Dist Gen

Tax Year	Allocated Amount
1992	\$16,953
1993	\$17,371
1994	\$17,745
1995	\$18,218
1996	\$18,554
1997	\$17,742
1998	\$19,765
1999	\$20,574
2000	\$21,814
2001	\$22,477
2002	\$24,142
2003	\$26,052
2004	\$28,775
2005	\$32,161
2006	\$35,766
2007	\$38,333
2008	\$39,481
2009	\$38,652
2010	\$38,874
2011	\$39,394
2012	\$38,834
2013	\$39,876
2014	\$41,581
2015	\$43,555
2016	\$46,272
2017	\$49,323
2018	\$52,056
2019	\$55,038
2020	\$56,982
Total	\$956,355

Note: ERAF III amount reduced by DOF 6/2/2005

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

MEMORANDUM

DATE: March 10, 2021

TO: Cynthia Allen Mark Altshuler Art Hibbits
Brett Marymee Steve Jordan Steve Torigiani

FROM: Kevin D. Walsh

SUBJECT: Retirement Plan Changes

During FY 2020-21 budget preparation, a review of other nearby government agencies (ID1, SYCSD, VVCSD, Solvang, Buellton, Lompoc, County SB) showed that they each contribute equal to or exceeding 7% of salaries to their employee retirement plan(s). The District provides an IRS 457 plan (government equivalent of a 401k) in lieu of a “qualified retirement plan”. At that time, the Board determined that the District’s 3% match maximum be increased to 7% in a two-step process with an increase of 2% for FY 2020-21, and another 2% increase for FY 2021-22. The reason for this change was to bring the District benefits on par with similar agencies and be more competitive for recruitment and retention of qualified employees.

For many agencies participating in the Public Employees Retirement System (PERS), employees are required to make a 7% contribution to receive a 7% match. If the Board desires to more closely “mimic” the PERS system, then a change should be made from the current 2 to 1 employee to employer contribution ratio, to a PERS-like 1 to 1 ratio. Currently, the District matches 50% of the employee contribution up to the maximum 5% of employee’s annual salary (7% on July 1st) thus requiring an employee to contribute at least 10% (14% on July 1st) to receive the maximum match benefit.

This policy change for FY 2021-22 would result in the District still contributing a 7% of salary maximum match, as previously approved, while the employee contributes at least 7% (instead of 14% from the employee). This does not change the dollar amount the District determined to implement last year. It only changes the employee contribution amount required to receive the maximum District match benefit.

Recommended Motion:

Move to Approve the attached summary description of the District’s Retirement Program. (Full details are in the contract with Lincoln Financial Group. This action does not affect any terms or conditions of that contract.)

Roll Call Vote

RETIREMENT PROGRAM

IRC 457(b) Deferred Compensation Plan

EMPLOYEE PAID WITH EMPLOYER CONTRIBUTION

LINCOLN FINANCIAL GROUP (457 PLAN)

Lincoln Financial Advisor: David Almeida

805-973-5917

David.almeida@LFG.com

LFAventura.com

GROUP PLAN NUMBER: GP47050

Eligibility and coverage begin:

- Full time employees – First day of employment
- Part time employees (30 hours per week or more) – First day of employment
- Part time employees (less than 30 hours per week) – Not eligible
- Participation is voluntary.

Each pay period, the employee has the option to voluntarily have deducted from their paycheck an amount to be contributed to the employees 457(b) account, up to the maximum limits as allowed by law. The District will match the voluntary contribution on a dollar-for-dollar basis up to a maximum of 7% of the employee's pay period salary.

Employee will receive a quarterly statement directly from Lincoln Financial Group.

- The 457(b) Plan allows employees to defer taxation on retirement savings into future years.
- Both contributions and earnings on investments are tax-deferred.
- The 457(b) Plan offers employees a choice of investment options.
- Contributions and Withdrawals are prescribed by the US Internal Revenue Code.
- The District 457(b) Plan allows for Roth contributions, rollovers, loans, and emergency withdrawals under specified conditions.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

MEMORANDUM

DATE: 10 March 2021

TO: Cynthia Allen Mark Altshuler Art Hibbits
Brett Marymee Steve Jordan Steve Torigiani
Kevin Walsh Amber Thompson

FROM: Bill Buelow, Groundwater Program Manager

SUBJECT: Groundwater Program Manager Report

AGENDA ITEM VII

A. Groundwater Production, Reporting, and Charges

- 1) Receive Update on Groundwater Revenue for July to December 2020. The cumulative total of groundwater fees received from January 1, 2021 to present is **\$302,666.75** for the first half of FY 20-21 groundwater reporting period. This total includes approximately \$13K in unreported groundwater pumping from previously submitted reports from two golf courses in Zone B1.
- 2) Receive Preliminary 43rd Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District, FY 2020-2021 The Preliminary Report summarizing groundwater pumping for Fiscal Year 2020-2021 in the District is attached. It presents information on the revenues collected and groundwater production from FY 2019-2020 and the first half of FY 2020-2021 through February 13, 2021.

