

**REGULAR MEETING
OF
CACHUMA OPERATION AND MAINTENANCE BOARD**

**3301 Laurel Canyon Road
Santa Barbara, CA 93105**

Monday, March 22, 2010

Approximate Start Time
3:00 p.m.

AGENDA

1. **COMB CALL TO ORDER, ROLL CALL** (COMB Board of Directors.) *(1 minute)*.
2. **PUBLIC COMMENT** (Public may address the Board on any subject matter not on the agenda and within the Board's jurisdiction. See "Notice to the Public" below.) *(5 minutes)*
3. **CONSENT AGENDA** (For Board action by vote on one motion unless member requests separate consideration.) *(2 minutes)*
 - a. Minutes January 25, 2010 and February 22, 2010 Regular Board Meeting
 - b. Investment of Funds
 - Financial Reports
 - Investment Reports
 - c. Payment of Claims
4. **REPORTS FROM THE MANAGER** *(10 minutes)*
 - a. Cachuma Water Reports
 - b. Operations Report
 - c. COMB Operating Committee
 - d. Executed MOU Between COMB and ID No. 1 to Limit Activities During Organizational Restructuring
 - e. Quagga Mussel Inspection Report – County of Santa Barbara
 - f. Proposition 50 and 84 Activities
 - g. Submittal of New Applications for ARRA Funding to Reclamation
 - h. **Verbal Report - Cachuma Reservoir Current Conditions**

5. **COMB CAPITAL IMPROVEMENT PROGRAM**
 - a. Second Pipeline Project
 - 1) Project Status
 - 2) Permit Status

6. **CONSIDER RESOLUTION NO. 501 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

7. **IF NECESSARY, 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**

8. **CONSIDER APPROVAL OF 2010 MOU TO PARTICIPATE IN PROPOSITION 84 GRANT FUNDING AND REVISION OF SANTA BARBARA COUNTYWIDE IRWMP**

9. **STATUS OF ID NO. 1'S CONSIDERATION OF AMENDMENT TO THE COMB JOINT POWERS AGREEMENT TO MODIFY THE UNANIMOUS APPROVAL PROVISION FOR OBLIGATIONS OR PROJECTS IN EXCESS OF \$1,000,000**

10. **DIRECTORS' REQUEST FOR AGENDA ITEMS FOR NEXT MEETING**

11. **MEETING SCHEDULE**
 - April 26, 2010 following CCRB at 2:15 P.M., COMB Office
 - Board Packages Available on COMB Website
www.cachuma-board.org

12. **COMB ADJOURNMENT**

NOTICE TO PUBLIC

Public Comment: Any member of the public may address the Board on any subject within the jurisdiction of the Board that is not scheduled for a public hearing before the Board. The total time for this item will be limited by the President of the Board. If you wish to address the Board under this item, please complete and deliver to the Secretary of the Board before the meeting is convened, a "Request to Speak" forms including a description of the subject you wish to address.

Americans with Disabilities Act: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Cachuma Operation and Maintenance Board office at (805) 687-4011 at least 48 hours prior to the meeting to enable the Board to make reasonable arrangements.

[This Agenda was Posted at 3301 Laurel Canyon Road, Santa Barbara, CA
at Santa Barbara City Hall, Santa Barbara, CA and at Member District Offices and Noticcd and Delivered in Accordance with
Section 54954.1 and .2 of the Government Code.]

**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, January 25, 2010
REVISED**

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1. Call to Order, Roll Call

The meeting was called to order at 3:19 p.m. by President Williams who chaired the meeting. Those in attendance were:

Directors present:

Das Williams	City of Santa Barbara
Bob Lieberknecht	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
Chip Wullbrandt	Rebecca Bjork
Tim Robinson	Adelle Capponi
Matt Bloise	Phil Walker
John McInnes	Charles Hamilton
Mark Reinhardt	Susan Segovia
Alex Keuper	Harlan Burchardi
Gary Kvistad	Bill Rosen
Isaiah Brookshire	

2. Public Comment

Phil Walker, a resident of Santa Barbara commented about the need for a warning siren at Lauro Reservoir in the event of a seismic situation.

3. Consent Agenda

a. Minutes:

December 21, 2009 Regular Board Meeting

b. Investment Funds

Financial Reports
Investment Report

ITEM # 3a
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c. Payment of Claims

Director Hanson moved to approve the consent agenda as presented, seconded by Director Lieberknecht, 6/0/1, Director Morgan abstained.

4. Introduction of Montecito Water District's Appointee Doug Morgan to the COMB Board

President Williams introduced Doug Morgan, Montecito Water District's appointee to the COMB Board.

5. Resolutions Relating to COMB Bank Account

- a. **Resolution No. 498 Authorizing Signatories for the Cachuma Project Trust Fund and Renewal Fund Accounts at Santa Barbara Bank & Trust**
- b. **Resolution No. 499 Authorizing Signatories for General Fund Account at Santa Barbara Bank & Trust**

Ms. Rees reported that the COMB Board has had a recent change in two of its Directors, Lee Bettencourt replaced Matt Loudon from the Santa Ynez River Water Conservation District and Doug Morgan replaced Jan Abel from the Montecito Water District. The adoption of Resolution 498 and 499 will add these two Directors as a signatory on the COMB Renewal Fund and Trust Fund Accounts and on the COMB General Fund Account at Santa Barbara Bank & Trust.

Director Lieberknecht moved to approve and adopt Resolutions No. 498 and 499, seconded by Director Hanson. A roll call vote was taken, passed 7/0/0.

6. Reconsideration of COMB Board Committee Appointments

President Williams made the following committee appointments for the remaining FY 2009-2010 to fill vacancies due to the change in two Directors.

COMMITTEE APPOINTMENTS
 FY 2009-2010
Mid-Year Appointments

COMMITTEE NAME	COMMITTEE MEMBER	COMMITTEE MEMBER	ALTERNATE MEMBER
Capital Improvements	Lauren Hanson	Das Williams	Doug Morgan
Finance	Lauren Hanson	Bob Lieberknecht	Das Williams
Management & Public Affairs	Bob Lieberknecht	Das Williams	Doug Morgan
Operations	Bob Lieberknecht	Lauren Hanson	Doug Morgan
Legal Affairs	Lee Bettencourt	Das Williams	Lauren Hanson

7. Reports From the Manager

a. Cachuma Water Reports

The Water Reports were included in the board packet.

Director Morgan requested that the metering issue in the lower reach be resolved. Ms. Rees stated that there would be a meeting probably in February to address the issues.

b. Operations Report

The Operations Report was included in the board packet

c. COMB Operating Committee

The draft minutes from the January 13, 2010 meeting were included in the board packet.

Rebecca Bjork stated she felt the minutes reflect an accurate representation of what was discussed at the meeting. She wanted to point out that the letter from ID #1, which was distributed during the Board meeting, described actions that were not actually taken. The intent of the Operating Committee was to allow the managers to discuss issues before those issues were presented to the Board. She reiterated that the issue with the proposed Meadowlark project was a perfect example of the Operating Committee functioning as it was intended to. The committee felt this project was not an appropriate project for either COMB or CCRB to undertake. The ID #1 letter mischaracterizes what actually happened at the Operating Committee meeting concerning the Meadowlark project and the ownership and maintenance contract for the fish projects with the county. No action was taken on either item and these items will not be considered by the COMB Board.

Chris Dahlstrom spoke to the COMB Board regarding the concerns of the ID #1 Board of Trustees and why President Buchardi wrote the letter objecting to COMB's involvement in the Meadowlark project as well as the it's involvement in negotiating a contract with the County for the ownership and maintenance of the Fish Projects.

d. Quagga Mussel Inspection Report – County of Santa Barbara

The monthly report from the County of Santa Barbara was included in the board packet.

Director Hanson reported that the Quagga Ad Hoc Committee has not been able to schedule a meeting with the County Board of Supervisors.

e. Jesusita Fire Activities

The final report for the Jesusita Fire activities was included in the board packet. Director Morgan requested that cost for the different activities be included in these reports.

f. Status of Cachuma Lake & Park RMP/EIS

Ms. Rees reported that there had been no change in the status of the Cachuma Lake Resource Management Plan and EIS (RMP/EIS). The completion date is now anticipated for January 2010. A certified EIS is also necessary for the long term lease negotiations to proceed.

g. Proposition 50 and 84 Activities

Ms. Rees had reported at the December meeting the SWRCB had suspended reimbursement to the Santa Barbara Prop 50 region. Included in the board packet was the corrective action letter sent to the SWRCB from Santa Barbara County Public Works Department. The State Board considered the actions and Ms. Rees has recently received information that the State Board has accepted the County's corrective actions and the reimbursement suspension will soon be released.

Ms. Rees reported that she hopes to bring to the Board in February a new MOU for Prop 84 that will be considered for the distribution of the administrative costs for continued work on Proposition 84 grant applications.

h. 2008 Surcharge Accounting

The monthly Surcharge Accounting was included in the board packet.

i. Cachuma Reservoir Current Conditions

Date 01/25/2010

Lake Elevation	737.30 feet
Storage	151,489 acre feet
Rain (for the month to date)	9.99 inches
Rain YTD (for the season to date)	18.5 inches
Fish Release-Hilton	11.6 – 12.5 acre feet per day
Month to Date Fish Release	293.3 acre feet
Month to Date Spill	0 acre feet
Year to Date Spill	0 acre feet

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**

A letter to the COMB Board from the Board President of Santa Ynez River Water Conservation District, ID #1 was distributed at the meeting. The letter stated that the ID #1 Board determined in a unanimously approved motion that it would defer and withhold its action on the COMB Bond Resolution until such time that an

amendment is made and approved to the COMB JPA. The amendment needs to state and clarify that COMB is precluded from performing or engaging in any and all activities in the Santa Ynez River downstream of Bradbury Dam, and any and all Cachuma Project or water rights matters that affect downstream interests. Also, a clear demarcation between COMB and CCRB must be re-established.

Director Williams moved to table Item #8 to the February Board meeting, seconded by Director Morgan, passed 7/0/0.

9. COMB Capital Improvement Program

a. Second Pipeline Project

1) Project Status Report

This report was included in the board packet

b. Mission Creek Pipeline and Fish Passage Project

1) Project Status Report

This report was included in the board packet.

Director Morgan questioned the timeline of the two projects and if they were up to date. Ms. Rees said that it would be looked at but that she thought they were up to date.

10. Consider Approval of COMB Operations Staff Restructuring and New Engineer Position

Ms. Rees reported on the Operations staff restructuring. She recommended that the Operations Supervisor's job description be revised to shift a few higher level duties to a new engineer position. Along with the revised job description would be a lower salary range for the Operations Supervisor position. She requested the Board approve the permanent appointment of Robert Dunlap to Operations Supervisor and eliminate the Operations Foreman position.

Ms. Rees also requested approval to hire a new professional Engineer at a commensurate salary range. The fiscal impact for FY 2010-11 will be an increase in operations salaries for a total of \$17,852. To offset the increase in salary, staff will reduce other areas of the COMB budget, primarily in outside consulting work.

Director Hanson moved to approve the staff recommendations with the addition of Director Morgan's request that Robert Dunlap be given an evaluation, that the Operating Committee be able to look at the top engineer candidates, inform the Board of the selection committee when it has been formed and to consider Bob Roebuck to fill the position possibly as a half time position. The motion was seconded by Director Morgan and passed 6/1/0. Director Lieberknecht voted no.

11. Ad Hoc Committee Report Regarding COMB Operating Committee's Role and Responsibilities

Director Williams reported on the COMB Operating Committee's Role and Responsibilities as discussed during the January 13th Operating Committee meeting.

A wide ranging discussion took place regarding the structure of the Operating Committee:

- Which issues should first be considered by the Operating Committee and which should first go directly to the Board or the Board CIP Committee
- Return to a more informal Managers meeting, so that both COMB and CCRB items could be discussed
- Strive to develop the model of the CCWA Operating Committee
- Including fisheries projects discussion at the COMB Operating meeting
- Fisheries work would be discussed at a separate meeting on an ad hoc basis, including attorneys as needed
- Continue the current Operating Committee structure dealing with COMB issues only
- Do fisheries projects involve water rights or do they not

Director Hanson moved to recommend that the COMB Operating Committee would address COMB issues and that there be a separate managers meeting taking place on an ad hoc basis, including the attorneys as needed, to occur before or after the Operating Committee meetings. This meeting would be held to discuss fish project issues. Director Hanson included in her motion to add this item to the next CCRB agenda for consideration, seconded by Director Morgan, passed 7/0/0.

12. Consider Santa Barbara County Parks Department's Request for Assistance with Matching Funds for Cachuma Park Federal Grant and Request to Authorize issues Discussion with the County CEO's Office

This was thoroughly discussed during the CCRB meeting, Item #5.

Director Morgan moved to postpone the approval of allowing County Parks to use COMB/CCRB projects as matching funds for a federal grant application for the improvement projects at Lake Cachuma until COMB has an opportunity to speak with the County, seconded by Director Hanson. He would like to authorize Ms. Rees to develop a list of unresolved issues, circulate it among the MU managers and ID #1, and would like for John McInnes to immediately initiate a dialog with the County CEO's office to institute a collaborative process, so the COMB motion is essentially the same as the CCRB motion. Director Bettencourt requested that either a staff or board a representative from ID #1 be included on the committee that meets with the County to make sure ID #1's position is heard. President Williams indicated ID#1 was a member of COMB; Mr. Bettencourt said although ID#1 was a member on COMB, it was not a member of CCRB, so he could only vote on this motion. President Williams said ID#1's concern is taken care of as it has specifically been called out in the motion. seconded by Director Hanson. The motion passed 6/1/0, Director Bettencourt voted no.

13. Directors' Request for Agenda Items for Next Meeting

President Williams requested that an amendment to the COMB JPA to remove the Santa Ynez River Conservation District, ID #1 from the COMB JPA be considered.

Director Hanson requested that consideration of an amendment to the COMB JPA to revise the unanimous consent so that project approval would only require approval from the paying members.

