

NOTICE

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

will be held at

Buellton City Council Chambers, 140 West Highway 246, Buellton, California
at 6:30 pm, Wednesday, June 7, 2023

Important Notice Regarding Public Comments: For those who may not attend the meeting in person but wish to provide public comment on any other matter, please submit any and all comments and written materials to the District **via electronic mail at athompson@syrwcd.com or dropped off at the District office**. All submittals should indicate **“PUBLIC COMMENT”** in the subject line or drop off at the District office **no later than 5:00 p.m. June 6, 2023**.

Public comments and materials received by the District after the posting of meeting packet will become part of the post-meeting materials available to the public and posted on the District website.

AGENDA OF REGULAR MEETING

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

Staff recommends any potential new agenda items based on issues raised be held for discussion under the Agenda Item “Requests from the Board of Directors for items to be included on the next Agenda”.

4. Consideration of the Minutes of the Special Meeting of April 26, 2023 and the Adjourned Special Meeting of April 28, 2023
5. General Manager Report – Status, discussion and possible Board action on the following subjects:
 - a. Financial Reports
 - i. Quarterly Investment Reports – 2nd and 3rd Quarters of FY 2022-2023
 - ii. Quarterly Comparison Balance Sheet
 - iii. Balance Sheet & Profit/Loss Statement, FY 2022-23 Period 10, April 2023
 - iv. Approval of Warrant Lists for February, March, and April 2023

6. Consider Adoption of the Annual Budget for Fiscal Year 2023-2024
7. Review Rate Study Report by Raftelis and Consider Adoption of Resolution No. 722 Making Findings and Determinations, Establishing Zones, Setting Rates and Levying a Groundwater Charge for Water Year 2023-2024
8. Consider Forming an Ad-Hoc Committee Regarding SGMA GSAs Governance
9. Letter of Resignation from Director Hibbits; Determine Whether to Fill Vacancy by Appointment Pursuant to Water Code § 74204 and Gov't Code § 1780
10. Consider SDRMA 2023 Board of Directors Election Packet and Approve Ballot
11. Attorney Report
12. Reports, acts by Board members, questions of staff, status reports, announcements, observations, and other matters, and/or communications not requiring action
13. Requests from the Board of Directors for items to be included on the next Agenda.
14. The next Regular Meeting is scheduled for September 6, 2023, at 6:30 pm at the Buellton City Council Chambers, 140 West Highway 246, Buellton, California.

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

15. Closed Session

The Board will hold a closed session to discuss the following items:

- a. Public Employee Performance Evaluation/Appointment. (Gov't Code § 54957(b)(1).) Title: General Manager; Assistant General Manager
- b. Conference with Legal Counsel - Pending Litigation (Gov. Code, § 54956.9, subd. (d)(1)): Wolff vs SYRWCD, Superior Court of California, County of Santa Barbara, Case No. 20CV01552 and Case No. 22CV02062
- c. Conference with Legal Counsel – Pending Litigation (Gov. Code, § 54956.9, subd. (d)(1)) relating to proceedings pending before the State Water Resources Control Board (SWRCB) regarding Permits 11308 and 11310 issued on Applications 11331 and 11332 of the United States Bureau of Reclamation for the Cachuma Project, and complaints filed by the California Sport Fishing Protection Alliance regarding the operation of the Cachuma Project and SWRCB Order WR 89-18; proposed changes to the place and purpose of use of waters obtained through aforementioned permits for the Cachuma Project; and Reclamation's Petition for Reconsideration or Rehearing re Order WR 2019-0148; and proceedings related to SWRCB Permit

No. 15878 (Application A022423) held by the City of Solvang including the City of Solvang's Petitions for Change and Extension of Time.

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

16. Reconvene into Open Session / Closed Session Report

17. Adjournment

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

SPECIAL MEETING MINUTES

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
APRIL 26, 2023**

A special meeting of the Board of Directors of the Santa Ynez River Water Conservation District was held on Wednesday, April 26, 2023, at 6:30 p.m. at the Buellton City Council Chambers, 140 West Highway 246, Buellton, California.

Directors Present: Cynthia Allen

Directors Absent: Mark Altshuler, Art Hibbits, Steve Jordan, and Brett Marymee

Others Present, in-person: Board Secretary Amber Thompson and Larry Lahr

1. CALL TO ORDER AND ROLL CALL

President Allen called the meeting to order at 6:30 pm. Ms. Thompson called roll. With only one Director present, a quorum was not met.

President Allen and Ms. Thompson kept the meeting room open in case members of the public arrived late. Other than Larry Lahr, no other member of the public was in attendance.

At 6:50 p.m., due to lack of quorum, President Allen adjourned the meeting and announced that it was adjourned to Friday, April 28, 2023, 12:00 (noon) at Buellton City Council Chambers, 140 West Highway 246, Buellton, California, in accordance with Gov. Code, § 54955.

Cynthia Allen, President

Amber M. Thompson, Secretary

ADJOURNED SPECIAL MEETING MINUTES

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
APRIL 28, 2023**

Properly noticed in accordance with Gov. Code, § 54956 an adjourned special meeting of the Board of Directors of the Santa Ynez River Water Conservation District was scheduled for Friday, April 28, 2023, at 12:00 p.m. (noon) at the Buellton City Council Chambers, 140 West Highway 246, Buellton, California. At 12:00 p.m., there being a lack of quorum in attendance, the Board Secretary, Amber Thompson adjourned the meeting to Friday, April 28, 2023, at 6:30 p.m. at the Buellton City Council Chambers, 140 West Highway 246, Buellton, California and posted a written Notice of Adjournment on the outside wall of the Council Chambers building, in accordance with Gov. Code, § 54955. There were no members of the public in attendance.

Properly noticed in accordance with Gov. Code, § 54955, an adjourned special meeting of the Board of Directors of the Santa Ynez River Water Conservation District was held on Friday, April 28, 2023, at 6:30 p.m. at the Buellton City Council Chambers, 140 West Highway 246, Buellton, California.

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

Directors Absent: Mark Altshuler and Art Hibbits

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

Others Present, remote participation: Miles McCammon (Stetson Engineers), Steve Torigiani (Young Wooldridge), and Art Hibbits.

1. CALL TO ORDER AND ROLL CALL

President Allen called the meeting to order at 6:30 pm. Ms. Thompson called roll. Three Directors were present providing a quorum with Directors Altshuler and Hibbits absent.

2. PLEDGE OF ALLEGIANCE

President Allen led the Pledge of Allegiance.

3. PUBLIC COMMENT

There was no public comment. Ms. Thompson announced she did not receive any public comment on a non-agenda item prior to the meeting. One public comment was received by email on April 26, 2023 regarding Agenda Item No. 5 and was provided to the Directors.

4. CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING HELD MARCH 15, 2023

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

Director Marymee made a **MOTION** to approve the minutes of the Regular Meeting held March 15, 2023, as presented. Director Jordan seconded, and the motion passed 3-0-2, with Directors Altshuler and Hibbits absent.

5. PUBLIC HEARING ON THE 45TH ANNUAL ENGINEERING AND SURVEY REPORT ON WATER SUPPLY CONDITIONS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, A SUMMARY OF FINDINGS FOR THE PREVIOUS WATER YEAR (2021-2022), CURRENT WATER YEAR (2022-2023), AND ENSUING WATER YEAR (2023-2024)

a. Open Public Hearing

President Allen opened the public hearing at 6:32 p.m.

Ms. Thompson announced she received the Draft 45th Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District, A Summary of Findings of the Previous Water Year (2021-2022), Current Water Year (2022-2023), and Ensuing Water Year (2023-2024) (“Report”) on March 10, 2023, and posted it to the District website (SYRWCD.com). Today’s hearing was properly noticed on March 29, 2023 in the Santa Barbara News-Press. The Report has been available for public review for more than the 30-day required review period with access on the District website and at the District office.

No public comments were received during the public hearing. One public comment was received by email to Mr. Kevin Walsh, General Manager on April 26, 2023, at 5:29 p.m. from Mr. Paeter Garcia, General Manager, Santa Ynez River Water Conservation District, Improvement District No. 1. The written public comment was distributed to the Directors.

b. Close Public Hearing

There being no further public comments, President Allen closed the public hearing at 6:35 p.m.

c. Receive Board Comments

Mr. Kevin Walsh advised the Directors that on April 26, 2023 at 5:29 p.m., the District received email comments from Mr. Paeter Garcia, General Manager of ID No. 1. Those comments do not address the technical data in this Report. Instead, they restate ID No. 1’s position that SGMA somehow “supplants” the District’s authority and mandate under the Water Conservation District Law with respect to groundwater management. The District disagrees with that position. The remaining comments in the email are vague and conclusory. The only change District staff recommended based on the public comment email and on ID No. 1’s prior comments was as follows: on page 15 of the Report, replace the words “the entire staffing burden” with the words “a significant staff burden.”

Director comments were received. Mr. Miles McCammon, Stetson Engineers, provided a review of the Annual Report. Discussion followed.

d. Consider Action to Accept and File Annual Report Including the Findings and Determinations Therein and Any Appropriate Revisions

Director Allen made a **MOTION** to accept and file the 45th Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District, make the Findings and Determinations stated on pages 10 and 11, and include the revision on page 15 to replace “the entire staffing burden” with “a significant staff burden.” Director Marymee seconded, and the motion passed 3-0-2 with Directors Altshuler and Hibbits absent by the following roll call vote:

AYES, Directors: Allen, Jordan, Marymee

NOES, Directors: None

ABSENT, Directors: Altshuler, Hibbits

6. PRELIMINARY DRAFT FISCAL YEAR 2023-2024 ANNUAL BUDGET

President Allen made a **MOTION** to table Agenda Items No. 6 through 16 until a future meeting. Director Marymee requested that Agenda Items No. 7 and 8 be addressed during this meeting. Board Secretary Amber Thompson recommended addressing Agenda Item No. 14 as well. The motion failed for lack of second.

President Allen made a **MOTION** to table Agenda Items No. 6, 9, 10, 11, 12, 13, 15, and 16 until a future meeting. Director Marymee seconded, and the motion passed 3-0-2 vote with Directors Altshuler and Hibbits absent.

This agenda item was tabled to a future meeting.

7. DISCUSSION OF CLIMATE AND WATER SUPPLY IN REGARD TO ATMOSPHERIC RIVERS – REQUEST BY DIRECTOR MARYMEE

As a response to a prior request for information by Director Marymee, Mr. Walsh presented his Memorandum dated April 26, 2023 regarding Atmospheric River impact to climate and water supply and the relevant articles that were cited. Discussion followed. There was no public comment and no action.

8. DISCUSSION OF CACHUMA PROJECT MODIFIED WINTER STORM OPERATIONS – REQUEST BY DIRECTOR JORDAN

As a response to a prior request for information by Director Jordan, Mr. Walsh presented his Memorandum dated April 26, 2023 regarding Winter Storm Operations for the Cachuma Project. Discussion followed. There was no public comment and no action.

9. CONSIDER FORMING AN AD-HOC COMMITTEE REGARDING SGMA GSAS GOVERNANCE

This agenda item was tabled to a future meeting.

10. LETTER OF RESIGNATION FROM DIRECTOR HIBBITS; DETERMINE WHETHER TO FILL VACANCY BY APPOINTMENT PURSUANT TO WATER CODE § 74204 AND GOV'T CODE § 1780

This agenda item was tabled to a future meeting.

11. ATTORNEY REPORT

This agenda item was tabled to a future meeting.

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

This agenda item was tabled to a future meeting.

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

This agenda item was tabled to a future meeting.

14. NEXT REGULAR MEETING IS SCHEDULED FOR WEDNESDAY, JUNE 7, 2023, AT BUELLTON CITY COUNCIL CHAMBERS, 140 WEST HIGHWAY 246, BUELLTON, CALIFORNIA

The next scheduled regular meeting of the Board meeting will be June 7, 2023, at 6:30 p.m., at the Buellton City Council Chambers, 140 West Highway 246, Buellton, California. Discussion followed.

15. CLOSED SESSION

This agenda item was tabled to a future meeting.

16. RECONVENE INTO OPEN SESSION / CLOSED SESSION REPORT

There was no Closed Session. This agenda item was tabled to a future meeting.

17. ADJOURNMENT

There being no further business, President Allen adjourned the meeting at 7:30 p.m.

