

## **REGULAR MEETING MINUTES**

### **SANTA YNEZ RIVER WATER CONSERVATION DISTRICT MARCH 15, 2023**

A regular meeting of the Board of Directors of the Santa Ynez River Water Conservation District was held on Wednesday, March 15, 2023, at 6:30 p.m. at the Buellton City Council Chambers, 140 West Highway 246, Buellton, California, as authorized by Resolution No. 719 of the Board of Directors of the Santa Ynez River Water Conservation District that was passed on February 16, 2023.

Directors Present: Cynthia Allen, Art Hibbits, and Brett Marymee

Directors Absent: Mark Altshuler and Steve Jordan

Others Present, in-person: Groundwater Program Manager Bill Buelow and  
Board Secretary Amber Thompson

Others Present, remote participation: Michelle Gearhart (Adamski Moroski Madden Cumberland & Green LLP, during closed session only), and Steve Torigiani (Young Wooldridge)

#### **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 Jordan absent.

#### **2. PLEDGE OF ALLEGIANCE**

President Allen led the Pledge of Allegiance.

#### **3. ADDITIONS, IF ANY, TO THE AGENDA**

There were no additions to the agenda.

President Allen announced there was a request to move CLOSED SESSION and RECONVENE INTO OPEN SESSION / CLOSED SESSION REPORT to earlier in the meeting. All Directors agreed and Item 14, CLOSED SESSION, and Item 15, RECONVENE INTO OPEN SESSION / CLOSED SESSION REPORT, were moved to be addressed after Agenda Item 3 and before Item 4.

#### **4. PUBLIC COMMENT**

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

**5. CONSIDERATION OF THE MINUTES OF THE REGULAR MEETING HELD DECEMBER 7, 2022 AND SPECIAL MEETING HELD FEBRUARY 16, 2023**

President Allen submitted the minutes of the Regular Meeting held December 7, 2022 and of the Special Meeting held February 16, 2023 for Board approval. There was no discussion or public comment.

Director Hibbits made a **MOTION** to approve the minutes of the Regular Meeting held December 7, 2022 and of the Special Meeting held February 16, 2023, as presented. Director Marymee seconded, and the motion passed 3-0-2, with Directors Altshuler and Jordan absent.

**6. GENERAL MANAGER REPORT**

a. Surface Water Report

On behalf of Mr. Walsh, Mr. Buelow reviewed the Surface Water Report of the General Manager's Report from Mr. Walsh, dated March 15, 2023, the Rainfall and Reservoir Summary, Cachuma Daily Operations, and Downstream Users Accounting. Discussion followed. There was no public comment and no action.

b. Financial Reports

i. Quarterly Comparison Balance Sheet

Ms. Thompson passed out a revised Quarterly Comparison Balance Sheet and explained the reason for the revision. The Board reviewed the revised Quarterly Comparison Balance Sheet. There was no discussion, no public comment, and no action.

ii. Balance Sheet & Income Statement, FY 2022-23 Period 7, January 2023

Ms. Thompson passed out a revised Balance Sheet and explained the reason for the revision. On behalf of Mr. Walsh, Ms. Thompson presented the financial reports and notable items for Period 7 of FY 2022-23, as referenced in the General Manager's Report from Mr. Walsh, dated March 15, 2023. There was no discussion, no public comment, and no action.

iii. Approval of Warrant Lists for November, December 2022, and January 2023

On behalf of Mr. Walsh, Ms. Thompson presented the Warrant Lists for November, December 2022, and January 2023. There was no discussion or public comment.

Director Marymee made a **MOTION** to approve the November, December 2022, and January 2023 warrant lists which include check #s 1066-1108 plus transfers and ACH transactions totaling \$223,053.19. Director Hibbits seconded, and the motion passed 3-0-2, with Directors Altshuler and Jordan absent.

c. Investments

i. Consider Investment Policy Revisions

On behalf of Mr. Walsh, Ms. Thompson reviewed the Review and Revision to District Investment Policy Memorandum from Mr. Walsh, dated March 15, 2023. The Board reviewed the revised Operating Procedures Investment Program page of the Investment Policy. There was no discussion and no public comment.

ii. Consider Resolution No. 720, Adopting Revised Investment Policy

Ms. Thompson presented Resolution No. 720, RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT ADOPTING A REVISED INVESTMENT POLICY. There was no discussion or no public comment.