B. SGMA Update

- 1) Receive GSP Consultant Update. GSAs released Draft Groundwater Conditions Tech Memos for the WMA and CMA. Public review of these documents extends through mid-March. Consultants expect to release draft Water Budget Memos for all three GSAs during the next quarter. Citizen Advisory Group (CAG) meetings in each GSA continue to be held to review and discuss each section of the GSP released for public comment.

Staff and consultants are preparing a third SGMA Newsletter for distribution through member agency utility bills. Distribution of the Newsletters has resulted in increased website visits to SantaYnezWater.org.

Staff Recommendation: No action. This item is informational only.

- 2) Receive Financial Update for GSP Projects.

Staff Recommendation: No action. This item is informational only.

- 3) Receive update on Aerial Electromagnetic (AEM) Survey of the Basin. SkyTEM mobilized to the Santa Ynez Valley on Saturday, November 14, 2020. Consultants are processing data collected during the SkyTEM AEM Survey of the three Management Areas in the Basin. Ramboll will work with the GSI and Stetson teams to integrate the final data into the GSPs.

Staff Recommendation: No action. This item is informational only.

- 4) Review Dates of Future GSA Meetings. For planning purposes, the GSA Committee Meetings are scheduled monthly through August 2021. See table below for tentative dates:

CMA	Meeting Type	WMA	Meeting Type	EMA	Meeting Type
03/22/2021	Special	03/24/2021	Special	03/25/2021	Special
04/26/2021	Special	04/28/2021	Special	04/22/2021	Special
05/24/2021	Regular	05/26/2021	Regular	05/27/2021	Regular
06/28/2021	Special	06/23/2021	Special	06/24/2021	Special
07/26/2021	Special	07/28/2021	Special	07/29/2021*	Special
08/23/2021	Regular	08/25/2021	Regular	08/26/2021*	Regular

*Pending approval by EMA GSA Committee.

Staff Recommendation: GSA Committee Members from SYRWCD, please confirm availability to participate.

C. Well Registration Efforts

- 1) Receive update on Delinquent and New Well Registration Outreach Efforts. Staff continue to track the County Environmental Health Services website for new well permits. Letters are sent to new and existing well owners to get all new wells within the District registered. New well owners that have registered their wells are sent a welcome packet and groundwater reporting forms.

Staff Recommendation: No action. This item is informational only.

- 2) Receive update on Tularosa MWC (Tularosa). Staff received delinquent groundwater reporting and charges for the past five years. Tularosa did not pay the penalties and interest on the late fees and therefore is still delinquent. Based on discussions with Mike Robertson, not paying the penalties and interest was not at the direction of the other Tularosa members.

Mr. Robertson understands that the outstanding fees will be added to the next reporting period for collection and will be compounded. A copy of the correspondence from Tularosa is attached.

Because the District received the late reporting, Staff did not proceed with the Investigation and Reporting.

Staff Recommendation: Staff would like direction on how to proceed with the outstanding fees.

DIRECTORS:

DIVISION 1
CYNTHIA ALLEN, President
Lompoc

DIVISION 2
STEPHEN E. JORDAN
Lompoc

DIVISION 3
MARK ALTSHULER
Vandenberg Village - Mission Hills

DIVISION 4
ART HIBBITS
Buellton - Lompoc

DIVISION 5
J. BRETT MARYMEE
Solvang - Santa Ynez

Santa Ynez River

WATER CONSERVATION DISTRICT

P.O. Box 719 - 3669 Sagunto Street, Suite 101

Santa Ynez, California 93460

Telephone: (805) 693-1156

FAX: (805) 693-4607

www.SYRWCD.com

GENERAL MANAGER:

KEVIN D. WALSH

SECRETARY:

AMBER M. THOMPSON

TREASURER:

WILLIAM J. BUELOW, PG

CONSULTANTS:

STEVE TORIGIANI
General Counsel

STETSON ENGINEERS
Engineer

March 4, 2021

Board of Directors
SANTA YNEZ RIVER
WATER CONSERVATION DISTRICT
P.O. Box 719
Santa Ynez, California 93460

Re: Preliminary 43rd Annual Engineering Survey and Report on Water Supply Conditions of the Santa Ynez River Water Conservation District, Fiscal Year 2020-21

Dear Board Members:

Transmitted here is the Preliminary 43rd Annual Engineering Survey and Report on Water Supply Conditions of the Santa Ynez River Water Conservation District (District) for Fiscal Year 2020-2021. It presents information on the revenues collected and groundwater production from FY 2019-2020 and the first half of FY 2020-2021 through February 13, 2021. When the Spring 2021 water-level data become available, this report will be finalized by Stetson Engineers to reflect the current hydrologic conditions.

