

**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 5:30 p.m. on **Tuesday, March 17, 2009.**

Trustees Present:	Harlan Burchardi	Jeff Clay
	Matt Loudon	Lee Bettencourt
Trustees Absent:	Harry Poor	
Others Present:	Chris Dahlstrom	Gary Kvistad
	Karen King	Mary Martone
	Bob Field	Don Kelleher
	Mark Hemming	Mike Hadley
	John Poitras	Lauren Crecelius

I. CALL TO ORDER

President Burchardi called the meeting to order at 5:33 p.m.; he stated that this is a Regular Meeting of the Board of Trustees. The President noted that a quorum of the Board of Trustees was present; Trustee Poor was absent and Trustee Loudon arrived at 5:35 pm.

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 REGULAR MEETING MINUTES OF FEBRUARY 17, 2009

The Minutes of the Regular meeting of February 17, 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 vote, with two absent, to approve the regular Meeting Minutes as corrected.

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

Mr. Dahlstrom stated that there were no additions or corrections to the 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.

Bob Fields was present and commented that the District's agenda should be more descriptive so that it complies with the Brown Act. He was also attending to comment on items VIII.B.2. and VIII.E.3, Hemming LUP - Use and conditions for Madera Street and Lake Cachuma Recreation - Quagga Mussels Preventative Measures, respectively.

Mike Hadley, John Poitras, and Mark Hemming were present for item VIII.C.1 & 2 - Abandonment of Madera Street Easement ROW on District Property and Hemming LUP - Use and conditions for Madera Street.

Don Kelleher, a District customer, was present and provided comments to the Board regarding the water service shut-off procedures; the on-line charge for bill payment and problems with the District's billing method. He also was present for item VIII.C.1 Hemming LUP - Use and conditions for Madera Street.

VI. CONSENT AGENDA

Trustee Loudon **MOVED** the Consent Agenda items be approved as presented; the motion was seconded by Trustee Clay and carried by a 4-0 voice vote, with one absent.

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

A. DISTRICT ADMINISTRATION

1. Financial Report

a) Monthly Financials

Mr. Dahlstrom provided the Board a review of the current month's revenue and expenses. He reported that the revenue exceeds the expenses by \$22,275.01 mainly due to ACWA/JPIA insurance reimbursement. He stated the LAIF account balance was \$6,516,911.96 earning interest at 1.869% as of February 28, 2009.

Mr. Dahlstrom stated the Board packet included a February 25, 2009 letter from Sheppard Mullin Richter & Hampton regarding Mr. Jeff Dinkin's hourly rate increase of \$10.00 effective January 2009.

2. Retention and Destruction Policy

a) Resolution No. 669 *A Resolution of the Board of Trustees of the Santa Ynez River Water Conservation District, Improvement District No. 1 Adopting a Retention and Destruction Policy*

Mr. Dahlstrom stated that the Board packet included a staff report, resolution and a Record Retention and Destruction Policy. He stated that this policy formalizes current process with specific guidelines and procedures to deal with years of archived and retained documents. He indicated that a technical correction to the schedule is shown in the handout. Mr. Dahlstrom recommends approval of Resolution No. 669.

It was **MOVED** by Trustee Bettencourt, seconded by Trustee Loudon, to adopt Resolution No. 669:

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

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

3. Building & Security Improvements
 - a) Office/Shop/Yard Security Measures

Mr. Dahlstrom stated that Mr. Bob Hyland was planning fencing options for the District yard and chemical containment area to assure security and safety. He stated that the back portion will be re-staked to mark the property corners and lines. Mr. Dahlstrom also mentioned that the Building Committee should meet to discuss improving the restrooms.

B. DISTRICT OPERATIONS & MAINTENANCE

1. Federal Economic Recovery Funds for Drinking Water Infrastructure Projects

Mr. Dahlstrom stated that the Board packet included a February 2, 2009 letter from the Department of Public Health regarding available Federal Economic Recovery Funds for Drinking Water Infrastructure Projects. He explained that Eric Tambini has submitted four projects totaling \$925,434 for federal assistance. Mr. Dahlstrom stated he is exercising all means of receiving Federal stimulus funding for these projects that are qualified under the program. More information will be provided as it becomes available.
2. 2005 Flood Emergency (FEMA-1577-DR-CA)

Mr. Dahlstrom stated that all FEMA projects were complete as of February 4, 2009. He reported that staff has finalized the process of closing out the projects, reconciled the accounting, and submitted cost reimbursement forms for \$1.8 million to Office of Emergency Services ("OES"). He reported that the OES/FEMA representative was here for an inspection and meeting on March 3, 2009. He stated that the Board packet included a February 19, 2009 letter from the Governors Office of Emergency Services discussing the funding obligations. The total funding FEMA obligation was \$5.2 million and the District actually incurred costs of \$4.881 million; under the funding amount. He is expecting that the District will receive the final FEMA reimbursement before year end in June and concluding the \$4.881 million project.

