

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

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

Monday, June 22, 2009

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
 - May 18, 2008 Regular Board Meeting
 - b. Investment of Funds
 - Financial Reports
 - Investment Reports
 - c. Payment of Claims
4. **REPORTS FROM THE MANAGER** (*5 minutes*)
 - a. Cachuma Water Reports
 - b. Operations Report
 - c. MWD Purchase of CVWD Cachuma Carryover Water
 - d. COMB Operating Committee Meeting, June 3, 2009
 - e. **Verbal Report** - Meeting with Reclamation at ACWA Spring Conference, May 20-22, 2009, Sacramento
 - f. 2008 Surcharge Accounting
 - g. **Verbal Report** - Cachuma Reservoir Current Conditions
5. **COMB CAPITAL IMPROVEMENT PROGRAM** (*60 minutes*)
 - a. COMB Office Building Project
 - 1) Presentation of Concept Drawings and Preliminary Budget Estimate from Peikert Group, Architects
 - 2) Reply Letter to ID No. 1

- b. SCC/Upper Reach Reliability Project
 - 1) Receipt of Pre-Qualifications from Contractors
 - 2) Recommendation for Construction Management Services
 - 3) Authorization to Sign Right-Of-Way Agreements, Accept the Easement Deeds, and Authorize Payments into Escrow for Gessert-Brown and University Exchange Corporation
 - c. CIP Bond
 - 1) Revised Schedule
 - 2) Informational Briefing on Proposed Cost Distribution Methodology for Bond Debt Service Repayment and Proposed Cost of Services Analysis
6. **PROPOSED FINAL COMB BUDGET FOR FISCAL YEAR 2009-2010** (*5 minutes*)
7. **CONSIDER FY 2008-09 BUDGET ADJUSTMENT FOR EROSION CONTROL MEASURES AND FENCE REPLACEMENT AT LAURO RESERVOIR DUE TO THE JESUSITA FIRE** (*7 minutes*)
8. **RECOMMENDED CONTRACTOR FOR EL JARO CREEK CROSS CREEK RANCH FISH PASSAGE PROJECT** (*7 minutes*)
9. **QUAGGA MUSSEL ISSUES** (*5 minutes*)
 - a. County Parks Department Long Term Funding Plan
 - b. Quagga Mussel Ad Hoc Committee Appointments
10. **PROPOSITION 84 ACTIVITIES** (*7 minutes*)
11. **DIRECTORS' REQUEST FOR AGENDA ITEMS FOR NEXT MEETING** (*5 minutes*)
12. **MEETING SCHEDULE**
 - July 27, 2009 following CCRB at 2:15 P.M., COMB Office
 - Board Packages Available on COMB Website
www.cachuma-board.org
13. **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 Noticed 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, May 18, 2009

1. Call to Order, Roll Call

The meeting was called to order at 2:37 p.m. by Director Jan Abel, who was selected by the Directors to chair the meeting in the absence of President Williams and Vice President Lieberknecht. Director Abel would step down as Chair when President Williams joined the meeting. Those in attendance were:

Directors present:

Das Williams (2:43)	City of Santa Barbara
Jim Drain	Carpinteria Valley Water District
Jan Abel	Montecito Water District
Lauren Hanson	Goleta Water District

Others present:

Kate Rees	William Hair
Brett Gray	Eric Ford
Tom Fayram	Janet Gingras
David Brodsly (via phone)	Gary Kvistad
Charles Hamilton	Tom Mosby
Chip Wullbrandt	Bruce Wales
Bill Ferguson	Dan Hernandez
Antonio Buelna	Ali Shahroody
Bill Fielder	Tim Robinson

2. Public Comment

There were no comments from the public.

3. Consent Agenda

- a. **Minutes:**
April 27, 2009 Regular Board Meeting
- b. **Investment Funds**
Investment Report
- c. **Payment of Claims**

Director Drain moved to approve the consent agenda as presented, seconded by Director Hanson, passed 4/0/3, Director Williams and Director Loudon were absent.