The Board has established six groundwater charge zones for the District, which are described below:

- Zone A District portion of Santa Ynez River alluvial channel from San Lucas Bridge downstream to Lompoc Narrows.
- Zone B District portion of the Lompoc Plain, Lompoc Upland and the Lompoc Terrace groundwater basins.
- Zone C All other portions of the District not included in Zones A, B, D, E, and F.
- Zone D District portion of the Buellton Upland basin.
- Zone E District portion of the Santa Ynez Upland basin.
- Zone F District portion of the Santa Rita Upland basin.

For FY 2020-2021 the Board established the following groundwater charge rates, in dollars per acre-foot of production, for each zone:

GROUNDWATER CHARGE RATES FOR FY 2020-2021 (\$)			
ZONE	AGRICULTURE	OTHER	SPECIAL IRRIGATION
A	7.15	25.00	14.30
B	7.15	25.00	14.30
C	7.15	25.00	14.30
D	7.15	25.00	14.30
E	7.15	25.00	14.30
F	7.15	25.00	14.30

Revenues

Revenues collected by the District through February 13, 2021 on groundwater production during the following time frames are as follows:

FY 2019-2020	(July 2019 – June 2020)	\$550,719.90
First Half FY 2020-2021	(July 2020 – December 2020)	\$265,035.38
Years Prior to FY 2019-2020		\$16,579.29

Groundwater Production

Summarized below is the reported water production in acre feet within the District as of February 13, 2021 for FY 2019-2020:

WATER PRODUCTION FOR FY 2019-2020 (ACRE-FEET)				
ZONE	AGRICULTURE	OTHER	SPECIAL IRRIGATION	TOTAL
A	9,737.63	2,020.05	690.91	12,448.59
B	17,369.24	5,766.37	1,010.39	24,146.00
C	28.95	1,017.55	11.49	1,057.99
D	2,335.72	492.77	18.20	2,846.69
E	2,551.51	1,461.90	3.79	4,017.20
F	2,213.67	169.88	0.00	2,383.55
TOTAL	34,236.72	10,928.52	1,734.78	46,900.02

The above total water production reported for FY 2019-2020 as of February 13, 2021 is 101.65 percent of the total water production reported for FY 2018-2019 as of February 12, 2020.

The reported water production in acre-feet within the District as of February 13, 2021 for the first half of FY 2020-2021 is as follows:

WATER PRODUCTION FOR FIRST HALF OF FY 2020-2021 (ACRE-FEET)				
ZONE	AGRICULTURE	OTHER	SPECIAL IRRIGATION	TOTAL
A	4,291.09	1,344.86	494.61	6,130.56
B	5,932.96	3,211.82	587.43	9,732.21
C	0.50	601.96	6.02	608.48
D	225.17	244.21	7.20	476.58
E	940.16	994.45	2.74	1,937.35
F	630.79	108.94	0	739.73
TOTAL	12,020.67	6,506.24	1,098.00	19,624.91

The above total water production reported in acre feet for the first half of FY 2020-2021 as of February 13, 2021 is 102.68 percent of the total water production reported for the first half of FY 2019-2020 as of February 12, 2020.

Additional production that actually occurred prior to FY 2019-2020 was reported during the current FY 2020-2021. That late reported production, in acre-feet, is as follows:

PRIOR WATER PRODUCTION REPORTED IN FY 2020-2021 (ACRE-FEET)				
ZONE	AGRICULTURE	OTHER	SPECIAL IRRIGATION	TOTAL
A	124.91	19.79	0.00	144.70
B	620.87	10.06	610.75	1,241.68
C	9.00	6.04	0.00	15.04
D	61.40	5.06	0.00	66.46
E	74.83	13.10	0.00	87.93
F	20.18	26.00	0.00	46.18
TOTAL	911.19	80.05	610.75	1,601.99

The above late water production reported for years prior to FY 2019-2020 as of February 13, 2021 is 622.47 percent of the total water production reported for years prior to FY 2018-2019 as of February 12, 2020. The extensive follow-up and registration of numerous unregistered producers and collection from late reporting producers resulted in the significant increase in late water production reported during the previous fiscal year. This includes the correction of previous reporting by several golf courses (Special Irrigation) which were discovered to have malfunctioning meters. We anticipate this trend to continue as we focus on follow-up of the past due reporting periods for the newly registered producers in addition to the usual late reporting follow-up.