14. Meeting Schedule

February 10, 2010 COMB Facilities Overview Tour, 12:00 p.m. – 4:00 p.m.
The next regular Board meeting will be held February 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

15. COMB Adjournment

There being no further business, the meeting was adjourned at 5:16 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Das Williams, President

Approved _____

Unapproved _____ ✓

**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

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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

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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

Approved _____

Unapproved _____

ITEM # 3a

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comb2
Balance Sheet
 As of February 28, 2010

	Feb 28, 10
ASSETS	
Current Assets	
Checking/Savings	
1050 · GENERAL FUND	763,912.12
1100 · REVOLVING FUND	123,715.30
TRUST FUNDS	
1210 · WARREN ACT TRUST FUND	115,069.43
1220 · RENEWAL FUND	5,034.02
Total TRUST FUNDS	120,103.45
Total Checking/Savings	1,007,730.87
Other Current Assets	
1010 · PETTY CASH	400.00
1200 · LAIF	1,378,357.46
1300 · DUE FROM CCRB	60,706.54
1303 · Bradbury SOD Act Assmnts Rec	59,192.00
1304 · Lauro Dam SOD Assesmnt Rec	18,299.00
1400 · PREPAID INSURANCE	13,456.72
1401 · W/C INSURANCE DEPOSIT	6,529.00
Total Other Current Assets	1,536,940.72
Total Current Assets	2,544,671.59
Fixed Assets	
1500 · VEHICLES	338,973.52
1505 · OFFICE FURN & EQUIPMENT	219,801.66
1510 · TRAILERS	97,803.34
1515 · FIELD EQUIPMENT	366,549.49
1525 · PAVING	22,350.00
1550 · ACCUMULATED DEPRECIATION	-768,209.21
Total Fixed Assets	277,268.80
Other Assets	
1910 · LT Bradbury SOD Act Assess Rec	5,686,239.07
1920 · LT Lauro SOD Act Assess Rec	976,048.00
Total Other Assets	6,662,287.07
TOTAL ASSETS	9,484,227.46
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2200 · ACCOUNTS PAYABLE	126,006.87
Total Accounts Payable	126,006.87
Other Current Liabilities	
2550 · VACATION/SICK	73,628.67
2561 · BRADBURY DAM SOD ACT	59,192.60
2562 · SWRCB-WATER RIGHTS FEE	-0.26
2563 · LAURO DAM SOD ACT	18,299.00
2590 · DEFERRED REVENUE	120,103.45
Payroll-DepPrm Admin	15.00
Payroll-CCRB DepPrm	4.62
Payroll-DepPrm Ops	4.62
Total Other Current Liabilities	271,247.70
Total Current Liabilities	397,254.57
Long Term Liabilities	
2602 · LT SOD Act Liability-Bradbury	5,686,239.07
2603 · LT SOD Act Liability - Lauro	976,048.00
Total Long Term Liabilities	6,662,287.07

8:30 AM
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Accrual Basis

comb2
Balance Sheet
As of February 28, 2010

	<u>Feb 28, 10</u>
Total Liabilities	7,059,541.64
Equity	
3000 · Opening Bal Equity	0.95
3901 · Retained Earnings	1,013,062.66
Net Income	1,411,622.21
Total Equity	<u>2,424,685.82</u>
TOTAL LIABILITIES & EQUITY	<u><u>9,484,227.46</u></u>

10:48 AM
03/17/10
Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July 2009 through February 2010

	Jul '09 - Feb 10	Budget	\$ Over Budget	% of Budget
TOTAL				
Income				
3000 REVENUE				
3001 · O&M Budget (Qtrly Assessments)	2,524,295.25			
3007 · Renewal Fund	0.00			
3010 · Interest Income	3,518.61			
3020 · Misc Income	8,778.16			
3021 · Grant Income	0.00			
3031 · Ins. Reimbrsmnt - Jesusita Fire	203,234.85			
Total 3000 REVENUE	2,739,826.87			
Total Income	2,739,826.87			
Gross Profit				
Expense				
3100 LABOR				
3101-A · Ops Supervisor	7,111.94			
3101-H · Holiday Leave	12,647.97			
3101-S · Sick Leave	6,632.54			
3101-V · Vacation Leave	11,565.02			
3102 · Meter Reading	2,578.60			
3103 · SCC Ops	179,779.02			
3104 · Veh & Equip Mtce	3,195.73			
3105 · SCADA	2,127.93			
3106 · Rodent Bait	2,928.44			
3107 · NORTH PORTAL				
Total 3107-1 · NP INTAKE TOWER	2,067.90			
Total 3107-2 · NP CONTROL STATION	1,564.97			
Total 3107 · NORTH PORTAL	3,632.87			
3108 · GLEN ANNE				
Total 3108-1 · GA SOUTH PORTAL	4,455.61			
Total 3108-2 · GA RESERVOIR	321.19			
Total 3108-4 · GA TURNOUT	711.91			
Total 3108 · GLEN ANNE	5,488.71			

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Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July 2009 through February 2010

	Jul '09 - Feb 10	Budget	\$ Over Budget	% of Budget
TOTAL				
3109 · CORONA DEL MAR				
Total 3109-1 · TURNOUT	741.54			
Total 3109 · CORONA DEL MAR	741.54			
3110 · LAURO				
Total 3110-1 · YARD	13,506.52			
Total 3110-2 · CONTROL STATION	1,068.50			
Total 3110-3 · RESERVOIR	7,989.52			
Total 3110-4 · DEBRIS BASINS	849.21			
Total 3110 · LAURO	23,413.75			
3111 · OFFICE				
Total 3111-1 · CREW OFFICE	125.70			
Total 3111-3 · MAIN OFFICE	32.72			
Total 3111-4 · SHOPS	262.79			
Total 3111 · OFFICE	421.21			
3112 · SHEFFIELD				
Total 3112-1 · CONTROL STATION	451.35			
Total 3112 · SHEFFIELD	451.35			
3113 · ORTEGA				
Total 3113-1 · CONTROL STATION	408.53			
Total 3113-2 · RESERVOIR	1,707.91			
Total 3113 · ORTEGA	2,116.44			
3115 · CARPINTERIA				
Total 3115-1 · CONTROL STATION	729.28			
Total 3115-2 · RESERVOIR	1,126.40			
Total 3115 · CARPINTERIA	1,855.68			
3116 · GOLETA REACH				
Total 3116-1 · STRUCTURES	759.39			

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Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July 2009 through February 2010

	Jul '09 - Feb 10	Budget	\$ Over Budget	% of Budget
TOTAL				
Total 3116-2 · LATERAL METERS	32.92			
Total 3116 · GOLETA REACH	792.31			
3117 · CARPINTERIA REACH				
Total 3117-1 · STRUCTURES	377.10			
Total 3117-2 · LATERAL METERS	580.83			
Total 3117-4 · CONDUIT	456.41			
Total 3117 · CARPINTERIA REACH	1,414.34			
3150 · Health & Workers Comp				
3155 · PERS	95,415.16			
3160 · Payroll Comp FICA Ops	42,974.72			
3165 · Payroll Comp MCARE Ops	18,562.47			
3100 LABOR - Other	4,341.21			
3100 LABOR	0.00			
Total 3100 LABOR	430,188.95	886,401.00	-886,401.00	0.0%
Total 3100 LABOR	430,188.95	886,401.00	-456,212.05	48.53%
3200 VEH & EQUIPMENT				
3201 · Vehicle/Equip Mtce	15,351.12	40,000.00	-24,648.88	38.38%
3202 · Fixed Capital	1,251.19	40,000.00	-38,748.81	3.13%
3203 · Equipment Rental	613.01	5,000.00	-4,386.99	12.26%
3204 · Miscellaneous	2,485.03	15,000.00	-12,514.97	16.57%
Total 3200 VEH & EQUIPMENT	19,700.35	100,000.00	-80,299.65	19.7%
3300 · CONTRACT LABOR				
3301 · Conduit, Meter, Valve & Misc	8,001.94	12,000.00	-3,998.06	66.68%
3302 · Buildings & Roads	3,751.29	16,000.00	-12,248.71	23.45%
3303 · Reservoirs	3,675.50	52,000.00	-48,324.50	7.07%
3304 · Engineering, Misc Services	0.00	20,000.00	-20,000.00	0.0%
Total 3300 · CONTRACT LABOR	15,428.73	100,000.00	-84,571.27	15.43%
3400 · MATERIALS & SUPPLIES				
3401 · Conduit, Meter, Valve & Misc	141.33	25,000.00	-24,858.67	0.57%
3402 · Buildings & Roads	6,135.68	25,000.00	-18,864.32	24.54%
3403 · Reservoirs	1,632.16	10,000.00	-8,367.84	16.32%
Total 3400 · MATERIALS & SUPPLIES	7,909.17	60,000.00	-52,090.83	13.18%

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Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July 2009 through February 2010

	TOTAL			
	Jul '09 - Feb 10	Budget	\$ Over Budget	% of Budget
3500 - OTHER EXPENSES				
3501 - Utilities	2,759.42	6,500.00	-3,740.58	42.45%
3502 - Uniforms	325.06	6,500.00	-6,174.94	5.0%
3503 - Communications	11,214.69	20,000.00	-8,785.31	56.07%
3504 - USA & Other Services	1,487.82	4,000.00	-2,512.18	37.2%
3505 - Miscellaneous	8,529.15	8,000.00	529.15	106.61%
3506 - Training	475.00	8,000.00	-7,525.00	5.94%
Total 3500 - OTHER EXPENSES	24,791.14	53,000.00	-28,208.86	46.78%
4999 - GENERAL & ADMINISTRATIVE				
5000 - Director Fees				
5001 - Director Mileage	762.80			
5000 - Director Fees - Other	7,680.00	12,000.00	-4,320.00	64.0%
Total 5000 - Director Fees	8,442.80	12,000.00	-3,557.20	70.36%
5100 - Legal	73,077.68	63,000.00	10,077.68	116.0%
5101-1 - Audit	12,000.00	12,000.00	0.00	100.0%
5150 - Unemployment Tax	1,800.00	7,567.00	-5,767.00	23.79%
5200 - Liability Insurance	31,629.00	40,000.00	-8,371.00	79.07%
5201 - Health & Workers Comp	50,695.04	72,310.00	-21,614.96	70.11%
5250 - PERS	25,622.96	39,760.00	-14,137.04	64.44%
5260 - Company FICA Admin	9,018.78	15,658.00	-6,639.22	57.6%
5265 - Company MCARE Admin	2,369.26	3,662.00	-1,292.74	64.7%
5300 - Manager Salary	46,884.50	73,000.00	-26,115.50	64.23%
5301 - Administrative Manager	62,898.64	96,198.00	-33,299.36	65.39%
5306 - Administrative Assistant	38,895.33	59,421.00	-20,525.67	65.46%
5310 - Postage/Office Exp	4,425.80	9,000.00	-4,574.20	49.18%
5311 - Office Equip/Leases	3,855.19	6,200.00	-2,344.81	62.18%
5312 - Misc Admin Expenses	4,414.42	12,000.00	-7,585.58	36.79%
5313 - Communications	2,536.81	6,000.00	-3,463.19	42.28%
5314 - Utilities	4,305.21	6,000.00	-1,694.79	71.75%
5315 - Membership Dues	5,713.00	6,050.00	-337.00	94.43%
5316 - Admin Fixed Assets	0.00	5,000.00	-5,000.00	0.0%
5318 - Computer Consultant	12,044.83	10,000.00	2,044.83	120.45%

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Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July 2009 through February 2010

TOTAL

	Jul '09 - Feb 10	Budget	\$ Over Budget	% of Budget
5325 · Emp Training/Subscriptions	818.66	4,500.00	-3,681.34	18.19%
5330 · Admin Travel/Conferences	2,344.66	5,000.00	-2,655.34	46.89%
5331 · Public Information	360.40	6,000.00	-5,639.60	6.01%
5332 · Transportation	873.11	1,000.00	-126.89	87.31%
Total 4999 · GENERAL & ADMINISTRATIVE	405,026.08	571,326.00	-166,299.92	70.89%
5510 · Integrated Reg. Water Mgt Plan	0.00	70,000.00	-70,000.00	0.0%
6000 · SPECIAL PROJECTS				
6062 · SCADA	9,320.00	50,000.00	-40,680.00	18.64%
6090-1 · COMB Bldg/Grounds Repair	5,707.50	50,000.00	-44,292.50	11.42%
6092 · SCC Improv Plan & Design	191,043.55	275,000.00	-83,956.45	69.47%
6092-1 · SCC Improv Plan & Design - UF	0.00	-100,000.00	100,000.00	0.0%
6096 · SCC Structure Rehabilitation	1,593.44	100,000.00	-98,406.56	1.59%
6097 · GIS and Mapping	8,282.66	50,000.00	-41,717.34	16.57%
Total 6000 · SPECIAL PROJECTS	215,947.15	425,000.00	-209,052.85	50.81%
6400 · STORM DAMAGE				
6403 · Jesusita Fire Damage	209,209.86	375,000.00	-165,790.14	55.79%
6403-1 · Jesusita Fire Damage - UF	0.00	-375,000.00	375,000.00	0.0%
Total 6400 · STORM DAMAGE	209,209.86	0.00	209,209.86	100.0%
6999 · Uncategorized Expense	0.00	1,100,000.00	-1,100,000.00	0.0%
PAYROLL				
Gross	0.03			
Gross-CCRB	0.04			
Total PAYROLL	0.07			
Total Expense	1,328,204.66	3,365,727.00	-2,037,522.34	39.46%
Net Income	1,411,622.21	-3,365,727.00	4,777,349.21	-41.94%

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Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
916) 653-3001

www.treasurer.ca.gov/pmia-lai
March 15, 2010

CACHUMA OPERATION AND MAINTENANCE BOARD

GENERAL MANAGER
3301 LAUREL CANYON ROAD
SANTA BARBARA, CA 93105-2017

PMIA Average Monthly Yields

Transactions

Tran Type Definitions

February 2010 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	1,378,357.46
Total Withdrawal:	0.00	Ending Balance:	1,378,357.46

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

The above statement of investment activity for the month of February, 2010, complies with legal requirements for investment policy of government agencies, AB 1073. I hereby certify that it constitutes a complete and accurate summary of all LAIF investments of this agency for the period indicated.

Kathleen Rees
Secretary

ITEM # 36
PAGE 8

**SANTA BARBARA
BANK & TRUST**

P.O. Box 60839, S.B., CA, 93160-0839

6366

Cachuma Operation & Maintenance Board
Master Contract Renewal Fund
3301 Laurel Canyon Rd
Santa Barbara CA 93105-2017

Banking Statement

Statement Period: 02/01/2010 to 02/28/2010

Customer Num

Customer Service Representative
(888) 400-SBBT (400-7228)

BANKLINE-24-HOUR AUTOMATED INFORMATION
(800) 287-SBBT (287-7228)

www.sbbt.com

NOTICE: FUNDS AVAILABILITY POLICY CHANGE

Effective immediately, Pacific Capital Bank, N.A. has amended its Funds Availability Policy. In some cases this will reduce the number of days the bank may place holds on your deposits. For more information, please contact your local branch or call a service representative at the number above.

Business Money Market

Checking Summary

Cachuma Operation & Maintenance Board

Master Contract Renewal Fund

Account Number	102335072
Interest Paid YTD	4.07
Interest Paid Last Year	49.13

Deposit Account Recap

Beginning Balance as of February 1, 2010	5,032.09
1 Deposits (Plus)	1.93
Ending Balance as of February 28, 2010	5,034.02
Interest Paid	1.93

Kathleen Rees

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

The above statement of investment activity for the month of February, 2010, complies with legal requirements for investment policy of government agencies, AB 1073. I hereby certify that it constitutes a complete and accurate summary of all Santa Barbara Bank & Trust investments of this agency for the period indicated.