4. Reports From the Manager

a. Cachuma Water Reports

The water reports prepared by Janet Gingras were included in the Board packet.

b. Operations Report

Brett Gray reported on the monthly operations activities performed by the COMB staff. The primary activity for the month was the shutdown at Ortega Reservoir and preparation for the reservoir cleaning. Staff also did some work at the insertion meter in the Carpinteria area, installed light poles at the Lauro debris basin, and worked on some remodeling on the welding shop in the upper yard. The Jesusita Fire work and clean up occupied the remaining time during the month.

c. COMB Operating Committee Meeting April 1, 2009

The agenda and minutes from the COMB Operating Committee meeting held on April 1, 2009 were included in the board packet. The May 6th meeting was cancelled due to the fire, the next meeting will be held June 3rd.

d. 2008 Surcharge Accounting

The 2008 Surcharge Summary was included in the board packet. In addition to surcharge water available, 4,388 acre feet have been used from Project yield to meet downstream target flows for steelhead.

*Director Abel stepped down as temporary chair of the meeting at 2:45 p.m.
President Williams chaired the rest of the meeting.*

e. COMB Field Trip

Mr. Gray highlighted the COMB field trip held on April 29th. The tour started with an overview of the Cachuma facilities at the COMB office. The group then drove to see the intake tower and north portal at Lake Cachuma, followed by a visit to the south portal, Corona del Mar treatment plant, and the site of the 2nd barrel project in Glen Annie Canyon. The group also visited Lauro Reservoir, the new Lauro debris basin, the Mission Creek SCC pipeline project site, and finished the trip at Ortega Reservoir to see the new reservoir cover. There were about 10 people in attendance.

f. Cachuma Reservoir Current Conditions

Date 05/18/2009

Lake elevation	742.09 feet
Storage	164,157 acre feet
Rain (for the month to date)	.00 inches
Rain YTD (for the season to date)	7.39 inches
Fish Release-Hilton Creek	20 to 24.3 acre feet per day

Month to Date Spill 0 acre feet
Year to Date Spill 0 acre feet

5. Lake Cachuma Surcharge Presentations

a. **Bradbury Dam Surcharge Risk Assessment – Bill Fielder, USBR**

Bill Fiedler from the Bureau of Reclamation, Technical Service Center Denver, gave a presentation on the Bradbury Dam Surcharge Risk Assessment that evaluated the safety of the dam, spillway walls, radial gates, and potential overtopping of the dam under static conditions and a with a 3 ft. surcharge during all times of the year. The study was to evaluate if there was any additional risk involved when storing water at different levels above 750 ft. in Lake Cachuma. The conclusions were that there was no additional incremental risk with a 3 ft surcharge. Therefore, Reclamation has authorized unrestricted surcharge operations for 2009 and 2010 at any time of the year, while they carry out additional seismic studies on certain components of the dam. It is expected that these studies will result in permanent unrestricted surcharge operations.

b. **New Surcharge Protocols – Ali Shahroody, Stetson Engineers**

Ali Shahroody of Stetson Engineers gave a presentation on the new surcharge protocols that were developed for Reclamation's risk assessments. The new protocols addressed the need to capture the full 3 ft surcharge (9200 acre feet) under several scenarios. If the full surcharge cannot be captured, a greater impact to Project yield would occur. The scenario agreed upon by the SYR Hydrology Committee was to begin surcharging the reservoir when hydrologic conditions existed based on meeting certain hydrologic criteria in the upper watershed.

c. **Modified Winter Storm Operations – Tom Fayram, County Flood Control**

Tom Fayram, County Flood Control, gave the Board a review of modified winter storm operations. The modified storm operations utilize "real" time information, radar, satellite data, computer modeling and can calculate the inflow of the surrounding area into the lake. All of these elements are used to make the decision on how the gates are operated during a storm, allowing more efficient storage of water. Modified storm operations will continue to be applied under surcharge conditions.

6. Jesusita Fire COMB Activities

Mr. Gray reported that on May 5th the Jesusita Fire started about a mile or two from the COMB offices in San Roque Canyon. As the fire severity increased that afternoon, staff ramped up the flows from Lake Cachuma to maximize water storage in Lauro Reservoir and throughout the Cachuma Project SCC facilities. The COMB staff was evacuated that afternoon and removed essential equipment and vehicles off site so that they would be available to respond to emergencies if needed. Staff also manually locked the out flow valve at Lauro in an open position so that water would continue to flow to Cater Treatment Plant in the event the COMB facilities were destroyed. The fire ultimately burned the entire watershed around Lauro Reservoir,

right down to the COMB office and yard facilities. One building in the upper yard had some fire damage but overall, operations went exceptionally well and water was delivered throughout the fire. Water from Lauro Reservoir was utilized by the fire fighting helicopters as they battled the fire.