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. Phase 1 Reach B – Water Main Santa Cota Road from Edison to Pascuala Ct.

Mr. Dahlstrom stated that there was no new information regarding the Dedication of Facilities at this time.
 - B. Phase 2 Reach C – Water Main Santa Cota Road from Pascuala Ct. to Via Juana/Kalawa Shaq to Lateral 1-1

Mr. Dahlstrom stated that there was no new information regarding Notice of Completion and Dedication of Facilities.
 - C. Phase 2 Reach D – Water Main from Ortega to Cabrillo for Residents and Proposed Community Center

Mr. Dahlstrom reported that construction commenced on March 6th and that Bob Hyland was overseeing the work being done. The Band is using Burke Construction for this final phase of the project and he stated that MNS, Craig Snell, would be performing the inspection of the project on behalf of the District.

D. Water Main Easement Acquisition and Abandonment of Easements

Mr. Dahlstrom reported that legal counsel and staff have begun work on the easements and will be coordinating with the Bureau of Indian Affairs and the Band.

2. Becket - 3412 Baseline Avenue - 2-inch Agriculture Service

Mr. Dahlstrom stated that the Board packet included Article 9 - Agriculture Use Regulations for reference. He stated that the property owners contacted our office on February 27th to report a leak on their property. He explained that the field crew went to inspect the problem to determine if the leak was a District responsibility or was on the customer's side. It was determined that the leak was on the District's long domestic service line that has been inactive for 18 years. This leak was adjacent to the owners' large pine tree which was a concern of the owner. He stated that when the field crew member turned the water service off to make the repairs, it affected the agriculture meter serving the property.

At that time, the property owner then approached the field staff and indicated that water was not available to the homes, which the property owner admitted that the homes were "temporarily" connected to the agriculture water service because the well was not in service. It was later determined by the field staff investigating the situation, that four homes were connected to the agriculture meter. He stated that the owner had an event on the property over the weekend and we accommodated the owner by turning the agriculture water back on for service to the homes. He explained that according to the District's Rules and Regulations, "there can be no domestic use of water from the ag meter". He further explained there are five homes on the property and that staff will be auditing the water use on the property, and will determine a solution to the problem. The property owner will receive a letter discussing the solution and fees associated with the policy violation. More information will be provided when available.

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 February 23, 2009 CCRB agenda. He provided a summary of the topics discussed at the meeting which included a report on the completion of Steelhead upper basin analysis and management implications, Resolutions regarding banking, and a management report on SWRCB Hearing, and Lower SY Fisheries Program.

2. Draft CCRB/ID#1 Budget FY 2009/2010

Mr. Dahlstrom provided a draft of the FY09/10 CCRB Budget in the Board packet and explained it was presented at the managers/attorney meeting. He stated that there were several items of interest; he explained that the G&A portion of the budget went down slightly while other items increased. Mr. Dahlstrom stated that there was a consensus at the manager/attorneys meeting that Ms. Rees should reevaluate/revise her budget and to postpone the El Jaro Cross Creek Ranch Fish Enhancement project for at least one year. Mr. Dahlstrom explained that once the final submittal of the CCRB Budget has been submitted to ID No.1 he will again review the budget in detail and determine our appropriate proportionate share of the budget and provide it to the Board for further review and comment.

3. 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. He stated that the Board packet included a February 9, 2009 letter from the regional administrator of National Marine Fisheries Service to Mr. Michael Jackson, Bureau of Reclamation, regarding the status of the fish passage improvement projects. He stated that he is surprised they have not requested this sooner, he explained that there are still several reports that are past due and vital requirements required under the biological opinion that remain incomplete at this time.

He stated that the fish enhancement project costs for Quiota Creek have overrun by \$372,000 that increased the total project cost from \$520,000 to \$887,442. He explained that ID No.1 only agreed to contribute 10.31% of the original cost and expected to be reimbursed by the grant money secured by CCRB, which may now not occur. The over run funding was approved by CCRB. He explained that ID No.1 must review the contracts and change orders and separately take action on the costs. This has not yet occurred. He stated more information will be provided.

B. Cachuma Operations and Maintenance Board

1. Report on Board Meeting

Mr. Dahlstrom stated that the Board packet included the February 23, 2009 COMB agenda. He stated that most of the topics discussed related to the South Coast Member Units only. He stated that they also discussed a cost share proposal for the repair of the south coast conduit in Coyote Creek which was damaged in early December of last year. He stated that there was no resolution to this proposal. He reported that COMB also discussed and selected an architect for the COMB office building and that they approved a scope of work with costs not to exceed \$50,000. He also explained that COMB interacted with the Santa Barbara County representatives at the meeting and discussed the proposed changes to the Quagga mussel protocols at Lake Cachuma that is scheduled for a Supervisors hearing. He stated more information would be provided as it becomes available.