Kathleen Rees
Secretary

ITEM # 36
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**SANTA BARBARA
BANK & TRUST**

P.O. Box 60839, S.B., CA, 93160-0839

6367

Cachuma Operation & Maintenance Board
Cachuma Project Trust Fund
3301 Laurel Canyon Rd
Santa Barbara CA 93105-2017

Banking Statement

Statement Period: 02/01/2010 to 02/28/2010

Customer Num

Customer Service Representative
(888) 400-SBBT (400-7228)

BANKLINE-24-HOUR AUTOMATED INFORMATION
(800) 287-SBBT (287-7228)

www.sbbt.com

NOTICE: FUNDS AVAILABILITY POLICY CHANGE

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Public Capital Tiered MMDA

Checking Summary

Cachuma Operation & Maintenance Board

Cachuma Project Trust Fund

Account Number 102335080

Interest Paid YTD 134.50

Interest Paid Last Year 846.73

Deposit Account Recap

Beginning Balance as of

February 1, 2010 115,003.25

1 Deposits (Plus) 66.18

Ending Balance as of

February 28, 2010 115,069.43

Interest Paid 56.18

KR 2/1/10

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

The above statement of investment activity for the month of February, 2010, complies with legal requirements for investment policy of government agencies, AB 1073. I hereby certify that it constitutes a complete and accurate summary of all Santa Barbara Bank & Trust investments of this agency for the period indicated.

Kathleen Rees
Secretary

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03/15/10
Accrual Basis

comb2
Payment of Claims
As of February 28, 2010

Date	Num	Name	Memo	Split	Amount
1050 · GENERAL FUND					
2/8/2010	18691	Business Card		2200 · ACC...	-1,577.05
2/10/2010	18692	Acorn Landscape Manage...	Scheduled mtce	2200 · ACC...	-253.17
2/10/2010	18693	ACWA Health Benefits Au...	Mar EAP	2200 · ACC...	-46.02
2/10/2010	18695	Alexander Hamilton Institu...	Personnel Legal Alert 3/15/10-3/7/...	2200 · ACC...	-162.44
2/10/2010	18696	AT&T	Jan statement	2200 · ACC...	-216.13
2/10/2010	18697	Calif Dept of Forestry & Fi...	Lauro Res-Jesusita Fire	2200 · ACC...	-2,684.64
2/10/2010	18698	Channel City Lumber	Hose clamp/security insert bit	2200 · ACC...	-24.91
2/10/2010	18699	CIO Solutions, LP		2200 · ACC...	-2,718.75
2/10/2010	18700	City of Santa-Barbara	Refuse/recycle 12/30/09-1/28/10	2200 · ACC...	-158.12
2/10/2010	18701	City of Santa Barbara-Cen...	Towels, paper roll	2200 · ACC...	-67.02
2/10/2010	18702	Coastal Copy, LP	Lease/mtce agmt KM-C4035 12/9...	2200 · ACC...	-74.04
2/10/2010	18703	COMB-Petty Cash	Replenish petty cash	2200 · ACC...	-205.99
2/10/2010	18704	COMB - Revolving Fund	Feb 19, Mar 5 & 19 payroll/taxes	2200 · ACC...	-178,558.18
2/10/2010	18705	Cox Communications	Business internet 1/18-2/17/10	2200 · ACC...	-195.00
2/10/2010	18706	Culligan Water	RO system Feb	2200 · ACC...	-24.95
2/10/2010	18707	Das Williams	Jan mtg fees	2200 · ACC...	-264.29
2/10/2010	18708	Duraframe Dipnet	CCRB-nets PO#5067	2200 · ACC...	-740.44
2/10/2010	18709	ECHO Communications	Answering service	2200 · ACC...	-62.00
2/10/2010	18710	Farm Supply Company		2200 · ACC...	-1,136.05
2/10/2010	18711	Farwest Corrosion Control...	Shunts/terminals PO#8928	2200 · ACC...	-56.48
2/10/2010	18712	Fed Ex Kinko's, Inc.	Scanning	2200 · ACC...	-440.44
2/10/2010	18713	Fleet Services	Fuel	2200 · ACC...	-1,976.72
2/10/2010	18714	GE Capital	Copies lease Billing ID#90133933...	2200 · ACC...	-499.16
2/10/2010	18715	Growing Solutions	Plant care PO#8931	2200 · ACC...	-100.00
2/10/2010	18716	J&C Services	Ofc cleaning 1/4,8,15,22	2200 · ACC...	-500.00
2/10/2010	18717	Kathleen Rees	Feb reimb	2200 · ACC...	-136.64
2/10/2010	18718	Laser Cartridge Co.	Ops/CCRB cartridge recharge	2200 · ACC...	-188.02
2/10/2010	18719	Lauren W. Hanson	Jan mtg fees	2200 · ACC...	-266.00
2/10/2010	18720	Lee F. Bettencourt	Jan mtg fees	2200 · ACC...	-156.35
2/10/2010	18721	MarBorg Industries		2200 · ACC...	-892.10
2/10/2010	18722	Nextel Communications	Cellular	2200 · ACC...	-593.22
2/10/2010	18723	Nordman, Cormany, Hair ...		2200 · ACC...	-9,472.50
2/10/2010	18724	Paychex, Inc.	1/8,22 payrolls/taxes/qtr delivery/...	2200 · ACC...	-442.30
2/10/2010	18725	PG&E		2200 · ACC...	-183.44
2/10/2010	18726	Pitney Bowes Global Fina...	Equip tax	2200 · ACC...	-4.12
2/10/2010	18727	Praxair Distribution, Inc	Cylinder rental	2200 · ACC...	-42.78
2/10/2010	18728	Prudential Overall Supply		2200 · ACC...	-292.04
2/10/2010	18729	Republic Elevator Co.	Scheduled mtce	2200 · ACC...	-256.90
2/10/2010	18730	Robert Lieberknecht	Jan mtg fees	2200 · ACC...	-142.16
2/10/2010	18731	Santa Barbara News Press	WSW I position ad	2200 · ACC...	-757.04
2/10/2010	18732	Sound Billing LLC	Silverado service-CCRB	2200 · ACC...	-60.48
2/10/2010	18733	Southern California Edison		2200 · ACC...	-1,179.23
2/10/2010	18734	Southwest Services	Calibrate SP/Goleta West flow me...	2200 · ACC...	-521.44
2/10/2010	18735	Spatial Wave	Field Mapplet Mtce-annual mtce 4...	2200 · ACC...	-3,757.50
2/10/2010	18736	Staples Credit Plan	Office supplies	2200 · ACC...	-231.51
2/10/2010	18737	State Compensation Insur...	Payroll Report Jan 2010	2200 · ACC...	-4,475.51
2/10/2010	18738	The Gas Company	Main ofc	2200 · ACC...	-37.07
2/10/2010	18739	Underground Service Alert...	Jan tickets	2200 · ACC...	-73.50
2/10/2010	18740	UPS	Shipping	2200 · ACC...	-10.97
2/10/2010	18741	Verizon California		2200 · ACC...	-445.55
2/10/2010	18742	Verizon Wireless	Cellular	2200 · ACC...	-199.53
2/10/2010	18743	W. Douglas Morgan	Jan mtg fees	2200 · ACC...	-138.00
2/16/2010	18744	AECOM USA Inc.		2200 · ACC...	-2,305.24
2/17/2010	18745	ACWA Health Benefits Au...	3/1-4/1/10 coverage	2200 · ACC...	-12,642.86
2/17/2010	18746	Big Brand Tire Company		2200 · ACC...	-1,897.46
2/17/2010	18747	Laser Cartridge Co.	4600 cartridge recharge& image tr...	2200 · ACC...	-405.08
2/17/2010	18748	McMaster-Carr Supply Co.	Light bulbs PO#8942	2200 · ACC...	-63.85
2/17/2010	18749	Southern California Edison	Foothill Rd	2200 · ACC...	-27.39
2/17/2010	18750	Verizon California	SCADA	2200 · ACC...	-524.26
2/22/2010	18751	Francisco Bautista	Reimb misc supplies	2200 · ACC...	-57.17

4:20 PM
03/15/10
Accrual Basis

comb2
Payment of Claims
As of February 28, 2010

Date	Num	Name	Memo	Split	Amount
Total 1050 · GENERAL FUND					-235,621.20
TOTAL					-235,621.20

09-10 ENTITLEMENT

CACHUMA OPERATION AND MAINTENANCE BOARD

WATER PRODUCTION AND WATER USE REPORT

FOR THE MONTH OF FEBRUARY 2010 AND THE WATER YEAR TO DATE

(All in rounded Acre Feet)

	MONTH TOTAL					YTD TOTAL
WATER PRODUCTION:						
Cachuma Lake (Tec. Diversion)				1,192		9,224
Tecolote Tunnel Infiltration				103		634
Glen Anne Reservoir				0		0
Cachuma Lake (County Park)				1		18
State Water Diversion Credit				25		327
Gibraltar Diversion Credit				0		0
Bishop Ranch Diversion				0		0
Meter Reads				1,249		9,236
So. Coast Storage gain/(loss)				22		(45)
Total Production				1,296		9,876
Total Deliveries				1,296		9,519
Unaccounted-for				1		358
% Unaccounted-for				0.04%		3.62%
	GWD	SB CITY	MWD	CVWD	SYRWCD	TOTAL
WATER USE:						
					I.D. #1	
M&I	560	532	91	19	1	1,204
Agricultural	33	0	3	9	0	45
TOTAL FOR MONTH	593	532	93	28	1	1,249
Same Mo/prev. yr	271	481	140	54	2	948
M&I Yr to date	3,338	3,543	942	350	16	8,190
Ag. Yr to date	669	0	86	288	0	1,043
TOTAL YTD	4,007	3,543	1,027	638	16	9,233
USAGE % YTD	32.2%	27.1%	26.9%	17.0%	1.0%	25.6%
Previous Year/YTD	4,116	2,023	903	570	23	7,635
Evaporation	0	5	0	1	2	8
Evaporation, YTD	30	65	12	12	14	133
Entitlement	9,322	8,277	2,651	2,813	2,651	25,714
Carryover	3,088	4,937	1,129	944	839	10,937
Carryover Balances Spilled YTD	0	0	0	0	0	0
Surplus^^	0	0	0	0	0	0
State Water Exchange^	134	90	90	60	(374)	0
Transfers*/Adjustment***	0	0	0	0	0	0
Passthrough H2O**	0	0	0	0	0	0
TOTAL AVAILABLE	12,544	13,304	3,870	3,817	3,116	36,651
REMAINING BALANCE	8,506	9,696	2,831	3,167	3,086	27,285

** City is operating under pass through mode declared November 2008.

State Water Deliveries for FEBRUARY to Lake Cachuma were MWD 0 AF; CVWD 0 AF

GWD 0 AF (Morehart 0 AF); City of S.B. 0 AF; and LaCumbre 25 AF; (Ratheon 0 AF).

^ Per SWP Exchange Agrmt GWD received 21 AF; MWD received 14;

City of SB received 14 AF; and CVWD received 9 AF from ID#1 in FEBRUARY 2010.

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CACHUMA OPERATION AND MAINTENANCE BOARD
WATER STORAGE REPORT

MONTH: February 2010

GLEN ANNIE RESERVOIR	
Capacity at 385' elevation:	518 Acre Feet
Capacity at sill of intake at 334' elevation:	21 Acre Feet
Stage of Reservoir Elevation	349.00 Feet
Water in Storage	101.64 Acre Feet
LAURO RESERVOIR	
Capacity at 549' elevation:	600 Acre Feet
Capacity at sill of intake at 512' elevation:	84.39 Acre Feet
Stage of Reservoir Elevation	543.20 Feet
Water in Storage	475.33 Acre Feet
ORTEGA RESERVOIR	
Capacity at 460' elevation:	65 Acre Feet
Capacity at outlet at elevation 440':	0 Acre Feet
Stage of Reservoir Elevation	445.90 Feet
Water in Storage	16.11 Acre Feet
CARPINTERIA RESERVOIR	
Capacity at 384' elevation:	45 Acre Feet
Capacity at outlet elevation 362':	0 Acre Feet
Stage of Reservoir Elevation	375.30 Feet
Water in Storage	24.15 Acre Feet
TOTAL STORAGE IN RESERVOIRS	515.59 Acre Feet
Change in Storage	22.26 Acre Feet
CACHUMA RESERVOIR*	
Capacity at 750' elevation:	186,636 Acre Feet
Capacity at sill of tunnel 660' elevation:	25,668 Acre Feet
Stage of Reservoir Elevation	742.9 Feet
Water in Storage	166,379 AF
Area	2,758
Evaporation	333.9 AF
Inflow	14,474.7 AF
Downstream Release WR8918	0 AF
Fish Release	336.9 AF
Spill/Seismic Release	0 AF
State Project Water	25 AF
Change in Storage	12,278 AF
Tecolote Diversion	1,192.4 AF

Rainfall: **Month:** 4.92 **Season:** 20.57 **Percent of Normal:** 137%

* New capacity table adopted Dec. 1 as a result of the Bathymetric Study completed in Sept. 2008, results in 1110 AF reduction of storage.

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COMB STATE WATER PROJECT ACCOUNTING - SOUTH COAST ONLY (Does not include SYRWCD, ID#1 or exchange water)

MONTH	DELVRD TO LAKE	Delvd CWWD		Transf to MW	Delvd MWD	Evap/Spill	Delvd S.B.		Delvd GWD		Delvd LCMWC		Delvd RSYS		Delvd to Lake	MLC Stored	Delvd to SC	
		to Lake	to SC				to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC				to Lake
2009																		
Bal. Frwd		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January	143	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0
February	122	0	0	0	0	0	0	0	64	0	0	0	0	0	0	0	0	0
March	166	0	0	0	0	0	0	0	129	0	0	0	0	0	0	0	0	0
April	332	0	0	0	0	0	0	0	287	0	0	0	0	0	0	0	0	0
May	715	0	0	0	400	0	0	0	220	0	0	0	0	0	0	0	0	0
June	460	0	0	0	363	0	0	0	0	0	0	0	0	0	0	0	0	0
July	134	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	95	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	98	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	72	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2537	0	0	0	763	0	0	0	705	0	705	0	1047	0	22	0	1047	0

COMB STATE WATER PROJECT ACCOUNTING - SOUTH COAST ONLY (Does not include SYRWCD, ID#1 or exchange water)

MONTH	DELVRD TO LAKE	Delvd CWWD		Transf to MW	Delvd MWD	Evap/Spill	Delvd S.B.		Delvd GWD		Delvd LCMWC		Delvd RSYS		Delvd to Lake	MLC Stored	Delvd to SC	
		to Lake	to SC				to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC				
2010																		
Bal. Frwd		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	62	0	0	0	0	0	0	0	0	0	62	12	50	0	0	0	0	0

SUMMARY OF WATER USED
CACHUMA PROJECT - CONTRACT #175R-1802

Contract Year: 10/1/09 to: 9/30/10

Contract Entity: Montecito Water District
 Last updated by C.O.M.B. 2/28/10

Month	Approved Schedule		Carryover Previous Year	WATER USED CHARGED TO CARRYOVER BALANCES				WATER USED CHARGED TO CURRENT ENTITLEMENT			
	Current Year	2051		Evap	Div	Total	M & I	Agr	M & I	Agr	Total
Oct			1129	7	343	350	182	168	0	0	0
Nov				3	292	295	254	40	0	0	0
Dec				1	141	142	134	8	0	0	0
Jan				1	158	159	153	6	0	0	0
Feb				0	94	94	91	3	0	0	0
Mar											
Apr											
May											
Jun											
Jul											
Aug											
Sep											
Total		2651	1129								

Month	STORAGE WATER		CONVERSIONS		CURRENT SCHEDULE		SCHEDULE AND REVISIONS		
	M & I	Agr	M & I	Agr	M & I	Agr	M & I	Agr	Total
Oct	-168	168	0	0	1,129	0	2,386	265	2,651
Nov	-40	40	0	0			37		37
Dec	-8	8	0	0			12		12
Jan	-6	6	0	0			12		12
Feb	-3	3	0	0			15		15
Mar			0	0			14		14
Apr			0	0			0		0
May			0	0			0		0
Jun			0	0			0		0
Jul			0	0			0		0
Aug			0	0			0		0
Sep			0	0			0		0
Total									

Month	REMAINING BALANCES		Total	
	M & I	Agr	M & I	Agr
Oct	779	0	779	265
Nov	484	0	485	265
Dec	342	0	343	265
Jan	183	0	184	265
Feb	89	0	90	265
Mar				
Apr				
May				
Jun				
Jul				
Aug				
Sep				
Total				

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TOTAL 2,830

Operations Report – February 2010

The average flow from Lake Cachuma into the Tecolote Tunnel for February was 25 acre-feet per day. Lake elevation was 738.42 feet at the beginning of the month and 742.90 feet at the end. 43 acre-feet of State Water Project water was wheeled through Cachuma Project facilities and delivered to South Coast Member Units during the month.