Director Marymee waived the reading of the Resolution and made a **MOTION** to approve Resolution No. 720, RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT ADOPTING A REVISED INVESTMENT POLICY. Director Hibbits seconded, and the motion passed 3-0-2 by the following roll call vote:

AYES, Directors: Allen, Hibbits, Marymee  
NOES, Directors: None  
ABSENT, Directors: Altshuler, Jordan

iii. Consider Resolution No. 721, Transferring Funds from County Treasury Investment Pool and Close Account

On behalf of Mr. Walsh, Ms. Thompson reviewed the Close Account with County of Santa Barbara Investment Fund (SBIF) Memorandum from Mr. Walsh, dated March 15, 2023 and presented Resolution No. 721, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT TRANSFERRING FUNDS FROM THE COUNTY TREASURY INVESTMENT POOL AND CLOSE ACCOUNT. There was no discussion or no public comment.

Director Hibbits waived the reading of the Resolution and made a **MOTION** to approve Resolution No. 721, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT TRANSFERRING FUNDS FROM THE COUNTY TREASURY INVESTMENT POOL AND CLOSE ACCOUNT. Director Allen seconded, and the motion passed 3-0-2 by the following roll call vote:

AYES, Directors: Allen, Hibbits, Marymee  
NOES, Directors: None  
ABSENT, Directors: Altshuler, Jordan

## 7. BOARD SECRETARY AND DISTRICT ADMINISTRATOR REPORT

### a. Receipt of the Draft 45<sup>th</sup> Annual Report for review

Ms. Thompson announced that on March 10, 2023, she received the 45<sup>th</sup> 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 (Report) and that she posted it on the District's website for public access.

Mr. Buelow added that the Report will be reviewed at the special meeting and Public Hearing to be held in April. A hard copy of the Report can be printed upon request.

### b. Required Conflict of Interest Form 700 Filing

Ms. Thompson reported on the current Conflict of Interest Form 700 filing status of Directors and staff.

### c. Required Ethics and Harassment Prevention Training

Ms. Thompson reported of the requirement to complete Ethics and Harassment Prevention training every two years and completion of these trainings are due in 2023. She provided information about the compliance training through the California Special Districts Association (CSDA) available to District staff and Directors at no cost.

## 8. GROUNDWATER PROGRAM MANAGER REPORT

### a. Groundwater Production, Reporting and Charges

#### i. Update on Groundwater Revenue

Mr. Buelow reviewed income received from Groundwater Pump Charges and Groundwater Production reported to date. There was no discussion, no public comment, and no action.

#### ii. Update on Well Registration and Groundwater Production Reporting

Mr. Buelow provided an update on Well Registrations and Groundwater Production Reporting including efforts to register unregistered or new wells in the District and efforts related to groundwater production of properties located in the Santa Ynez Uplands due to reports received regarding disconnected ID No. 1 service. Discussion followed. There was no public comment and no action.

### b. Sustainable Groundwater Management Act (SGMA) Update

#### i. Update on Well Verifications

Mr. Buelow reported that Member Agency staff from each of the three GSAs are processing well verification requests. To date, three wells have been issued well verifications in the EMA, two in the CMA and two in the WMA. In addition, there are four well verification requests for the EMA and one in the CMA currently under review by the consultant. There was no discussion, public comment or action.

ii. Update on Basin Governance

Mr. Buelow reported that staff from the Member Agencies continue to discuss and work on Joint Powers Agreement (JPA) creation for each management area. Discussion followed. There was no public comment and no action.

**9. ATTORNEY REPORT**

Legal Counsel Steve Torigiani reported on multiple legislative efforts on water rights reform as well as AB557 to eliminate the sunset date of AB361. Discussion followed.