C. Santa Barbara County

1. Abandonment of Madera Street Easement ROW on District Property

Mr. Dahlstrom briefly summarized the status of the abandonment and the pending settlement meetings as directed by the Board of Supervisors. He reported that nothing has occurred regarding the Abandonment process since the June 5, 2007 meeting other than the recent discussion and actions by the Planning Commission on the Hemming LUP that could prejudice the outcome of the abandonment proceedings.

2. Hemming LUP – Use and Conditions for Madera Street

Mr. Dahlstrom began by stating that the packet included current correspondence relating to the Hemming LUP. He also included a March 10, 2009 article from the SY Valley News discussing the Planning Commission's decision to approve Mr. Hemming's LUP. Mr. Dahlstrom stated that the District's appeal was denied at the Planning Commission Meeting held on March 4, 2009. He reiterated the District's concerns and that the County has yet to complete the abandonment process that it initiated for Madera Street. Mr. Dahlstrom summarized the planning commission's findings and other comments made at the meeting. He further explained that there is another opportunity to appeal and that response was submitted to the Board of Supervisors prior to the County's 10-day deadline on March 16th because the Madera Street abandonment matter remains pending and unresolved before the Board of

Supervisors. He also provided a historical account of events and discussions relating to the LUP and the District's concerns. He stated more information would continue to be provided as it becomes available.

The Board President allowed each member of the public present to voice their concerns and comments relating to this item. Mr. Fields presented his account of the Planning Commissions actions, their findings and requested that the Board withdraw the appeal. The Board appreciated Mr. Field's remarks but did not take action as requested.

Mr. Hemming was provided an opportunity to address the Board which he polled the members, which were for or against the appeal. Legal counsel advised the Board that this was inappropriate request given that this was the public comment of this agenda item. Mr. Hemming also gave his statement of the historical background regarding this appeal and the affect on his family. He provided comment on alleged inappropriate action by management, which the Board responded in support of the District's management and actions. The Board expressed that this matter should have been resolved a long time ago as expressed in the resolution meetings with Brooks Firestone.

Comments were taken from Mr. Kelleher who was speaking on behalf of Mr. Hemming. He indicated that Trustees Poor and Loudon should recuse themselves because of a conflict of interest because they compete in the same line of business as Mr. Hemming. Counsel noted that that those facts did not present a conflict of interest. Mr. Kelleher also commented that the Madera Street should be improved and maintained by the District, about the amount of time involved by the District, the cost to the ratepayers and that the appeal should be withdrawn.

Mr. Hadley then spoke and requested information about the District's expenses on the Madera Street abandonment. It was explained that information must be requested through the Public Records Act process. He also asked for a vote to authorize withdrawal of the appeal. Following his comment, the Board indicated they are aware of the actions taken on the appeal.

Mr. John Poitras provided comments related to solving the problems between the two parties. He also commented on the on the District's contaminant chlorine tanks and code violations related to the C-2 zoning and the District has no right to store equipment. Mr. Fields then provided Mr. Poitras with the zoning information to submit to the Board Administrative Assistant.

President Burchardi and the Board thanked Mr. Field, Mr. Kelleher, Mr. Hemming, Mr. Hadley and Mr. Poitras for their concerns and comments and indicated that the appeal would not be withdrawn at this time.

D. Santa Ynez River – State Water Resources Control Board

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

Mr. Dahlstrom stated that there is no new information relating to the State Board proceedings or a decision on the status of the RDEIR. He reported that the State Board is preparing the Final EIR and response to comments which may be circulated within the next six months. He also stated that the Board packet included a February 26, 2009 notice from the State Water Resources Control Board relating to the Surface Water Shortage for 2009 which was for informational purposes only.

E. Cachuma Project

1. Water Supply and Water Service Contract Report

Mr. Dahlstrom stated that the managers/attorneys are still discussing the exchange agreement and that he is working on a letter of clarification which will be provided to the Board upon completion. He stated that at the manager's last meeting he thought that the south coast group had come to an understanding on the Exchange Agreement; although he still needs to provide further explanation of the facts to several of the new managers. He also reported that the Cachuma Lake level is at elevation 743 feet, seven feet below spill elevation, and it is not likely it would spill this year. He stated more information would be provided as it becomes available.

2. U.S. Bureau of Reclamation Activities Report

Mr. Dahlstrom stated that the Bureau's South Central office RRA specialists currently assigned to our District shifted to the Mid Pacific regional office due to staffing changes at the Bureau.