Cynthia Allen, President

Amber M. Thompson, Secretary

QUARTERLY INVESTMENT REPORT
(REF. CGC 53646 (B) (1) AND 53646 (E))
SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
2ND QUARTER, FY 2022-23
OCTOBER, NOVEMBER, DECEMBER 2022

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

19 APRIL 2023
Date



William J. Buelow, Treasurer

4/12/2023
Date

QUARTERLY INVESTMENT REPORT
(REF. CGC 53646 (B) (1) AND 53646 (E))
SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
3RD QUARTER, FY 2022-23
JANUARY, FEBRUARY, MARCH 2023

Certification is hereby provided that:

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

CERTIFICATION:

Kevin D. Walsh

Kevin D. Walsh, General Manager

19 APRIL 2023

Date

William J. Buelow

William J. Buelow, Treasurer

4/12/2023

Date

Santa Ynez River Water Conservation District

BALANCE SHEET - QUARTERLY COMPARISON

	<u>December 31, 2022</u>	<u>March 31, 2023</u>
<u>ASSETS</u>		
<u>ASSETS</u>		
Mechanics Checking #7071-01	601.30	601.30
Five Star Checking #5935	19,480.35	33,372.72
Mechanics Money Market #7311	4,876.45	4,866.67
Five Star Money Market #5986	182,684.64	292,744.02
Five Star Money Market #5994	0.00	0.00
LAIF	1,590,261.17	1,600,979.27
SBIF	143,456.58	144,113.98
California CLASS	250,386.30	253,275.13
LAIF/SBIF FMV Adjustment *	(33,538.00)	(33,538.00)
Prepaid Expenses	1,001.91	1,001.91
Accounts Receivable	299,763.65	299,763.65
Temporary Suspense Account	(440.00)	-
TOTAL ASSETS	<u>2,458,534.35</u>	<u>2,597,180.65</u>
TOTAL ASSETS	<u><u>\$ 2,458,534.35</u></u>	<u><u>\$ 2,597,180.65</u></u>
<u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
Accounts Payable	33,788.03	48,076.75
Accrued Payroll Taxes	5,411.12	5,327.18
Deferred Comp - Lincoln National	2,152.25	2,152.25
Due USGS Lompoc Monitor Study	0.00	0.00
SGMA Funds Interest Income	0.00	0.00
SGMA Funds Due to Other Govts	0.00	0.00
TOTAL LIABILITIES	<u>41,351.40</u>	<u>55,556.18</u>
<u>RESERVES (aka EQUITY)</u>		
Unappropriated Reserves	2,376,337.37	2,389,539.95
RETAINED EARNINGS - CURRENT YEAR (aka NET INCOME)	40,845.58	152,084.52
TOTAL RESERVES (EQUITY)	<u>2,417,182.95</u>	<u>2,541,624.47</u>
TOTAL LIABILITIES AND EQUITY	<u><u>2,458,534.35</u></u>	<u><u>2,597,180.65</u></u>

Santa Ynez River Water Conservation District
Balance Sheet
 As of April 30, 2023

	Apr 30, 23
ASSETS	
Current Assets	
Checking/Savings	
1325-00 · Mechanics Checking #7071-01	601.30
1330-00 · Five Star Checking #5935	9,211.44
1340-05 · Mechanics #7311 (GW Revenue)	4,866.83
1345-00 · Five Star MM #5986	531,728.04
1350-01 · LAIF	1,600,979.27
1350-03 · California Class	254,316.58
1360-00 · LAIF/SBIF FMV Adjustment	-33,538.00
1374-00 · Prepaid Expenses	1,001.91
Total Checking/Savings	2,369,167.37
Accounts Receivable	
1500-00 · Accounts Receivable	299,763.65
Total Accounts Receivable	299,763.65
Total Current Assets	2,668,931.02
TOTAL ASSETS	2,668,931.02
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2220-00 · Accounts Payable	43,673.04
Total Accounts Payable	43,673.04
Other Current Liabilities	
2225-00 · Accrued Payroll Taxes	5,234.65
2225-06 · Deferred Comp - Lincoln Nat'l	2,296.91
Total Other Current Liabilities	7,531.56
Total Current Liabilities	51,204.60
Total Liabilities	51,204.60
Equity	
3200-00 · Unappropriated Reserves	2,389,539.95
Net Income	228,186.47
Total Equity	2,617,726.42
TOTAL LIABILITIES & EQUITY	2,668,931.02

Santa Ynez River Water Conservation District
Profit & Loss Budget vs. Actual
July 2022 through April 2023

	TOTAL				
	Apr 23	Budget	Jul '22 - Apr 23	Budget	\$ Over Budget
Income					
4500-00 · DWR Grant Reimbursement	0.00	0.00	48,133.33	48,000.00	133.33
4910-00 · Ground Water Charges	590.53	2,000.00	650,323.99	674,000.00	-23,676.01
4930-00 · SB County Property Taxes	148,426.14	130,000.00	361,829.86	321,000.00	40,829.86
4934-00 · Interest Income, all sources	1,813.68	100.00	34,941.59	7,600.00	27,341.59
4937-00 · Miscellaneous Income	0.00		630.08		
Total Income	<u>150,830.35</u>	<u>132,100.00</u>	<u>1,095,858.85</u>	<u>1,050,600.00</u>	<u>45,258.85</u>
Gross Profit	150,830.35	132,100.00	1,095,858.85	1,050,600.00	45,258.85
Expense					
5500-00 · Employee Compensation	35,189.98	35,166.67	351,899.80	351,666.70	233.10
5505-00 · Payroll (SS and Medicare)	2,726.47	2,500.00	25,366.33	25,000.00	366.33
5506-00 · Employee Benefits	606.29	500.00	6,066.00	5,000.00	1,066.00
5507-00 · Retirement Costs	2,463.32	2,500.00	24,633.59	25,000.00	-366.41
5512-00 · Outside Staff Support	380.00	583.33	4,573.00	5,833.30	-1,260.30
5513-00 · Director Fees	300.00	400.00	1,500.00	1,300.00	200.00
5513-50 · Director Fees SGMA	150.00	450.00	2,250.00	3,450.00	-1,200.00
5514-00 · Ground Water Charges Admin	3,004.28	5,416.67	45,871.20	54,166.70	-8,295.50
5521-00 · Office Supplies - Incl Computer	191.88	250.00	3,946.52	28,050.00	-24,103.48
5522-00 · IT Services	0.00	166.67	1,250.00	1,666.70	-416.70
5523-00 · Communications	543.72	541.67	5,854.19	5,416.70	437.49
5524-00 · Travel & Training	0.00	583.33	5,747.49	5,833.30	-85.81
5527-00 · Audit/Accounting	324.00		17,862.00	12,000.00	5,862.00
5529-00 · Insurance, Bonds, Worker's Comp	0.00		18,779.21	20,000.00	-1,220.79
5530-00 · Miscellaneous Expense	0.00	250.00	371.24	2,500.00	-2,128.76
5531-00 · Dues	0.00		3,541.00	3,200.00	341.00
5540-00 · Tax Admin Fee/LAFCO Cost	0.00		1,026.00	1,800.00	-774.00
5560-00 · Office Occupancy	1,704.41	1,875.00	18,517.38	18,750.00	-232.62
5570-00 · Records Services	158.88	0.00	1,586.18	0.00	1,586.18
5590-00 · Credit Card Processing Fees	13.19	0.00	608.80	0.00	608.80
5600-20 · SGMA WMA	175.06	4,583.33	27,300.06	45,833.30	-18,533.24
5600-30 · SGMA CMA	175.05	4,166.67	32,132.23	41,666.70	-9,534.47
5600-40 · SGMA EMA	175.06	3,750.00	6,973.06	37,500.00	-30,526.94
5600-90 · SGMA Legal	12,285.00	2,083.33	28,302.00	20,833.30	7,468.70
5600-95 · SGMA Pass thru Grant Expense	0.00		48,133.33		
5626-00 · General & Miscellaneous	2,384.00	1,250.00	11,715.72	12,500.00	-784.28
5626-08 · Upper SYR Ops	0.00	500.00	0.00	500.00	-500.00
5626-12 · WR 2019-0148 Decision; EIR	292.50	2,916.67	12,305.25	29,166.70	-16,861.45
5626-14 · Fisheries, Legal	0.00	1,250.00	24,906.00	12,500.00	12,406.00
5626-20 · HR	0.00	208.33	0.00	2,083.30	-2,083.30
5626-50 · GW Program	0.00	416.67	162.50	4,166.70	-4,004.20
5626-60 · Assessments/Charges	4,280.00		16,025.75		
5633-00 · General & Misc	1,919.50	833.33	7,118.73	8,333.30	-1,214.57
5633-01 · Annual G.W. Report	2,965.18	15,000.00	30,855.51	18,000.00	12,855.51
5633-02 · WR 89-18 Operations (WRR)	2,320.64	2,000.00	41,049.02	61,000.00	-19,950.98
5633-08 · Upper SYR Operations	0.00	416.67	332.50	4,166.70	-3,834.20
5633-12 · WR 2019-0148 Decision, EIR	0.00	1,666.67	3,724.50	16,666.70	-12,942.20
5633-14 · Fisheries Hydrology	0.00	2,500.00	12,711.75	25,000.00	-12,288.25
5633-16 · Special Studies	0.00	4,000.00	21,837.67	27,500.00	-5,662.33
5633-20 · Rate Study	0.00		836.87		
5700-00 · All Zones, General	0.00	4,166.67	0.00	41,666.70	-41,666.70
66900 · Reconciliation Discrepancies	0.00		0.00		
Total Expense	<u>74,728.41</u>	<u>102,891.68</u>	<u>867,672.38</u>	<u>979,716.80</u>	<u>-112,044.42</u>
Net Income	<u>76,101.94</u>	<u>29,208.32</u>	<u>228,186.47</u>	<u>70,883.20</u>	<u>157,303.27</u>

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

<u>NUMBER</u>	<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ACH	2/2/2023	Payroll	January 16-31, 2023 Salary	\$ 10,195.89
ACH	2/2/2023	Cynthia Allen	Meeting: 1/26 EMA	\$ 69.26
ACH	2/2/2023	Brett Marymee	Meeting: 1/26 EMA	\$ 69.26
ACH	2/2/2023	Employment Development Dept.	EDD Tax Deposit (February 16-31, 2023)	\$ 994.67
ACH	2/2/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (February 16-31, 2023)	\$ 5,621.16
ACH	2/16/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (1/31/23) & Employer Match (partial due 1/31/23)	\$ 2,900.68
ACH	2/16/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 1/31/23)	\$ 483.23
1109	2/13/2023	GSI Water Solutions Inc.	December 2022 Satellite Imagery Water Use Pilot Study	\$ 4,894.00
1110	2/13/2023	Pacific Gas & Electric	January 2023 Electric Service	\$ 126.25
1111	2/13/2023	US Bank Corp	January 2023 CalCard	\$ 1,126.71
1112	2/13/2023	Bartlett Pringle Wolf	FY 2021-22 Financial Audit	\$ 6,170.00
1113	2/13/2023	Jim Heyerly	February 2023 Rent	\$ 1,500.00
1114	2/13/2023	Onsite Computers & Design	Technology Services	\$ 406.25
1115	2/13/2023	Shirley Scales Bookkeeping	January 2023 GWAdmin Service	\$ 5,576.50
1116	2/13/2023	Stetson Engineers	December 2022 Engineering Service	\$ 7,448.75
1117	2/13/2023	Valley Bookkeeping Services	January 2023 Bookkeeping	\$ 380.00
1118	2/13/2023	William Buelow	Expense Reimbursement and Mileage (January 2023)	\$ 339.34
1119	2/13/2023	Young Wooldridge	January 2023 Legal Service	\$ 11,003.14
ACH	2/17/2023	Payroll	February 1-15, 2023 Salary	\$ 10,195.89
ACH	2/17/2023	Employment Development Dept.	EDD Tax Deposit (February 1-15, 2023)	\$ 994.67
ACH	2/17/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (February 1-15, 2023)	\$ 5,598.20
ACH	2/17/2023	SDRMA	March 2023 Insurance - Employee Benefits	\$ 606.29
TOTAL				\$ 76,700.14

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

<u>NUMBER</u>	<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ACH	3/2/2023	Payroll	February 16-28, 2023 Salary	\$ 10,195.89
ACH	3/2/2023	Cynthia Allen	Meeting: 2/23 EMA, 2/27 CMA	\$ 138.52
ACH	3/2/2023	Art Hibbits	Meeting: 2/22 WMA, 2/27 CMA	\$ 138.52
ACH	3/2/2023	Steve Jordan	Meeting: 2/22 WMA	\$ 69.26
ACH	3/2/2023	Brett Marymee	Meeting: 2/23 EMA	\$ 69.26
ACH	3/3/2023	Employment Development Dept.	EDD Tax Deposit (Feb. 16-28, 2023)	\$ 994.67
ACH	3/3/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (Feb. 16-28, 2023)	\$ 5,667.08
ACH	3/7/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (2/15/23) & Employer Match (partial due 2/15/23)	\$ 2,900.68
ACH	3/7/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 2/15/23)	\$ 483.23
ACH	3/7/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (2/28/23) & Employer Match (partial due 2/28/23)	\$ 2,900.68
ACH	3/7/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 2/28/23)	\$ 483.23
1120	2/13/2023	Pacific Gas & Electric	February 2023 Electric Service	\$ 120.04
1121	2/13/2023	Onsite Computers & Design	Technology Services	\$ 218.75
1122	2/13/2023	Alex Pappas	February 2023 Support with Satellite Imagery Study, Draft Cachuma Biological Assessment, and SGMA TSS Grant	\$ 825.00
1123	2/13/2023	Jim Heyerly	March 2023 Rent	\$ 1,500.00
1124	2/13/2023	Shirley Scales Bookkeeping	February 2023 GWAdmin Service	\$ 6,222.50
1125	2/13/2023	Staples	Office Supplies	\$ 329.62
1126	2/13/2023	US Bank Corp	February 2023 CalCard	\$ 1,178.73
1127	2/13/2023	Valley Bookkeeping Services	February 2023 Bookkeeping	\$ 380.00
1128	2/13/2023	Young Wooldridge	February 2023 Legal Service	\$ 10,115.50
1129	2/13/2023	Stetson Engineers	January 2023 Engineering Service	\$ 13,670.80
ACH	3/15/2023	Payroll	March 1-15, 2023 Salary	\$ 10,195.89
ACH	3/15/2023	Employment Development Dept.	EDD Tax Deposit (March 1-15, 2023)	\$ 994.67
ACH	3/15/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (March 1-15, 2023)	\$ 5,598.20
ACH	3/17/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (3/15/23) & Employer Match (partial due 3/15/23)	\$ 2,900.68
ACH	3/17/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 3/15/23)	\$ 483.23
ACH	3/17/2023	SDRMA	April 2023 Insurance - Employee Benefits	\$ 606.29
TOTAL				\$ 79,380.92