Conditions at Ortega Reservoir have remained consistent over the month, with weekly monitoring of drain flow, piezometer elevations and site conditions.

Other activities conducted this month include:

- Jesusita Fire recovery efforts at Lauro Reservoir during February continued with finalizing project development and planning for an oak tree planting and restoration program for Lauro Reservoir proposed to begin in March 2010.
- USBR conducted a two-day architectural resources study on the upper and lower reaches of the South Coast Conduit on February 23rd and 24th. Findings from the survey have not yet been released.
- Defensive Driving training by ACWA Joint Powers Insurance Authority was provided for COMB staff on February 8th 2010 at the COMB office. The training focused on developing driver awareness and improving habits, attention, attitude and judgment.
- Progress continued on the 2nd Pipeline. A complete status of the project is included in the board packet for the March COMB board meeting.

Routine operation and maintenance activities conducted during the month included:

- Sampled water at North Portal Intake Tower
- Monitored conduit right-of-way and responded to Dig Alert reports
- Read piezometers and underdrains at Glen Anne, Lauro and Ortega Dams
- Read meters, conducted monthly dam inspections, and flushed venturi meters
- Weed abatement and spraying efforts at Lauro Yard and COMB facilities on the upper reach of the SCC

Minutes of the
Operating Committee
of
Cachuma Operation & Maintenance Board
3301 Laurel Canyon Road, Santa Barbara, CA

Wednesday, February 3, 2010

1. Call to Order

Rebecca Bjork called the meeting to order at 8:38 a.m.

Managers Present

Rebecca Bjork
John McInnes
Chris Dahlstrom
Charles Hamilton
Tom Mosby
Kate Rees

Others Present

Bill Hair
Janet Gingras
Ruth Snodgrass
Robert Dunlap

2. Public Comment

There were no comments from the public.

3. Approval of Minutes January 13, 2010

Chris Dahlstrom requested that the minutes reflect his objection to COMB carrying out the Meadowlark Project. Rebecca Bjork clarified her comments regarding COMB salaries. It was agreed that future minutes should be action item minutes only.

John McInnes moved to approve the January 13th minutes with requested changes, seconded by Chris Dahlstrom, passed, 5/0/0.

4. General Manager's Report

a. Use of FY 08-09 Unexpended Funds

Kate Rees and Janet Gingras presented options for the use of the current FY 2008-09 unexpended fund balance of \$464,030.

Rebecca Bjork moved to recommend that the COMB Board allocate funding from FY 08-09 unexpended funds for AECOM to finalize the rebid package for the 2nd Pipeline Project and

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include suggested additional components as an addendum. John requested that the recommendation include returning all remaining unexpended funds to the Member Units.

Tom Mosby and Bob McDonald (if he was available) were appointed to an ad hoc committee to meet with Glen Hille of AECOM to revise the proposed scope of work for rebidding the 2nd Pipeline Project prior to the next Operating Committee meeting. Charles Hamilton seconded the motion, passed 5/0/0.

b. FY 09-10 Budget Assessment Excess

The Committee discussed options for use of the excess budget assessments for FY 2009-10 due to a reduction in the annual bond debt repayment from \$1.1 million to about \$650,000. If all four quarters are assessed, there would be about \$248,000 available to use for other COMB work.

Tom Mosby moved to use \$80,000 in unexpended funds to carry out the Cost Benefit Analysis as authorized by the COMB Board in July 2009, and return any remaining excess funds to the Member Units, seconded by Charles, passed 3/0/2. Chris abstained, John was absent.

A detailed scope of work for the Cost Benefit Analysis will be developed by staff with input from the Operating Committee, and at least 2 workshops will be held develop the scope of work. Proposals from qualified consultants will be solicited.

c. Preliminary FY 2010-11 Budget

Janet and Robert Dunlap highlighted the COMB FY 2010-11 Preliminary Budget, which reflects an estimated 23.61% decrease compared to FY 2009-10 budget exclusive of the bond repayment expense. COLA is currently projected at 0% for all COMB employees. It was requested that bond revenues and the bond repayment line item be added back into the FY 2010-11 budget rather than track them separately.

It was requested that the Sanitary Survey be added to the COMB FY 2010-11 budget, and that staff contact Summers Engineering for a cost estimate.

It was suggested that the Board be presented with a recommendation regarding how the agency implements the requirements of GASB 45, OBEB obligation and method of funding. The Operating Committee recommended that the Board consider funding the actuarial annually rather than just recording the liability, and that this obligation should be included in the FY 2010-11 budget.

It was requested that the Vent Rehabilitation/Air Binding Project and Mission Creek Pipeline Project be included in the FY 2010-11 budget as unfunded projects. Kate mentioned she was re-applying to Reclamation for an ARRA grant for funds originally awarded to other agencies whose projects were not far enough along to use the grant. Applications will be submitted for this project, the Mission Creek Pipeline Project, and 2nd Pipeline Project.

A revised preliminary FY 2010-11 budget will be brought back to the Operating Committee at the March meeting. Staff indicated that consultant scopes of work with back up cost

information for the proposed Special Projects line items will be provided by staff with the revised preliminary FY 10-11 budget.

d. Preliminary Capital Improvement Plan

Rebecca stated that a suite of COMB CIP projects have been identified as projects that need to be done. She suggested the development of a long-term Capital Improvement Plan showing how the CIP projects will be implemented and funded over a period of years. It should also identify funding sources or if no funding is available for each projects. Rebecca will provide a template to Kate to consider using for developing a long-term Capital Improvement Plan.

Charles stated a need for COMB to develop a strategic plan relative to its current and future responsibilities and functions.

e. Issues for MOU with County for Issues Related to Cachuma

Kate reintroduced the County Parks request to use projects completed at Lake Cachuma by COMB and/or CCRB as matching funds for a federal grant application to improve infrastructure facilities at Lake Cachuma. She provided a list of past and current issues which was reviewed by the Operating Committee.

The Committee recommended that the CCRB and COMB Boards not provide assistance with matching funds at this time. However, they acknowledged there was a need to meet with the County to resolve current issues in order to move forward collaboratively in the future.

f. COMB Operating Committee Meeting Schedule

This was not discussed.

5. COMB Operations

a. South Coast Conduit Metering – Lower Reach

Tom reported that this would be ready to report on next month.

b. Operations Update

Robert reported that all erosion control measures at Lauro Reservoir following the Jesusita Fire had been completed and everything is worked very effectively during the recent rains. There was no major damage in other project areas due to the rain. The newly constructed Lauro Debris Basin has also worked very well, and no sediment entered the debris basin.

c. Operation and Maintenance Issues

Robert reported on an obstruction in the small pipe to Goleta West that was quickly corrected. He also reported on a spontaneous closing of the hydraulic actuator in the Lauro Reservoir tunnel causing brief temporary shutdown of water from Lauro Reservoir to Cater Water Treatment Plant. This was also corrected quickly, and the cause is under investigation. Rebecca requested development of operational procedures in the event that this occurs again in future.

6. Items for Next Meeting Agenda

- a. Consider Formal or Informal Meetings for the Operating Committee

- b. COMB Draft FY 2010-11 Budget
- c. Revegetation Plan for Lauro Reservoir
- d. SCC Metering of Lower Reach

7. Date of Next Meeting:

The date of the next regular meeting is March 3, 2010 at 8:30 a.m. at the COMB office.

8. Adjournment

The meeting was adjourned at 1:05 p.m.

Approved  _____

Unapproved _____

**MEMORANDUM OF UNDERSTANDING BETWEEN SANTA YNEZ RIVER WATER
CONSERVATION DISTRICT, IMPROVEMENT DISTRICT NO.1 AND CACHUMA
OPERATION AND MAINTENANCE BOARD TO LIMIT ACTIVITIES DURING
ORGANIZATIONAL RESTRUCTURING**

This Memorandum of Understanding ("Agreement") is entered into this 8th day of March, 2010, by and between the Cachuma Operation and Maintenance Board, a joint powers authority ("COMB") and the Santa Ynez River Water Conservation District, Improvement District No. 1 ("ID No. 1"), with reference to the following facts and intentions:

A. The member agencies of COMB consist of the five public agencies ("Member Units") holding contracts with the Bureau of Reclamation through County of Santa Barbara;

B. The activities to carryout and implement the fisheries requirements of the Cachuma Project Biological Opinion for Southern Steelhead Trout ("Biological Opinion") have been performed jointly by Cachuma Conservation Release Board ("CCRB") and ID No. 1 pursuant to the 2001 Memorandum of Understanding to Support Implementation of the National Marine Fisheries Service Biological Opinion ("2001 MOU");

C. Recently, there have been disagreements between ID No.1 and COMB regarding fisheries activities and projects related to the Santa Ynez River;

D. A dispute has arisen between ID No. 1 and COMB whether COMB has the authority to represent the Cachuma Member Units in activities related to: the Biological Opinion and Lower Santa Ynez River Fish Management Plan; Reconsultation of the Biological Opinion; and, implementation of fish related projects and conducting fisheries activities in the Santa Ynez River and, if so, whether such projects and activities require the unanimous consent of the COMB Board of Directors (collectively "the Dispute"); and,

E. COMB and ID No. 1 have agreed to set aside the Dispute until such time as an agreement can be reached concerning the organizational restructuring of CCRB and COMB pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Limitation of Activities. COMB agrees not to perform any activities related to: the hearings before the State Water Resources Control Board concerning the Cachuma water rights permits held by the Bureau of Reclamation; the Biological Opinion and Lower Santa Ynez River Fish Management Plan including, but not limited to, performing research, preparing studies and reports, construction of projects and entering into agreements with landowners or other agencies; and, Reconsultation of the Biological Opinion, unless approved by unanimous vote of the COMB Board of Directors.

Notwithstanding, CCRB, ID No. 1 or the Member Units, individually, shall still be entitled to carryout such activities.

2. **Organizational Restructuring.** ID No. 1 and COMB agree to work cooperatively and in good faith with the south coast member agencies (who are also the sole member agencies of CCRB) to reorganize COMB and CCRB to enable the Member Units to efficiently and effectively carryout responsibilities and activities related to the Cachuma Project including, but not limited to, the Biological Opinion, the Lower Santa Ynez River Fish Management Plan, reconsultation with respect to the Biological Opinion, and the hearings before the State Water Resources Control Board concerning the Cachuma water rights permits held by the Bureau of Reclamation.

3. **Second Pipeline Project.** ID No. 1 agrees to ratify and authorizes its COMB Board Representative to approve the COMB Bond and the Second Pipeline Project and agrees not to unreasonably withhold approval or consent of subsequent modifications to the Second Pipeline Project until construction is complete provided such action does not adversely affect ID No.1's indemnification agreements for the COMB Bond and the Second Pipeline Project. The term "adversely affect" shall mean that any action taken by COMB will not obligate ID No. 1 to fund or finance all or any portion of the Second Pipeline Project or impair or alter the respective obligations of COMB, the City of Santa Barbara or the Goleta Water District under the indemnification agreements with ID No. 1 for the COMB Bond and Second Pipeline Project.

4. **Term.** This Agreement shall terminate on December 31, 2010 unless terminated earlier or extended by mutual agreement of the parties, except as to the agreements provided in section 3, above, which shall continue until construction of the Second Pipeline Project is complete.

5. **Successors and Assigns.** This Agreement shall be binding on and shall inure to the benefit of the parties and their respective heirs, legal representatives, successors and assigns.

6. **Governing Law.** The validity and interpretation of this Agreement shall be governed by the laws of the State of California without giving effect to the principles of conflict of laws, with venue for all purposes proper only in the County of Santa Barbara, State of California.

7. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed an original but all of which will constitute one and the same instrument. However, in making proof hereof, it will be necessary to produce only one copy hereof signed by the party to be charged.

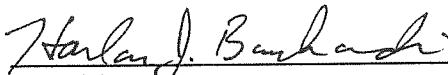
8. **Authorizations.** All individuals executing this Agreement and other documents on behalf of the respective parties certify and warrant that they have the capacity and have been duly authorized to so execute the documents on behalf of the entity so indicated.

9. **Construction.** The provisions of this Agreement should be liberally construed to effectuate its purposes. The language of this Agreement shall be construed simply according to its plain meaning. Whenever the context and construction so requires, all words used in the singular shall be deemed to be used in the plural, all masculine shall include the feminine and neuter, and vice versa.

10. **Entire Agreement and Amendment.** This Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature binding except as stated in this Agreement. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means.

SANTA YNEZ RIVER WATER
CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT NO. 1

CACHUMA OPERATION AND
MAINTENANCE BOARD




President



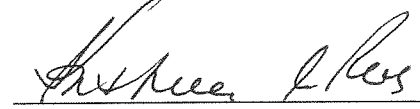
President

ATTEST:



Secretary

ATTEST:



Secretary



Santa Barbara County Parks Department
Cachuma Lake Recreation Area

Summary of Aquatic Invasive Species Vessel Inspection Program
and Early Detection Monitoring Program: February 2010

VESSEL INSPECTIONS/Launch Data: February 2010

Cachuma Lake Boat Launch Data		
Inspection Data		
Total Vessels entering Park	415	
Total Vessels launched	410	
Total Vessels Quarantined	5	1%
Returning with Boat Launch Tag	354	86%
Arriving new: Inspected, washed	56	14%
Launched w/ 4-stroke engines	188	46%
Launched w/ 2-stroke engines	222	54%

Quarantine Data		
Total Vessels Quarantined	5	
Quarantined 7 days	5	
Quarantined 14 days	0	

Quarantine Reasons -- May be several for 1 boat		
Water in bilge/bait tank/drains	2	
Debris on hull	0	
Plug installed	2	
Infected areas	0	
Out-of-state	0	
Unspecified	1	

Demographic Data		
Quarantined from infected areas	0	0%
Quarantined from SB County	4	

Boat Launch Tags: Boats with Cachuma Lake Boat Launch Tags attached to boat and trailer. These boats have not been removed from trailer since last visit to lake and are not subject to inspection or decontamination. No mussel species have been located on any vessel entering Cachuma Lake as of February 28, 2010.