Directors, by consensus, directed staff to submit a letter in support of AB557 signed by the General Manager, as recommended by the CSDA.

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

Director Hibbits reported that his son is working for a vineyard consulting company that currently has a well verification request submitted to the EMA GSA and could possibly have dealings with properties in the other GSAs where he represents the District on the GSA Committee. He asked for precautionary practices to follow and if he should recuse himself from well verifications in certain circumstances.

Director Marymee requested an update on Santa Barbara County's Cloud Seeding efforts. President Allen responded that she received the most recent Cloud Seeding report from Santa Barbara County and will forward it to Ms. Thompson to distribute to all Directors and staff.

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

Director Hibbits, during discussion of Agenda Item 6.a., requested a review and discussion about Bureau of Reclamation's Winter Storm Operations, including water releases from Lake Cachuma, flooding to agriculture along the Santa Ynez River, problems created by willows in the River, and water quality of the River.

Director Marymee agreed with Director Hibbits' request and additionally requested the update include how Winter Storm Operation releases affected critical points along the Santa Ynez River.

Director Marymee requested the SGMA Update include reporting on the happenings of each GSA meeting and requested an update of SGMA Governance for the April meeting.

**12. CONSIDER DATE OF NEXT MEETING TO BE SCHEDULED AS A SPECIAL MEETING INCLUDING A PUBLIC HEARING FOR THE ANNUAL REPORT DURING APRIL 2023**

The next meeting of the Board will be a special meeting including a Public Hearing on the 45<sup>th</sup> 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 to be held on Wednesday, April 26, 2023, at 6:30 p.m., at the Buellton City Council Chambers, 140 West Highway 246, Buellton, California.

**13. 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.

**14. CLOSED SESSION**

This agenda item was moved directly after Agenda Item No. 3. The Board convened into Closed Session from 6:34 p.m. to 7:23 p.m. to discuss the following items:

- a. Conference with Legal Counsel - Pending Litigation (Gov. Code, § 54956.9, subd. (d)(1)): Wolff vs SYRWCD, Superior Court of California, County of Santa Barbara, Case No. 20CV01552 and Case No. 22CV02062.
- b. Conference with Legal Counsel – Pending Litigation (Gov. Code, § 54956.9, subd. (d)(1)) relating to proceedings pending before the State Water Resources Control Board (SWRCB) regarding Permits 11308 and 11310 issued on Applications 11331 and 11332 of the United States Bureau of Reclamation for the Cachuma Project, and complaints filed by the California Sport Fishing Protection Alliance regarding the operation of the Cachuma Project and SWRCB Order WR 89-18; proposed changes to the place and purpose of use of waters obtained through aforementioned permits for the Cachuma Project; and Reclamation’s Petition for Reconsideration or Rehearing re Order WR 2019-0148; and proceedings related to SWRCB Permit No. 15878 (Application A022423) held by the City of Solvang including the City of Solvang’s Petitions for Change and Extension of Time.
- c. Conference with Legal Counsel – Anticipated Litigation (Gov. Code, § 54956.9, subd. (d)(2)): Significant exposure to litigation (Two Matters).
- d. Conference with Legal Counsel – Anticipated Litigation (Gov. Code, § 54956.9, subd. (d)(4)): Possible initiation of litigation (Two Matters).

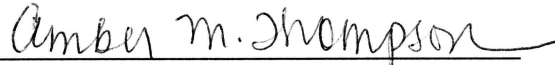
**15. RECONVENE INTO OPEN SESSION / CLOSED SESSION REPORT**

President Allen advised there is nothing to report from Closed Session. The meeting continued with Agenda Item No. 4.

16. ADJOURNMENT

There being no further business, President Allen adjourned the meeting at 8:56 p.m.

