

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

MINUTES

A Regular Meeting of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No. 1, was held at 6:30 p.m. on **Tuesday, June 16, 2009.**

Trustees Present: Harlan Burchardi Lee Bettencourt
Jeff Clay

Trustees Absent: Matt Loudon Harry Poor

Others Present: Chris Dahlstrom Gary Kvistad
Karen King Mary Martone
Bob Field Lauren Crecelius
Mike Hadley John Poitras
Sam Cohen

I. CALL TO ORDER

President Burchardi called the meeting to order at 6:30 p.m.; he stated that this is a Regular Meeting of the Board of Trustees. Trustee Poor and Trustee Loudon were absent.

II. REPORT BY THE GENERAL MANAGER/SECRETARY REGARDING COMPLIANCE WITH THE REQUIREMENTS FOR POSTING OF THE AGENDA

Mr. Dahlstrom presented an Affidavit of Posting of the agenda, along with a true copy of the agenda for this meeting. He stated the agenda was posted in accordance with the California Government Code commencing at Section 54950 and also pursuant to Resolution No. 340 of the District. President Burchardi directed that the Affidavit be filed as evidence of the posting and of the agenda items contained therein.

III. APPROVAL OF SPECIAL MEETING MINUTES OF MAY 18, 2009

The Minutes of the Special meeting of May 18, 2009 were presented for Board consideration. President Burchardi requested minor corrections.

It was **MOVED** by Trustee Bettencourt, seconded by Trustee Clay, and carried by a 3-0 voice vote, with two absent, to approve the Special Meeting Minutes as corrected.

IV. ADDITIONS OR CORRECTIONS, IF ANY, TO THE AGENDA

Mr. Dahlstrom stated that there were no corrections needed to this agenda.

V. PUBLIC COMMENT

President Burchardi noted that there were attendees present from the public. Each member of the public present was provided time to present their comments to the Board.

Mike Hadley was present for public comment, and provided comment.

Mr. Sam Cohen was present for public comment; he thanked the Board for the District's cooperation with their projects on the Reservation and invited the Board to drive the reservation to see all the road improvements and provided a map of them as well.

John Poitras was present for Item VII.A.3 – and provided comment.

Bob Field was present for public comment and Item VII A.3 FY 09/10 Budget and provided comment.

VI. CONSENT AGENDA

Trustee Clay **MOVED** the Consent Agenda items be approved as presented; the motion was seconded by Trustee Bettencourt and carried by a 3 -0 voice vote, with two absent.

VII. MANAGER'S REPORT- STATUS, DISCUSSION AND POSSIBLE ACTION ON THE FOLLOWING SUBJECTS

A. DISTRICT ADMINISTRATION

1. Financial Report on Administrative and Operational Matters

a) Presentation of Monthly Financial Statements

Mr. Dahlstrom provided the Board a review of the current month's revenue and expenses. He reported that the revenue exceeds the expenses by \$57,599. He reported the LAIF account balance was \$6,589,353.56 earning interest at 1.53% as of May 31, 2009. He reported that FEMA reimbursed the District \$3,474,214.15 to date.

2. Fiscal Year 2009/2010 Preliminary Budget in Summary and Detail

a) Resolution No. 671: *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No. 1 Establishing the Appropriation Limit for the 2009-2010 Fiscal Year Pursuant to Article XIIB of the California Constitution*

Mr. Dahlstrom referred to the calculations for the appropriation limit of \$1,377,053 for the FY 2009-2010 special assessment and indicated that it had been presented to the Board for discussion at its meeting on May 18th, publicly noticed and posted as required and in accordance with the Government Code at least 15 days prior to Board action. He reported that no public comment had been received. He recommended adoption of Resolution No.671 for establishing the appropriation limit.

It was **MOVED** by Trustee Bettencourt, seconded by Trustee Clay, to adopt Resolution No. 671:

The Resolution was adopted and carried by the following roll call vote:

AYES, Trustees:	Harlan Burchardi Lee Bettencourt Jeff Clay
NOES, Trustees:	None
ABSENT, Trustees:	Matthew Loudon Harry Poor

3. Consider Adoption of Fiscal Year 2009-2010 Budget

a) Resolution No. 672: *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No. 1 Adopting the 2009-2010 Budget and Requesting an Assessment Levy Required to Collect \$750,000 for Voter Approved Contract Obligations*

Mr. Dahlstrom provided the Board a final budget staff report in the packet and reviewed it with the Board. The final budget staff report was reflected the prior report; although he had a few typographical errors that were corrected. He stated that this final budget was identical to the preliminary budget presented at the May meeting, with the exception of an adjustment to the COMB expenditure due to a recent increase in its final budget in the amount of \$2,175. He stated that there were

no other changes to the final budget and overall is a balanced budget accounting for all necessary expenditures. He stated that reserves would not be used at this time.

