

**Joint Special Board Meeting of
Cachuma Operation and Maintenance Board
and
Cachuma Conservation Release Board
Thursday, April 27, 2006**

**COMB Office
3301 Laurel Canyon Road
Santa Barbara, CA**

Attending:

Matt Loudon, COMB President, Improvement District No. 1
Jan Abel, CCRB President, Montecito Water District
Chuck Evans, Goleta Water District
Robert Lieberknecht, Carpinteria Water District
Das Williams, City of Santa Barbara

Kate Rees, Interim General Manager, COMB/CCRB
Ruth Snodgrass, Admin. Secretary, COMB/CCRB

Observers:

Lee Bettencourt, Director, ID No.1
Chris Dahlstrom, General Manager, ID No. 1
Bob Roebuck, General Manager, Montecito Water District
Russell Ruiz, Counsel, Goleta Water District
Bruce Wales, General Manager, Santa Ynez River Water Conservation District
Brett Gray, COMB Operations Supervisor
William Hair, COMB Counsel, via conference phone
Facilitator:
John Jostes

1. Call to Order and Roll Call for COMB and CCRB Boards

President Matt Loudon called the meeting of the COMB Board to order at 3:05 p.m., roll call was taken, all were present.

President Jan Abel called the meeting of the CCRB Board to order at 3:06 p.m., roll call was taken, all were present.

2. Public Comment

Members of the public were provided with an opportunity to provide public comment to the Joint Special Board Meeting. However, no members of the public were present and no comments were received.

3. Introductions and Preliminaries

John Jostes, meeting facilitator, provided an overview of his background, style and approach for the Board Members present. He then provided an overview of the Ground Rules/Terms of Engagement that he had developed to guide the discussions of reorganization options. There was a consensus on the part of the Board Members to support and utilize the Ground Rules and Terms of Engagement in their discussions of reorganization issues.

4. Discussion of Overall Structure and Approach to the Facilitated dialogue on Reorganization

John Jostes led the Board Members through the memorandum he had prepared on a framework for initiating joint discussions for COMB/CCRB reorganization. There was general agreement to continue utilizing a Coordinating Committee consisting of Chuck Evans, Chris Dahlstrom and Steve Mack to interface with the facilitator and guide the process and discussions. There was considerable discussion regarding macro-level issues to be discussed at the next joint meeting. As a result, the bullet points under the subtitle Macro-Level Substantive Issues were augmented and refined to read as follows:

Macro-level issues that warrant further clarification and resolution include the following:

- **Timing and Implementation** – When should the reorganization take effect? Before the State Water Quality Control Board decision, after the decision, or with certain contingencies in place to accommodate the uncertainty surrounding pending Board action?
- **Organizational Options** – How should the two Boards be reorganized, if at all? Status quo for both COMB and CCRB; merging COMB and CCRB into CCWA, merging CCRB into COMB with a new JPA, or other options that keep some form of one or both organizations in existence for contingencies?
- **Implications of maintaining the status quo** – benefits, costs and decision making?
- **What circumstances would lead to reconvening both organizations** – Significant changes caused by the decision from SWRCB? Changes in the status of downstream water rights issues?
- ~~**How do issues get raised for discussion by the new organization?**~~ All present agreed this was not an issue because a structure already exists for bringing up issues for discussion
- **Decision making and voting structure (e.g., pay to vote concept) in the new organization, subcommittee structure, etc.** – How should it/they work?
- **Should the reorganization address project acquisition now, later or never?** How might full or partial project acquisition be explored in the context of the new organizational structure?

All Board Members expressed a desire to address these six issues at the next joint meeting, but noted that it may not be able to resolve all of the issues in a single meeting. At the suggestion of one of the observers, the Joint Boards were receptive to the idea of providing the reorganized agency with the broadest level of responsibilities so that additional changes to the revised JPA would not need to be made. In addressing the process of discussing macro-level substantive issues, the respective Boards also recognized the need to have alternate members actively engaged and attending the Special Joint Board meetings on reorganization as regularly as possible so that when a principal was unable to attend a meeting, their alternate would be able to participate with a full understanding of the context of the discussions.