  
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Cynthia Allen, President

  
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Amber M. Thompson, Secretary

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT  
NOVEMBER 2022 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	11/2/2022	Payroll	October 16-31, 2022 Salary	\$ 10,314.89
ACH	11/2/2022	Employment Development Dept.	EDD Tax Deposit (October 16-31, 2022)	\$ 1,084.89
ACH	11/2/2022	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (October 16-31, 2022)	\$ 5,784.77
ACH	11/2/2022	Lincoln Financial Group	401a Plan Employer Match (partial due 10/15/22)	\$ 532.11
ACH	11/2/2022	Lincoln Financial Group	401a Plan Employer Match (partial due 10/31/22)	\$ 483.23
1066	11/10/2022	Shirley Scales Bookkeeping	October 2022 GW Admin Service	\$ 3,762.00
1067	11/10/2022	Alex Pappas	October 2022 Water Rights Release Monitoring and support with GIS and well location map	\$ 3,352.00
1068	11/10/2022	Amber Thompson	Expense Reimbursement October 2022 mileage	\$ 59.38
1069	11/10/2022	Bartlett Pringle Wolf	FY 2021-22 Financial Audit	\$ 1,782.00
1070	11/10/2022	GSI Water Solutions Inc.	September 2022 Satellite Imagery Water Use Pilot Study	\$ 1,910.00
1071	11/10/2022	Jim Heyerly	November 2022 Rent	\$ 1,500.00
1072	11/10/2022	Pacific Gas & Electric	October 2022 Electric Service	\$ 210.15
1073	11/10/2022	Staples	Office Supplies	\$ 393.36
1074	11/10/2022	Stetson Engineers	September 2022 Engineering Service	\$ 9,704.86
1075	11/10/2022	US Bank Corp	October 2022 CalCard	\$ 2,308.38
1076	11/10/2022	Valley Bookkeeping Services	October 2022 Bookkeeping	\$ 380.00
1077	11/10/2022	Young Wooldridge	October 2022 Legal Service	\$ 8,371.01
1078	11/10/2022	Alex Pappas	October 2022 Water Rights Release Mileage Expense	\$ 496.88
Transfer	11/15/2022	CMA GSA	November 2022 Cost Share	\$ 7,216.65
Transfer	11/15/2022	WMA GSA	November 2022 Cost Share	\$ 1,917.45
ACH	11/17/2022	Payroll	November 1-15, 2022 Salary	\$ 10,707.04
ACH	11/17/2022	Employment Development Dept.	EDD Tax Deposit (November 1-15, 2022)	\$ 1,099.26
ACH	11/17/2022	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (November 1-15, 2022)	\$ 5,221.70
ACH	11/17/2022	Lincoln Financial Group	401a Plan Employer Match (partial due 11/15/22)	\$ 483.23
ACH	11/17/2022	Lincoln Financial Group	457 Plan Employee Deferred Comp. (11/15/22) & Employer Match (partial due 11/15/22)	\$ 2,364.33
ACH	11/17/2022	SDRMA	December 2022 Insurance - Employee Benefits	\$ 606.91
<b>TOTAL</b>				<b>\$ 82,046.48</b>