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

<u>NUMBER</u>	<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ACH	4/4/2023	Payroll	March 16-31, 2023 Salary	\$ 10,195.89
ACH	4/4/2023	Cynthia Allen	Meeting: 2/16 & 3/15 SYRWCD; 3/23 EMA, 3/27 CMA	\$ 277.05
ACH	4/4/2023	Mark Altshuler	Meeting:2/16 SYRWCD	\$ 69.26
ACH	4/4/2023	Art Hibbits	Meeting: 2/16 & 3/15 SYRWCD; 3/22 WMA, 3/27 CMA	\$ 277.05
ACH	4/4/2023	Steve Jordan	Meeting: 2/16 SYRWCD; 3/22 WMA	\$ 138.52
ACH	4/4/2023	Brett Marymee	Meeting: 2/16 & 3/15 SYRWCD; 3/23 EMA	\$ 207.79
ACH	4/4/2023	Employment Development Dept.	EDD Tax Deposit (March 16-31, 2023)	\$ 994.67
ACH	4/4/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (March 16-31, 2023)	\$ 5,758.86
ACH	4/6/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (3/31/23) & Employer Match (partial due 3/31/23)	\$ 2,900.68
ACH	4/6/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 3/31/23)	\$ 483.23
1130	4/13/2023	Alex Pappas	March 2023 Support with SGMA TSS Grant	\$ 1,200.00
1131	4/13/2023	Amber Thompson	Expense Reimbursement Jan.- Mar. 2023	\$ 205.67
1132	4/13/2023	Inklings Printing Co.	GW forms and envelopes	\$ 1,011.35
1133	4/13/2023	Pacific Gas & Electric	March 2023 Electric Service	\$ 64.35
1134	4/13/2023	Shirley Scales Bookkeeping	March 2023 GWAdmin Service	\$ 4,066.00
1135	4/13/2023	Staples	Office Supplies	\$ 422.26
1136	4/13/2023	Valley Bookkeeping Services	March 2023 Bookkeeping	\$ 380.00
1137	4/13/2023	William Buelow	Expense Reimbursement Feb.- Mar. 2023	\$ 189.35
1138	4/13/2023	Jim Heyerly	April 2023 Rent	\$ 1,500.00
1139	4/13/2023	Santa Barbara County Water Agency	IRWM Participation Cost (7/1/22-12/31/22)	\$ 60.85
1140	4/13/2023	Stetson Engineers	February 2023 Engineering Service	\$ 17,630.59
1141	4/13/2023	US Bank Corp	March 2023 CalCard	\$ 1,508.99
1142	4/13/2023	Young Wooldridge	March 2023 Legal Service	\$ 8,745.43
ACH	4/17/2023	Payroll	April 1-15, 2023 Salary	\$ 10,195.89
ACH	4/17/2023	Employment Development Dept.	EDD Tax Deposit (April 1-15, 2023)	\$ 994.67
ACH	4/17/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (April 1-15, 2023)	\$ 5,598.20
ACH	4/17/2023	SDRMA	May 2023 Insurance - Employee Benefits	\$ 606.29
ACH	4/24/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (4/15/23) & Employer Match (partial due 4/15/23)	\$ 2,900.68
ACH	4/24/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 4/15/23)	\$ 483.23
TOTAL				\$ 79,066.80

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

MEMORANDUM

DATE: June 07, 2023

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

FROM: Kevin D. Walsh

SUBJECT: Draft Final Budget, Fiscal Year 2023-2024

Recommendation

- Approve Budget, Fiscal Year 2023-2024 – Roll Call vote

Discussion

INCOME:

Groundwater Charge Rates.

The Draft Final Budget assumes changes in the groundwater production charge rates generating a FY 2023-2024 income on an accrual basis of \$743,000. The actual groundwater production charge rates needed to generate this revenue are described more fully in the Rate Study Report (Draft Final), dated May 30, 2023, prepared by Raftelis.

Property Tax Revenue. The County of Santa Barbara projects a 3% increase from last year, which will be used for the Budget estimate of \$365,000.

Investment Income. Investment Income is earned from Reserves and Cash-on-Hand accounts. The 2023-24 estimate of \$60,000 is based on projected Effective Yields of about 2% for LAIF and Five Star Bank accounts, and 4% for California CLASS account.

SGMA Grant Reimbursements. The reimbursement for District’s Grant Administration labor costs from the Department of Water Resources (DWR) Prop. 68 grant is expected to total about \$34,650.

EXPENSES:

Internal Operations / Expenses are estimated to be about 16% more than the FY 2022-23 budgeted amounts. The increase is primarily due to upgrades in the billing system (accounted for in Groundwater Charges Program), an increase in the annual audit expense, increased efforts in Groundwater Charges Program including the addition of a 0.75 FTE employee to replace the reduced hours currently being worked by an independent contractor, as well as cost-of-living and merit salary adjustments.

Legal and Engineering Expenses are budgeted 4.7% more than FY 2022-23. The State Water Board released Water Rights Order (WRO) 2019-0148 on September 17th, 2019. It is expected that an equal amount of the Legal and Engineering efforts on this “new” WRO will occur in FY 2023-24 with the same intensity as in the prior fiscal years. This is due our involvement with the mandated reports and studies regarding downstream water releases in the new WRO, plus an expected new Biological Opinion (BiOp) issued by the National Marine Fisheries which may significantly affect Cachuma Project Operations. Our concerns involve issues regarding mandated Cachuma water releases to the Santa Ynez River for the endangered steelhead trout, State Water releases used for improving downstream water quality, and Cachuma Project modified winter storm operations. Recent and anticipated regulatory decisions could have potential impacts on the District’s water rights release rates, amounts, and timing.

Sustainable Groundwater Management Act (SGMA). All three Groundwater Sustainability Agencies (GSAs) are in a transition to begin the implementation of the Groundwater Sustainability Plans. None of the GSAs have yet adopted any budgets, nor long-term funding mechanisms. It is not expected that any independent cash revenue will be generated by the GSAs for the 2023-2024 fiscal year.

The Budget figure of \$113,000 largely represents an estimate of the direct cash contributions for the District’s participation in the implementation of the GSA sustainability plans. The majority of this expense is for the District’s share of the 10% retention of the anticipated DWR grant expected to be available in 2024. FY 2023-24 SGMA direct expenses are about 35% lower than was budgeted for FY 2022-2023 (a \$62,000 reduction).

Contingencies are set at the same amount as FY 2023-2024: \$50,000.

RESERVES:

The District goal of \$2.0 million in total reserves will be met. Of this amount, \$1.6 million is earmarked for legal and engineering services mostly surrounding the activities of others seeking to restrict water rights in the watershed. The remaining \$400,000 is for other contingencies, such as unexpected large expenditures. In addition to the \$2 million in reserves above, the Rate Study Report (Draft Final), dated May 30, 2023, recommends that due to the semi-annual billing, the District should also maintain a reserve of 50 percent of the annual operating expenses. The financial plan is expected to meet this target reserve by FY 2028. Currently, these funds are reflected in the budget as “Cash-on-Hand”.

KDW/amt

Attachment

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

JULY 1, 2023 - JUNE 30, 2024

DRAFT FINAL BUDGET

	FY 2022-23 APPROVED BUDGET	(As of 4/30/23) FY 2022-23 10th Period ACTUAL	FY 2022-23 ESTIMATED	FY 2023-24 DRAFT BUDGET
REVENUES:				
Groundwater Charge Rates	674,000 (1)	650,954 (2)	651,000 (2)	743,000 (1)
SB County Property Taxes	355,000	361,830	365,000	365,000
Interest Income	10,000	34,942	44,000	60,000
SGMA Grant Reimbursement	48,000	48,133	48,133	34,650
TOTAL INCOME	\$ 1,087,000	\$ 1,095,859	\$ 1,108,133	\$ 1,202,650
EXPENSES				
<u>Internal Operations / Expenses</u>				
Employee Salaries	422,000	351,900	422,000	503,000
Payroll (SS and Medicare)	30,000	25,366	30,000	32,000
Employee Benefits	6,000	6,066	7,300	9,800
Retirement Plan Contributions	30,000	24,634	29,600	36,000
Outside Services	7,000	4,573	5,800	8,000
Office Expense	60,000	31,154	60,000	67,000
Director Fees	6,000	3,750	6,000	6,000
Travel & Training	7,000	5,747	7,000	8,000
Annual Audit	12,000	17,862	18,000	20,000
Insurance & Worker's Comp	20,000	18,779	20,000	21,000
Dues and LAFCO Fees	5,000	4,567	4,600	7,000
Groundwater Charges Program	65,000	46,480	65,000	76,000
Miscellaneous	3,000	371	3,000	4,000
SUB-TOTAL INTERNAL OPERATIONS	673,000	541,250	678,300	797,800
<u>Legal</u>				
General and Misc.	15,000	11,716	15,000	15,000
Downstream Release/Upper SYR Ops/89-18	2,500	0	0	2,500
WR Decision (2019-0148)	35,000	12,305	25,000	25,000
Fisheries Issues	15,000	24,906	30,000	30,000
Employment/HR	2,500	0	2,500	2,500
Groundwater Program	5,000	163	2,500	5,000
SUB-TOTAL LEGAL	75,000	49,089	75,000	80,000
<u>Engineering / Environmental</u>				
General & Misc.	10,000	7,119	9,000	9,000
Annual GW Report	20,000	30,856	31,000	22,000
Downstream Releases Operations / 89-18	65,000	41,049	42,000	65,000
Upper SYR Operations	5,000	333	2,500	5,000
WR Decision (2019-0148)	20,000	3,725	20,000	20,000
Fisheries Hydrology	30,000	12,712	30,000	30,000
Special Studies	30,000	38,700	45,000	36,000
SUB-TOTAL ENGINEERING / ENVIRONMENTAL	180,000	134,492	179,500	187,000
CONTINGENCIES	50,000	0	26,000	50,000
SGMA	175,000	142,841	175,000	113,000
TOTAL EXPENSES	\$ 1,153,000	\$ 867,672	\$ 1,133,800	\$ 1,227,800
INCOME LESS EXPENSES	\$ (66,000)	\$ 228,186	\$ (25,667)	\$ (25,150)
CASH ON HAND	\$ 232,301	\$ 402,294	\$ 206,333	\$ 206,850
INVESTMENT RESERVES	1,848,025	1,999,410	2,040,496	2,040,496

1) Accrual Basis 2) Cash Basis

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

MEMORANDUM

DATE: June 7, 2023

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

FROM: Kevin D. Walsh

SUBJECT: Rate Study Report

Recommendation

Adopt Resolution No. 722 Making Findings and Determinations, Establishing Zones, Setting Rates and Levying a Groundwater Charge for Water Year 2023-2024.

Roll Call vote.

Discussion

The District engaged rate consultant Raftelis to prepare a rate study report for Fiscal Year 2023-2023 and a future four-year estimate of revenues, expenses, reserves. The Rate Study Report, Draft Final, dated May 30, 2023 is attached and is available on the District website.

The current Groundwater Charge rate for all users in all zones is \$14.14 per acre-foot. The recommended Groundwater Charge rate for all users in all zones is \$15.63 per acre-foot. This represents a 10.5% increase in the Groundwater Charge rate for Fiscal Year 2023-24.

Given the District's required semi-annual billing structure, Raftelis recommends that the District should maintain a target reserve, which is the minimum reserve of \$2 million plus 50% of annual operating expenses. The minimum reserve is established by Board policy to cover emergencies and unexpected events including potential litigation. A projection was made to systematically build reserves to the desired target levels over the next five years.

Based on today's conditions and estimated interest rates, inflation, etc., it is currently expected that there will be a need for successive yearly rate increases of 10.5% for the next 5 years. Those projections will be revisited each year when the District sets rates.

The recommended action is strictly for Fiscal Year 2023-24. Any future fiscal year rate increases, if needed at all, will be determined individually each year based on conditions known during the budget cycle at that particular time.

KDW/amt

Attachments

**SANTA YNEZ RIVER WATER
CONSERVATION DISTRICT**

Rate Study Report

DRAFT FINAL REPORT / MAY 30, 2023



May 30, 2023

Mr. Kevin Walsh
General Manager
P.O. Box 719
Santa Ynez, CA 93460

Subject: Groundwater Rate Study Report – DRAFT FINAL

Dear Mr. Walsh:

Raftelis is pleased to provide this Groundwater Rate Study report for the Santa Ynez River Water Conservation District (District). This report includes a financial plan for fiscal year 2023-2024 (FY 2024) through FY 2028 for groundwater-related operations. From those plans and a cost-of-service analysis, groundwater rates for FY 2024 have been developed.

The major objectives of the study include the following:

- Develop a financial plan to support financial sufficiency and meet operation and maintenance (O&M) costs;
- Conduct a water cost-of-service study that is based on the District’s costs;
- Calculate proposed, updated water rates for FY 2024;
- Conduct an analysis of the effects of the proposed rates on District groundwater producers; and
- Demonstrate that the amount raised by the proposed groundwater rates are necessary to cover the reasonable costs of the District’s activities, and that proposed rates are allocated to District producers in a manner that bears a fair or reasonable relationship to the benefits received from the District’s activities, consistent with Proposition 26 (Cal. Const., Art. 13C, § 1).

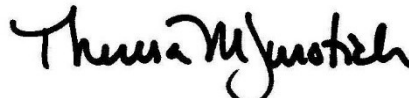
The report summarizes the key findings and recommendations related to the development of the financial plan and the development of the associated water rates.

It has been a pleasure working with you, and we appreciate your and Ms. Amber Thompson’s assistance during the course of the study.