There were several questions asked by the Board regarding cost participation with other agencies and then the Board received comments by three members of the public. Mr. Dahlstrom recommends approval of Resolution No. 672. After a brief discussion, there was a desire by the Board to have more than three members of the Board taking action on the budget.

It was **MOVED** by Trustee Bettencourt, seconded by Trustee Clay and carried by a 3-0 voice vote, with two absent to table the FY2009-2010 Budget so that additional members of the Board are available to support and vote on the budget.

4. Personnel Policy Manual – Amendment to Appendix “A”

- a) Resolution No. 673: *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No. 1 Amending Appendix “A” – Salary Ranges and Job Descriptions of the Personnel Policy Manual*

Mr. Dahlstrom stated that the Board packet included a staff report along with the resolution relating to the amendment to Appendix A. He stated that because of an unexpected employee resignation in May 2009 and the need to fill the position this was an urgent matter. He further explained that Appendix A states that the Administrative Assistant I position is classified as vacant and requires Board action to activate the position and hire the needed qualified personnel.

It was **MOVED** by Trustee Bettencourt, seconded by Trustee Clay, to adopt Resolution No. 673:

The Resolution was adopted and carried by the following roll call vote:

AYES, Trustees:	Harlan Burchardi Lee Bettencourt Jeff Clay
NOES, Trustees:	None
ABSENT, Trustees:	Matthew Loudon Harry Poor

5. Set Date & Time for a Hearing regarding a Personnel Matter

Mr. Dahlstrom stated that Ms. Kim Brown is appealing her termination and requests a public hearing on the matter. Mr. Dahlstrom stated that full Board attendance is required for the hearing. After a brief discussion the date was set for June 29, 2009 beginning at 9:00 a.m. and concluding at 1:00 p.m.

It was **MOVED** by Trustee Bettencourt, seconded by Trustee Clay and carried by a 3-0 voice vote with two absent to schedule a special meeting date for June 29, 2009 beginning at 9:00 a.m. and concluding at 1:00 p.m.

6. Building & Security Improvements

- a) Office/Shop/Yard Security Measures

Mr. Dahlstrom mentioned that a date needs to be set for the building ad hoc committee and that he would discuss the security fence and buildings upgrades when all the Board members were present.

B. DISTRICT OPERATIONS & MAINTENANCE

Mr. Dahlstrom stated that he had received a phone call from the Santa Barbara County Air Pollution Control District and that the State and County are restricting the use of diesel engines as part of equipment, such as ID No.1's generators, and that the District must now apply for a permit to operate. He stated that a notice would be sent notifying ID No.1 of the change and process.

1. 4 CFS Well Field Repair and Rehabilitation Project

Mr. Dahlstrom stated that the 4 CFS well field repair and rehabilitation of Well 12 is complete except for a few minor punch list items. He stated that the wells and system have been tested and passed BacT tests and will be in service by July 1, 2009.

2. Notice of Violation of Zoning and Land Use Development Code from Santa Barbara County - Stockpiling materials, un-permitted addition of patio cover & construction trailer

Mr. Dahlstrom stated he spoke last month with Santa Barbara County Planning Director, John Karamitsos. He stated that the County was willing to allow ID No.1 an extension and is willing to work together to resolve the issues mentioned in the notice of violation. Mr. Dahlstrom asked for Board authorization to work with legal counsel to develop a resolution to address the noticed violations and work with the County.

It was **MOVED** by Trustee Bettencourt, seconded by Trustee Clay and carried by a 3-0 voice vote with two absent to authorize the General Manager and legal counsel to develop a solution for future Board action regarding the noticed violations with the County.

C. WATER SERVICE FOR PROPERTIES, PROJECTS & IMPROVEMENTS

1. Santa Ynez Indian Reservation Project - Santa Cota Road Large Diameter Water Main Line Replacement, Alignment & Loop

A. Water Main Easement Acquisition and Abandonment of Easements

Mr. Dahlstrom reported that he and Wade Horton of Penfield and Smith are working on the easement acquisition and legal counsel was working on the lateral 1-1 easement at this time.

He also expressed his appreciation to Mr. Sam Cohen for his comments he made under the public comment item at tonight's meeting.