Ms. Rees reported that Tom Fayram, County Flood Control, had been in contact with her regarding erosion and water quality issues that might affect Lauro Reservoir during the up coming rainy season due to the fire. The new Lauro debris basin will be the primary erosion catchment facility, but depending on the rainy season, may not be able to capture the entire runoff from the burned watershed.

7. Proposition 84 Activities

Ms. Rees reported that under Proposition 84, the State Department of Water Resources must formally accept a region in order for that region to be eligible for grant funding. The funding area is the entire Central Coast with only \$52 million available making a very competitive process for this area. If Santa Barbara County is successful in its application to be accepted as a separate region, the existing IRWM Plan developed for Proposition 50 will be updated to meet Proposition 84 standards. The region acceptance process (RAP) application for Santa Barbara County was submitted at the end of April 2009. CH2M Hill Consultants are doing this work on behalf of the Cooperating Partners for Proposition 84.

8. COMB Capital Improvement Program

a. Revised CIP Bond Schedule

Janet Gingras reviewed the latest schedule for the bond briefings that will be held with each of the Member Unit agencies. David Brodsky, COMB's Financial Advisor, joined the meeting via phone. He indicated that we are on target to finish the bond process as planned.

b. CIP Bond Preliminary Budget

Ms. Gingras included a preliminary budget for the CIP bond in the board packet. She outlined the priority projects and the current estimated cost of these projects. She also included the estimated annual debt service repayment for each of the four South Coast Units. The total amount of the bond issuance is driven by a debt service repayment amount of about \$1.1 million annually. The projected bond proceeds are currently expected to net about \$15,300,000, and the Prop 50 grant for the 2nd Pipeline Project is \$3,200,000. This will provide a total of about \$18,500,000 to construct the proposed CIP projects.

c. 2nd Pipeline Project - Notice for Contractor Prequalification and Proposed Use of Local Labor Language

Mr. Gray reported that the "Notice Inviting Pre-Qualification" had been advertised. A revised Board memo was distributed with two proposed language options regarding utilization of local labor to be included in the Request for Pre-Qualifications.

After Board discussion, the following provisions will be added to the Request for Pre-Qualifications. "COMB wishes to utilize local business and labor

resources as much as possible for construction of this project. The responding contractor is expected to employ not less than 30% local labor which should be drawn from within a 100 mile radius of the project location. Please provide your intent and approach to engaging local resources for this project.”

d. Detailed Use of Unexpended Funds for 2nd Pipeline and Mission Creek Pipeline Projects

In February 2009, the Board approved using \$200,000 in unexpended funds from prior fiscal years for pre-project work needed for the 2nd Pipeline and Mission Creek Pipeline projects. At the request of the Board, a more detailed use of those funds was presented.

Director Abel moved to authorize use of the \$200,000 in unexpended fund from FY 07-08 as outlined in the staff memo, seconded by Director Williams, passed 6/0/1, Director Loudon was absent.

e. COMB Office Building project – Letter from ID No. 1

Ms. Rees highlighted the letter from ID No.1 and recommended that a response letter be sent. The Board agreed and asked that it be included in the June board packet.

9. Measurement of Goals and Objectives for FY 2008-09 and Goals and Objectives for FY 2009-10

Ms. Rees highlighted both the measurement of the Goals and Objectives for FY 2008-09 and the Goals and Objectives for FY 2009-10.

10. Preliminary Fiscal Year 2009-2010 COMB Budget

Ms. Rees reported that the COMB Finance Committee had met prior to the COMB Board meeting and were not recommending any changes. Janet Gingras summarized the General and Administrative portion of the draft budget, and Mr. Gray highlighted the Operation and Maintenance and Special Projects portion of the budget. Overall the proposed FY 09-10 draft budget will decrease by about 3.93% compared to the FY 08/09 Budget. The final COMB Budget will be considered for approval at the June 22, 2009 meeting.

Director Abel requested that the draft budget, with a cover memo addressed to the Member Units, be sent to the managers and business managers for review by the Boards of the Member Unit agencies.