Sincerely,



Sudhir Pardiwala, PE
Executive Vice President



Theresa Jurotich, PE
Manager

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Abbreviations & Acronyms

Terms	Descriptions
AF	Acre foot / Acre feet, 1 AF = 325,851 gallons
DWR	California Department of Water Resources
FY	Fiscal Year (July 1st to June 30th)
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
O&M	Operations and Maintenance
Raftelis	Raftelis Financial Consultants, Inc.
SGMA	Sustainable Groundwater Management Act
SWRCB	State Water Resources Control Board

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1. Executive Summary

The Santa Ynez River Water Conservation District (“District”) was formed in 1939 for the primary purpose of protecting water rights on the lower Santa Ynez River and, if necessary, augmenting water supplies in the District, which are necessary for the public health, welfare, and safety of all residents. The District is a California Water Conservation District formed and existing pursuant to the Water Conservation District Law of 1931 (Water Code § 74000 set seq.). Pursuant to Water Code section 75500, et seq., the District has, at least since 1979, levied groundwater charges on all public and private operators of groundwater-producing facilities registered within the District to help recover the costs of managing, protecting, conserving, and enhancing water resources within the District. The District’s activities performed by its staff, consultants, and legal counsel include activities relating to:

- Planning, scheduling, and managing the release of water from and downstream of the Cachuma Project’s Bradbury Dam for the satisfaction and benefit of downstream water rights, including the timing, volume, and rate of flows to promote recharge in the river alluvium and the Lompoc Plain, as provided in State Water Resources Control Board Order No. WRO 2019-0148.
- Reporting on Santa Ynez River system conditions, basin surface water use, and water purchased by contract.
- Supporting compliance with agreements and procedures to mitigate downstream flooding as a result of Cachuma Project storm operations.
- Contributing to the review of, preparation of, and compliance with applicable biological assessments and opinions, including associated consultations, revisions, and replacements, for the protection of endangered species in the Santa Ynez River, while assuring that downstream water rights and water quality in the basin and downstream of Bradbury Dam are maintained and protected.
- Recording groundwater production within the District.
- Monitoring and reporting on groundwater conditions within the District.
- Levying and collecting charges on groundwater production within the District.
- Making annual groundwater use estimates and forecasting groundwater storage and overdraft amounts within the District.
- Determining water volume for replenishment of the dewatered aquifer storage below Bradbury Dam.
- Participation in the three Groundwater Sustainability Agencies (GSA) covering the Santa Ynez River Valley groundwater basin and District. Such participation includes, but is not limited to, coordination, preparation, and implementation activities and provision of administrative support (including arranging GSA committee and citizen advisory group meetings, recordkeeping, and bookkeeping) associated with the GSAs’ groundwater sustainability plans (GSP), annual reports, and associated implementation and other activities. This includes coordinating and contributing to responses to comments made on the GSPs and related technical studies. It also includes participation in discussions of long-term governance and funding for the GSAs.
- The District’s administrative support of the GSAs, which requires expenditure of significant District staff time, has been necessary, in part, because the GSAs have not yet hired their own staff or legal, engineering, or other consultants, and have yet to levy any groundwater fees or charges on landowners or pumpers within the GSAs or otherwise create an independent funding source (aside from grant funding and certain contributions from parties to the Memorandum of Agreement). While it is expected that the District will continue to incur costs to participate in the three GSAs and as the single point of contact with the California Department of Water Resources (DWR), the level of

District administrative support could change in the future depending on the GSAs' future governance structure, funding sources, and staffing and contracting decisions.

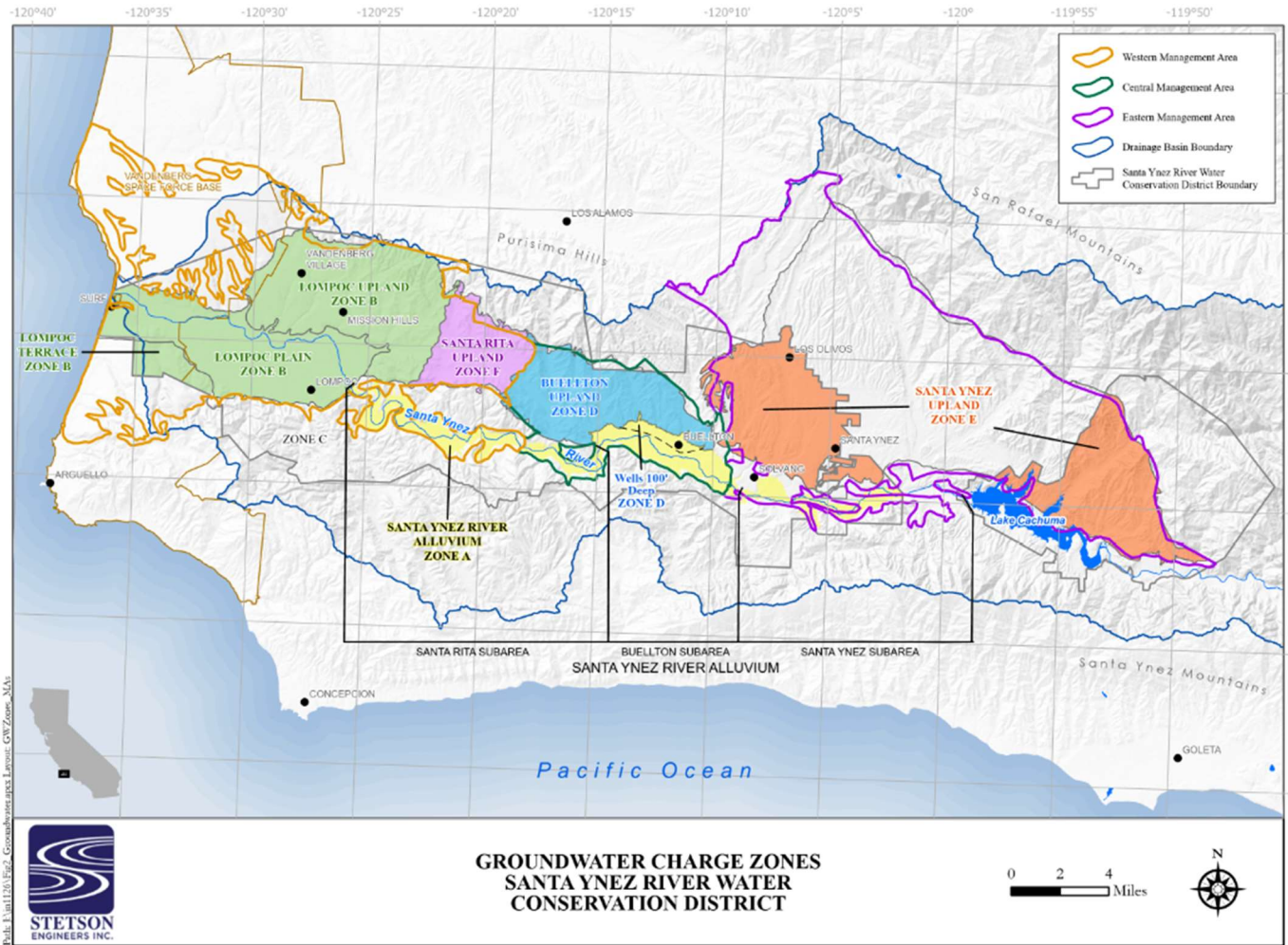
- The District's activities as party to all three GSAs benefits all pumpers within the District, which depend upon the District to provide local agency Sustainable Groundwater Management Act (SGMA) coverage within its approximately 180,000 acres within the basin. In the absence of such SGMA coverage by the District, the entire basin may not be covered and in such event would be subject to State Water Resources Control Board intervention and management of the basin as a probationary basin (Water Code § 10735.2, subd. (a)(4)(B)). The District's SGMA activities benefit, among other pumpers in the District, the pumpers in Zone A, who pump from the river alluvium and benefit from the District's investigation and efforts supporting characterization of those zones as not groundwater subject to SGMA management in the GSPs, and the District's ongoing efforts to defend that characterization against those who disagree with it and contend such pumping must be managed under SGMA. To date, DWR has not decided on the adequacy of the GSPs.
- Acting as the single point of contact between the GSAs and the DWR for SGMA compliance, for the benefit of all three GSAs.
- Administering SGMA grant funding for the benefit of all three GSAs.
- Participating in the Integrated Regional Water Management Plan process to promote regional water management strategies to ensure sustainable and reliable water supplies, including the protection of agriculture.

The District comprises two non-contiguous areas and encompasses approximately 180,000 acres that includes the cities of Lompoc, Solvang, and Buellton; the communities of Santa Ynez and Los Olivos; two federal installations; and rural areas with agriculture and suburban development. Groundwater mostly occurs in the unconsolidated alluvial deposits of the Santa Ynez River and Lompoc Plain and in the older poorly consolidated deposits of the Santa Ynez Upland, Lompoc Upland, Buellton Upland, Santa Rita Upland, and Lompoc Terrace subareas. These subareas are defined as zones as follows:

- Zone A – District portion of the Santa Ynez River alluvial channel from San Lucas Bridge downstream to Lompoc Narrows
- Zone B – District portion of the Lompoc Plain, Lompoc Upland and Lompoc Terrace groundwater subareas
- 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 subarea
- Zone E – District portion of the Santa Ynez Upland subarea
- Zone F – District portion of the Santa Rita Upland subarea

The zones are shown in Figure 1-1, on the following page.

Figure 1-1: Groundwater Zones



Proposition 26 requires that the District’s rates be no higher than necessary to cover the costs associated with services and that they bear a fair or reasonable relationship to each ratepayer’s proportional burden on or benefit from the District’s services to remain exempt from Proposition 26 and not be considered a tax. The rates developed as part of this rate study meet the exemption requirements under Proposition 26 in that they are designed to recover the costs associated with providing the services.

The major objectives of the study include the following:

- Develop a financial plan to support financial sufficiency and meet operation and maintenance (O&M) costs;
- Conduct a water cost-of-service study that is based on the District’s costs;
- Calculate proposed, updated water rates for FY 2024;
- Conduct an analysis of the effects of the proposed rates on District groundwater producers; and
- Demonstrate that the amount raised by the proposed groundwater rates are necessary to cover the reasonable costs of the District’s activities, and that proposed rates are allocated to District producers in a manner that bears a fair or reasonable relationship to the payor’s burdens on, or benefits received, from the District’s activities, consistent with Proposition 26 (Cal. Const., Art. 13C, § 1).

This report summarizes the rate study’s 5-year financial plan and FY 2024 rate development key findings and recommendations. The District intends to update this 5-year plan every year with a new 5-year projection so that the Board can maintain a 5-year outlook. However, the District’s rates are set on an annual basis under Water Code sections 75500-75642.

1.1. Methodology

Raftelis and the District developed the proposed groundwater rates using cost-of-service principles set forth by the American Water Works Association M1 Manual titled *Principles of Water Rates, Fees and Charges*, with modifications to align with the requirements of California’s Proposition 26 and related California law.

Raftelis worked with District staff to develop a financial plan by preparing detailed projections of the main revenue sources and expenditure items. The operating revenues and O&M costs estimates are based on projected groundwater pumping from the findings of Stetson Engineers’ *Forty-Fifth Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District FINAL* dated April 28, 2023, current rates, and District staff estimates of non-operating revenues and costs. The financial plan projection has revealed the need for revenue adjustments in FY 2024 – FY 2028 to meet annual obligations and build reserves to the recommended levels.

Raftelis calculated the District’s revenue requirements for FY 2024 water services and the resulting water rate and structure.

1.2. Proposed Financial Plan and Revenue Adjustments

The financial planning model enables the District to set rates to generate sufficient revenue to meet its short-term obligations. Table 1-1 shows the proposed groundwater revenue adjustments for FY 2024 - FY 2028. Revenue adjustments occur on July 1 for each year.

Table 1-1: Proposed Revenue Adjustments

Fiscal Year	Proposed Revenue Adjustment
2024	10.5%
2025	10.5%
2026	10.5%
2027	10.5%
2028	10.5%

Table 1-2 shows the proposed financial plan, based on the District’s budgeted expenses, incorporating the proposed revenue adjustments (Lines 2 - 6). Note that while rates go into effect at the beginning of the fiscal year, due to semi-annual billing and timing of payments, revenues under the adjustments are only realized for half of the fiscal year in the first year. Therefore, the ‘No. Mon. “Effective”’ column shows 6 months instead of 12. Line 1 shows revenue from the current rates, assuming no increase in rates. Line 7 shows the revenue adjustments each year. Other Revenues are shown in Lines 8 and 9. SGMA costs and grants are properly included in the groundwater charge rate development. Line 8 shows projected property tax revenue after covering a portion of SGMA-related costs, as a conservative approach for purposes of this rate study. Interest revenues (Line 9) are presumed to be 2- 3 percent on average beginning and ending fund balances for the remaining fiscal years. Line 11 shows total projected revenues.