**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT  
DECEMBER 2022 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	12/2/2022	Payroll	November 16-31, 2022 Salary	\$ 11,034.51
ACH	12/2/2022	Cynthia Allen	Meeting: 11/17 EMA and 11/28/22 CMA	\$ 138.52
ACH	12/2/2022	Steve Jordan	Meetings: 11/16/22 WMA	\$ 69.26
ACH	12/2/2022	Brett Marymee	Meeting:11/17/22 EMA	\$ 69.26
ACH	12/6/2022	Employment Development Dept.	EDD Tax Deposit (November 16-31, 2022)	\$ 1,092.07
ACH	12/6/2022	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (November 16-31, 2022)	\$ 4,502.07
ACH	12/6/2022	Lincoln Financial Group	457 Plan Employee Deferred Comp. (11/30/22) & Employer Match (partial due 11/30/22)	\$ 2,434.68
ACH	12/9/2022	Lincoln Financial Group	401a Plan Employer Match (partial due 11/30/22)	\$ 483.23
1080	12/14/2022	GSI Water Solutions Inc.	October 2022 Satellite Imagery Water Use Pilot Study	\$ 2,980.00
1081	12/14/2022	Pacific Gas & Electric	November 2022 Electric Service	\$ 127.96
1082	12/14/2022	VOID	VOID - pinting error	\$ -
1083	12/14/2022	Bartlett Pringle Wolf	FY 2021-22 Financial Audit	\$ 8,992.00
1084	12/14/2022	California Special Districts	2023 Annual Dues	\$ 3,391.00
1085	12/14/2022	Inklings Printing Co.	GW pamphlet and newsletter	\$ 158.81
1086	12/14/2022	Jim Heyerly	December 2022 Rent	\$ 1,500.00
1087	12/14/2022	Santa Barbara Co. Chapter CSDA	2023 Annual Dues	\$ 150.00
1088	12/14/2022	Shirley Scales Bookkeeping	November 2022 GW Admin Service	\$ 6,137.00
1089	12/14/2022	Stetson Engineers	October 2022 Engineering Service	\$ 7,582.78
1090	12/14/2022	US Bank Corp	November 2022 CalCard	\$ 1,744.51
1091	12/14/2022	Young Wooldridge	November 2022 Legal Service	\$ 1,947.00
1092	12/14/2022	VOID	VOID - pinting error	\$ -
1093	12/14/2022	Alex Pappas	November 2022 Water Rights Release Monitoring & mileage expense and support with GW use GIS	\$ 1,575.75
1094	12/14/2022	Valley Bookkeeping Services	November 2022 Bookkeeping and software conversion	\$ 860.00
1095	12/14/2022	Education and Training Services	Public Utilities & Waterworks Management & Supervisory Leadership Training Program, Feb. 6-8, 2023 (Solvang, CA) Attendee: Amber Thompson	\$ 499.00
ACH	12/15/2022	SDRMA	January 2023 Insurance - Employee Benefits	\$ 603.44
ACH	12/19/2022	Payroll	December 1-15, 2022 Salary	\$ 11,234.50
ACH	12/19/2022	Employment Development Dept.	EDD Tax Deposit (December 1-15, 2022)	\$ 1,092.07
ACH	12/19/2022	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (December 1-15, 2022)	\$ 4,056.17
ACH	12/21/2022	Lincoln Financial Group	401a Plan Employer Match (partial due 12/15/22)	\$ 483.23
ACH	12/21/2022	Lincoln Financial Group	457 Plan Employee Deferred Comp. (12/15/22) & Employer Match (partial due 12/15/22)	\$ 2,434.68
<b>TOTAL</b>				<b>\$ 77,373.50</b>