11. Quagga Mussel Issues

a. Status of County Park Department’s Fiscal Plan for Quagga Mussel Inspection/Prevention program

Ms. Gingras reported that Dan Hernandez requested her to relay to the COMB Board that the County CEO’s office will be meeting next week to review the draft fiscal plan for Quagga Mussel Inspection/Prevention Program, and that the final plan should be available in a few weeks. Ms. Rees reported that the

COMB contribution of \$60,000 to the County will be held until the plan has been completed and is made available to COMB.

b. Director's Requested Discussion of Alternative Strategies Regarding Quagga Mussel Prevention beyond the County Parks' Program

Director Hanson remains concerned that the County's quagga mussel inspection program is not sufficient. She reported that she had met with County Supervisor Salud Carbajal regarding the prevention of quagga mussels in Lake Cachuma. She said that he does not want to be out in front of other recreation agencies with regard to the County's quagga program, and that he would be interested in seeing a risk analysis showing him that the danger of allowing outside boats outweighs the benefits of allowing them into the lake. She also reported that Supervisor Carbajal would be willing to continue the meetings of the Quagga Mussel ad hoc committee established last year. She felt that COMB should pursue an analysis of the risk to the Lake and present it to the County. She requested that the Board consider a continued outreach to Supervisor Carbajal and the County Board of Supervisors.

President Williams suggested looking at protocols in place at Lake Casitas. Director Abel indicated that an ad hoc committee should be formed to continue this discussion with the County. President Williams agreed and asked that appointments to an ad hoc committee be an agenda item for the June meeting.

12. Directors' Request for Agenda Items for Next Meeting

President Williams will make appointments to an ad hoc committee for continued outreach to the County regarding the prevention of quagga mussels.

President Williams requested that there be an informational briefing regarding the cost sharing issues raised by Charles Hamilton, and any additional issues that need to be evaluated after discussion among the General Managers during the June 3rd COMB Operating Committee meeting.

13. Meeting Schedule

The next regular Board meeting will be held June 22, 2009 following the 2:15 p.m. CCRB regular Board meeting, at the COMB office.

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

The CCRB Board reconvened at 6:02 p.m.

14. General Manager's Performance Review

- a. [CCRB & COMB Joint Closed Session – CCRB Reconvene.] Conference with Boards Regarding General Manager's Performance, Pursuant to Government Code Section 54957 (a).

The COMB and CCRB Boards went into closed session at 6:03 p.m. and came out of closed session at 6:33 p.m. There was nothing to report out of closed session.

- b. General Manager's Salary and Benefits Review – CCRB Reconvene.**
Director Williams moved that the Board approve a \$4000 increase in the General Manager's base salary effective July 1, 2009, and a \$4000 increase effective January 1, 2010 for a total fiscal impact to the FY 09-10 Budget of \$6000. Also that the Board approve a transfer of \$2000 from an agency contribution to the General Manager's 457K to her base salary with no fiscal impact, effective July 1, 2009, seconded by Director Hanson, passed 6/0/1, Director Loudon was absent.

15. CCRB Adjournment

CCRB adjourned at 6:34 p.m.

16. COMB Adjournment

There being no further business, the meeting was adjourned at 6:34 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Das Williams, President

Approved _____

Unapproved _____ ✓

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Balance Sheet
 As of April 30, 2009