CACHUMA LAKE QUAGGA SURVEY:

Summary: No Dressedid Mussels were detected.

Inspection site: Cachuma Lake Marina, Santa Barbara County, California

Inspection Date and Time : 2010.02.18; 13:15 – 16:15 PDT

Method: 11 PVC/Cement/Plastic Mesh Sampling Stations; 346 linear feet of line

Surveyors: Liz Gaspar & Melissa Kelly, Santa Barbara County Parks

Lake Elevation: 740.68 from maximum of 753 feet

Prepared by Liz Gaspar, Park Naturalist, Cachuma Lake Recreation Area

Cachuma Lake Marina Monthly Quagga Survey: Sampling Station Details

Inspection Date: 2010.02.18
 Inspection Time: 13:15 - 16:15
 Lake Elevation from max 753': 740.68'

Surveyors: Melissa Kelly & Liz Gaspar SB County Parks

Station #	Location description	Secchi Depth @ 10 Feet & Temp Deg F	Lake Depth Feet	Anchor Depth Feet	PVC Depth Feet	Tuffy Depth Feet	No. of Knots	NOTES: No mussels were detected. Inspections of all sampling surfaces were conducted. No tuffies or samples were collected; awaiting DFG collecting permit. Light/Temperature data loggers at Stns 3&6 were not read.	Mussels?	Stn #
Station 1	Boathouse, far end of E finger, on cleat @ 8' lake depth	2.5 m 57 F	8'	15' (8)	13' (8)	13' (8)	3	PVC, line, knots, cinder block checked. Samples: 0. Organisms: Bryozoan in pvc Algae: Moderate on pvc & block	No	Stn 1
Station 2	S logboom on N end of 1st log	3.0 m only just visible on bottom. 57	30'	15'	13'	13'	3	PVC, line, knots, cinder block checked. Samples: 0. Organisms: 0 Algae: Moderate on rope	No	Stn 2
Station 3	Logboom platform at entrance, E side	3.1 m 57 F	125'	65'	63'	1 @ 34' 1 @ 64'	4	PVC, line, knots, cinder block checked. Samples: 0. Organisms: 1 translucent segmented worm, black dots in small groups on rope and on elec tape where bryozoan was growing. Algae: Moderate on rope	No	Stn 3
Station 4	N logboom, 14th log from S end, attached to chain on NE side, far end	3.2 m 57 F	135'	65'	63'	1 @ 45'; 1 @ 63'	4	PVC, line, knots, cinder block checked. Samples: 0. Organisms: 6 jelly blobs toward top end of rope, black dots on rope, as at STn 3. Algae: Moderate on top 20 feet Replaced ID tag	No	Stn 4
Station 5	N logboom 3rd log from shore, attached to shore end	3.2 m 57 F	20'	18.5'	17'	17'	5	PVC, line, knots, cinder block checked. Samples: 0. Organisms: 3 jelly blobs, 3 physella snails on rope; 3 jelly blobs, black dots, 3 Physella snails on block; sponge on tuffie. Algae: Heavy on rope	No	Stn 5

Station #	Location description	Lake Depth Feet	Anchor Depth Feet	PVC Depth Feet	Tuffy Depth Feet	No. of Knots	Notes	Mussels?	Stn #
Station 6	3.2 m 57 F Far N dock at E end; S side; 13th slip from shore	55'	42.5	42	42	12	PVC, line, knots, cinder block checked. Samples: 0. Organisms: Several jelly blobs, 2 Physella snails on rope; sponge on tuffy. Did not download temp/light data from 3 loggers at 10', 20', 30'. Algae: V. heavy on rope.	No	Stn 6
Station 6b (formerly 6a)	21' Line along length of slip; attaches by Stn 6	55'	0	NA	1	3	PVC, line, knots, cinder block checked. Samples: 0. Organisms: 0 Algae: Very heavy on rope and tuffies	No	Stn 6b
Station 7	3.6 m 57 F Middle dock at E end	55'	36'	34'	34'	9	PVC, line, knots, cinder block checked. Samples: 0. Organisms: 0 Algae: Heavy on rope	No	Stn 7
Station 8	3.5 m 57 F Middle dock at W end; slip 4	20'	19'	17.5'	17.5'	6?	PVC, line, knots, cinder block checked. Samples: 0. Organisms: Sponge on tuffy, block, & pvc Algae: Heavy at top (surface) half; moderate at bottom half	No	Stn 8
Station 9	3.0 m 57 F Washing dock; corner adjacent to tool cabinet	38'	20.5'	19'	19'	7	PVC, line, knots, cinder block checked. Samples: 0. Organisms: Ample sponge on block; ample sponge & 1 Physella snail on tuffy; minor sponge, 1 Physella snail, some bryozoan on rope Algae: Low on rope	No	Stn 9
Station 10	3.5 m 57 F 1st wood dock N of launch ramp; E end	40'	25'	24'	24'	2	PVC, line, knots, cinder block checked. Samples: 0. Organisms: 2 leeches on pvc, 1 Physella snail on rope Algae: Moderate on rope	No	Stn 10

Kate Rees

From: Naftaly, Matt [Mnaftal@cosbpw.net]
Sent: Monday, February 22, 2010 1:48 PM
To: 'callen@vvcasd.org'; 'kazoury@goletasanitary.org'; 'jbarget@vvcasd.org'; Chang, David; 'Tconti@SantaBarbaraCA.gov'; 'delzeit@charter.net'; Janet Gingras; 'charles@cvwd.net'; 'bob@cvwd.net'; 'CraigM@carpsan.com'; 'mpena@ci.guadalupe.ca.us'; Susannah Pitman; Kate Rees; 'treyburn@ci.santa-maria.ca.us'; 'terri2@ix.netcom.com'; 'mvanderlinden@goletawater.com'; 'kwerner@goletasanitary.org'; Wilder, Marty; 'ccsd@inreach.com'
Cc: Paul, Mark; Hogan, Lynn; Geis, Bob; Fayram, Tom; Ledbetter, Michael; 'Jane Gray'; 'Meredith Clement'; 'cory.bantilan@sen.ca.gov'
Subject: RE: Prop 50 Payment Suspension - Status Report
Attachments: Prop 50 Accnting thru 013110 (4).pdf
Importance: High

Proponents,

We have received notification today both verbally and by email that the SWRCB has removed the funding suspension. The County expects to receive a reimbursement payment for Invoice #4 in about two weeks. Therefore, it very important that the proponents who have not yet forwarded the completed Exhibits 3 and 4 from the Corrective Action letter per Jane Gray's recent email request, do so as soon as possible.

Concurrently, we are preparing for the Department of Finance audit which is to begin next Tuesday. We don't yet know the exact scope of the audit but please be prepared to provide information regarding your project, if requested.

Attached is the Grant accounting status through January. Note that there are funds remaining in the IRWM Prop 50 account but that the County reimbursement category is nearly expended. Therefore, we will shift funds from the other categories in order to defer requesting additional Proponent contributions. The accounting also shows the status of the Kennedy Jenks contract and the Water Agency Administrative Component which is being used to reimburse it.

Thank you for your patience during this difficult process.

Please contact me with any questions that you have.

Matt Naftaly
Santa Barbara County Water Agency
Water Agency Manager
(805) 568-3542

Prop 50 Financial Status

As of January 31, 2010

Prop 50 IRWM Account:

Consultants/Administrators:	Prop 50 IRWM Account Contribution ¹	Expended (14 months)	Funds Remaining IRWM Account
Dudek	\$ 51,590	\$ 35,089	\$ 16,501
County SB	\$ 45,000	\$ 44,145	\$ 855
Total	\$ 96,590	\$ 79,234	\$ 17,356
Funds in IRWM Account After SB Grant			\$ 34,712

SB Admin Grant ²	Grant Amount	Invoiced	Disallowed	Remaining
	\$ 200,000.00	\$ 111,949.00	\$ 1,624.04	\$ 89,675.04

Kennedy/Jenks	Contract Amount	Expended	Invoiced to State	KJ Contract Balance
	\$ 211,061.00	\$ 116,422.00	\$ 111,949.00	\$ 94,639.00

Project Proponents	% share ¹	SBCWA Admin		Dudek		Total Admin cost per Proponent
		Expended to Date	Invoiced	Expended to Date	Invoiced to State	
SB Co Ag Comm	0.40%	\$ 176.58	\$	\$ 140.36	\$	\$ 316.94
SB Co Lag San	2.13%	\$ 940.30	\$	\$ 747.41	\$	\$ 1,687.71
Carp Valley WD	8.07%	\$ 3,562.53	\$	\$ 2,831.74	\$	\$ 6,394.26
Carp Sanitation	5.04%	\$ 2,224.92	\$	\$ 1,768.52	\$	\$ 3,993.44
Goleta WD	1.61%	\$ 710.74	\$	\$ 564.94	\$	\$ 1,275.68
Goleta Sanitation	6.05%	\$ 2,670.79	\$	\$ 2,122.93	\$	\$ 4,793.72
VV/CSD	16.13%	\$ 7,120.64	\$	\$ 5,659.97	\$	\$ 12,780.61
City of SB	4.03%	\$ 1,779.06	\$	\$ 1,414.11	\$	\$ 3,193.17
City of Guadalupe	19.15%	\$ 8,453.83	\$	\$ 6,719.67	\$	\$ 15,173.50
City of SM	19.35%	\$ 8,542.12	\$	\$ 6,789.85	\$	\$ 15,331.97
Casmalia CSD ³	2.55%	\$ 1,125.71	\$	\$ 894.79	\$	\$ 2,020.49
Cuyama CSD ³	2.59%	\$ 1,143.36	\$	\$ 908.82	\$	\$ 2,052.19
COMB	12.90%	\$ 5,694.75	\$	\$ 4,526.57	\$	\$ 10,221.32
	100.00%	\$ 44,145.32	\$	\$ 35,089.68	\$	\$ 79,235.00

1) Amounts originate from Appendix B of MOU

2) This is used to pay toward the Kennedy/Jenks Contract

3) Covered by County Water Agency

**PROPOSITION 84
Steering Committee Meeting**

**Tuesday, March 9, 2010
1:30 p.m. – 3:30 p.m.**

CCWA, 255 Industrial Way, Buellton, CA 93427

**Conference Number: 805.681.5400
Passcode: 679955#**

AGENDA

1:30

Welcome and Introductions

1:35

Status of the MOU

1:45

Overview of Proposed Steering Committee Schedule & Workshop Schedule
Update Operating Guidelines
Review Criteria & Performance Measures

2:15

Review Criteria Weighting Process

2:45

Approve Long Form & Submittal Process (2 weeks to submit Long Forms)
Update on New Projects that have been Submitted
Follow Up on Project Building Session
Central Coast Priorities and Objectives

3:10

Review Draft Guidelines, including Salt/Nutrient Management Plan Information

3:25

Next Steering Committee Meeting – April 6, 2010
Items for the Next Agenda
Next Steps

3:30

Adjourn

ITEM # 4f
PAGE 3

Prop 84 Project Selection Process and Schedule

3/9/2010

Milestone	Stakeholders	Consultant Team	Proposed Dates
1 W1 - ID issues affecting scoring (conflicts, needs, objectives)	x	x	9/23/09
2 Complete short form to identify candidate projects	x		10/7/09
3 Develop draft criteria and performance measures		x	10/14/09
4 Project building session	x	x	10/28/09
5 Steering Committee approve draft final criteria and perf. measures		x	11/4/09
Break			
6 Steering Committee - Discuss revised Operating Guidelines; Project Building meeting follow-up; finalize criteria and perf. measures; review criteria weighting process and agree to do weighting by electronic ballot; approve long form and submittal process (2 weeks to submit long forms); new projects submitted	x	x	3/9/2010
7 Consultants - Review Guidelines and PSPs; send out long form; long forms back in 2 wks; assess completeness and accuracy of long-form info; feedback to project proponents; conduct electronic weighting of criteria; consultant team completes draft scoring of projects against criteria		x	
8 Steering Committee - Review and agree on weighting; review consultant's draft ranking and make recommendation to CP; review Guidelines	x	x	4/6/2010
9 W2 - Review Guidelines/PSPs; review project long-form info/proponents discuss projects; review project master list; review and agree on weighting by Steering Committee; present draft project ranking; conduct sensitivity analysis; agree on draft project list; review appeals process (appeals due to Steering Committee 4/27)	x	x	4/13/2010
10 Public Workshop - review process and Guidelines; obtain feedback on projects, criteria and draft ranking	x	x	4/20/2010
11 Steering Committee - review and incorporate public feedback where appropriate; make final project list recommendation		x	4/27/2010
12 W3 - review public feedback and its incorporation; review ranking; appeal process, if needed; approve final project list; review final Guidelines (if available)	x	x	5/4/2010

PROP 84 PROJECT SELECTION PROCESS WORKSHOP SCHEDULE and AGENDAS

1ST Workshop

September 23, 2009; 10 am – 2 pm, Goleta City Hall, 130 Cremona Drive, Goleta 93117

Agenda Items: chartering (team vision, purpose goals, team member responsibilities, operating guidelines); background on multi-decision decision-making; scoring approach; identify regional conflicts, needs, objectives; and project info forms

Project Building Session

October 28, 2009; 9 am–12 pm, Buellton City Hall, 140 West Highway 246, Buellton 93427

Agenda Items: review Prop 84 guidance; review regional needs and objectives; select appropriate water management strategies; review list of regional projects submitted to date; discussion of developing projects to better meet criteria; potential for integration of projects; potential for meeting the project goals with an alternative project/modified project; identify follow-up actions to continue developing projects; review “long” project info form

2nd Workshop

April 13, 2010; 9:00 am-1:00 pm, City of Solvang, City Council Chambers; 1644 Oak Street, Solvang, CA, 93463

Agenda Items: overview of DWR Guidelines; review project long-form info/proponents discuss projects; review project master list; review and agree on criteria weighting by Steering Committee; present draft project ranking; conduct sensitivity analysis; agree on draft project list; review appeals process; Central Coast IRWM collaboration

Public Workshop

April 20, 2010; 5:30- 7:30, Buellton Rec Center, Room A; 301 Second Street, Buellton, CA 93427

Agenda Items: review DWR Guidelines and project selection process; review previous Workshops and seek feedback on regional conflicts, needs, objectives, criteria; review project list and seek feedback; present criteria weighting and draft project ranking; discuss future schedule for workshops and timetable; Central Coast IRWM collaboration

3rd Workshop

May 4, 2010; 9:00 am- 1:00 pm – CCWA, 255 Industrial Way, Buellton, CA 93427

Agenda Items: review public feedback and discuss incorporation; review ranking and appeal process, if needed; approve final project list ranking; review Final Guidelines (if available)

Table 1, below, establishes the specific Statewide Priorities for the IRWM Grant Program.