The discussion then turned to Micro-level Substantive Issues as per the memo from John Jostes. The discussion among Board Members concluded that several additions should be made to the listing of issues. The revised list of issues was augmented to read as follows: Micro-level Substantive Issues:

- Allocation of COMB's administrative costs – how much and to whom?
- How do the different agreements currently in force play into the reorganization options?
- Name of the new reorganized entity?
- Who drafts the new JPA and how much of the current COMB JPA can be used as a baseline draft?
- How do the O & M and administrative functions fit in to the new organization?
- How should current and future litigation be factored into the new organization?
- How will outstanding bonds and certificates of participation (COPs) be addressed by the new organization

Brief attention was also paid to the implementation issues outlined within the memo. However, there was an acknowledgement that depending upon how the macro-level issues were resolved, implementation issues may change or need refinement. With these revisions, the Joint Boards adopted the structure and approach as a model for moving forward on the issues.

5. Goals and Criteria Discussion

The discussion then turned toward identifying goals and guiding principles that would evidence a successful reorganization effort. John Jostes asked each member to identify those characteristics of a successful reorganization that could be used to judge the effectiveness of a new approach. The following views were offered as indicators of a successful reorganization:

- The day-to-day process of accomplishing the goals of the organizations is streamlined, particularly in the way that decisions are made.
- The agency is still focused on doing “fish work”.
- Constituents of the organizations are pleased with the work that's being done.
- The new organization is beneficial and effective for all involved, and it focuses on creating benefits for rate payers and the watershed.
- Decisions are made by consensus rather than hard votes (majority rule).
- All participants are concerned about the greater good as a priority, not just the interests of the individual member units.
- There is “give and take” in the process of doing business.
- The reorganized entity creates a process that is fair and efficient.
- There is no longer any confusion over participation or voting/decision making.
- The agency is able to effectively reconcile consistent and cost-effective water delivery and steelhead recovery simultaneously.

The group was in general agreement that these guiding principles would provide guideposts and checkpoints as the discussions evolved.

6. Next Steps

Meeting Schedule: The issue of when and how often to meet was discussed by the Joint Boards and it was determined that a regular meeting date would be beneficial in terms of maximizing participation by the various entities involved. The next meeting was scheduled for Tuesday, May 30, from 3:00 – 5:00 pm. It was also agreed that given the breadth and importance of the discussions at hand, that subsequent meetings be scheduled as 3-hour meetings starting at 2:00 pm, rather than shorter 2-hour meetings. It was agreed that a preferred date for these meetings take place on the fourth Thursday of the month. Staff agreed to check in on the feasibility of this timeframe with the various members outside of the meeting. Also, because of the need for each respective Board or Council to consider and discuss the issues at hand prior to each meeting, the agenda topics for each meeting should be agreed to at the prior meeting, so that between meetings discussions could be fruitful. It was also suggested and agreed by the group as a whole, that alternates and principles be urged to attend the meetings so that alternates would be well informed and able to advance and resolve issues when principals were unable to attend a meeting.

Level of Effort of the Facilitator: John Jostes noted to the Joint Board Members that he had expended his budgeted hours on pre-meeting interviews, process design and meeting preparations/facilitation. He asked those present what level of effort they would like to see from the facilitator in subsequent meetings. Jan Abel asked that the facilitator provide a detailed estimate of tasks and hours to the Coordinating Committee for review and recommendations to the next board meeting. Others concurred with this approach, indicating that it might take more than one meeting to move through all of the macro-level issues. John Jostes indicated he would provide such a memo within the coming week.

Next Meeting Date and Topics: The next meeting of the two Boards was scheduled for May 30th at 3:00 pm at the COMB Conference Room. The agenda for the meeting is expected to cover the following topics:

- I. Call to Order
- II. Public Comment
- III. Macro-level Substantive Issues
 - a. Timing of Implementing the Reorganization
 - b. Circumstances under which the separate entities would be re-convened
 - c. Implications of the status quo – benefits, costs and decision making
 - d. Decision making and voting structure options and preferences
 - e. Alternative approaches to and timing of project acquisition.
- IV. Finalization of Meeting Schedule
- V. Next Steps and Adjourn

John Jostes suggested that the most straightforward way of addressing these issues comprehensively would be to develop an array or matrix that cross-tabulated the reorganization options with the impacts of such options on the range of macro and micro-

level issues. He indicated he would work with the Coordinating Committee to develop a first draft of such an array prior to the next meeting.

7. Having no further business to conduct, the meeting was adjourned at 4:45 pm.

Respectfully submitted:

CCRB Secretary to the Board

COMB Secretary to the Board

Approved:

Jan Abel, CCRB President

Matt Loudon, COMB President