2. Capital Facilities Charge Payment Agreement for 3-inch Master Meter - Valley Gardens, LLC. Mobile Home Park

Mr. Dahlstrom stated that the Board packet included a Capital Facilities Charge Payment Agreement for the Valley Gardens LLC - Mobile Home Park which was requested by the applicant. Mr. Dahlstrom stated that legal counsel, management and the applicant have reviewed the agreement and recommends approval of the agreement. He stated that this was for the capital facilities charges for a 4-inch service connection with a 3-inch master meter.

It was **MOVED** by Trustee Bettencourt seconded by Trustee Clay and carried by a 3-0 voice vote with two absent to approve and execute the Capital Facilities Charge Payment Agreement for a 3-inch master meter for Valley Gardens LLC and authorize the President to sign.

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

A. Cachuma Conservation Release Board

1. Report on Board Meeting

Mr. Dahlstrom stated that the Board packet included the May 18, 2009 CCRB agenda and he provided a summary of the topics, including the CCRB budget status, that was discussed at the meeting.

2. Santa Ynez River and Tributary Steelhead Enhancement Projects and Fish Management Plan Program

Mr. Dahlstrom provided the Board with a brief report on the current status of the fish enhancement projects and the remaining outstanding items due as required by the Biological Opinion.

B. Cachuma Operations and Maintenance Board

1. Report on Board Meeting

Mr. Dahlstrom stated that the Board packet included the May 18, 2009 COMB agenda. He stated that most of the topics discussed related to the South Coast Member Units only including the COMB Capital Improvement Program bond. He mentioned that ID No.1 must approve as a member of COMB but will not be financially responsible for any south coast bond projects including the proposed COMB office building.

He also reported that a surcharge risk assessment presentation was provided by USBR and Stetson Engineers.

2. COMB Revenue Bond for South Coast Capital Projects - Schedule Presentation by Bond Underwriter

Mr. Dahlstrom stated that due to a scheduling delay, the presentation by Doug Brown, Bond Counsel, regarding the COMB CIP Bond will be rescheduled to the July meeting.

C. Santa Barbara County

1. Santa Ynez Valley Community Plan - Comments on Water Resources Section

Mr. Dahlstrom stated that the Board packet included a County Notice regarding the SY Valley Community Plan and Final EIR Planning Commission Hearing that is scheduled for June 29, 2009 and the comment letter submitted by the District. He stated more information would be provided as it becomes available.

D. Santa Ynez River - State Water Resources Control Board

1. Water Rights Order 94-5 for Cachuma Project Permit - Draft Environmental Impact Report

He stated that there is no new information relating to the State Board proceedings or a decision on the status of the RDEIR at this time but it appears the SWRCB is moving forward with its Final EIR. A request of qualified consultants was made by the State Board regarding the FEIR.

E. Cachuma Project

1. Water Supply and Water Service Contract Report

Mr. Dahlstrom reported that Montecito Water District had requested assistance in securing water supply for the remainder of the year. He stated that last month the Board agreed with the sale concept, authorized the GM and legal counsel to proceed, and requested that a status report be provided at the next meeting. He stated that he had been informed that Montecito has purchased 600 AF for transfer price of \$300.00/AF from Carpinteria Valley Water District and is not interested in purchasing water from ID No.1 at this time.

2. U.S. Bureau of Reclamation Activities Report

Mr. Dahlstrom mentioned that he received notice from Sheryl Carter, contracts officer for the Bureau of Reclamation, with her new contact information and suggested contacting her regarding the water service contract. He also mentioned that the Board packet included a May 22, 2009 News Release from the Bureau of Reclamation regarding the Central Valley Project Water Supply Allocations for informational purposes only. He explained how the regulatory and judicial decisions because of the Delta Smelt have created a severe water shortage south of the Delta.

F. State Water Project

Mr. Dahlstrom stated that based on the current budget problems the State of California is facing; the Senate Committee for Water and Natural Resources are considering reorganizing all of the State departments for water including Public Health and DWR as well as the State Water Resources Control Board. He also mentioned that the Board packet included two June articles relating to the salmon endangerment and Delta Water Cuts which would affect the SWP Allocation. This could result in a 7% reduction in water allocation.

1. State Wide Drought and Water Shortages

a) State Water Project Water Delivery Update & Transfers to other SWP Contractors

Mr. Dahlstrom stated that there are no ID No.1 SWP sales or transfer agreements pending at this time. He indicated that DWR has set the SWP deliveries at 40% of total allocation.

b) San Luis Obispo Dry Year Program - City of Solvang request for water

Mr. Dahlstrom stated that the City of Solvang has requested an additional 250 AF for a total of 510 AF in the Dry Year Program. He stated that once the City of Solvang makes their payment to the District, the District will order the water on behalf of the City.

c) 2009 Drought Water Bank - City of Solvang request for water

Mr. Dahlstrom stated that DWR's drought bank program has progressed with a participation agreement and will be announcing the amount of water available, the demand and price. He stated that the cost of water is expected to be at least \$700 per AF because of the market value and demand.