	<u>Apr 30, 09</u>
ASSETS	
Current Assets	
Checking/Savings	
1050 · GENERAL FUND	9,083.33
1100 · REVOLVING FUND	71,079.69
TRUST FUNDS	
1210 · WARREN ACT TRUST FUND	184,231.30
1220 · RENEWAL FUND	4,998.13
Total TRUST FUNDS	<u>189,229.43</u>
Total Checking/Savings	269,392.45
Other Current Assets	
1010 · PETTY CASH	400.00
1200 · LAIF	664,674.63
1206 · Unexpended Funds FY 07-08	160,000.00
1300 · DUE FROM CCRB	58,484.98
1303 · SOD Act Assessments Receivable	65,654.00
1400 · PREPAID INSURANCE	13,679.72
1401 · W/C INSURANCE DEPOSIT	3,906.00
Total Other Current Assets	<u>966,799.33</u>
Total Current Assets	1,236,191.78
Fixed Assets	
1500 · VEHICLES	300,367.20
1505 · OFFICE FURN & EQUIPMENT	173,989.19
1510 · TRAILERS	97,803.34
1515 · FIELD EQUIPMENT	357,779.46
1525 · PAVING	22,350.00
1550 · ACCUMULATED DEPRECIATION	-716,768.55
Total Fixed Assets	<u>235,520.64</u>
Other Assets	
1910 · LT SOD Act Assess Receivable	6,727,445.07
Total Other Assets	<u>6,727,445.07</u>
TOTAL ASSETS	<u>8,199,157.49</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2200 · ACCOUNTS PAYABLE	178,255.67
Total Accounts Payable	178,255.67
Other Current Liabilities	
2550 · VACATION/SICK	78,503.71
2560 · CACHUMA ENTITLEMENT	-0.01
2561 · BRADBURY DAM SOD ACT	55,917.30
2562 · SWRCB-WATER RIGHTS FEE	0.76
2563 · LAURO DAM SOD ACT	9,737.00
2590 · DEFERRED REVENUE	189,229.43
Payroll-DepPrm Admin	5.00
Payroll-CCRB DepPrm	4.62
Payroll-DepPrm Ops	4.62
Total Other Current Liabilities	<u>333,402.43</u>
Total Current Liabilities	511,658.10
Long Term Liabilities	
2602 · SOD Act Liability-Long Term	5,745,431.07
2603 · LT SOD Act Liability - Lauro	982,014.00
Total Long Term Liabilities	<u>6,727,445.07</u>

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Accrual Basis

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Balance Sheet
As of April 30, 2009

	<u>Apr 30, 09</u>
Total Liabilities	7,239,103.17
Equity	
3000 · Opening Bal Equity	0.95
3901 · Retained Earnings	1,813,350.70
Net Income	<u>-853,297.33</u>
Total Equity	<u>960,054.32</u>
TOTAL LIABILITIES & EQUITY	<u><u>8,199,157.49</u></u>

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Accrual Basis

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Profit & Loss Budget vs. Actual
July 2008 through April 2009

	Jul '08 - Apr 09	Budget	\$ Over Budget	% of Budget
Income				
3000 REVENUE				
3001 · O&M Budget (Qtrly Assessments)	2,631,310.50	3,508,414.00	-877,103.50	75.0%
3010 · Interest Income	37,462.23			
3020 · Misc Income	31,181.48			
Total 3000 REVENUE	2,699,954.21	3,508,414.00	-808,459.79	76.96%
Total Income	2,699,954.21	3,508,414.00	-808,459.79	76.96%
Gross Profit	2,699,954.21	3,508,414.00	-808,459.79	76.96%
Expense				
4000 · Reconciliation Discrepancies	0.06			
3100 LABOR				
3101-A · Ops Supervisor	80,676.54			
3101-H · Holiday Leave	12,098.56			
3101-J · Jury Duty	528.73			
3101-S · Sick Leave	10,278.54			
3101-V · Vacation Leave	20,379.58			
3102 · Meter Reading	3,393.18			
3103 · SCC Ops	178,417.87			
3104 · Veh & Equip Mtce	3,431.07			
3105 · SCADA	4,219.60			
3106 · Rodent Bait	2,157.50			
3107 · NORTH PORTAL				
Total 3107-1 · NP INTAKE TOWER	1,401.50			
Total 3107-2 · NP CONTROL STATION	1,221.69			
Total 3107 · NORTH PORTAL	2,623.19			
3108 · GLEN ANNE				
Total 3108-1 · GA SOUTH PORTAL	12,650.47			
Total 3108-2 · GA RESERVOIR	2,136.48			
Total 3108-3 · GA PUMP STATION	609.68			