Table 1 – Statewide Priorities		
Statewide Priority	Description	Source
Drought Preparedness	<p>Proposals that contain projects that effectively address long-term drought preparedness by contributing to sustainable water supply and reliability during water shortages. Drought preparedness projects do not include drought emergency response actions, such as trucking of water or lowering well intakes. Desirable proposals will achieve one or more of the following:</p> <ul style="list-style-type: none"> • Promote water conservation, conjunctive use, reuse and recycling • Improve landscape and agricultural irrigation efficiencies • Achieve long term reduction of water use • Efficient groundwater basin management • System inerties 	<ul style="list-style-type: none"> • Executive Order S-06-08 • California Water Plan (CWP) Update 2009
Use and Reuse Water More Efficiently	<p>Proposals that include projects that implement water use efficiency, water conservation, recycling and reuse to help meet future water demands, increase water supply reliability and adapt to climate change. Desirable proposals include those with projects that:</p> <ul style="list-style-type: none"> • Increase urban and agricultural water use efficiency measures such as conservation and recycling • Capture, store, treat, and use urban stormwater runoff (such as percolation to usable aquifers, underground storage beneath parks, small surface basins, domestic stormwater capture systems, or the creation of catch basins or sumps downhill of development • Incorporate and implement low impact development (LID) design features, techniques, and practices to reduce or eliminate stormwater runoff 	<ul style="list-style-type: none"> • CWP Update 2009 • SWRCB Recycled Water Policy • DWR Sustainability Values
Climate Change Response Actions	<p>Water Management actions that will address the key Climate Change issues of:</p> <ul style="list-style-type: none"> • Adaptation to Climate Change • Reduction of Greenhouse Gas (GHG) Emissions • Reduce Energy Consumption <p>Proposals that contain projects that when implemented address adaptation to climate change effects in an IRWM region. Desirable proposals include those that:</p> <ul style="list-style-type: none"> • Advance and expand conjunctive management of multiple water supply sources • Use and reuse water more efficiently • Water management system modifications that address anticipated climate change impacts, such as rising sea-level, and which may include modifications or relocations of intakes or outfalls <p>Proposals that contain projects that reduce GHG emissions compared to alternate projects that achieve similar water management contributions toward IRWM objectives. Desirable proposals include those that:</p> <ul style="list-style-type: none"> • Reduce energy consumption of water systems and uses • Use cleaner energy sources to move and treat water <p>Proposals that contain projects that reduce not only water demand but wastewater loads as well, and can reduce energy demand and GHG emissions. Desirable proposal include:</p> <ul style="list-style-type: none"> • Water use efficiency • Water recycling • Water system energy efficiency • Reuse runoff 	<ul style="list-style-type: none"> • CWP Update 2009 • AB32 • Managing an Uncertain Future, DWR October 2008

Table 1 – Statewide Priorities		
Statewide Priority	Description	Source
Expand Environmental Stewardship	Proposals that contain projects that practice, promote, improve, and expand environmental stewardship to protect and enhance the environment by improving watershed, floodplain, and instream functions and to sustain water and flood management ecosystems.	GWP Update 2009
Practice Integrated Flood Management	Proposals that contain projects that promote and practice integrated flood management to provide multiple benefits including: <ul style="list-style-type: none"> • Better emergency preparedness and response • Improved flood protection • More sustainable flood and water management systems • Enhanced floodplain ecosystems • LID techniques that store and infiltrate runoff while protecting groundwater 	CWP Update 2009
Protect Surface Water and Groundwater Quality	Proposals that include: <ul style="list-style-type: none"> • Protecting and restoring surface water and groundwater quality to safeguard public and environmental health and secure water supplies for beneficial uses • Salt/nutrient management planning as a components of an IRWM Plan 	SWRCB Recycled Water Policy
Improve Tribal Water and Natural Resources	Proposals that include the development of Tribal consultation, collaboration, and access to funding for water programs and projects to better sustain Tribal water and natural resources.	CWP Update 2009
Ensure Equitable Distribution of Benefits	Proposals that: <ul style="list-style-type: none"> • Increase the participation of small and disadvantaged communities in the IRWM process. • Develop multi-benefit projects with consideration of affected disadvantaged communities and vulnerable populations. • Contain projects that address safe drinking water and wastewater treatment needs of DACs. • Address critical water supply or water quality needs of California Native American Tribes within the region. 	CWP Update 2009

These program preferences are reflected in the scoring criteria and will be taken into consideration during the review process. Appendix A includes a listing of web links for accessing additional information on the Program Preferences.

G. Competition

IRWM grants are awarded on a competitive basis using specific criteria contained in the PSPs. The types of competition vary with differing grants. Both the IRWM planning grant and the SWFM grants utilize a statewide competition. So each grant application submitted is scored according to criteria and then the applications are ranked by score without regard to geographic location in the state.

United States Department of the Interior
 Bureau of Reclamation
 Application for American Recovery and Reinvestment Act Funding from
 Cachuma Operation and Maintenance Board (COMB)

Project Name:	South Coast Conduit Vent Improvements and Air Binding Reduction		
Project Sponsor:	Cachuma Operation and Maintenance Board		
Project Contact Person:	Phone	FAX	Email
Susannah Pitman	805-687-4011	805-569-5825	spitman@cachuma-board.org

Project Description

Vent Rehabilitation: Vent Rehabilitation along the South Coast Conduit (SCC) will assure proper surge and flow rate control. The proposed vent structures will be rebuilt and reconfigured including corrosion protection using a combination of coatings and cathodic protection devices. System shut down may be required during construction.

Air Binding Reduction: Hydraulic surge models of the system have identified areas where air release and vacuum valves are necessary to provide safe operation of the South Coast Conduit (SCC) during times of high capacity operation. These will be installed as part of the project.

Describe need for project:

Vent Rehabilitation: The proposed vent structure improvements at Barker Pass, Sheffield Tunnel and Lauro Reservoir are intended to accommodate the refined hydraulic capacity and surge suppression. In addition, the design modifications will address increased resistance to contamination for operation as a potable water line, and will reduce the potential for flooding damage to private property.

Air Binding Reduction: Air Binding was identified in a letter report dated March 27, 2003 as the possible source of excessive head loss measured between the Sheffield Flow Control Station and the eastern portal of the Sheffield Tunnel. That recommendation was confirmed in a 2005 report. Subsequent analysis has confirmed that the head loss is likely due to airbinding in a short down-sloping segment of pipe between the Flow Control Station and the adjacent dry creek. Near the calculated location of the air bubble is the existing blowoff with manway at Station 223+40. Addition of piping to the existing manway will include a combination air-and vacuum release valve and positive vault drainage. Additionally, based on the hydraulic models developed for the SCC operations a surge analysis has been completed and part of the 2005 and 2006 reports. Installation of air release and vacuum valves on the SCC in the tunnel is recommended.

Project Information

Project Cost:	\$600,000		
Project Status (Check all that apply):	Conceptual <input type="checkbox"/>	In Design <input type="checkbox"/>	Ready for Implementation <input checked="" type="checkbox"/>
Describe status of permitting and CEQA/NEPA compliance	Not required- standard Operations and Maintenance		
Estimated Project Duration	6 months		
Identify proposed funding sources:	COMB		

SUBMITTED
2/9/10

ITEM # 49
 PAGE 1

United States Department of the Interior
Bureau of Reclamation
Application for American Recovery and Reinvestment Act Funding from
Cachuma Operation and Maintenance Board (COMB)

Project Name:	Mission Creek South Coast Conduit Crossing and Fish Passage Project		
Project Sponsor:	Cachuma Operation and Maintenance Board		
Project Contact Person:	Phone	FAX	Email
Susannah Pitman	805-687-4011	805-569-5825	spitman@cachuma-board.org

Project Description

In the 1970s, the South Coast Conduit (SCC) crossing at Mission Creek was damaged by rock impact during a high flow event in the creek. The SCC underwent emergency repairs which included repairs to the exterior of the steel pipe shell (however the interior mortar lining was not accessed for repair) and a non-reinforced concrete backfill/cap. The emergency backfill/cap concrete is currently undermined on the downstream side, and the concrete acts as a grade control structure. This existing concrete grade control structure is a barrier to migrating salmonids, and should be removed and replaced with a riffle pool stream bed. The proposed stream improvement cannot practically be constructed without the removal and relocation (at greater depth) of the SCC across Mission Creek. COMB desires to replace the SCC at Mission Creek and the proposed stream channel improvements in one project. The Mission creek crossing was identified as having continued exposure to undermining. The recommended approach was to replace the crossing with new pipe encased in structural concrete. A bypass pipeline will be required to repair the South Coast Conduit (SCC) at Mission Creek. A line stop will be installed on the SCC north of Mission Creek, followed by installation of the temporary bypass pipeline. Fish will then be removed and transported to a suitable habitat, after which Mission Creek will be diverted into the culvert and dewatered. Demolition of the concrete cap over the SCC will take place, and the existing SCC across Mission Creek removed. The new pipe will then be installed, the SCC rewatered, and the line stops and temporary bypass pipeline removed. The two constructed rock riffles will be constructed using 2-ton boulders for the fish passage. New pipeline blowoff piping will be installed, riparian site restoration completed, and Mission Creek diverted into the new bed. The SCC will be rewatered, and water quality and vegetation growth monitoring will continue after the project is completed.

Describe need for project:

Water supply reliability of the SCC will be increased by the repair and relocation at the Mission Creek/Highway 192 crossing. Proceeding without the project could result in emergency shutdowns of the SCC and restricted delivery to 100,000 connections on the South Coast while the existing pipeline underwent repairs. Fish passage in Mission Creek at the Highway 192 crossing will be greatly improved with the removal of the existing concrete barrier to migrating salmonids, and fish habitat significantly enhanced with the construction of a riffle-pool stream bed. Without removal of the fish passage barrier, steelhead will not be able to migrate and spawn within Mission Creek which could lead to a loss of steelhead in the creek.

Project Information

Project Cost:	<u>\$3,060,000</u>		
Project Status (Check all that apply):	Conceptual <input type="checkbox"/>	In Design <input type="checkbox"/>	Ready for Implementation <input checked="" type="checkbox"/>
Describe status of permitting and CEQA/NEPA compliance (include est. date of completion):	Pending USBR approval.		
Estimated Project Start and End Date:	Fall 2011- duration of construction to last 3 months.		
Identify proposed funding sources:	COMB		

SUBMITTED
2/9/10

ITEM # 4g
PAGE 2

United States Department of the Interior
Bureau of Reclamation
Application for American Recovery and Reinvestment Act Funding from
Cachuma Operation and Maintenance Board (COMB)

Project Name:	South Coast Conduit/Upper Reach Reliability Project		
Project Sponsor:	Cachuma Operation and Maintenance Board		
Project Contact Person:	Phone	FAX	Email
Susannah Pitman	805-687-4011	805-569-5825	spitman@cachuma-board.org

Project Description

The South Coast Conduit/Upper Reach Reliability Project is shovel-ready and the project design is complete. The Cachuma Operation and Maintenance Board (COMB) is a Joint Powers Authority, applying for funding under a collaborative agency loan. The purpose of the Project is to increase the operational flexibility, reliability, and the conveyance capacity of the South Coast Conduit (SCC) between the South Portal of the Tecolote Tunnel and the Corona Del Mar Water Treatment Plant to accommodate peak demand levels and to allow maintenance of the pipeline. The Upper Reach Second Barrel Pipeline will entail construction, testing and operational start-up of a parallel pipeline of 48 inch inside diameter. The length of the second barrel pipeline is 8,100 feet. There will be connections to the existing SCC at both ends with valves 48 inch in diameter to allow isolation of the Second Barrel and the existing 48 inch diameter SCC so that either one or the other or both can be used or bypassed. This results in a completely redundant system, thereby providing the reliability and maintenance shut down capability needed for this sole source supply system for the users. The result will be increased capacity of the entire SCC. This is especially crucial during times of emergency, such as when wild fires occur in the areas of the SCC impacting some 200,000 residents when aerial fire-fighting efforts are using COMB reservoirs for water and there is peak demand on the SCC.

Describe need for project:

The capacity limitations and age (nearly 60 years old) of the existing facility put it in jeopardy of failure with the resulting water supply outages to 200,000 residents on the south coast. The users sole supply of water is the SCC, and providing the second barrel will allow scheduled maintenance of the original SCC. Also, during low flow periods scheduled maintenance of the original SCC can be performed by use of the Second Barrel Pipeline without having to interrupt the water supply to the users of the SCC system. If the Second Barrel is not in place the system users will have to curtail uses and use any water stored in the system storage reservoirs until service is restored. As a result maintenance must only be accomplished over short periods of time and therefore at multiple times. This results in very risky and costly maintenance and repairs. The major risk being that the repairs are determined to be more extensive than expected thereby resulting in extended system outages and loss of the sole source of water for the system users.

Project Information

Project Cost:	<u>\$10,400,000</u>		
Project Status (Check all that apply):	Conceptual <input type="checkbox"/>	In Design <input type="checkbox"/>	Ready for Implementation <input checked="" type="checkbox"/>
Describe status of permitting and CEQA/NEPA compliance (include est. date of completion):	Final Environmental Impact Statement/Environmental Impact Report completed February 2009.		
Estimated Project Start and End Date:	June 2010-June 2011 (Construction) June 2015- (Mitigation, Monitoring and Reporting)		
Identify proposed funding sources:	1. COMB 2. \$3,200,000 Proposition 50 Funding		

SUBMITTED
2/9/10

ITEM # 49
PAGE 3

Project Status South Coast Conduit Upper Reach Reliability Project (2nd Barrel)

Report:

Project	Engineering Design	CEQA/NEPA Environmental Compliance	Land Access/Easement Acquisition	Revegetation/Weed Abatement	Mitigation Plans	Bid Process	Construction Management Services	Award Contract for Construction
South Coast Conduit/Upper Reach Reliability Project (2nd Barrel)	Technical Specifications and Design completed 7/30/09.	Final Environmental Impact Statement/Environmental Impact Report completed February 2009.	1. Permit to Enter, Right of Way Agreement and Easement Deed completed for all impacted private landowners. 2. Permit easement acquisition of USBR and Goleta Water District property within the 2nd Barrel alignment currently in process to be completed 5/2010.	1. Revegetation plan in progress by SAIC. 2. Weed abatement of 2nd barrel alignment completed 7/30/09 for 2009 growing season. 3. Weed Abatement for 2010 growing season began January 2010.	Weed Identification and Removal Manual completed March 2009. Draft Special Status Species Protection Plan complete April 2009.	1. Pending COMB Bond funding approval at March 22nd board meeting, bid documents to be re-issued on 4/15/2010.	Construction Management Services awarded to AECOM/Boyle and approved by board 6/22/09.	1. Contractor bid scheduled to take place on 5/18/2010 pending COMB Bond funding approval. 2. Award Contract 6/28/2010.