Table 1-2: Proposed Financial Plan Cashflow

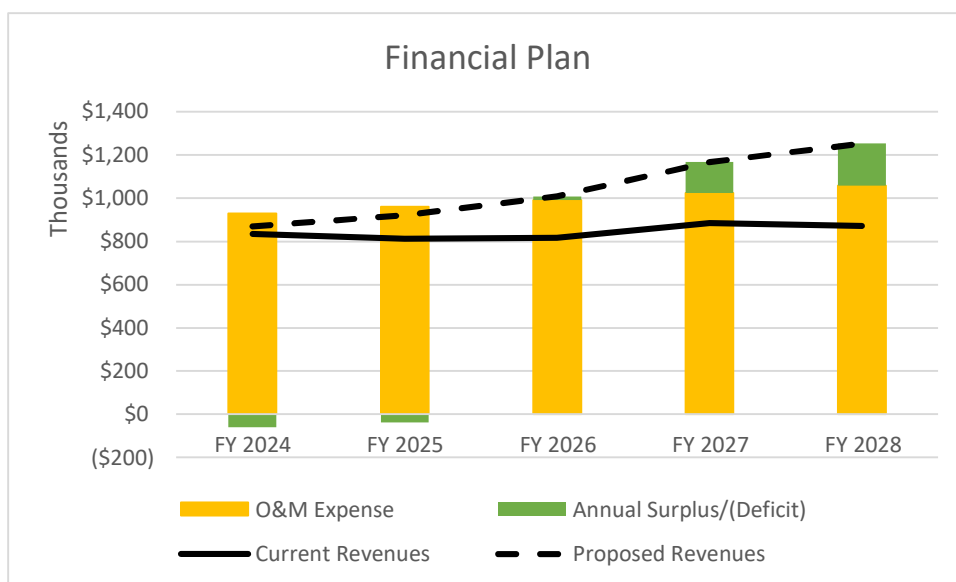
No.	Cashflow			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
1	Groundwater Rate Revenue Under Existing Rates			\$672,074	\$672,074	\$672,074	\$672,074	\$672,074
	Revenue Adjustments	% Adj.	No. Mon. "Effective"					
2	FY 2024	10.5%	6	\$35,284	\$70,568	\$70,568	\$70,568	\$70,568
3	FY 2025	10.5%	6		\$38,989	\$77,977	\$77,977	\$77,977
4	FY 2026	10.5%	6			\$43,083	\$86,165	\$86,165
5	FY 2027	10.5%	6				\$47,606	\$95,212
6	FY 2028	10.5%	6					\$52,605
7	Total Revenue Adjustments			\$35,284	\$109,556	\$191,628	\$282,316	\$382,527
	Other Revenue							
8	Net SB County Property Taxes			\$101,857	\$79,990	\$84,748	\$153,073	\$138,906
9	Interest Income			\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
10	Total Other Revenue			\$161,857	\$139,990	\$144,748	\$213,073	\$198,906
11	Total Revenue			\$869,215	\$921,621	\$1,008,450	\$1,167,464	\$1,253,507
	Operation & Maintenance							
12	Routine Operation (Net Property Tax Offset)			\$613,007	\$635,357	\$658,536	\$682,575	\$707,507
13	Special Studies			\$36,000	\$37,080	\$38,192	\$39,338	\$40,518
14	SGMA (Net of Property Tax Offset)			\$0	\$0	\$0	\$0	\$0
15	Legal & Engineering							
16	General and Misc.			\$31,500	\$32,445	\$33,418	\$34,421	\$35,454
17	Annual G.W. Report			\$22,000	\$22,660	\$23,340	\$24,040	\$24,761
18	WR Decision (2019-0148)			\$110,000	\$113,300	\$116,699	\$120,200	\$123,806
19	Upper SYR Operations			\$7,500	\$7,725	\$7,957	\$8,195	\$8,441
20	Fisheries Issues/Hydrology			\$60,000	\$61,800	\$63,654	\$65,564	\$67,531
21	Contingency			\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
22	Total Operation & Maintenance			\$930,007	\$960,367	\$991,796	\$1,024,333	\$1,058,018
23	Capital			\$0	\$0	\$0	\$0	\$0
24	Net Income (Annual Surplus/(Deficit))			(\$60,792)	(\$38,746)	\$16,654	\$143,131	\$195,489
25	Beginning Balance			\$2,274,098	\$2,213,306	\$2,174,560	\$2,191,214	\$2,334,345
26	Ending Balance			\$2,213,306	\$2,174,560	\$2,191,214	\$2,334,345	\$2,529,834
27	Target Reserve = Min + 50% Operating Exp.			\$2,465,003	\$2,480,183	\$2,495,898	\$2,512,167	\$2,529,009
28	Minimum Reserve			\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000

Lines 12 – 22 summarize the O&M expense projections, excluding SGMA costs which are funded by grants and property taxes. Line 23 shows that no capital expenditures are anticipated. Line 24 shows the net income, which is revenues less O&M expenses. Lines 25 and 26 show the projected beginning and ending Investment Reserves fund balance, respectively. Line 27 shows the target reserve, which is the minimum reserve of \$2 million plus 50 percent of annual operating expenses. The minimum reserve is established by Board policy to cover emergencies and unexpected events including potential litigation. The remainder of the reserve is recommended by Raftelis to provide working capital for the District’s expenses, given the required semiannual billing. Revenue adjustments aim to meet this target by the end of FY 2028. Comparing Line 26 to Line 27 and Line 28 shows that the financial plan is expected to always exceed the minimum reserve

requirement and will meet its target reserve by FY 2028. The proposed groundwater financial plan supports financial sufficiency and solvency for the District to meet projected expenditures.

Figure 1-2 graphically illustrates the proposed operating Financial Plan – it compares the existing (current) and proposed revenues with projected expenses. The stacked bars show O&M expenses. The green bars show the net cash used to build up the reserves. Total revenues at existing and proposed rates are shown by horizontal black solid and dashed lines, respectively. Current revenue from existing rates does not meet future total expenses and shows the nexus for the proposed revenue adjustment.

Figure 1-2: Proposed Financial Plan



1.3. Proposed FY 2024 Rates

1.3.1. Proposed Usage Rates

Table 1-3 presents the current water rate and the proposed FY 2024 water rate. The proposed rate is rounded to the nearest cent. All zones continue to pay the same groundwater rate.

Table 1-3: Current and Proposed Usage Rates, \$/AF

Rate	Current	FY 2024
All Zones & Producers	\$14.14	\$15.63

1.3.2. Average Producer Bill Impact

The average usage varies by zone and therefore Table 1-4 through Table 1-6 illustrates the customer bill impact for an average agricultural producer, an average special irrigation producer, and an average Other (non-agricultural) producer within each zone. Average use per bill is based on FY 2022 data from Stetson Engineers’ *Forty-Fifth Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District FINAL* dated April 28, 2023.

Table 1-4: Average Agricultural Producer by Zone, FY 2024 Bill Impact

Agricultural	A	B	C	D	E	F
Average AF/bill	30.5	36.8	0.2	8.3	5.8	35.0
Current Revenue	\$430.91	\$520.84	\$2.75	\$117.59	\$82.22	\$494.76
Proposed Revenue	\$476.32	\$575.73	\$3.03	\$129.98	\$90.88	\$546.90
Bill Increase, \$	\$45.41	\$54.88	\$0.29	\$12.39	\$8.66	\$52.14
% Increase	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%

Table 1-5: Average Special Irrigation Producer by Zone, FY 2024 Bill Impact

Special Irrigation	A	B	C	D	E	F
Average AF/bill	3.3	3.5	0.1	0.2	0.05	0.0
Current Revenue	\$46.04	\$49.17	\$1.83	\$2.70	\$0.69	\$0.00
Proposed Revenue	\$50.89	\$54.36	\$2.02	\$2.98	\$0.76	\$0.00
Bill Increase, \$	\$4.85	\$5.18	\$0.19	\$0.28	\$0.07	\$0.00
% Increase	10.5%	10.5%	10.5%	10.5%	10.5%	--

Table 1-6: Average Other (Non-Agricultural) Producer by Zone, FY 2024 Bill Impact

Non-Agricultural	A	B	C	D	E	F
Average AF/bill	8.7	16.3	7.5	2.7	4.4	3.0
Current Revenue	\$123.17	\$230.34	\$105.61	\$38.40	\$62.70	\$42.39
Proposed Revenue	\$136.15	\$254.61	\$116.74	\$42.44	\$69.31	\$46.86
Bill Increase, \$	\$12.98	\$24.27	\$11.13	\$4.05	\$6.61	\$4.47
% Increase	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%

2. Legal Framework

Proposition 26, codified in the California Constitution as Article XIII C, was approved by voters in 2010 to require a supermajority vote to pass new taxes and fees. Furthermore, Proposition 26 expanded the definition of what is considered a tax. Under the new definition, a tax is any levy, charge, or exaction of any kind imposed by a local government. Any fees or charges that are not exempted by the language of Proposition 26 are considered taxes and subject to voter approval.

The expanded definition of a tax placed new burdens on water purveyors who must routinely increase rates to meet their revenue requirement. After the passage of Proposition 26, local water agencies must demonstrate their fees and charges are not taxes and are exempted by the language of the Proposition. The newly expanded definition of a tax under Proposition 26 allows for exceptions of which the two most relevant are the following:

"(e) As used in this article, "tax" means any levy, charge, or exaction of any kind imposed by a local government, except the following:

(1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, **and which does not exceed the reasonable costs to the government of conferring the benefit** or granting the privilege.

(2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product."

In order not to be considered a tax, Prop 26 requires that local water purveyors must demonstrate that "that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity."

Proposition 26 requires that the District's rates cover the costs associated with services and that they are distributed among payors in a fair or reasonable manner to remain exempt from Proposition 26 and not be considered a tax. The rates developed as part of this rate study meet the exemption requirements under Proposition 26 in that they are designed to recover the costs associated with providing the services discussed in Section 1.

3. Financial Plan

Determining a district’s revenue requirement is a key first step in the rate study process. Raftelis analyzed annual operating revenue under the status quo, operation and maintenance (O&M) expenses, and SGMA-related costs and revenues. This section of the report provides a discussion of the projected revenues, O&M expenses, reserve funding requirements, and the revenue adjustments needed to support fiscal sustainability and solvency.

3.1. Key Information Used in this Report

This report utilized the following key information provided by the District

- FY 2023 operating budget and FY 2024 preliminary draft operating budget
- Historical and forecast water pumping amounts
- Historical water rates
- Beginning reserve fund balances as of FY 2023
- Forecast SGMA costs and grant reimbursements FY 2024 - FY 2028. These cost projections assume that none of the GSA’s will have generated any independent income in FY 2024. These projections are not an expression of policy or opinions, but they reflect the status quo, which is that none of the three GSAs have implemented any revenue sources of their own.

3.2. Revenue from Current Water Rates

3.2.1. Current Water Rates

The current water rates are on a volumetric basis per acre-foot (AF) and are currently \$14.14/AF.

3.2.2. Water Use and Growth Assumptions

Table 3-1 shows the financial plan assumptions for water use each year for FY 2024 – FY 2028, which is forecast to stay the same over the study period. The projected water use comes from Stetson Engineers’ *Forty-Fifth Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District FINAL* dated April 28, 2023.

Table 3-1: Projected Water Use Per Year

Producer Class	Water Use, AF
Agriculture	31,680
Special Irrigation	13,280
Other	2,570
Total	47,530

3.2.3. Revenue Projections

Table 3-2 presents the projection of the rate-based revenue for FY 2024 – FY 2028 under the current rates.

Table 3-2: Projected Rate Revenue Under Existing Rates

Producer Class	Rate, \$/AF	Water Use, AF	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Agriculture	\$14.14	31,680	\$447,955	\$447,955	\$447,955	\$447,955	\$447,955
Special Irrigation	\$14.14	13,280	\$187,779	\$187,779	\$187,779	\$187,779	\$187,779
Other	\$14.14	2,570	\$36,340	\$36,340	\$36,340	\$36,340	\$36,340
Total		47,530	\$672,074	\$672,074	672,074	672,074	672,074

Table 3-3 shows the projection of other revenues, which includes property taxes (net of SGMA costs and reimbursements and discussed further in the next section) and estimated interest income. Property taxes are estimated to increase at 2 percent per year from the FY 2024 budget. Interest income is estimated at 2 - 3 percent of the average beginning and ending balances.

Table 3-3: Projected Other Revenue

Line Item	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
SB County Property Taxes - Net	\$101,857	\$79,990	\$84,748	\$153,073	\$138,906
Interest Income	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Total	\$161,857	\$139,990	\$144,748	\$213,073	\$198,906

3.3. Operating and Maintenance Expenses

3.3.1. Water Operating Expense

Table 3-4 shows the budgeted (FY 2024) and projected operating and maintenance expenses, which includes routine operations, legal, engineering, and contingency. Salaries and benefits are each escalated at 4 percent per year from budget. General costs are escalated at 3 percent per year from budget.

Table 3-4: Projected Groundwater O&M Expenses

Line Item	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Routine Operation	\$797,800	\$827,542	\$858,409	\$890,443	\$923,689
Special Studies	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518
SGMA	\$113,000	\$144,000	\$139,000	\$40,000	\$40,000
Legal & Engineering					
General and Misc.	\$31,500	\$32,445	\$33,418	\$34,421	\$35,454
Annual G.W. Report	\$22,000	\$22,660	\$23,340	\$24,040	\$24,761
WR Decision (2019-0148)	\$110,000	\$113,300	\$116,699	\$120,200	\$123,806
Upper SYR Operations	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441
Fisheries Issues/Hydrology	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531
Contingency	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total Operation & Maintenance	\$1,227,800	\$1,296,552	\$1,330,669	\$1,272,201	\$1,314,200

3.3.2. Net Operating Expense

The District plans to first use property tax revenues and SGMA grant administration cost reimbursement to cover SGMA-related salary/benefit costs and other SGMA operating costs, as shown in Table 3-5. Any

remaining property tax revenue will be used to offset the District’s remaining operating costs. The total shown matches the first line of Table 3-3. Table 3-6 shows the net O&M expense projection.

Table 3-5: Property Tax Revenue Use

Line Item	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Property Tax Revenue	\$365,000	\$372,300	\$379,746	\$387,341	\$395,088
SGMA Grant Admin Cost Reimbursement	\$34,650	\$43,875	\$43,875	\$13,600	\$0
Salary & Benefits for SGMA-time	(\$184,793)	(\$192,185)	(\$199,873)	(\$207,867)	(\$216,182)
SGMA	(\$113,000)	(\$144,000)	(\$139,000)	(\$40,000)	(\$40,000)
Remaining Property Tax Revenue	\$101,857	\$79,990	\$84,748	\$153,073	\$138,906

Table 3-6: Net O&M Expense Projection

Line Item	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Routine Operation (Net Property Tax Offset)	\$613,007	\$635,357	\$658,536	\$682,575	\$707,507
Special Studies	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518
SGMA (Net of Offset)	\$0	\$0	\$0	\$0	\$0
Legal & Engineering					
General and Misc.	\$31,500	\$32,445	\$33,418	\$34,421	\$35,454
Annual G.W. Report	\$22,000	\$22,660	\$23,340	\$24,040	\$24,761
WR Decision (2019-0148)	\$110,000	\$113,300	\$116,699	\$120,200	\$123,806
Upper SYR Operations	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441
Fisheries Issues/Hydrology	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531
Contingency	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Net Operation & Maintenance	\$930,007	\$960,367	\$991,796	\$1,024,333	\$1,058,018

3.4. Proposed Financial Plan and Revenue Adjustments

The proposed financial plan enables the District to set groundwater rates to generate sufficient revenues to meet its annual obligations. The plan shows the revenues that will be used to maintain appropriate reserves while maintaining a sensitivity to rate increases.