ITEM # 36
PAGE 3

comb2
Profit & Loss Budget vs. Actual
July 2008 through April 2009

	TOTAL			
	Jul '08 - Apr 09	Budget	\$ Over Budget	% of Budget
Total 3108-4 · GA TURNOUT	613.49			
Total 3108 · GLEN ANNE	16,010.12			
3109 · CORONA DEL MAR				
Total 3109-1 · TURNOUT	233.82			
Total 3109 · CORONA DEL MAR	233.82			
3110 · LAURO				
Total 3110-1 · YARD	20,135.51			
Total 3110-2 · CONTROL STATION	431.99			
Total 3110-3 · RESERVOIR	3,532.44			
Total 3110-4 · DEBRIS BASINS	5,163.87			
Total 3110 · LAURO	29,263.81			
3111 · OFFICE				
Total 3111-2 · IMPLANTS	96.45			
Total 3111-3 · MAIN OFFICE	257.20			
Total 3111 · OFFICE	353.65			
3112 · SHEFFIELD				
Total 3112-1 · CONTROL STATION	660.56			
Total 3112-2 · TUNNEL	429.23			
Total 3112 · SHEFFIELD	1,089.79			
3113 · ORTEGA				
Total 3113-1 · CONTROL STATION	4,138.88			
Total 3113-2 · RESERVOIR	3,713.13			
Total 3113 · ORTEGA	7,852.01			
3115 · CARPINTERIA				
Total 3115-1 · CONTROL STATION	461.93			

ITEM # 36
PAGE 4

comb2
Profit & Loss Budget vs. Actual
July 2008 through April 2009

	TOTAL	TOTAL	TOTAL
	Jul '08 - Apr 09	Budget	\$ Over Budget
			% of Budget
Total 3115-2 · RESERVOIR	960.36		
Total 3115 · CARPINTERIA	1,422.29		
3116 · GOLETA REACH			
Total 3116-1 · STRUCTURES	15,038.18		
Total 3116-2 · LATERAL METERS	2,306.88		
Total 3116-3 · VALVES	4,802.26		
Total 3116-4 · CONDUIT	8,001.91		
Total 3116 · GOLETA REACH	30,149.23		
3117 · CARPINTERIA REACH			
Total 3117-1 · STRUCTURES	1,460.76		
Total 3117-2 · LATERAL METERS	3,813.07		
Total 3117-3 · VALVES	661.01		
Total 3117-4 · CONDUIT	7,599.30		
Total 3117 · CARPINTERIA REACH	13,534.14		
3150 · Health & Workers Comp	129,932.07		
3155 · PERS	66,655.31		
3160 · Payroll Comp FICA Ops	28,297.81		
3165 · Payroll Comp MCARE Ops	6,692.64		
3100 LABOR - Other	0.00		
Total 3100 LABOR	649,691.05	854,201.00	-854,201.00
		854,201.00	-204,509.95
			76.06%
3200 VEH & EQUIPMENT			
3201 · Vehicle/Equip Mtce	36,732.46	38,000.00	-1,267.54
3202 · Fixed Capital	58,494.31	48,000.00	10,494.31
3203 · Equipment Rental	1,558.20	10,000.00	-8,441.80
3204 · Miscellaneous	13,769.23	18,000.00	-4,230.77
Total 3200 VEH & EQUIPMENT	110,554.20	114,000.00	-3,445.80
3300 · CONTRACT LABOR			
3301 · Conduit, Meter, Valve & Misc	10,491.01	12,000.00	-1,508.99
			87.43%

1:38 PM
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Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July 2008 through April 2009

	TOTAL			
	Jul '08 - Apr 09	Budget	\$ Over Budget	% of Budget
3302 · Buildings & Roads	28,432.45	16,000.00	12,432.45	177.7%
3303 · Reservoirs	50,969.24	52,000.00	-1,030.76	98.02%
3304 · Engineering, Misc Services	12,940.26	26,000.00	-13,059.74	49.77%
Total 3300 · CONTRACT LABOR	102,832.96	106,000.00	-3,167.04	97.01%
3400 · MATERIALS & SUPPLIES				
3401 · Conduit, Meter, Valve & Misc	20,903.09	25,000.00	-4,096.91	83.61%
3402 · Buildings & Roads	22,014.41	25,000.00	-2,985.59	88.06%
3403 · Reservoirs	2,270.77	10,000.00	-7,729.23	22.71%
Total 3400 · MATERIALS & SUPPLIES	45,188.27	60,000.00	-14,811.73	75.31%
3500 · OTHER EXPENSES				
3501 · Utilities	3,669.75	6,500.00	-2,830.25	56.46%
3502 · Uniforms	6,643.53	6,500.00	143.53	102.21%
3503 · Communications	14,911.01	20,000.00	-5,088.99	74.56%
3504 · USA & Other Services	1,903.40	4,000.00	-2,096.60	47.59%
3505 · Miscellaneous	7,128.29	8,000.00	-871.71	89.1%
3506 · Training	5,748.14	8,000.00	-2,251.86	71.85%
Total 3500 · OTHER EXPENSES	40,004.12	53,000.00	-12,995.88	75.48%
4999 · GENERAL & ADMINISTRATIVE				
5000 · Director Fees				
5001 · Director Mileage	664.83			
5000 · Director Fees - Other	7,424.00	12,000.00	-4,576.00	61.87%
Total 5000 · Director Fees	8,088.83	12,000.00	-3,911.17	67.41%
5100 · Legal	59,676.64	63,000.00	-3,323.36	94.73%
5101-1 · Audit	10,879.00	12,000.00	-1,121.00	90.66%
5150 · Unemployment Tax	0.00	7,088.00	-7,088.00	0.0%
5200 · Liability Insurance	33,818.00	48,000.00	-14,182.00	70.45%
5201 · Health & Workers Comp	54,276.20	64,240.00	-9,963.80	84.49%
5250 · PERS	27,575.51	33,965.00	-6,389.49	81.19%
5260 · Company FICA Admin	10,270.42	13,000.00	-2,729.58	79.0%