ITEM # 5a1
PAGE 1

*Red italic text indicates update

Permit Status: South Coast Conduit/Upper Reach Reliability Project (2nd Barrel)			
Agency	Permit	Status	Notes
U.S. Fish and Wildlife Service (USFWS)	Section 7 of the Endangered Species Act Consultation	1. Complete 9/1/09 Waiting for consultation note. 2. Received Consultation note at COMB on 11/4/09	Part of 404 - no separate application.
Regional Water Quality Control Board (RWQCB)	Section 401 of the CWA certification: General Permit for Storm Water Discharges Associated with Construction Activity (CWA Section 402) Note: Section 402 Notice of Intent will not be submitted until just before construction	Issued 5/20/2009 (expires March 2011)	Water Quality Certification#34209WQ06 issued. Contractor - 401-SSWP 402 Dewatering discharge.
California Department of Fish and Game (CDFG)	Streambed Alteration Agreement	Issued 7/13/2009 Doesn't "expire". Must have a copy of the letter, application and all attachments available at the work site at all times.	Notification# 1600-2009-0064-R5 issued- CDFG action period expired 7/1/2009 and agreement was issued automatically as a result of expired action period. Standard Permit conditions.
Santa Barbara Air Pollution Control District	Authority for enforcing dust control measures	Not required.	Permits "not required" was determined during 8-6-09 conference call. Covered in EIR.
Santa Barbara County	Finding of consistency with the General Plan under California Government Code 65402	Not required.	Permits "not required" was determined during 8-6-09 conference call. Covered in EIR.
National Marine Fisheries Service (NMFS)	Section 7 of the Endangered Species Act Consultation	Pending - Target Date Nov 10 ±	1. USACE has requested responses to NMFS questions on 20 July; responses sent July 30th. Part of 404 - no separate application 2. Revegetation Plan is accepted. 3. Clarification for maintenance, revegetation and construction easement width at main stem of Glen Anne creek crossing sent by COMB to Darren Brumback at NOAA on 10/8/09 and 10/19/09.
U.S. Army Corps of Engineers (USACE) Section 404 Permit	Section 404 of the Clean Water Act (CWA) permit	Pending - Target Date Nov 10 ±	Waiting on Sections 106 and 7 consultation completion with NMFS. Application dated 2-2009. Nationwide Permits 12 & 33.
U.S. Bureau of Reclamation	MP620 permit for additions and alternations, approval for land use	Pending	USBR reviewing MP620 application.
State Historic Preservation Office	Section 106 of the National Historic Preservation Act review	Pending Draft report dated 7-2009 No concerns. Need Reclamation acceptance (1 wk) Need Reclamation to request consultation (1 wk) Then 30 days. Target date 12/1/2009	1. Draft CA-SBA-1775 Testing Report completed by Applied Earthworks June 2009. Report concludes that site is not eligible for the National Register, and pipeline may be constructed through it. 2. USBR review of Draft CA-SBA-1775 complete, with changes requested from Applied Earthworks. AE to complete 10/2009. 3. AE completed requested edits and forwarded back to USBR-USB to accept changes, approve and send to SHPO. 4. Conference Call on 1-14-2010 resulted in USBR giving urgency to finish processing CA-SBA-1755 report.

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: March 22, 2010
TO: Board of Directors
FROM: Kate Rees, General Manager
RE: **Approval of Funding for South Coast Conduit Upper Reach Reliability Project**

RECOMMENDATION:

1. Approve COMB Resolution No. 501 authorizing COMB to proceed with the issuance of \$11M in bonds to finance the construction of the South Coast Conduit (SCC) Upper Reach Reliability Project (2nd Pipeline Project). All bond proceeds and obligations will be for the benefit of COMB, the City of Santa Barbara (City) and the Goleta Water District (GWD).
2. Approve, in substantially the same form, the Montecito Water District (MWD) Contribution Agreement whereby MWD commits to self-funding up to 13.1% of the total costs for the SCC Upper Reach Reliability Project.
3. Approve the Bond Indemnification Agreement whereby MWD, Carpinteria Valley Water District (CVWD), and Santa Ynez River Water Conservation District, ID No. 1 (ID No. 1) will not be held responsible or obligated in any way for the COMB bond contractual obligations.
4. Authorize the sale of the bonds, but not until after construction bids are received and a contractor is selected and approved by COMB and the Member Units.

PLEASE BRING ALL BOND DOCUMENTS UNDER CONSIDERATION FOR APPROVAL THAT WERE PROVIDED IN THE JANUARY 25, 2010 BOARD PACKAGE.

DISCUSSION:

Resolution No. 497 for this item was considered at the February 22, 2010 Board meeting, but was not approved. However, since that time, ID No. 1 and COMB have executed a Memorandum of Understanding to limit COMB's activities in the Santa Ynez River until December 31, 2010 in order to complete the organizational restructuring of COMB and CCRB activities. As a result, the Santa Ynez River Water Conservation District, ID No. 1 (ID No. 1) has approved COMB's bond, and was the last of the five Member Units to do so. Staff is recommending that COMB reconsider this item and approve Resolution No. 501 to issue a COMB bond, and approve all legal documents and related agreements for the 2nd Pipeline Project.

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There have been many revisions to the bond documents and related agreements, however, consensus was reached among all agencies, and changes to the legal bond documents and agreements were approved as to form, with the understanding that all documents would be brought before those Member Unit Boards that needed to reexamine the documents for approval of COMB's bond issue. Since that time all documents have been reviewed and approved by all Member Unit agencies in substantially the same form as those COMB considered at its January 25th and February 22nd meetings.

The changes to the previous documents reflect more of a change in the approach to the approvals for funding and construction of the Second Pipeline Project. Notably, the approvals will occur in two phases. Phase one is for all Member Units to approve COMB's issuance of bonds in the amount of \$11M, all related bond documents, the MWD Contribution Agreement (in substantially the same form), and the Bond Indemnification Agreement. The COMB Board will also need to authorize the sale of the bonds after bids are received and the lowest bid is determined to be responsive and acceptable. Approval of the contractor and authorization to sell the bonds is tentatively scheduled for the May 24, 2010 COMB Board meeting.

If the financial documents are approved and the bond issuance authorized at the March 22, 2010 meeting, the Second Pipeline Project will be rebid. Once the new bids are received, and lowest qualified bid is determined to be responsive and acceptable, Phase 2 will be for COMB to approve a second resolution to approve the Second Pipeline Project and the apparent low bidder, execute MWD's Contribution Agreement in final form, and approve a Project Indemnification Agreement with ID No.1. COMB's approval of the second resolution is also tentatively scheduled for May 24, 2010. Because the construction contract will be more than \$1,000,000, construction of the Project must also be approved by all Member Units. Phase 2 Member Unit approvals should be scheduled for Board meetings during June 2010. It is anticipated that the bonds will also be sold in June 2010. If the bond proceeds and MWD's cash contribution are received by COMB by June 26th, the COMB will award the construction contract and approve a Notice to Proceed at its June 26th meeting.

Joint Participation Agreements (JPA)

The JPAs for the City and GWD have been reviewed and updated. Each is now consistent with all other documents and they authorize the City's and GWD's financing of the Second Pipeline Project through the issuance of a COMB bond.

MWD Contribution Agreement

There were only minor revisions made to this agreement and the revisions did not change the intent or contractual obligations of MWD regarding self-funding its share of the Second Pipeline Project. The MWD Contribution Agreement is to be approved in substantially the same form by the COMB at this time. The execution of the Contribution Agreement will occur following COMB's and the Member Units' approval the Project and the lowest qualified bid by the COMB Board. MWD must also authorize execution of the final Contribution Agreement.

Indemnification Agreement(s)

A change in direction was agreed to by all Managers and Attorneys regarding the Indemnification Agreement(s). The primary change was to have two Indemnification Agreements – one for the bond and one for the project. The Bond Indemnification Agreement will provide indemnification for all non-bonding agencies, namely MWD, ID No.1 and CVWD,

from the bonding participants, which are COMB, the City, and GWD, for the issuance of an \$11M COMB Bond. This new indemnification agreement will replace three separate indemnification agreements for MWD, CVWD and ID No.1.

The Project Indemnification Agreement will be between COMB and ID No.1 to indemnify ID No. 1 from any liability associated with the acceptance of the lowest bid, award of the construction contract, and construction of the Second Pipeline Project. The liability concern is valid and a separate agreement is justified as this project will cost in excess of \$1,000,000. It will provide construction claim protection.

COMB Resolution No. 501

The COMB Resolution No. 501 authorizes COMB to proceed with the issuance of bonds for the Second Pipeline Project. However, they will not be sold until the following conditions have been met:

- The approval of an acceptable and responsive bid by all financially participating Second Pipeline Project agencies.
- The execution of separate resolutions by all Boards, including COMB, authorizing the approval of Second Pipeline Project and the construction contract.
- Approval of the Project Indemnification Agreement with ID No.1.

Approval Documents

The documents to be considered for approval at the March 22, 2010 Board meeting consist of the following:

- COMB's Resolution 501 approving the issuance of bonds for \$11M.
- Preliminary Official Statement and all related legal bond documents, in substantially the same form.
- Joint Participation Agreements with Goleta Water District and the City of Santa Barbara.
- Montecito Water District's Contribution Agreement, in substantially the same form, whereby MWD commits to self funding its proportionate share of the Second Pipeline construction costs.
- Bond Indemnification Agreement indemnifying MWD, CVWD and ID No.1 from any financial contractual obligation associated with the issuance of the 2010A Revenue Bonds for the Second Pipeline Project.

Respectfully submitted,



Kate Rees
General Manager

RESOLUTION NO. 501

RESOLUTION OF THE CACHUMA OPERATION AND MAINTENANCE BOARD AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$11,000,000 AGGREGATE PRINCIPAL AMOUNT OF REVENUE BONDS AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

A. The Cachuma Operation and Maintenance Board (“COMB”), which was created pursuant 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, dated as of May 23, 1996, by and between the Carpinteria County Water District, the Goleta Water District, the Montecito Water District, the Santa Ynez River Water Conservation District, Improvement District No. 1 and the City of Santa Barbara (as such agreement may from time to time be amended or supplemented in accordance with its terms, the “Joint Powers Agreement”), has determined to undertake the acquisition and construction of the South Coast Conduit Upper Reach Reliability Project (the “Second Pipeline Project”).

B. COMB has determined that it is desirable to issue revenue bonds (“COMB Revenue Bonds”) to pay a portion of the costs of the Second Pipeline Project.

C. COMB proposes to enter into Joint Participation Agreements with the Goleta Water District (“Goleta WD”) and the City of Santa Barbara (the “City of Santa Barbara”) which obligate such members to pay a percentage share of principal of and interest on the COMB Revenue Bonds.

D. COMB proposes to enter into a Contribution Agreement with the Montecito Water District (“Montecito WD”) which obligates Montecito WD to self-fund a percentage share of Second Pipeline Project costs.

E. COMB is not proposing to enter into any financing agreement with the Santa Ynez River Water Conservation District-Improvement District No. 1 (“ID No. 1”) or the Carpinteria Valley Water District (“Carpinteria VWD”), no amounts with respect to the COMB Revenue Bonds will be payable by ID No. 1 or by Carpinteria VWD, no amounts with respect to the Second Pipeline Project will be payable by ID No. 1 and Carpinteria Valley WD is currently not obligated to pay any amount with respect to the Second Pipeline Project.

F. Goleta WD, the City of Santa Barbara, Carpinteria VWD, Montecito WD and ID No. 1 have each ratified the issuance of the COMB Revenue Bonds as required under Section 1.3 of the Joint Powers Agreement.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of COMB that:

1. The Indenture of Trust, in substantially the form attached hereto as Exhibit A and, upon execution as authorized below, made a part hereof as though set forth in full herein, be and the same is hereby approved. The President or Vice President of the Board and Secretary of the Board or the General Manager of COMB are hereby authorized and directed to execute and deliver the Indenture of Trust with such changes, insertions and omissions as may be approved by the officer

executing the same, including changes requested by rating agencies or bond insurers, said execution being conclusive evidence of such approval.

2. The Contribution Agreement with respect to Montecito WD, in substantially the form attached hereto as Exhibit B and, upon execution as authorized below, made a part hereof as though set forth in full herein, be and the same is hereby approved. The President or Vice President of the Board and Secretary of the Board or the General Manager of COMB are hereby authorized and directed to execute and deliver such Contribution Agreement with such changes, insertions and omissions as may be approved by the officer executing the same, including changes requested by rating agencies or bond insurers, said execution being conclusive evidence of such approval.

3. The Joint Participation Agreement with respect to Goleta WD, in substantially the form attached hereto as Exhibit C and, upon execution as authorized below, made a part hereof as though set forth in full herein, be and the same is hereby approved. The President or Vice President of the Board and Secretary of the Board or the General Manager of COMB are hereby authorized and directed to execute and deliver such Joint Participation Agreement with such changes, insertions and omissions as may be approved by the officer executing the same, including changes requested by rating agencies or bond insurers, said execution being conclusive evidence of such approval.

4. The Joint Participation Agreement with respect to the City of Santa Barbara, in substantially the form attached hereto as Exhibit D and, upon execution as authorized below, made a part hereof as though set forth in full herein, be and the same is hereby approved. The President or Vice President of the Board and Secretary of the Board or the General Manager of COMB are hereby authorized and directed to execute and deliver such Joint Participation Agreement, with such changes, insertions and omissions as may be approved by the officer executing the same, including changes requested by rating agencies or bond insurers, said execution being conclusive evidence of such approval.

5. The Purchase Contract with Citigroup Global Markets Inc., in substantially the form attached hereto as Exhibit E and, upon execution as authorized below, made a part hereof as though set forth in full herein, be and the same is hereby approved. The General Manager of COMB is hereby authorized and directed to execute and deliver the Purchase Contract with such changes, insertions and omissions as may be approved by the officer executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the principal amount exceed \$11,000,000 nor shall the underwriting discount exceed 1.5% nor shall the net interest cost exceed 6% per annum.

6. The Continuing Disclosure Agreement with The Bank of New York Mellon Trust Company, N.A., in substantially the form attached hereto as Exhibit F and, upon execution as authorized below, made a part hereof as though set forth in full herein, be and the same is hereby approved. The President or Vice President and the Secretary of the Board or the General Manager of COMB is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as may be approved by the officers executing the same, said execution being conclusive evidence of such approval.