G. City of Solvang - Memorandum of Understanding for Cooperative Development of the Santa Ynez River Wells

1. Status of Tasks - Memorandum of Understanding for Cooperative Development of the Santa Ynez River Wells

Mr. Dahlstrom stated that the MOU has been executed by all parties. He explained that the MOU is necessary for a cohesive relationship with the City of Solvang and is essentially a roadmap to accomplish the cooperative development of the Solvang River Wells and secure the appropriate water rights. He indicated that task 3.2, the \$22,000 system evaluation, is underway.

2. Report on Water Workshop

Mr. Dahlstrom stated that the City of Solvang held a Public Workshop at the City Chambers on May 27, 2009. He stated that he and Trustee Burchardi, Trustee Bettencourt and Mr. Bruce Wales, Parent District General Manager all attended the workshop. The attendees summarized the workshop and indicated that the City Council must be more supportive and fully endorse this cooperative program in order for its success.

3. General Plan Housing Element Update 2008-2014

Mr. Dahlstrom stated that the Board packet included a May 15, 2009 Notice of Intent to Adopt a Mitigated Negative Declaration for the City of Solvang General Plan Housing Element Update 2008-2014. He stated that staff has reviewed the document and comments were submitted by the June 15th due date.

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

Mr. Dahlstrom stated that the Board packet included Public Record Act requests from Mike Hadley of Meadowlark Mutual Water Company and Bob Field of Rancho Estates Mutual Water Company, and corresponding letter responses from ID No.1 's Legal Counsel to the recent public records requests.

Mr. Dahlstrom stated that the Board packet included a June 3, 2009 California Association of Sanitation notice announcing that the Governor of California is suggesting that the Legislature borrow \$2 billion in property taxes from cities, counties, and special districts under the terms of Proposition 1A. This suggestion has not passed at this time. Trustee Bettencourt also mentioned that the State was in arrears to the CRCD by \$1.9 million. More information will be provided as it becomes available.

Mr. Dahlstrom stated that the Board packet included a notice to the Board members that AB1234 Ethics training is scheduled for June 30, 2009.

X. APPROVAL OF ACCOUNTS PAYABLE

Mr. Dahlstrom presented the Warrant List for Board approval. The Warrant List covered warrants 12658 through 12740, for the time period May 19, 2009 through June 16, 2009 in the amount of \$468,300.78.

Trustee Bettencourt MOVED to approve the warrant list as presented, excluding warrant 12573. Trustee Clay seconded the motion and it was carried by a 3-0 voice vote, with two absent.

XI. REQUESTS FROM BOARD OF TRUSTEES FOR ITEMS TO BE INCLUDED ON THE NEXT REGULAR MEETING AGENDA

There were no requests made by the Board.

XII. CORRESPONDENCE: GENERAL MANAGER/SECRETARY RECOMMENDS THE ITEMS MARKED WITH AN ASTERISK (*) FOR FILE

The correspondence list was reviewed and discussed.

XIII. NEXT REGULAR MEETING OF THE BOARD OF TRUSTEES

Mr. Dahlstrom stated that the next Regular meeting of the Board is scheduled for Tuesday, July 21, 2009 at 6:30 p.m.

XIV. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

[Subdivision (a) of Section 54956.9 of the Government Code]

1. Name of Case: Adjudicatory proceedings pending before the State Water Resources Control Board regarding Permits 11308 and 11310 issued on Applications 11331 and 11332 to the United States Bureau of Reclamation and complaints filed by the California Sport Fishing Protection Alliance regarding the operating of the Cachuma Project and State Board Orders WR73-37, 89-18 and 94-5; and proposed changes to the

place of use of waters obtained through aforementioned permits for the Cachuma Project

- B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
[Initiation of litigation pursuant to Subdivision (c) of Section 54956.9 of the Government Code - three cases]

The Board adjourned to closed session at 8:28 p.m. and reconvened to open session at 9:57 p.m. Legal Counsel announced that there was no reportable action from the closed session.

XV. ADJOURNMENT

Being no further business, it was MOVED by Trustee Bettencourt, seconded by Trustee Clay to adjourn the meeting at 9:58 p.m. The motion carried by a unanimous voice vote.

The June 16, 2009 Regular Board Meeting Minutes were approved at the July 21, 2009 Meeting.