

MINUTES OF THE JANUARY 14, 2009 BOARD OF DIRECTORS MEETING OF THE RESOURCE CONSERVATION DISTRICT OF SANTA CRUZ COUNTY

The regular Meeting of the Resource Conservation District of Santa Cruz (the District) Board of Directors was called to order at **6:35PM, January 14, 2009** at the Resource Conservation District Office, 820 Bay Avenue, Suite 136, Capitola, CA 95010.

Directors Present:	Margaret Kinda Howard Liebenberg Tom Lukens Mike Manfre, Vice President John Ricker Roberta Smith
Directors Absent:	Jim McKenna
Associate Directors Present:	Ward Hastings Vasiliki Vasil
RCD Staff Present:	Tangi Chapman, Executive Assistant Karen Christensen, Executive Director Sharon Corkrean, Director of Finance

WELCOME - INTRODUCTIONS

The meeting opened at 6:35PM with a quorum present.

ORAL COMMUNICATIONS

No oral communications were given.

MINUTES

The Board reviewed the November 12, 2008 meeting minutes. John Ricker moved to accept the November 12, 2008 meeting minutes as written. Margaret Kinda seconded the motion. All were in favor of the motion.

BUDGET & FINANCE

General Expenditures – The General Expenditures for November and December 2008 were circulated for review. Sharon told the Board that in November IWRP Phase I was completed and also that she received final payment for IWRP Roads. She went on to say that the total IWRP I grant was approximately \$4.5 million and, of that amount, approximately \$25,000-\$30,000 was left “on the table”. John Ricker moved to accept the November and December 2008 General Expenditures. Howard Liebenberg seconded the motion. All were in favor of the motion.

Transfers

There were no transfers.

ACTION ITEMS

Program Discussion Items

State Budget Grant Funded Programs – Karen reported on the State Budget crisis, explaining that on December 17, 2008 the state issued a stop work order for all bond-funded grant projects; the District received word of the action on December 19. Since Karen was out of town at the time, Sharon and staff held an emergency staff meeting to discuss the course of action. Staff immediately called all contractors to inform them of the decision and requested that all invoices for work completed be submitted by the close of work on Monday, December 22. The District submitted \$1 million in invoices to the state for work completed prior to the December 17 stop work order. Karen further explained that there are also \$2 million in invoices that are currently in process for submittal. Karen and Sharon plan to meet with the Senior Financial

Officer at Liberty Mutual Bank in Boulder Creek to discuss a line of credit to pay contractors for work completed and to avoid litigation. Karen has contacted Foundations to evaluate the feasibility of bridge loans but has been declined. She has been active in communicating to local state representatives the effect the freeze is having not only on the District but on contractors and subcontractors as well. Karen was encouraged by the work at the California Association of Resource Conservation Districts to inform representatives in Sacramento of the plight of the RCDs and to push for resolution. Karen and Sharon are working on strategies to carry the District through until the budget crisis has been resolved.

Currently staff are working only on critical functions and non-bond-funded projects. Karen indicated that, given this crisis, there is a very real need to restructure. A Board member asked what other RCDs have been doing. Karen replied that many have closed their doors, Monterey is working at 40% capacity, San Mateo 20%. Further, Karen said that there is no end to the mess in the immediate future, but perhaps towards the end of February. Karen assured the Board that the first action taken by staff was to ensure the safety at the sites of projects left undone. Margaret Kinda asked whether the District has authorization to get a loan to pay contractors and Karen replied "yes" and that the contracts from the state would be used as collateral. John Ricker suggested contacting the County to see if they could sell "bonds to anticipate revenue." Vasiliki Vasil asked how long the District could operate given the current situation. Sharon indicated that there is enough in reserve for 6-12 months with reductions in staff time. Mike Manfre asked how far behind the District will be for next years' projects if the money does come through. Karen said that the stop and start will probably put the District behind by 30% and that the District must work to anticipate what will happen with the state budget. Tom Lukens expressed his appreciation with the work that has been done and the swift response from staff. Karen added that the collective effort of staff has been amazing.

REPORTS

Staff Report

Karen reported on the CARCD Conference she attended with Jim McKenna in November. She was able to connect with Directors and staff from other Districts including David Bolt and Patty Marfia from the Loma Prieta RCD. Jim received an award for the District as well. Karen also reported on an all-day tour of the Integrated Watershed Restoration Projects with Bill Moning, the California Assemblymember who replaced John Laird. Mark Stone, County Supervisor, Jim McKenna, RCDSCC Board President, Laura Engelman, Regional Water Quality Control Board, Jim Robins, Alnus Ecological, and Terri Nevins, Sam Schuchat, and Kate Goodnight from the Coastal Conservancy, were all in attendance.

Calendar Dates

February	11	CCRC&D Meeting, King City, Time??
	19	Blue Circle, 1 st Congregation Church, High St, Santa Cruz 3:30-6:00PM

Directors/Associate Directors Reports

Howard Liebenberg reported that the work done by County Public Works on Kings Creek Road has created a mud bog. He said that the blade and ditch project was done too late in the season and that they side-cast as well. He suggested that someone should oversee their work.

CLOSED SESSION

The Board moved into closed session to review personnel matters.

OPEN SESSION

Personnel

The Executive Director reviewed and discussed with the Board strategies to handle personnel matters. The Executive Director will report on additional steps that may need to be taken at the next meeting.

NEXT MEETING

Date/ Agenda Items

The next **Board Meeting will be on February 11, 2009 at 6:30PM at the RCD office 820 Bay Avenue, Suite 136, Capitola, CA 95010.**

Jim McKenna
Director, Board of Directors

(TC: JM)