7. The preparation and distribution of the Preliminary Official Statement, in substantially the form attached hereto as Exhibit G, be and the same is hereby approved. The General Manager of COMB is hereby authorized to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 relating to the Preliminary Official

Statement; provided, however, that such certificate shall not include a certification as to appendices relating to Goleta WD or the City of Santa Barbara. The President or Vice President of the Board or General Manager of COMB is hereby authorized and directed to execute, approve and deliver the final Official Statement in the form of the Preliminary Official Statement which, upon execution as authorized below, is made a part hereof as though set forth in full herein, with such changes, insertions and omissions as the officer or officers executing said document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The underwriter is hereby authorized to distribute copies of said Preliminary Official Statement to persons who may be interested in the initial purchase of the Bonds and is directed to deliver copies of any final Official Statement to all actual initial purchasers of the Bonds.

8. The Board of Directors of COMB hereby authorizes the General Manager to select a municipal bond insurer to insure payments of interest on and principal of the Bonds so long as the General Manager determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity on the Bonds. Bond Counsel is hereby directed to make all changes to the Indenture, the Joint Participation Agreements, the Purchase Contract, the Preliminary Official Statement and the Continuing Disclosure Agreement as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

9. The Board of Directors of COMB hereby authorizes the General Manager to select a municipal bond insurer to provide a reserve fund surety bond to be deposited into the reserve fund for the Bonds so long as the General Manager determines that obtaining the reserve fund surety bond will be cost effective to COMB. Bond Counsel is hereby directed to make all changes to the Indenture, the Joint Participation Agreements, the Purchase Contract, the Preliminary Official Statement and the Continuing Disclosure Agreement as are necessary to reflect the selection of a reserve fund surety bond provider and the reasonable comments thereof. The President or Vice President of the Board or the General Manager of COMB are hereby authorized to execute and deliver any customary agreement with the municipal bond insurer providing the reserve fund surety bond.

10. The Bank of New York Mellon Trust Company, N.A., Los Angeles, California is hereby appointed to act as Trustee under the Indenture of Trust.

11. The Indemnification Agreement, in substantially the form attached hereto as Exhibit H and, upon execution as authorized below, made a part hereof as though set forth in full herein, be and the same is hereby approved. The President or Vice President of the Board and Secretary of the Board are hereby authorized and directed to execute and attest such Indemnification Agreement with such changes, insertions and omissions as may be approved by the officer executing the same, including changes requested by rating agencies or bond insurers, said execution being conclusive evidence of such approval.

12. The General Manager, the President, the Vice President, the Secretary and any other proper officer of COMB, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments (including additional indemnification agreements) and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture of Trust, the Contribution Agreement, the Joint Participation Agreements, the Purchase Contract, the Continuing Disclosure Agreement, the Indemnification Agreement and this resolution.

13. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture of Trust unless the context otherwise clearly requires.

14. This resolution shall take effect immediately.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Cachuma Operation and Maintenance Board, at a Regular Board Meeting held on the 22nd day of March, 2010 by the following vote:

AYES:

NAYS:

ABSENT/ABSTAIN:

President of the Board

(SEAL)

ATTEST:

Secretary of the Board



Financing Schedule (As of March 22, 2010)

Date	Activity	Responsibility
March 22, 2010	COMB approves bond documents, Contribution Agreements, and Indemnification Agreements	COMB
March 22, 2010	Apply for Insurance Quotes	FA
April 5, 2010	Redistribute GWD and Santa Barbara POS Appendices	SYCR
April 7, 2010	Insurance Commitment received	FA
April 15, 2010	Construction Bid Request Issued	COMB
April 19, 2010	Comments due on GWD and Santa Barbara POS Appendices	All
April 26, 2010	Distribute Final Draft of POS including Appendices	SYCR
May 10, 2010	Sign off on POS	All
May 18, 2010	Receive Bids	COMB
May 24, 2010	Approve Selection of Contractor	COMB
May 24, 2010	Print and Distribute Preliminary Official Statement	SYCR
June 2, 2010	Pre-Price Bonds	CITI, COMB, FA
June 3, 2010	Price Bonds and Sign Purchase Contract	CITI, COMB, FA
June 10, 2010	Print Final Official Statement	SYCR
June 15, 2010	Pre-close	All
June 16, 2010	Closing and Delivery of Funds	All
June 28, 2010	Award Construction Contract	COMB
June 29, 2010	Issue Notice to Proceed	COMB

Responsible Parties			
Cachuma O&M Board	COMB	Bond Counsel	SYCR
		Financial Advisor	FA
Goleta Water District	GWD	Underwriter	CITI
		Underwriter's Counsel	BALLARD
Santa Barbara	SB	Trustee	BNY

**South Coast Conduit
Upper Reach Reliability Study
Re-Bid Schedule Milestones**
March 3, 2010

March 22, 2010	1) Re-bid Authorization 2) Funding Approval 3) AECOM Authorization
April 15, 2010	Reissue Bid Documents
May 1, 2010	ROW and Permit Issues Essentially Complete
May 15, 2010	Receive Bids
June 15, 2010	Bond Sale Complete (money in bank)
June 20, 2010 June 21, 2010	1) Award Contract (USBR/ROW/Permits Complete) 2) Issue NTP
August 2011	2 nd Barrel Operations

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: March 22, 2010
TO: Board of Directors
FROM: Kate Rees, General Manager
RE: **2nd Pipeline Project – Transfer to City of Santa Barbara**

RECOMMENDATIONS:

1. Approve assignment of the Proposition 50 Subgrant Agreement to the City of Santa Barbara for construction of the South Coast Conduit Upper Reach Reliability Project (2nd Pipeline Project), contingent upon the final assignment agreement being acceptable to COMB's General Counsel, and authorize the General Manager, acting on behalf of COMB, to sign the assignment agreement once it is acceptable to both parties.
2. Authorize the General Manager, acting on behalf of COMB, to request a project assignment agreement between COMB and the Santa Barbara County Water Agency assigning COMB's Proposition 50 2nd Pipeline Project and all of its responsibilities under the Subgrant Agreement to a third party, the City of Santa Barbara.
3. Authorize the General Manager to take whatever steps are necessary to transfer all engineering designs/plans/specs, easement licenses, access agreements, permits, or other authorizations to the City of Santa Barbara for construction of the 2nd Pipeline Project.

DISCUSSION:

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 (COMB JPA) contains a provision that requires a unanimous consent by the COMB Board and ratification by resolution by all parties to the Agreement for the issuance of bonds, notes, letters of credit or other indebtedness in excess of \$1,000,000.

At the February 22, 2010 COMB Board meeting, the Santa Ynez River Water Conservation District, ID No. 1 (ID No. 1) withheld its approval of the COMB bond issuance for \$11M to fund the construction of the 2nd Pipeline Project. Because a unanimous vote was required, the motion failed. A new resolution for COMB's approval for the bond will be considered by the Board at the March 22, 2010 meeting. If it is not approved, staff is requesting approval of the above recommendations.

The three Member Units who have agreed to fund the Project through COMB are the Goleta Water District (GWD), the City of Santa Barbara (City), and the Montecito Water District (MWD).

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These agencies are committed to funding construction of the 2nd Pipeline Project, which is essential to assure the continued reliability of Cachuma water deliveries to the south coast Member Units. In addition, if the Project is not constructed, \$3.2 million in Prop 50 grant funds will be lost, and COMB would be at risk with regard to meeting its contractual obligations under its Proposition 50 Subgrant Agreement with the County Water Agency and the Master Agreement with the State Water Resources Control Board (SWRCB).

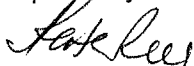
Therefore, the City of Santa Barbara is considering issuing a bond for the full amount of this project with financial participation of GWD and MWD, and contracting for its construction. GWD and MWD Boards are currently considering this proposal, but preliminary discussions at the staff level indicate they would be interested in transferring the project to the City in order to get the 2nd Pipeline Project constructed.

For this to occur, several actions would need to be taken by the COMB Board, among them:

- 1) An assignment of the Project to the City would require a written assignment agreement between COMB and the City. The City must agree to assume all of COMB's responsibilities under the Prop 50 Subgrant Agreement, the MOU for grant administration, the IRWM Implementation Grant Agreement, and all related obligations. In return, COMB must assign its rights to reimbursement of project costs under those same agreements. If the GWD and MWD Boards agree to this proposed project transfer, an assignment agreement will be drawn up for approval by COMB and the City of Santa Barbara.
- 2) A project assignment agreement between COMB and the Santa Barbara County Water Agency assigning COMB's Proposition 50 2nd Pipeline Project and all of its responsibilities under the Subgrant Agreement to a third party, the City of Santa Barbara, would need to be executed between COMB and the County Water Agency. Once the assignment agreement between COMB and the City is executed, the County Water Agency Agreement can also be executed. The County Water Agency is not obligated to approve project assignments, and if not approved, COMB must complete the 2nd pipeline Project and pay \$5 million in matching funds. However, preliminary discussions with County Water Agency management indicated they would have no objection to this assignment. It is unknown at this time what, if any, approvals would be required by the SWRCB.
- 3) COMB would need to transfer all engineering designs/plans/specs, easement licenses, access agreements, permits, or other authorizations to the City of Santa Barbara for construction of the 2nd Pipeline Project. This is administrative and should pose no problems.

To facilitate the process and the needed approvals to transfer construction of the 2nd Pipeline Project to the City of Santa Barbara so that the Project can be constructed as soon as possible, staff is requesting broad authorization to sign and execute the necessary agreements on behalf of COMB, and transfer the engineering designs/plans/specs, easement licenses, access agreements, and permits, to the City as needed.

Respectfully submitted,



Kate Rees
General Manager

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**CACHUMA CONSERVATION RELEASE BOARD
CACHUMA OPERATION AND MAINTENANCE BOARD**

MEMORANDUM

DATE: March 22, 2010
TO: Board of Directors of CCRB and COMB
FROM: Kate Rees, General Manager
RE: **PROPOSITION 84 MEMORANDUM OF UNDERSTANDING**

RECOMMENDATION:

1. Approve a 2010 Memorandum of Understanding (MOU) to continue participation in the state-wide Proposition 84 process, apply for a planning grant, and update the Santa Barbara Countywide Integrated Regional Water Management Plan (IRWMP), contingent upon the County Board of Supervisors approving the 2010 MOU, including its approval of funding approximately 50% of the administrative costs.
2. Authorize payment of approximately \$7,800 each for CCRB and COMB's contribution to the administrative costs for the 2010 MOU activities.

DISCUSSION:

Identical recommendations are being made to both the CCRB and COMB Boards for this item. To avoid duplication of background material, please refer to the materials for Item No. 6 of the CCRB Agenda.

Background

An IRWMP for Santa Barbara County was developed through the Prop 50 process to coordinate and integrate regional water supply, water quality, capital improvements to water system infrastructure, and environmental projects in order to be eligible for implementation grant funds from the Prop 50 grant program. Santa Barbara County was successful in receiving a grant for \$25 million for 14 projects countywide, including a \$3.2 million grant for COMB's 2nd Pipeline Project.

The IRWMP provides a planning structure for water management across Santa Barbara County and address management issues across multiple agencies and jurisdictions with adherence to state guidelines for IRWMPs. The first step in the Prop 84 process required that an IRWMP "region" be accepted (approved) by the State as a condition for eligibility to apply for Prop 84 funds. Santa Barbara County was approved as a separate "region" within the larger Central Coast funding area region through the Regional Acceptance Process (RAP) in November 2009. This entailed determination of the best objectives for the updated IRWMP, incorporation of both local objectives and state requirements in the IRWMP, compilation of existing planning documents addressing water management issues, gaps in the analysis of water management needs, writing the IRWMP,

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and development and implementation of a process that includes key stakeholder groups to prioritize projects that implement the objectives of the IRWMP

Prop 84 provides funding for a range of water related projects and builds on California's previous Prop 50 grant program. It is being administered by the Department of Water Resources (DWR) which promotes integrated planning for water supply, water quality, environmental, flood control, and global warming response projects on a hydrologic or watershed basis. The draft Guidelines for Prop 84 were released on March 8, 2010, and they include the requirements that must be met to be eligible for planning grants to update the IRWMP and project implementation grants. It is necessary to update the existing IRWMP to conform to the differences between Prop 50 and Prop 84 Guidelines in order to be competitive for implementation grant funds from Prop 84.

Proposition 84 stipulates that \$52 million must be awarded to the Central Coast Region (funding area), which includes Santa Barbara County and five other IRWMP regions. There will be two rounds of implementation grant funding; a maximum of about \$5.8M will be available for the entire funding area in Round 1 for the entire funding area, and the balance will be available in Round 2. Planning grants cannot exceed \$1M per planning grant, and it is anticipated that DWR will approve all viable grant applications for this purpose.

Memorandum of Understanding

The first Prop 84 Memorandum of Understanding (2009 MOU) to update the IRWMP was approved in March 2009 by CCRB and COMB, and in April 2009 by the County Board of Supervisors in anticipation of the draft Guidelines being published. Several important administrative activities have been completed since then, however there has been no activity for about 6 months. Now that the draft Guidelines are available, it is necessary to continue with the priority project selection process, complete an updated IRWMP, and apply for a planning grant. Consultants are needed to carry out the administrative responsibilities, to update the IRWMP, to assist with a quantitative project prioritization, and to provide overall project management, as the County Water Agency does not have sufficient staff or financial resources to carry out these tasks. Although there is approximately \$120,000 in carryover money, an estimated \$312,000 is needed to complete the necessary tasks.

Therefore, a 2010 MOU is provided in the Board package for your consideration which commits the Cooperating Partners to make another financial contribution to fund ongoing participation in the administrative process established by Prop 84. It sets forth the mutual responsibilities of the Cooperating Partners and supersedes the 2009 MOU. The differences between the 2009 MOU and the 2010 MOU are explained in a memo from the County Water Agency (attached).

The County Water Agency will continue to be the administrative agency on behalf of all the Cooperating Partners. With the concurrence of the Prop 84 partners, the County Water Agency has hired Dudek to provide administrative assistance, and Rob Almy, the former County Water Agency Manager, to serve as Project Manager. Because of their work developing the existing IRWMP for Prop 50, CH2M Hill has been selected as the best consultant to develop and submit the planning grant application, update the existing IRWMP, and quantify the decision making process for project prioritization among the Cooperating Partners and key stakeholder groups. They will be expected to communicate work progress to the County Water Agency and to the Prop 84 Steering Committee. As an active member of the Steering Committee, I have participated in and concur with the selection of these consultants.

Schedule

These activities are being carried out through a series of public workshops, Steering Committee meetings, and full Cooperating Partner meetings. The Project Selection Workshop schedule is also attached.

Recommendation

I recommend that CCRB and COMB participate in the development of a revised IRWMP for the Santa Barbara County area by approving the attached Prop 84 2010 MOU, contingent upon the County Board of Supervisors approving the MOU, including its approval of funding approximately 50% of the cost to revise the IRWMP and project selection tasks. The 2010 MOU will go to the Board of Supervisors for approval on April 6, 2010.

There are sufficient funds in the current year's budgets for both agencies to cover these costs.

Respectfully submitted,

Kate Rees
General Manager

kr/ccrb/comb admin/board memos/032210_Prop 84 2010 MOU admin

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