Table 3-7, on the following page, shows the proposed groundwater financial plan, based on the District’s budgeted expenses, incorporating the proposed revenue adjustments (Lines 2 - 6). Note that while rates go into effect at the beginning of the fiscal year, due to semi-annual billing and timing of payments, revenues under the adjustments are only realized for half of the fiscal year in the first year. Therefore, the ‘No. Mon. “Effective”’ is six months instead of 12. Line 1 shows revenue from the current rates, assuming no increase in rates. Line 7 shows the revenue adjustments each year. Lines 8 and 9 show non-rate revenues. Property tax revenue (Line 8) is net the offset of SGMA-related costs. Interest revenues (Line 9) are presumed to be 2-3 percent on average beginning and ending fund balances for the remaining fiscal years. Line 11 shows total projected revenues.

Lines 12 – 22 summarize the O&M expense projections, net the use of property taxes and SGMA reimbursed costs to cover SGMA-related costs. Line 23 shows that no capital expenditures are anticipated. Line 24 shows the net income, which is revenues less O&M expenses. Lines 25 and 26 show the projected beginning and

ending Investment Reserves fund balance, respectively. Line 27 shows the target reserve, which is the minimum reserve of \$2 million plus 50 percent of annual operating expenses. The minimum reserve is established by Board policy to cover emergencies and unexpected events. The remainder of the reserve is recommended by Raftelis to provide working capital for the District’s expenses, given the required semiannual billing. Revenue adjustments aim to meet this target by the end of FY 2028. Comparing Line 26 with Line 27 and Line 28 shows that the financial plan is expected to always exceed the minimum reserve requirement and will meet its target reserve by FY 2028. The proposed financial plan supports financial sufficiency and solvency for the District to meet projected expenditures.

Table 3-7: Proposed Financial Plan Cashflow

No.	Cashflow			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
1	Groundwater Rate Revenue Under Existing Rates			\$672,074	\$672,074	\$672,074	\$672,074	\$672,074
	Revenue Adjustments	% Adj.	No. Mon. "Effective"					
2	FY 2024	10.5%	6	\$35,284	\$70,568	\$70,568	\$70,568	\$70,568
3	FY 2025	10.5%	6		\$38,989	\$77,977	\$77,977	\$77,977
4	FY 2026	10.5%	6			\$43,083	\$86,165	\$86,165
5	FY 2027	10.5%	6				\$47,606	\$95,212
6	FY 2028	10.5%	6					\$52,605
7	Total Revenue Adjustments			\$35,284	\$109,556	\$191,628	\$282,316	\$382,527
	Other Revenue							
8	Net SB County Property Taxes			\$101,857	\$79,990	\$84,748	\$153,073	\$138,906
9	Interest Income			\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
10	Total Other Revenue			\$161,857	\$139,990	\$144,748	\$213,073	\$198,906
11	Total Revenue			\$869,215	\$921,621	\$1,008,450	\$1,167,464	\$1,253,507
	Operation & Maintenance							
12	Routine Operation (Net Property Tax Offset)			\$613,007	\$635,357	\$658,536	\$682,575	\$707,507
13	Special Studies			\$36,000	\$37,080	\$38,192	\$39,338	\$40,518
14	SGMA (Net of Offset)			\$0	\$0	\$0	\$0	\$0
15	Legal & Engineering							
16	General and Misc.			\$31,500	\$32,445	\$33,418	\$34,421	\$35,454
17	Annual G.W. Report			\$22,000	\$22,660	\$23,340	\$24,040	\$24,761
18	WR Decision (2019-0148)			\$110,000	\$113,300	\$116,699	\$120,200	\$123,806
19	Upper SYR Operations			\$7,500	\$7,725	\$7,957	\$8,195	\$8,441
20	Fisheries Issues/Hydrology			\$60,000	\$61,800	\$63,654	\$65,564	\$67,531
21	Contingency			\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
22	Total Operation & Maintenance			\$930,007	\$960,367	\$991,796	\$1,024,333	\$1,058,018
23	Capital			\$0	\$0	\$0	\$0	\$0
24	Net Income (Annual Surplus/(Deficit))			(\$60,792)	(\$38,746)	\$16,654	\$143,131	\$195,489
25	Beginning Balance			\$2,274,098	\$2,213,306	\$2,174,560	\$2,191,214	\$2,334,345
26	Ending Balance			\$2,213,306	\$2,174,560	\$2,191,214	\$2,334,345	\$2,529,834
27	Target Reserve = Min + 50% Operating Exp.			\$2,465,003	\$2,480,183	\$2,495,898	\$2,512,167	\$2,529,009
28	Minimum Reserve			\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000

Figure 3-1 graphically illustrates the proposed operating Financial Plan – it compares the existing (current) and proposed revenues with projected expenses. The stacked bars show O&M expenses. The green bars show the net cash. Total revenues at existing and proposed rates are shown by horizontal black solid and dashed lines, respectively. Current revenue from existing rates does not meet future total expenses and shows the nexus for the proposed revenue adjustment.

Figure 3-1: Proposed Financial Plan

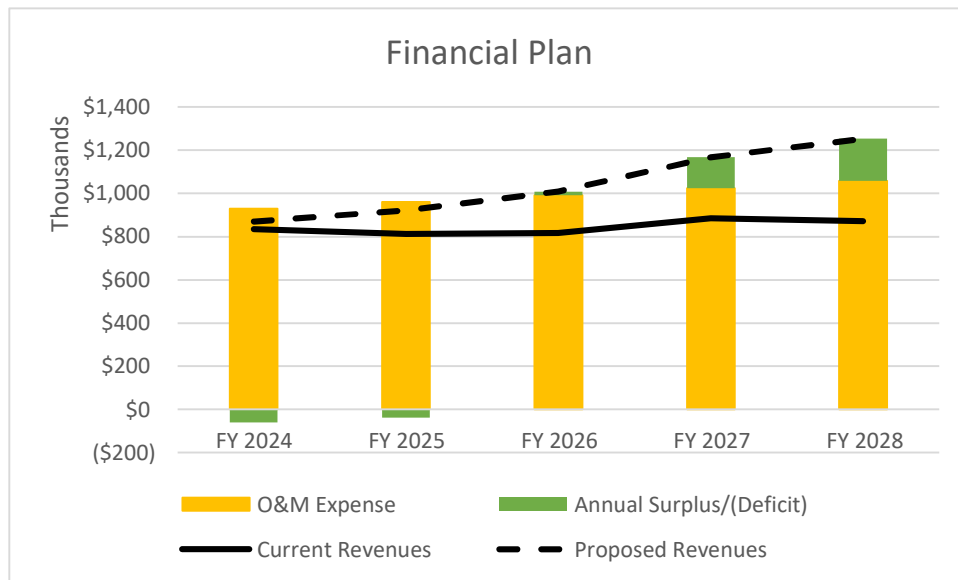
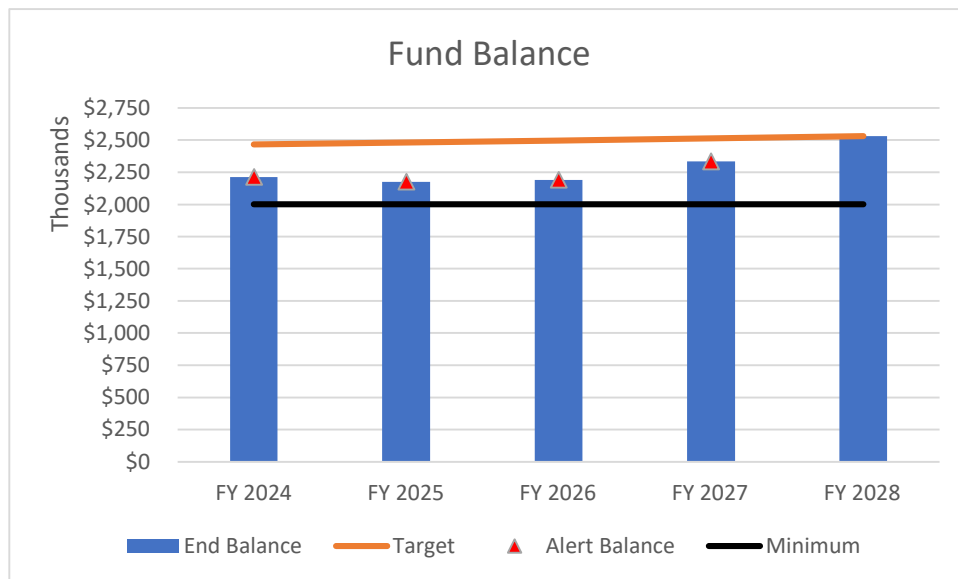


Figure 3-2 shows the projected investments fund balance.

Figure 3-2: Projected Investments Fund Balance



4. Proposed Water Rates

4.1. Net Revenue Requirements

The costs to be allocated to the producers consist of the total revenue requirement less income received from other sources (net revenue requirements). Table 4-1 shows the development of the costs that must be recovered through the rate for FY 2024. Raftelis calculated the revenue requirement using the FY 2024 projections of O&M and capital expenses (which are \$0), shown in Lines 1 and 2. Lines 4 – 6 show the other operating revenues, which are used to offset some of the revenue requirement. The adjustments in Line 9 ensure the cost-of-service accounts for the annual cash balances. Line 10 shows the total revenue required from rates, calculated by adding Lines 3, 7, and 10.

Table 4-1: Net Revenue Requirements, FY 2024

Net Revenue Requirement, Test Year				
No.	Line Item	Operating	Capital	Total
	Revenue Requirement			
1	Operations	\$930,007		\$930,007
2	Capital		\$0	\$0
3	Total Revenue Requirement	\$930,007	\$0	\$930,007
	Revenue Offsets			\$0
4	Net SB County Property Taxes	(\$101,857)		(\$101,857)
5	Interest Income	(\$60,000)		(\$60,000)
6	Subtotal Revenue Offsets	(\$161,857)		(\$161,857)
	Other Adjustments			
7	Change in Fund Balance	(\$60,792)		(\$60,792)
8	Annualized Rate Adjustment	\$35,284		\$35,284
9	Total Adjustments	(\$25,508)	\$0	(\$25,508)
10	Net Revenue Requirement	\$742,642	\$0	\$742,642

4.2. Rate Structure Analysis

Since FY 2018, the District has utilized a uniform groundwater charge rate among the management zones in the District (Zones A through F). This is because the District’s activities benefit all zones directly or indirectly, and there are few, if any, costs that are unique to a specific zone that do not also benefit other zones at this time. In particular, the advent of the Sustainable Groundwater Management Act (SGMA) and the occurrence of a new drought of record have made water supply planning and management a watershed-wide issue within the Santa Ynez River Valley. The Department of Water Resources designated the entire valley as one groundwater basin, including both the river alluvium regulated by the State Water Resources Control Board (SWRCB) and the other groundwater aquifers. The District is a member of each of the three Groundwater Sustainability Agencies (GSAs) in the basin, and the GSAs have prepared three coordinated Groundwater Sustainability Plans (GSPs) for the entire basin, for which the District’s employee is the single point of contact with DWR for all three GSAs in the Basin, as well as the applicant and administrator of all grants providing funding for all the GSPs. Each GSP covers a separate management area, the Western Management Area (WMA), the Central Management Area (CMA), and the Eastern Management Area (EMA). The

management areas are not further subdivided into District and non-District management areas. Notwithstanding that there are three GSPs, SGMA compliance is judged on a coordinated basin-wide scale. Due to the multiple-GSP nature of SGMA compliance for the basin and required coordination between and among the GSPs, the District’s SGMA compliance activities concerning one GSA and GSP necessarily benefit the other GSAs and GSPs, and vice versa. This may change in the future as management area specific projects are developed and implemented. Furthermore, the District’s engineer, Stetson Engineers, Inc., has advised that management of river alluvium zones and other groundwater zones is interrelated, because management of the river can affect water levels in the adjacent zones, either directly through hydrological continuity or indirectly through actual or potential conjunctive use of different zones by producers (meaning that maintaining water levels in one zone benefits producers in other zones by reducing potential demand for water from those zones). Therefore, we conclude that a uniform rate across all zones continues to bear a fair and reasonable relationship to the benefits of the District's management activities.

The purpose of the District is to manage groundwater and protect and, if necessary, augment the water supplies of the District, which are necessary for the public health, welfare, and safety of all users. Rate differentials for producer classes typically are based on the different peaking characteristics of producer classes. In this case, all producers have their own wells from which they draw water and therefore the District does not incur costs to provide facilities to meet peaking demands. The District’s operations benefit all users in proportion to the amount of water they draw from their wells, or in other words, the District does not incur differential costs to serve any user class. Therefore, we recommend that the District continue using uniform rates across the different zones and classes.

4.3. Calculating Rates

Table 4-2 shows the unit cost-of-service based on dividing the net revenue requirement (Table 4-1) by the projected usage in FY 2024 (Table 3-1) based on the findings and determinations in Stetson Engineers’ *Forty-Fifth Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District FINAL* dated April 28, 2023.

Table 4-2: Unit Cost-of-Service, FY 2024

Unit Cost of Service, FY 2024	
Net Rev. Requirement	\$742,642
Projected Groundwater Prod.	47,530
All-in Uniform Rate, \$/AF	\$15.63

4.4. Proposed Usage Rates (\$/AF)

Table 4-3 presents the current rate and the proposed rate for FY 2024. The proposed rates are rounded to the nearest cent.

Table 4-3: Current and Proposed Usage Rates, \$/AF

Rate	Current	FY 2024
All Zones & Producers	\$14.14	\$15.63

4.5. Projected Revenues Under Cost-of-Service Rates

Table 4-4 shows the revenues under the current rates based on the FY 2024 projected usage and the revenues using the proposed rates. The percent increase in revenues matches the proposed revenue adjustment shown in the financial plan (Table 3-7).

