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March 2, 2006

John A. Ruskey  
1362 Farren Road  
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Re: Goleta Water District - February 17, 2006 Public Records Act Request

Dear Mr. Ruskey:

First I must briefly respond to the commentary in your February 28 e-mail on this subject. Despite your personal opinion, the fact remains that the Member Units are not parties to the contract you refer to in your February 17, 2006 Records Request. The best evidence of that fact is the Member Unit contracts between each of the five Member Units and the County Water Agency. Those Member Unit contracts exist, in part, because the Member Units are not in fact parties to what we refer to as the Master Contract. There was an effort during the contract renewal process to have the Member Units directly contract with the Bureau of Reclamation, but because of North County political issues, that effort was not successful and the historic relationship with the Federal government contracting with the County Water Agency, and the County Water Agency contracting with the Member Units, was continued.

As suggested in your February 28, 2006 e-mail, your assumption was correct that I have full knowledge of and am thoroughly well versed in matters pertaining to the Cachuma Project. I was on the Technical Review Team with Bureau staff for the preparation of the environmental documents for contract renewal, that began in 1994. I am on the Steering Committee for Cachuma Project Steelhead Fisheries related matters, chaired by the Bureau, that was initiated in early 1993. I was on the negotiating team for contract renewal representing not only Goleta but the Member Units collectively. I participated in all the planning for, and attended all the negotiating sessions that led to the Master and Member Unit contracts. I have long experience working closely with Bureau staff who are responsible for the Cachuma Project, including the Bureau Solicitors' Office.

I have been equally involved with the pending Cachuma Project State Board hearing proceedings, that are just as critical to local interests, as the contract renewal process was.

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I have worked closely with Bureau staff on the State Board EIR. I have been thoroughly involved in all aspects of the preparation for and presentation to the State Board for the hearings in 2003. We worked closely with Bureau staff and the Solicitor's Office on that presentation. For purposes of the State Board proceedings, the Member Units and the Bureau are full cooperating partners.

In the future, if you care to make this exercise more efficient for all involved including yourself, instead of presuming to figure out this bureaucratic maze that California water is, I suggest you simply ask me in plain language by e-mail, to help you secure documents that have the information you are interested in. Public Records Act requests require no formality, they do not have to be phrased like Civil Discovery, and because it would ultimately save the District staff and I time, I would prefer to assist you up front in securing the documents you are interested in.

I am not optimistic about this offer but I would also be willing to assist you, because it will relieve some of the burden on the District staff if successful, to focus your investigation effort. For instance, it appears that you are currently attempting to develop a claim that there is some legal relationship between the Cachuma M&I/Irrigation allocation, and an individual property owners' claim to Cachuma Project water, or Ag property owners collectively. There is no legal nexus.

Some of your prior comments suggest you do not appreciate my use of hypothetical examples. I tend to use extreme examples to try to make my points, particularly in the arcane world of water. Let us assume your doomsday scenario of no more Ag in Goleta, a scenario I am confident we will never see in my lifetime. What do you think happens to Goleta's Cachuma Project entitlement? Nothing. Goleta would continue to receive its regular entitlement whether it sells 3,000 acre feet per year of water to Ag or -0-. The M&I/Irrigation allocation at Cachuma imposes no legal requirements on the Member Units' retail sales of water to its customers.

This also applies to all the other District water supplies. The District holds water entitlements on behalf of and for the benefit of all property owners in the District collectively. Whether a property owners chooses to use his property for commercial Ag, a residence, or other business, that provides the individual property owner no special claim to any particular District water supply nor water rate. There is no legal nexus between the District's rights to water and its retail sale of water to its customers.

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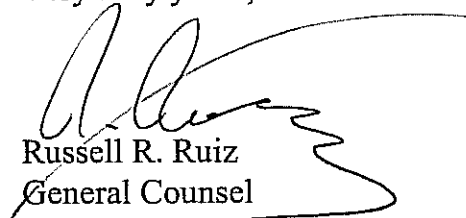
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This fact is in part reflected by the varying water rate policies of the four South Coast Member Units. Though all four hold virtually identical water supply entitlements, at virtually the same cost of water, we see a wide variation in water rate policy, with Goleta having by far, as a matter of percentage, the lowest Ag rate.

I will offer this because you are following The Regents case. I can assure you that The Regents would not agree with a claim that a property owner who chooses to use his property for commercial Ag has a special entitlement to a particular water supply, or a claim to a special water rate, superior to The Regents. Let me close this by stating that your current adversarial approach to the Goleta Water District and its Board and staff is not widely shared by the District's longtime Ag customers. That you may not agree with certain District policies, does not mean that the District is not Ag friendly. The best evidence of that is the Ag rate. Again, all four South Coast Member Units have virtually the same cost of water, yet Goleta's Ag rate is significantly lower than any of the others. I expect the District to continue to have a good working relationship with the vast majority of its Ag customers, and that is certainly one of the goals of the Board, as understood by staff.

After reading your explanation in your February 28 e-mail, we believe the documents you are requesting are COMB generated. They are now available for you to pick up at the District front office. There are 49 pages at a cost of \$12.25.

Very truly yours,



Russell R. Ruiz  
General Counsel  
Goleta Water District

RRR/mg

cc: Board of Directors  
Kevin D. Walsh