

**MINUTES OF A REGULAR MEETING
Of the
CACHUMA OPERATION & MAINTENANCE BOARD**

**Held at the
Cachuma Operation & Maintenance Board Office
3301 Laurel Canyon Road, Santa Barbara, CA
Monday, February 22, 2010**

1. Call to Order, Roll Call

The meeting was called to order at 3:50 p.m. by President Williams who chaired the meeting. Those in attendance were:

Directors present:

Das Williams	City of Santa Barbara
June Van Wingerden	Carpinteria Valley Water District
W. D. Morgan	Montecito Water District
Lauren Hanson	Goleta Water District
Lee Bettencourt	SYR Conservation Dist ID#1

Others present:

Kate Rees	William Hair
Chris Dahlstrom	Tom Mosby
Janet Gingras	Fran Farina
Matt Loudon	Rebecca Bjork
Tim Robinson	Adelle Capponi
Sarah Knecht	Phil Walker
John McInnes	Charles Hamilton
Charles Hamilton	Jeff Clay
Alex Keuper	Bruce Wales
Gary Kvistad	Bill Rosen
Isaiah Brookshire	Emily Hatton
Nick Welsh	Robert Dunlap
Paul Wellman	Ben Preston
B. R. Bertrando	

2. Public Comment

Phil Walker provided public comments on sedimentation in the tributaries due to the recent fires and the need for an early warning system at Lauro Reservoir.

3. COMB Resolution No. 500 Commendation for Jan Abel

Director Morgan moved to pass Resolution No. 500 expressing appreciation and thanks to Jan Abel for her years of service to the COMB Board, seconded by Director Hanson, a roll call vote was taken:

Ayes: Hanson, Williams, Van Wingerden, Bettencourt, Morgan

Nayes: None
Absent/Abstain: None

4. Consent Agenda

a. Minutes:

January 25, 2010 Regular Board Meeting

Director Bettencourt requested that the February 22, 2010 minutes reflect his request to include ID#1 in the discussions with the County of Santa Barbara, Item #12 of the minutes. Ms. Rees stated that the minutes would be reviewed and revised as needed, and their approval placed on the March 22, 2010 consent agenda. President Williams stated that item 4 (a) would be taken off the consent agenda.

b. Investment Funds

Financial Reports
Investment Report

c. Payment of Claims

Director Hanson moved to approve items 4 (b) and (c) of the consent agenda as presented, seconded by Director Morgan, 7/0/0.

Director Morgan requested that Items #8 and #12 be considered earlier in the meeting. Director Hanson moved to move Item #5 to the end of the meeting, seconded by Director Van Wingerden, passed 7/0/0.

The Board next considered Item # 6

6. COMB Capital Improvement Program

a. Second Pipeline Project

1) Project Status Report

The status of the Second Pipeline Project was included in the board packet.

b. Mission Creek Pipeline and Fish Passage Project

1) Project Status Report

The status report for the Mission Creek Pipeline Project was included in the board packet. Director Morgan noted that the project has been suspended, and requested status reports be removed from future agendas.

2) Update on member Unit Review of Engineering Designs

Included in the board packet was a summary by AECOM of the Mission Creek Pipeline Project review meeting that addressed questions raised during the meeting.

Director Hanson requested the document the comment letter refers to be made available for review. Ms. Rees stated that she would provide the link to AECOM ftp site for anyone who wished to review the design documents.

7. Correspondence with SYR Water Conservation District, ID No. 1 Regarding the COMB Bond and COMB Activities in the Santa Ynez River

A series of letters were included in the Board packet between ID#1 and COMB regarding the COMB bond and COMB activities in the Santa Ynez River.

Director Bettencourt reported that ID#1 had discussed the issues confronting ID#1 and COMB, and proposed, in concept, a ‘standstill’ agreement whereby COMB would agree not to conduct any further fisheries activities in the Santa Ynez River until the reorganization issues had been resolved. If COMB agreed, the ID#1 Board would be willing to hold a Special Board meeting at any time to approve the 2nd Pipeline Project.