Table 4-4: Projected Revenues Under Cost-of-Service Rates, FY 2024

Zone	Estimated Usage AF	Current Rate \$/AF	Revenue Under Current Rates	Proposed Rate \$/AF	Revenue Under Proposed Rates	Percent Increase/Decrease
Zone A	13,750	\$14.14	\$194,425	\$15.63	\$214,913	10.5%
Zone B	23,435	\$14.14	\$331,371	\$15.63	\$366,289	10.5%
Zone C	905	\$14.14	\$12,797	\$15.63	\$14,145	10.5%
Zone D	2,175	\$14.14	\$30,755	\$15.63	\$33,995	10.5%
Zone E	4,985	\$14.14	\$70,488	\$15.63	\$77,916	10.5%
Zone F	2,280	\$14.14	\$32,239	\$15.63	\$35,636	10.5%
Total	47,530		\$672,074		\$742,894	10.5%

4.6. Producer Impact Analysis

Table 4-5 through Table 4-7 illustrate the producer bill impact for an average agricultural producer, an average special irrigation producer, and an average non-agricultural producer within each zone. Average use per bill is based on FY 2022 billing data from Stetson Engineers’ *Forty-Fifth Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District FINAL* dated April 28, 2023.

Table 4-5: Average Agricultural Producer by Zone, FY 2024 Bill Impact

Agricultural	A	B	C	D	E	F
Average AF/bill	30.5	36.8	0.2	8.3	5.8	35.0
Current Revenue	\$430.91	\$520.84	\$2.75	\$117.59	\$82.22	\$494.76
Proposed Revenue	\$476.32	\$575.73	\$3.03	\$129.98	\$90.88	\$546.90
Bill Increase, \$	\$45.41	\$54.88	\$0.29	\$12.39	\$8.66	\$52.14
% Increase	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%

Table 4-6: Average Special Irrigation Producer by Zone, FY 2024 Bill Impact

Special Irrigation	A	B	C	D	E	F
Average AF/bill	3.3	3.5	0.1	0.2	0.05	0.0
Current Revenue	\$46.04	\$49.17	\$1.83	\$2.70	\$0.69	\$0.00
Proposed Revenue	\$50.89	\$54.36	\$2.02	\$2.98	\$0.76	\$0.00
Bill Increase, \$	\$4.85	\$5.18	\$0.19	\$0.28	\$0.07	\$0.00
% Increase	10.5%	10.5%	10.5%	10.5%	10.5%	--

Table 4-7: Average Other (Non-Agricultural) Producer by Zone, FY 2024 Bill Impact

Non-Agricultural	A	B	C	D	E	F
Average AF/bill	8.7	16.3	7.5	2.7	4.4	3.0
Current Revenue	\$123.17	\$230.34	\$105.61	\$38.40	\$62.70	\$42.39
Proposed Revenue	\$136.15	\$254.61	\$116.74	\$42.44	\$69.31	\$46.86
Bill Increase, \$	\$12.98	\$24.27	\$11.13	\$4.05	\$6.61	\$4.47
% Increase	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%

RESOLUTION NO. 722

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
MAKING FINDINGS AND DETERMINATIONS, ESTABLISHING ZONES,
SETTING RATES AND LEVYING A GROUNDWATER CHARGE
WITHIN THE DISTRICT FOR THE WATER YEAR 2023-2024**

WHEREAS, the District duly noticed a public hearing, pursuant to Water Code Section 75570 et seq. and in accordance with Section 6061 of the Government Code, for the April 26, 2023 meeting of the District’s Board of Directors (“Board”), which notice, among other information, provided notice of receipt the engineering investigation and report (described below) and hearing thereon and invited all operators of water-producing facilities within the District to examine such report and appear and submit evidence concerning the groundwater conditions and the surface water supplies of the District; and

WHEREAS, said public hearing was adjourned to and held at the adjourned special Board meeting on April 28, 2023, at which time the Board invited members of the public and other interested persons, including representatives of operators of water producing facilities within the District, to appear and submit evidence and public comment; and

WHEREAS, evidence presented at the April 28, 2023 meeting of the District’s Board of Directors was in accord with and in support of the continuation of such a charge on all water-producing facilities within the District to finance the District activities and purposes as set forth in Water Code Section 74000 et seq., for the water year 2023-24; and

WHEREAS, evidence was presented at said meeting regarding benefits of the District’s activities which different areas of the District enjoy; and

WHEREAS, evidence was presented, and it is hereby found, that continuation of such a charge is exempt from the provisions of the California Environmental Quality Act by Public Resources Code Section 21080(b)(8); and

WHEREAS, an engineering investigation and report (entitled Forty-Fifth Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District, A Summary of Findings for the Previous Water Year (2021-2022), Current Water Year (2022-2023), and Ensuing Water Year (2023-2024), Draft dated March 10, 2023) was duly prepared by the District’s consulting engineer, Stetson Engineers, Inc., made available for examination as required by law, and submitted to the Board at said meeting pursuant to Water Code Section 75570 et seq., which report provides specific factual data to permit the District to make findings and determinations as required by law; and

WHEREAS, the only comments submitted prior to or at said hearing regarding said report were submitted by Santa Ynez River Water Conservation District, Improvement District No. 1 (“Improvement District No. 1”), and as revised to address Improvement District’s comments the

final Engineering and Survey Report was approved and accepted by the Board of Directors at said April 28, 2023 board meeting and is dated April 28, 2023, and made the findings and determinations set forth at pages 10 and 11 of the Report; and

WHEREAS, this District performs essential regulatory activities in managing, protecting, conserving, augmenting, replenishing, and enhancing the water supplies for users within the District, including groundwater resources within the District. The groundwater charge rates herein establish a reasonable relationship to the burdens on or benefits of the District's activities including those activities described at pages 1 through 4 of the Report; and

WHEREAS, groundwater charges herein established are levied upon those electing to pump groundwater (as defined in Water Code section 75502) and to the extent of groundwater pumping, and such charges serve a regulatory function to encourage water conservation and provide revenue to assist the District to perform its essential regulatory activities to manage, protect, conserve, replenish, augment, and enhance the water supplies for users within the District, including groundwater resources within the District; and

WHEREAS, it is more efficient and effective for the District to continue to provide these activities, which require concentrated, coordinated action on behalf of all District water users, including groundwater users within the District, who by their extraction of groundwater burden the underlying groundwater basin and benefit from the District's services in a manner that non-fee payors do not, rather than to leave such activities to individuals who could neither afford nor effectively act to protect or augment their water resources as individuals; and

WHEREAS, the groundwater charges fund the continuation of groundwater management services performed by the District to mitigate the burdens imposed on the groundwater basin within the District by groundwater extractors for the benefits of the groundwater basin; and

WHEREAS, the District has commissioned preparation of a Rate Study Report by Raftelis to, among things, develop a financial plan and conduct a costs of service study for the District and demonstrate its groundwater charge rates are necessary to cover the reasonable costs of the District's activities and are allocated to persons extracting groundwater within the District in a manner that bears a fair and reasonable relationship to the benefits received from the District's activities consistent with Proposition 26 (California Constitution, Article 13C, § 1), which study has been presented to, discussed with, and considered by the Board; and

WHEREAS, such groundwater charges do not exceed the reasonable costs of the District carrying out its activities, and the manner in which the costs are allocated bear a fair or reasonable relationship to the payor's burden on or benefits received from the District's activities consistent with applicable law including Proposition 26; and

WHEREAS, while property taxes can be used to finance a portion of the costs of the District's activities, existing limitations on property tax revenues, which historically were used to finance District purposes, preclude continuation of District activities without additional financing; and

WHEREAS, the District first implemented a groundwater charge prior to January 1, 1982, to implement the transition from the property taxation system in effect prior to June 1, 1978; and

WHEREAS, the groundwater charges are reasonably related to the District's activities including regulatory and groundwater management services and need to maintain appropriate financial reserves for such purposes, and do not generate a surplus for general revenue purposes; and

WHEREAS, this Board determines that it is in the best interest of the residents, landowners, and water users within the District, including persons operating ground water-producing facilities, that a groundwater charge and several zones be established within the District, and that a groundwater charge be levied at the rates provided for herein within those zones upon those persons who elect to produce groundwater from a water-producing facility within the District.

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

1. The foregoing recitals of fact are true and correct;
2. The Board hereby makes the following findings and determinations pursuant to Water Code Section 75574:
 - (a) The average annual overdraft for the immediate past ten (10) water years (July 2012-June 2022): 4,180 ± acre-feet;
 - (b) The estimated annual overdraft for the current (2022-23) water year (July 2022-June 2023): 300 ± acre-feet;
 - (c) The estimated annual overdraft for the ensuing (2023-24) water year (July 2023-June 2024): 6,200 ± acre-feet;
 - (d) The accumulated overdraft as of the last day of the preceding (2021-22) water year (June 30, 2022): 153,800 ± acre-feet in terms of accumulated dewatered storage. Accumulated overdraft as defined in Water Code Section 75505 is nominal, at this time;
 - (e) The estimated accumulated overdraft as of the last day of the current (2022-23) water year (June 30, 2023): 142,100 ± acre-feet in terms of accumulated dewatered storage. Accumulated overdraft as defined in Water Code 75505 is nominal, at this time;
 - (f) The estimated amount of agricultural and special irrigation water to be withdrawn from the groundwater supplies of the District for the ensuing (2023-24) water year (July 2023-June 2024): 31,680 acre-feet of agricultural water and 2,570 acre-feet of special irrigation water;

- (g) The estimated amount of water other than agricultural water or special irrigation water to be withdrawn from the groundwater supplies of the District for the ensuing (2023-24) water year (July 2023-June 2024): approximately 13,280 acre-feet;
 - (h) The estimated amount of water necessary for surface distribution for the ensuing (2023-24) water year (July 2023-June 2024): approximately 300 acre-feet scheduled to be delivered by the Central Coast Water Agency to contractors within the District;
 - (i) The amount of water, which is necessary for the replenishment of the groundwater supplies of the District: 142,100 ± acre-feet to completely replenish accumulated dewatered storage;
 - (j) The amount of water the District is obligated by contract to purchase: The District is not obligated by contract to purchase water.
3. The Board hereby establishes the following zones within the District based on relative benefits of the District's activities to be received by water producers within such zones:
- Zone A: District portion of the Santa Ynez River alluvial channel from San Lucas Bridge downstream to the Lompoc Narrows, as depicted on Figure 2, Page 14, of the "Forty-Fifth Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District, A Summary of Findings for the Previous Water Year (2021-2022), Current Water Year (2022-2023), and Ensuing Water Year (2023-2024)" FINAL dated April 28, 2023, which is incorporated herein by reference.
 - Zone B: District portion of the Lompoc Plain, Lompoc Upland and Lompoc Terrace groundwater subareas as depicted on said Figure 2;
 - Zone C: All other portions of the District not included in Zones A, B, D, E and F as depicted on said Figure 2;
 - Zone D: District portion of the Buellton Upland subarea as depicted on Figure 2;
 - Zone E: District portion of the Santa Ynez Upland subareas as depicted on Figure 2;
 - Zone F: District portion of the Santa Rita Upland subarea as depicted on Figure 2;
4. A groundwater charge is hereby levied against all persons operating ground water-producing facilities, and the following rates are hereby established and applied to all water produced from such facilities within each zone as shown below for the fiscal year 2023-24:

Zone A

Agricultural Water	\$15.63 per acre-foot
Special Irrigation Water	\$15.63 per acre-foot
Other Water	\$15.63 per acre-foot

Zone B

Agricultural Water	\$15.63 per acre-foot
Special Irrigation Water	\$15.63 per acre-foot
Other Water	\$15.63 per acre-foot

Zone C

Agricultural Water	\$15.63 per acre-foot
Special Irrigation Water	\$15.63 per acre-foot
Other Water	\$15.63 per acre-foot

Zone D

Agricultural Water	\$15.63 per acre-foot
Special Irrigation Water	\$15.63 per acre-foot
Other Water	\$15.63 per acre-foot

Zone E

Agricultural Water	\$15.63 per acre-foot
Special Irrigation Water	\$15.63 per acre-foot
Other Water	\$15.63 per acre-foot

Zone F

Agricultural Water	\$15.63 per acre-foot
Special Irrigation Water	\$15.63 per acre-foot
Other Water	\$15.63 per acre-foot

5. The Board hereby finds and determines, based on substantial evidence including information provided in the above-referenced Report and Rate Study, that groundwater producers within Zones A, B, C, D, E, and F all benefit to substantially the same degree from the District's activities including protecting and defending area water rights and water replenishment against users from outside the District and in local and regional planning for use and augmentation of water supplies for use within the District and in local and regional planning for sustainable groundwater basin management pursuant to SGMA (Water Code § 10720 et seq.).
6. The Board hereby establishes the following methods to compute the amounts of water produced from a ground water-producing facility within the District:

- (a) If the well production is metered by a flow meter, then the meter reading will be utilized.
- (b) If the well is not metered, but has a separate electric meter, then production may be determined from electrical consumption and pump test results, if available. Annual pump tests shall be run whenever possible with the results of the most recent test used to verify and/or adjust meter readings.
- (c) Production may be estimated based upon type of water use, estimated applied unit use, area irrigated, and types of crops grown on land, or number of connections or persons served, or type and quantity of units produced.
- (d) Other criteria may be recommended by the District’s engineer from time to time which will allow the Board to determine with reasonable accuracy the amount of water produced from a ground water-producing facility.

7. In accordance with Public Resources Code Section 21080, subd. (b)(8), the Board hereby finds said groundwater charges are for the purposes set forth therein including meeting the District’s operating expenses, purchasing or leasing supplies, materials or equipment, and meeting financial reserve needs and requirements.

The foregoing resolution being on motion of Director _____, seconded by Director _____, was authorized by the following vote:

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSENT/ABSTAINING, Directors:

I HEREBY CERTIFY that the foregoing resolution is the resolution of said district as duly passed and adopted by said Board of Directors on the 7th of June 2023.

Cynthia Allen, President

Amber M. Thompson, Secretary



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

2023 BOARD OF DIRECTORS ELECTION

OFFICIAL ELECTION BALLOT ATTACHED

This is an official election packet that contains items that require ACTION by your Agency's governing body for the selection of up to three (3) candidates to the SDRMA Board of Directors.