Well Registration

As of February 13, 2021, there are 1,176 wells registered with the District. Of that number, 949 are active and 227 are inactive. This is an increase of 31 wells (23 active, 8 inactive) which is a direct result of the District's significant effort to register newly drilled wells utilizing well permit information obtained from Santa Barbara County Environmental Health Services.

Major Producers

The major water producers, those reporting pumpage by ownership and/or lease during FY 2019-2020, as of February 13, 2021 are as follows:

Producer		2019-2020 Production (Acre-Feet)
Zone A	Acin Farms	1,031
	Sea Smoke, Rita's Crown & Southing Holdings	807
	City of Buellton (also in Zone D)	783
	Espinoza / Big E Produce (also in Zone B)	697
	Jackson, Palmer (The Alisal)	581
	SYRWCD, ID #1 (also in Zone E)	562
	Wygod, Martin (River Edge & Anvil Farms)	528
	Rancho La Vina	416
	LTC Rancho Sanja Cota (was Gainey, also Zone E)	120
	City of Solvang (also in Zones C and E)	110
	Williams, Norman (also in Zone D)	55
Zone B	Santa Barbara Farms (Witt/Guerra)	4,925
	City of Lompoc (Parks Dept. & Water Div.)	4,050
	Lompoc Farming	3,512
	Campbell Ranches (also in Zone F)	2,414
	Espinoza / Big E Produce (also in Zone A)	1,817
	Vandenberg Village CSD	1,316
	U.S. Penitentiary Farm	922
	Hibbits (Ranch and Family Trust)	745
	Mission Hills CSD	598
	Wineman, Edward	417
	Bodger & Sons Company	184

Producer	2019-2020 Production (Acre-Feet)
Zone C	
Imerys (was Celite Corporation)	737
City of Solvang (also in Zone A and E)	151
Zone D	
Buell, James (incl. Marcelino, LLC)	1,237
City of Buellton (also in Zone A)	248
Foley Estates Vineyards (also in Zone F)	229
Williams, Norman (also in Zone A)	192
Zone E	
SYRWCD, ID #1 (also in Zone A)	739
City of Solvang (also in Zones A and C)	41
LTC Rancho Sanja Cota (was Gainey, also Zone A)	36
Zone F	
Campbell Ranches (also in Zones A)	555
Oak Hills Ranch (was A & M Farms)	401
Foley Estates Vineyards (also in Zone D)	302

Findings and Determinations

The required and pertinent information necessary for the Board of Directors of the District to make the necessary determinations required by law will be prepared and included in the final 43rd Annual Report which will be prepared upon receipt of the Spring 2021 water-level data.

Sincerely,

SANTA YNEZ RIVER
WATER CONSERVATION DISTRICT

William Buelow, PG #8189
Groundwater Program Manager

WB/sjs

Floyd Wilder
1949 Tularosa Road
Lompoc, CA 93436
January 30, 2021

William J. Buelow, PG
Santa Ynez River Water Conservation District
PO Box 719 – 3669 Sagunto Street, Suite 101
Santa Ynez, California 93460

Dear Mr. Buelow:

You have worked with a TMWC Shareholder, Mike Robertson, for the last month and the progress was excellent. The forms he provided me have been completed and are attached. I also attached two checks that should pay our past homage and a few future months. I noticed that a boo-boo was made in selecting the part of the 2020 year paid and not yet paid. I corrected this. Also, as specified in my earlier letter to you, payment of a late fee or interest charges would imply a previous knowledge of wrong doing. Since there were none I removed these charges.

After viewing the forms I realized the difference in billing for Ag vs non-Ag water usage. It's big. Last April our Shareholder Neumann (APN 099-650-029) had a crop planted on 3 acres of his 8 acres. The crop is doing well and should provide a pay back within a couple years. I estimate from their numbers that they are using approximately 40,000 gallons per month watering the plants. I entered this on the forms provided starting in July, 2020. No other TMWC shareholder plans to indulge in farming at this time. I believe it enhanced the view driving on Tularosa Road. Drive by and see, 1900 Tularosa Road!

Sincerely,

Floyd Wilder
President, TMWC

Attachments:

- 1) Statement of semi-annual groundwater production
- 2) Water production for periods ending June 30, 2015 through June 30, 2020
- 3) Well Registration Form
- 4) Two checks, each from TMWC to SYRWD