President Williams stated that waiting for the reorganization issues to be resolved would constitute an indefinite time frame, and he was unwilling to do so. Director Morgan proposed an ending date to the proposed agreement of July 1, 2010. President Williams said he would be willing to consider such an agreement with a finite date of July 1st, however this was unacceptable to Director Bettencourt.

8. Consider Resolution No. 497 to Approve the COMB 2010 Revenue Bond and Related Legal Documents and Agreements for the SCC Upper Reach Reliability Project (2nd Pipeline Project)

- a. **Comb Indenture of Trust**
- b. **Goleta Water District Joint Participation Agreement**
- c. **City of Santa Barbara Joint Participation Agreement**
- d. **COMB Purchase Contract – Citigroup Global Markets, Inc.**
- e. **COMB Continuing Disclosure Agreement – Bank of New York Mellon Trust Company, N.A.**
- f. **COMB Preliminary Official Statement**
- g. **Montecito Water District Contribution Agreement**
- h. **Bond Indemnification Agreement**

Director Morgan moved to approve Resolution No. 497, the MWD Contribution Agreement, and the Bond Indemnification Agreement, and authorize the sale of the bonds after the construction bids had been received, seconded by Director Hanson. Director Bettencourt re-stated that he could not vote for approval of the Bond without a ‘standstill’ agreement in place.

*The COMB Board took a five minute recess at 4:40 p.m.
The Board reconvened at 4:45 p.m.*

Director Bettencourt stated that the whole issue is ID#1’s objection to COMB doing fish projects in the Santa Ynez River, thus their unwillingness to approve the bond and 2nd Pipeline Project.

A roll call vote was taken:

Ayes: Hanson, Williams, Van Wingerden, Morgan
Nays: Bettencourt

Absent/Abstain: None

The motion did not pass; the approval of Resolution 497 required a unanimous vote.

Director Morgan left the meeting at 4:53 p.m.

9. **Consider Amendments to the 1996 Amended and Restated Agreement for the Establishment of a Board of Control to operate and maintain the Cachuma Project – Cachuma Operation and Maintenance Board**
 - a. **Amend Agreement to modify Unanimous Approval Provision for COMB Obligations in Excess of \$1,000,000**
 - b. **Amend Agreement to Either Define Fish Related Activities as Water Rights Related or Require a Unanimous Approval for COMB to Undertake Fish projects or Fish Related Activities in the Lower Santa Ynez River**
 - c. **Amend Agreement to Allow Withdrawal of the SYR Water Conservation District ID No. 1 from COMB by Mutual Agreement**

President Williams stated that three amendments to the COMB Joint Powers Agreement (JPA) had been requested by Directors at the January 25th Board meeting. The draft amendments were included in the board packet. Counsel Hair stated that these amendments would need to be considered by the five Member Units for adoption, as the COMB Board is not a party to the COMB JPA. He was of the opinion that it was appropriate to discuss the amendments, but that the COMB Board could not take any action to adopt these amendments.

After discussion, the only viable amendment for consideration was the amendment to modify the unanimous approval provision for COMB obligations in excess of \$1,000,000 so that a unanimous vote would only be required by those Member Units who agreed to fund a project over \$1,000,000. The other Member Units would need to be fully indemnified. Director Bettencourt stated that he would discuss this with the ID#1 Board for consideration and report back to the COMB Board. If the ID#1 Board supports this amendment, it will then be considered by all Member Unit Boards.