ELECTION PACKET ENCLOSURES

- Election Ballot Instructions
- Official Election Ballot (Action Required)
- Candidate's Statements of Qualifications (4)



SDRMA'S BOARD OF DIRECTORS ELECTION BALLOT INSTRUCTIONS

Notification of nominations for three (3) seats on the Special District Risk Management Authority's (SDRMA's) Board of Directors was mailed to the membership in January 2023.

On May 11, 2023, SDRMA's Election Committee reviewed the nomination documents submitted by the candidates in accordance with SDRMA's Policy No. 2022-06 Establishing Guidelines for Director Elections. The Election Committee confirmed that (4) candidates met the qualification requirements, and those names are included on the Official Election Ballot.

The Official Election Ballot along with a Statement of Qualifications as submitted by each candidate is posted to the SDRMA MemberPlus portal along with these instructions. Election instructions are as follows:

1. The Official Election Ballot must be used to ensure the integrity of the balloting process.
2. Print a copy of this ballot, then select up to three (3) candidates. Your agency's governing body must approve the Official Election Ballot at a public meeting. **Ballots containing more than four (4) candidate selections will be considered invalid and not counted.**
3. The signed Official Election Ballot MUST be sealed and received by mail or hand delivery at SDRMA's office on or before 4:30 p.m. on Tuesday, August 8, 2023 to the address below. Faxes or electronic transmissions are NOT acceptable.

Special District Risk Management Authority
Election Committee
1112 "I" Street, Suite 300
Sacramento, California 95814
4. The four-year terms for newly elected Directors will begin on January 1, 2024, and terminate on December 31, 2027.
5. Important balloting and election dates are:
 - **August 8, 2023: Deadline for members to return the signed Official Election Ballot.**
 - **August 9-11, 2023:** Ballots are opened and counted.
 - **August 10-11, 2023:** Election results are announced, and candidates notified.
 - **November 1-2, 2023:** Newly elected Directors are invited to attend SDRMA board meeting (Sacramento).
 - **January 2024:** Newly elected Directors are seated, and Board officer elections are held.

Please do not hesitate to contact SDRMA's Management Analyst Candice Richardson at crichardson@sdrma.org or 800-537-7790 if you have any questions regarding the election and balloting process.

OFFICIAL 2023 ELECTION BALLOT
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
BOARD OF DIRECTORS

VOTE FOR ONLY THREE (3) CANDIDATES

Mark each selection directly onto the ballot, voting for no more than three (3) candidates. Each candidate may receive only one (1) vote per ballot. A ballot received with more than three (3) candidates selected will be considered invalid and not counted. All ballots must be sealed and received by mail or hand delivery at SDRMA on or before 4:30 p.m., Tuesday August 8, 2023. Faxes or electronic transmissions are NOT acceptable.

- ROBERT SWAN** (INCUMBENT)
Director, Groveland Community Services District

- ACQUANETTA WARREN**
Vice Chair, Local Agency Formation Commission for San Bernardino County

- JESSE CLAYPOOL** (INCUMBENT)
Board Chair, Honey Lake Valley Resource Conservation District

- SANDY SEIFERT-RAFFELSON** (INCUMBENT)
General Manager, Herlong Public Utility District

ADOPTED this ____ day of _____, 2023 by the:

at a public meeting by the following votes:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST:

APPROVED:

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate* Bob Swan
District/Agency Groveland Community Services District (GCSD)
Work Address P.O. Box 350, Groveland CA 95321
Work Phone (209) 962-7131 Cell Phone (408) 398-4731

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I have been a member of the SDRMA Board for two terms. I would like to be elected to a third term because:

1. As a board member of Groveland CSD, I am very aware of the great value that smaller districts get from their membership in SDRMA, and I'd like to continue to support the Authority's great member services.
2. While the organization continues to operate well, thanks to its experienced and motivated staff, we are once again going through a period of management change. I believe that Board continuity is particularly important at such a time.
3. The California re-insurance market continues to be challenging. I believe that my eight years of board experience will be helpful as we negotiate the potentially tricky economic future.
4. Personally, I feel that we have a very well-functioning and collegial Board, and I find it both challenging and enjoyable to be part of it.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

1. SDRMA Board: Member since 2016, presently Vice President. I am our representative on the CSDA Legislative Committee (and a member in my own right), and on the Alliance Executive Council.
2. Groveland CSD Board: Member since appointment in June 2013. I was Board President 2014-2018.
3. Member of Board of Southside Community Connections, which is a 501(c)(3) nonprofit in Groveland that provides transportation, educational, social and recreational services to seniors and differently-abled folks in the Groveland area. I was on this Board from 2018 through 2022, mostly as Treasurer.
4. Board Member (Treasurer) of Pine Cone Performers, a local community choral and acting group, since 2010.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have? (Response Required)

Background: BS Physics, MS Computer Science. 3 years in USAF. 30 years in the semiconductor industry as engineer, engineering manager, business unit director.

Skills, etc.: Very familiar with financial reports and cost accounting. Working knowledge of computer and communications technology. In my work life, I managed geographically distributed organizations with up to 150 technical personnel and up to \$120 million in annual sales. I'm pretty good at helping groups work together to achieve consensus (or, failing that, acceptable compromise).

In recent years, most of my volunteer work has been in driving folks (who can't drive themselves) to medical appointments, shopping, and the like. This is one of the services of Southside Community Connections.

I'm also a pretty decent choral singer, but that's not relevant to this application.

What is your overall vision for SDRMA? (Response Required)

Our vision statement is "To be the exemplary public agency risk pool of choice for California special districts and other public agencies". To achieve this vision, I believe we must focus on:

(1) maintaining long-term financial stability, by ensuring that there is a fair allocation of cost versus risk across the membership, continuously evaluating the appropriate level of risk retention, and using creative ideas like our "captive" reinsurance agency to enhance our cash position.

(2) continue to expand our risk management training and assistance services. We have made significant improvements in this area by bring it internal to the Authority.

(3) continue to emphasize services to our core membership: small to mid-sized districts with limited options for insurance.

(4) ensure that SDRMA remains a desirable workplace, and maintain our highly-qualified and responsive staff.

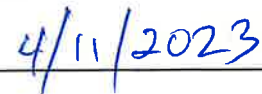
Above all, remember that this is an insurance pool, owned by its member agencies, and maintain an overarching focus on member service and support. Make certain that we will be here for our members.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date



**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted**. No statements are endorsed by SDRMA.

Candidate* **ACQUANETTA WARREN**
 District/Agency **Local Agency Formation Commission (LAFCO) for San Bernardino County**
 Work Address **1170 W. Third Street, Unit 150, San Bernardino, CA 92415-0490**
 Work Phone **(909)388-0480** Home Phone

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

As a City Mayor I have been fortunate to serve on regional boards that include special district representation: San Bernardino Countywide Oversight Board and Southern California Water Coalition's Board of Trustees. I realize that special districts, especially the smaller districts, are not included in the conversation for a variety of matters. Currently, I serve on San Bernardino LAFCO and the California Association of LAFCOs, which do have robust special district representation. I believe that my skills, experience, and understanding can contribute to SDRMA. Specifically, I want to contribute by developing programs that would help member agencies maximize their protection and minimize their risks.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I currently serve as mayor for the City of Fontana. This is my fourth term, and my focus has been bolstering economic development, creating educational opportunities, improving public safety, and advocating for a healthier community. As mayor, I have been fortunate to serve on:

- San Bernardino LAFCO since 2014, serving currently as Vice Chair of the Commission. I am also a Board Member of the statewide organization of LAFCOs, CALAFCO, serving as Treasurer
- San Bernardino County Transportation Authority: Board of Directors, General Policy Committee, and Transit Committee
- San Bernardino County Racial Equity Committee for the San Bernardino Council of Governments
- San Bernardino Countywide Oversight Board

In addition, I am the current Chair for the Southern California Water Coalition's Board of Trustees as well as Co-Chair of its Task Force for Water Equity, Access, and Affordability.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**


Aside from being Mayor for the City of Fontana, I am currently the District Director for the Second Supervisorial District for San Bernardino County and I coordinate district services and communications with constituents, I oversee community outreach efforts, as well as supervise district staff.

In addition to local-level involvement, I have served on the State Park Commission and as a trustee of the United States Conference of Mayors, an official non-partisan organization of cities in the United States with populations of 30,000 or more. I have also served in community organizations such as Water/Recycled Water Projects and Development Processing for New Communities, Casa Colina Rehabilitation Hospital Board of Directors, and the Upland YMCA Board of Directors.

What is your overall vision for SDRMA? (Response Required)

My vision for SDRMA is to ensure that it continues to be the best risk management agency, who will continue to listen and communicate with its member agencies. I would strive to make sure SDRMA continues to provide excellent service, provide educational and training programs that are beneficial to its member agencies, and offer more resources that add value to its members. Lastly, I want to make sure SDRMA operates in the highest ethical manner with complete transparency.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature  Date 4/25/2023

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate* Jesse D. Claypool
District/Agency Honey Lake Valley Resource Conservation District
Work Address USDA Service Center 170 Russell Avenue, Suite C, Susanville, CA 96130
Work Phone 530-257-7271 Cell Phone 530-310-0232

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

My interest for being on the SDRMA Board of Directors is because I believe it is imperative for there to be a knowledgeable and experienced voice on the Board with the perspective of the small to mid-size special district. In addition, I am eager to continue working with SDRMA staff and fellow Board members, providing relevant and affordable solutions, available to all special districts.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

The vast amount of understanding and experience that I've gained as a current member of the SDRMA Board of Directors will undoubtedly aide as I continually strive to be an increasingly effective member of the SDRMA Board of Directors going forward.

In addition to being a current SDRMA Board member, I am currently Chairman of the Board for the Honey Lake Valley Resource Conversation District and a board member of a Regional Water Managment Group. Previously I have served on the following, Lassen County's Civil Grand Jury, two terms, CSDA Professional Development committee, two terms, Janesville Union School District trustee, Technical Advisory Committee for the prevention of violence against schools K-12, two terms, and CSDA Member Services committee, two terms.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**


What special skills, talents, or experience (including volunteer experience) do you have? (Response Required)

I have attended various board member trainings and completed leadership and governance classes, including the following; CSDA's Extraordinary Leadership Training and CSDA's Special District Leadership Academy. I have received CSDA's Recognition in Special District Governance certificate and successfully completed Executive Education in Public Policy at University of Southern California, Sol Price School of Public Policy.

What is your overall vision for SDRMA? (Response Required)

My continued vision for SDRMA is to be effective within the communities they serve. With focused attention to affordable solutions, administered by a team of highly dedicated professional staff, SDRMA will continue to be an industry leader providing affordable solutions to its members.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature  Date 4/20/2023

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted**. No statements are endorsed by SDRMA.

Candidate* Sandy Seifert-Raffelson
District/Agency Herlong Public Utility District
Work Address P O Box 115, Herlong CA 96113
Work Phone (530)827-3150 Cell Phone (530)310-4320

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I am a current Board member of SDRMA and feel that I have added my financial and general manager background to make a better-informed decision for SDRMA members. As a Board member, I continue to Improve my education of insurance issues and look forward to representing small District's and Northern California as a voice on the SDRMA Board. I feel I am an asset to the Board with my degree in Business and my 35 plus years' experience in accounting and special districts.

I understand the challenges that small District face every day when it comes to managing liability insurance, worker's compensation and health insurance for a few employees with limited revenue and staff. My experience in small districts give me an appreciation of the importance of risk management services and programs, especially for smaller District that lack expertise within.
I feel I am an asset to this Board, and would love a chance to stay on 4 more years!

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

While serving on the SDRMA Board, I have been privilege to be Secretary of the Board, Vice-President and currently President. I have served on CSDA's Audit and Financial committee's for several year; I have served on the SRLF Board and current President; Northeastern Rual Health Clinic Board; Fair Board; School and Church boards; 4-H Council and leader for 18 years; and UC Davis Equine Board. In the past 30 years, I have learn that there is no "I" in Board and it can be very rewarding to part of a team that makes a difference for others.

As part of my many duties working for Herlong PUD, I worked to form the District and was directly involved with LAFCo, Lassen County Board of Supervisors and County Clerk to establish the initial Board of Directors and first policies for HPUD. I have administered the financial portion of 2 large capital improvement projects with USDA as well as worked on the first ever successful water utility privatization project with the US Army and department of Defense. I am currently in the middle of a 14 million infrastructure project with SRF monies. I am also the primary administrator of two federal contract for utility services.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have? (Response Required)

I have my Bachelor's Degree in Business with a minor in Sociology. I have audit small districts and worked for a small district for almost 18 years. I am a good communicator and organizer. I have served on several Boards and feel I work well within groups or special committee. I am willing to go that extra mile to see things get completed.

I believe in recognition for jobs well done. I encourage incentive programs that get members motivated to participate and strive to do their very best to keep all losses at a minimum and reward those with no losses.

With HPUD and with SDRMA both boards and employees have worked hard to receive their District of Distinction and their District of Transparency.

I feel I am a good leader with people skills that can accomplish what is necessary to keep a District or JPA moving forward.

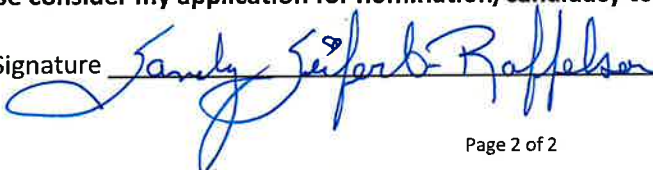
What is your overall vision for SDRMA? (Response Required)

SDRMA Staff and Board work together to bring Special Districts affordable insurance for the pool they serve. By

listening to the needs of all California Special Districts and meeting those needs at a reasonable price that Special Districts can afford. I would continue advocating for these continued efforts and rewarding continue education for all Districts and employees.

I see SDRMA pool continuing for centuries and serving those needs.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature  Date 4/17/2023