3. Lake Cachuma Recreation – Quagga Mussel Preventative Measures

He stated that the Board packet included a recent correspondence from Montecito Water District concerning Santa Barbara County's preventative measures at the Lake against the Quagga mussel threat. He stated that according to the proposed changes by the County, the Board of Supervisors are considering eliminating the boat washing from the program and increasing the boating fees at the March 24th meeting. Mr. Dahlstrom provided a review of the current prevention plan and the specific locations the mussel has been detected and just how invasive the mussel can be if detected in an infrastructure system.

He also reported that the County was in need of funding for the program and in earlier discussions wanted the member units of Cachuma to pay for the program. The Board supports the program although they do not agree with the water ratepayers having to support a program that only the boating/fishing users should pay for. He stated that at the last Board of Supervisors meeting, they approved acceptance of \$60,000 offered by COMB and received an additional \$60,000 from the County Water Agency and approved an increase in boating fees to help fund the program. The Board concurred that the County is ultimately responsible to pay for the Quagga prevention measures. Trustee Loudon recalled the original proposal and the obligation that the Bureau of Reclamation has to protect the water supply. The Board expressed that the County is putting recreation over the water supply and risks if they lessen the protection of the water supply

The Board President recognized Mr. Field as the member of the public present to voice his concerns and comments relating to this item. He indicated that the report was well done and that he was contacted by Mr. Wales of the SYRWCD and Das Williams Santa Barbara City Council to support efforts to maintain pressure on the County supervisors. President Burchardi thanked him for his comments.

He stated that more information would be provided to the board as it becomes available.

4. Lake Cachuma Resource Management Plan Draft EIS

Mr. Dahlstrom stated that there was no new information regarding the Draft EIS and that more information will be provided as it becomes available.

F. State Water Project

1. Drought Emergency – Water Sales/Transfers to other SWP Contract Agencies

Mr. Dahlstrom stated that there is no ID No.1 SWP sales or transfer agreements pending at this time.

a) San Luis Obispo Dry Year Program

Mr. Dahlstrom stated that the City of Solvang participated in the Dry Year Program and has used its allocation from that source. He explained that DWR has set the 2009 SWP allocation at 20% which was announced today.

b) 2009 Drought Water Bank

Mr. Dahlstrom reported that the Board packet included information regarding the State Drought water bank. He 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. He also mentioned that DWR has not provided their snow pack report, although he expects to see an update in May.

G. City of Solvang - Development of MOU for 5 CFS River Wells

Mr. Dahlstrom stated that he and the ad hoc committee members Trustee Burchardi and Trustee Bettencourt met on February 23rd with the City of Solvang ad hoc water committee and scheduled a meeting for April 6th. He stated that the meeting went very well and that they addressed a number of approaches for the well field development and discussed the framework of the MOU. He stated that the Board would be provided further information at the April meeting.

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 a February 25, 2009 letter from the Central Valley Project Water Association expressing their appreciation to Mr. Chris Dahlstrom for his participation and presentations at the Mid Pacific Water Users conference. He also mentioned that he has also been recruited by this association to assist with the coordination efforts for future users' conferences which he gladly accepted.

Mr. Dahlstrom also mentioned that the County is expected to re-release the Santa Ynez Valley Community Plan in late March, which staff will be reviewing again.

Mr. Dahlstrom stated that the Board packet included the Family Farm Alliance current Newsletter and the California Rural Water Association Newsletter for informational purposes only.

Mr. Dahlstrom stated that the Board packet included a copy of an ACWA/JPIA President's special recognition award for achieving a low ratio of "paid claims and case reserves" to "deposit premiums" in the workers' compensation program for the period of 7/1/04 through 6/30/07 which was announced at the Board of Directors meeting in Long Beach in September last year.

Mr. Dahlstrom mentioned that the Board of Trustees is due for a refresher course in Ethics Training as required by AB1234 and a scheduled date in March or April needs to be set up and that Ms. King would be following up with a date for the training.

X. APPROVAL OF ACCOUNTS PAYABLE

Mr. Dahlstrom presented the Warrant List for Board approval. The Warrant List covered warrants 12408 through 12489, for the time period February 18, 2009 through March 17, 2009 in the amount of \$373,005.20.

Trustee Bettencourt **MOVED** to approve the warrant list as presented. Trustee Loudon seconded the motion and it was carried by a 4-0 voice vote, with one absent.

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

Trustee Loudon requested that staff discuss changing the meeting time to 6:30 pm during the summer months.

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, April 21, 2009.

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 8:37 p.m. and reconvened to open session at 10:14p.m. Legal Counsel announced that there was no reportable action from the closed session.

The March 17, 2009 Regular Minutes were approved at the April 21, 2009 Meeting.