10. **Consider Assignment of Proposition 50 Subgrant Agreement Between COMB and the County Water Agency to the City of Santa Barbara for Construction of the 2nd Pipeline Project and Receipt of Proposition 50 Grant Funds, Contingent upon Approval of All Related Agreements and Permits**

Ms. Rees reported that the City of Santa Barbara has volunteered to consider taking over the 2nd Pipeline Project. The City would issue a bond for the full amount of the 2nd Pipeline Project with financial participation from GWD and MWD, and construct the project. To facilitate the transfer to the City, the COMB Board would need to enter into an assignment agreement with the City to transfer the Proposition 50 grant through assignment of the Proposition 50 Subgrant Agreement to the City of Santa Barbara. COMB would also have to enter into an assignment agreement with the

County of Santa Barbara. Ms. Rees requested broad authorization to sign and execute all necessary agreements on behalf of COMB, and transfer all engineering designs, permits, easements, etc. to the City of Santa Barbara.

Director Hanson stated that she was grateful to the City for proposing this alternative. The GWD Board has always been supportive of the 2nd Pipeline Project. However, she indicated that the GWD Board would need to review the wording in such an agreement, and that she would discuss this suggested approach with her Board and bring their decision back to the COMB Board. Director Hanson requested that Ms. Rees and City Attorney, Sarah Knecht, attend the March 9th GWD Board meeting for further clarification on the proposed agreement.

Rebecca Bjork stated that before taking this request to City Council she would like to know the position of the COMB Board. Although no formal vote was taken, the South Coast Member Unit Directors present stated they would approve transferring the project to the City, Director Bettencourt abstained, and Director Morgan was absent, however General Manager Tom Mosby expressed the support of MWD.

11. Consider Approval of Notices of Completion for El Jaro Creek Rancho San Julian and Quiota Creek Crossing Six Fish Passage Projects

At Mr. Dahlstrom's request, Notices of Completion (NOC) for the El Jaro Rancho San Julian and Quiota Creek Crossing Six Fish Passage Projects were prepared and presented for Board approval. Director Bettencourt stated that a NOC is no longer valid after 35 days and that these projects have been completed more than 35 days. Therefore, the Board took no action.

12. Consider Approval to Fund South Coast Conduit Cost Benefit Analysis From Excess Budget Assessments in FY 2009-10

Ms. Rees reported that the COMB Board approved carrying out a Cost/Benefit Analysis not to exceed \$80,000. Her recommendation was to use excess budget assessments from FY 2009-10 to fund this analysis instead of a special assessment.

Director Hanson asked if a scope of work had been developed, Ms. Rees stated that only a list of items to be considered had been developed. Workshops with the Operating Committee will be scheduled to develop the scope of work.

President Williams stated that this analysis was one of the commitments the COMB Board made to CVWD to address the cost sharing issues raised regarding funding the 2nd Pipeline Project. Director Van Wingerden stated that CVWD would prefer to have the money returned to the Districts at this time, and if a study is to be done, that it should be budgeted in a future budget. GWD also stated a preference for returning the full amount of the excess assessment.

President Williams moved to reject using excess budget assessments from FY 2009-10 to fund the SCC Delivery System Cost/Benefit Analysis, and to approve refunding the full amount of excess budget assessments to the Cachuma Member Units, seconded by Director Hanson, passed 6/0/1, Director Morgan was absent.

13. Santa Barbara County Parks Department Issues

a. Report from John McInnes on Preliminary Process Meeting with County of Santa Barbara

This was reported on during the CCRB meeting.

Items 5 a-f were deferred to the March Board meeting.

5. Reports From the Manager

g. Cachuma Reservoir Current Conditions

Date 02/22/2010

Lake Elevation	feet
Storage	acre feet
Rain (for the month to date)	inches
Rain YTD (for the season to date)	inches
Fish Release-Hilton	acre feet per day
Month to Date Fish Release	acre feet
Month to Date Spill	0 acre feet
Year to Date Spill	0 acre feet

14. Directors' Request for Agenda Items for Next Meeting

There were no requests from the Directors.

15. Meeting Schedule

The next regular Board meeting will be held March 22, 2010 following the CCRB meeting at 2:15 P.M.

The Agendas and Board Packets are available on the COMB website, www.cachuma-board.org

16. COMB Adjournment

There being no further business, the meeting was adjourned at 5:27 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Das Williams, President