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT**  
**JANUARY 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	1/3/2023	Payroll	December 16-31, 2022 Salary	\$ 10,054.58
ACH	1/3/2023	Cynthia Allen	Meeting: 12/7 SYRWCD	\$ 69.26
ACH	1/3/2023	Art Hibbits	Meeting: 12/7 SYRWCD	\$ 69.26
ACH	1/3/2023	Steve Jordan	Meeting: 12/7 SYRWCD	\$ 69.26
ACH	1/3/2023	Brett Marymee	Meeting: 12/7 SYRWCD	\$ 69.26
ACH	1/6/2023	Employment Development Dept.	EDD Tax Deposit (December 16-31, 2022)	\$ 1,044.40
ACH	1/6/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (December 16-31, 2022)	\$ 5,735.70
ACH	1/9/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (12/31/22) & Employer Match (partial due 12/31/22)	\$ 2,900.68
ACH	1/9/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 12/31/22)	\$ 483.23
1096	1/12/2023	GSI Water Solutions Inc.	November 2022 Satellite Imagery Water Use Pilot Study	\$ 512.50
1097	1/12/2023	Pacific Gas & Electric	December 2022 Electric Service	\$ 110.00
1098	1/12/2023	Stetson Engineers	November 2022 Engineering Service (#2685-053)	\$ 382.00
1099	1/12/2023	Alex Pappas	December 2022 Support with Satellite Imagery Study and Draft Cachuma Biological Assessment	\$ 600.00
1100	1/12/2023	Amber Thompson	Expense Reimbursement Nov.-Dec. 2022 mileage	\$ 161.79
1101	1/12/2023	Jim Heyerly	January 2023 Rent	\$ 1,500.00
1102	1/12/2023	Shirley Scales Bookkeeping	December 2022 GWAdmin Service	\$ 3,306.00
1103	1/12/2023	Staples	Office Supplies	\$ 12.34
1104	1/12/2023	Stetson Engineers	November 2022 Engineering Service (#1126-2305)	\$ 8,352.36
1105	1/12/2023	US Bank Corp	December 2022 CalCard	\$ 977.51
1106	1/12/2023	Valley Bookkeeping Services	December 2022 Bookkeeping	\$ 380.00
1107	1/12/2023	William Buelow	Expense Reimbursement mileage (12/7/2022-1/6/2023)	\$ 45.51
1108	1/12/2023	Young Wooldridge	December 2022 Legal Service	\$ 6,015.76
ACH	1/17/2023	Payroll	January 1-15, 2023 Salary	\$ 10,195.89
ACH	1/17/2023	Employment Development Dept.	EDD Tax Deposit (January 1-15, 2023)	\$ 994.67
ACH	1/17/2023	Five Star Bank (Payroll Acct)	Payroll Tax Deposit (January 1-15, 2023)	\$ 5,598.20
ACH	1/17/2023	Lincoln Financial Group	457 Plan Employee Deferred Comp. (1/15/23) & Employer Match (partial due 1/15/23)	\$ 2,900.68
ACH	1/17/2023	Lincoln Financial Group	401a Plan Employer Match (partial due 1/15/23)	\$ 483.23
ACH	1/17/2023	SDRMA	February 2023 Insurance - Employee Benefits	\$ 609.14
<b>TOTAL</b>				<b>\$ 63,633.21</b>

**RESOLUTION NO. 720**

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

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

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

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

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

**WHEREAS**, the Board of Directors determined that modifications are needed in the Investment Policy.

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

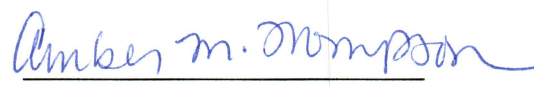
**WE, THE UNDERSIGNED**, being the fully qualified and acting President and Secretary, respectively, of the Board of Directors of the Santa Ynez River Water Conservation District, County of Santa Barbara, California, do hereby certify that the above and foregoing Resolution was duly adopted and passed by the Board of Directors of said District at a regular meeting duly held on the 15<sup>th</sup> day of March 2023 by the following roll call vote:

**AYES**, and in favor thereof, Directors: Cynthia Allen  
Art Hibbits  
Brett Marymee

**NOES**, Directors: None

**ABSENT/ABSTAINING**, Directors: Mark Altshuler  
Steve Jordan

  
Cynthia Allen, President

  
Amber M. Thompson, Secretary

# SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

## INVESTMENT POLICY

(Adopted by Resolution No. 720, dated March 15, 2023)

### 1.0 INTRODUCTION

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

### 2.0 SCOPE

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

### 3.0 PRUDENCE

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

#### 4.0 OBJECTIVES

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

- A. Safety: Safety of principal is the foremost objective of the investment program. Investments of the SYRWCD shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- B. Liquidity: The investment portfolio will remain sufficiently liquid to enable to the SYRWCD to meet all operating requirements which might be reasonably anticipated.
- C. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

#### 5.0 DELEGATION OF AUTHORITY

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

#### 6.0 ETHICS AND CONFLICTS OF INTEREST

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

## 7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

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

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

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

## 8.0 AUTHORIZED AND SUITABLE INVESTMENTS

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

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

## 9.0 SAFEKEEPING AND CUSTODY

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

## 10.0 DIVERSIFICATION

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

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

## 11.0 REPORTING

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

## 12.0 INVESTMENT POLICY ADOPTION

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

### Attachments:

Figure 1

Operating Procedures

Government Code sections 53600 through 53610



SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

OPERATING PROCEDURES

INVESTMENT PROGRAM  
(REFERENCE INVESTMENT POLICY)  
(Approved March 1, 2023)

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

**RESOLUTION NO. 721**

**A RESOLUTION OF THE OF THE BOARD OF DIRECTORS OF THE  
SANTA YNEZ RIVER WATER CONSERVATION DISTRICT  
TRANSFERRING FUNDS FROM THE COUNTY TREASURY  
INVESTMENT POOL AND CLOSE ACCOUNT**

**WHEREAS**, the Santa Ynez River Water Conservation District (herein "District") Board of Directors is a local governmental agency formed and authorized to provide services within its jurisdiction, pursuant to Section 74000 et seq. of the California Water Code; and

**WHEREAS**, the District adopted and passed Resolution No. 582, on March 5, 2003, authorizing investment and withdrawal of District funds in the County of Santa Barbara Pooled Treasury Investment Fund; and

**WHEREAS**, the District adopted and passed Resolution No. 588, on April 29, 2003, supplementing Resolution No. 582 authorizing investment and withdrawal of District funds in the County of Santa Barbara Pooled Treasury Investment Fund; and

**WHEREAS**, the County of Santa Barbara Pooled Treasury Investment Fund is now recognized as the Santa Barbara County Treasury Investment Pool; and

**WHEREAS**, the District is a voluntary participant in Santa Barbara County Treasury Investment Pool; and

**WHEREAS**, the District acknowledges Government Code Section 27136 which pertains to requests, evaluation, and approval criteria for withdrawal of funds on deposit from the Santa Barbara County Treasury Investment Pool; and

**WHEREAS**, in accordance with Government Code Section 27136, the District intends to withdraw the District's money from Fund Number 5801 of the Santa Barbara County Treasury Investment Pool and transfer monies to other District owned investment accounts held at California Cooperative Liquid Assets Security System (California CLASS), and/or California State Treasurer's Local Agency Investment Fund (LAIF); and

**WHEREAS**, District staff recommends the transfer of funds and closing of Fund Number 5801 of the Santa Barbara County Treasury Investment Pool and recognizes a no option to re-enter clause exists.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Santa Ynez River Water Conservation District hereby declares and authorizes as follows:

1. The amount of District funds held in Fund Number 5801 of the Santa Barbara County Treasury Investment Pool to the District to be withdrawn is \$143,456.58 plus any

interest earned but not deposited since January 1, 2023 for the purpose of transferring to District owned investment accounts held at California Cooperative Liquid Assets Security System (California CLASS), and/or California State Treasurer's Local Agency Investment Fund (LAIF).

2. The Board of Directors acknowledges and is willing to be bound by the 30-day written notice requirement for withdrawals.
3. The Board of Directors acknowledges and accepts the County Treasurer's ability to deduct pro-rata administrative charges permitted by Section 27013 of the Government Code.
4. The Board of Directors acknowledges and accepts the closure of Fund Number 5801 of the Santa Barbara County Treasury Investment Pool with no option to re-enter the investment pool.
5. The General Manager and/or Treasurer is authorized to execute the withdrawal of District funds and closure of Fund Number 5801 of the Santa Barbara County Treasury Investment Pool.

**WE, THE UNDERSIGNED**, being the duly qualified and acting President and Secretary, respectively, of the Board of Directors of the Santa Ynez River Water Conservation District, do hereby certify that the above and foregoing Resolution was duly and regularly adopted and passed by the Board of Directors at a regular meeting duly held on the 15<sup>th</sup> day of March 2023 by the following vote:

**AYES**, and in favor thereof, Directors:

Cynthia Allen  
Art Hibbits  
Brett Marymee

**NOES**, Directors:

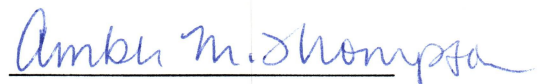
None

**ABSENT/ABSTAINING**, Directors:

Mark Altshuler  
Steve Jordan



Cynthia Allen, President



Amber M. Thompson, Secretary