ITEM # 36
PAGE 6

1:38 PM
06/17/09
Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July 2008 through April 2009

	Jul '08 - Apr 09	Budget	\$ Over Budget	% of Budget
TOTAL				
5265 · Company MCARE Admin	2,571.52	3,662.00	-1,090.48	70.22%
5300 · Manager Salary	38,814.05	50,300.00	-11,485.95	77.17%
5301 · Administrative Manager	75,877.41	93,943.00	-18,065.59	80.77%
5306 · Administrative Assistant	45,275.04	55,265.00	-9,989.96	81.92%
5310 · Postage/Office Exp	7,917.92	10,000.00	-2,082.08	79.18%
5311 · Office Equip/Leases	4,495.43	6,200.00	-1,704.57	72.51%
5312 · Misc Admin Expenses	5,532.64	12,000.00	-6,467.36	46.11%
5313 · Communications	2,930.87	5,200.00	-2,269.13	56.36%
5314 · Utilities	4,952.19	6,000.00	-1,047.81	82.54%
5315 · Membership Dues	6,040.50	6,850.00	-809.50	88.18%
5316 · Admin Fixed Assets	963.33	7,000.00	-6,036.67	13.76%
5318 · Computer Consultant	15,108.57	8,000.00	7,108.57	188.86%
5319 · Parity Study	0.00	20,000.00	-20,000.00	0.0%
5325 · Emp Training/Subscriptions	545.17	4,500.00	-3,954.83	12.12%
5330 · Admin Travel/Conferences	4,888.95	5,000.00	-111.05	97.78%
5331 · Public Information	5,686.23	8,000.00	-2,313.77	71.08%
5332 · Transportation	317.00	1,000.00	-683.00	31.7%
Total 4999 · GENERAL & ADMINISTRATIVE	426,501.42	556,213.00	-129,711.58	76.68%
5510 · Integrated Reg. Water Mgt Plan	6,887.18	70,000.00	-63,112.82	9.84%
6000 · SPECIAL PROJECTS				
6062 · SCADA	38,399.52	50,000.00	-11,600.48	76.8%
6090-1 · COMB Bldg/Grounds Repair	18,364.56	75,000.00	-56,635.44	24.49%
6092 · SCC Improv Plan & Design	902,316.80	1,000,000.00	-97,683.20	90.23%
6092-1 · SCC Improv Plan & Design-UF	0.00			
6095 · SCC Valve & Cntrl Sta Rehab	126,585.13	450,000.00	-323,414.87	28.13%
6095-1 · Lauro Debris Basin Rehab	1,106,639.17	1,125,400.65	-18,761.48	98.33%
6095-2 · Lauro Debris Basin - UF	0.00			
6096 · SCC Structure Rehabilitation	55,780.91	350,000.00	-294,219.09	15.94%
6096-1 · SCC Structure Rehab - UF	-100,000.00			
6097 · GIS and Mapping	42,992.21	50,000.00	-7,007.79	85.98%
6098 · Quagga Mussel Research	0.00	20,000.00	-20,000.00	0.0%
6098-1 · Quagga Mussel	-60,000.00	60,000.00	-120,000.00	-100.0%

ITEM # 36
PAGE 7

1:38 PM
 06/17/09
 Accrual Basis

comb2
Profit & Loss Budget vs. Actual
 July 2008 through April 2009

	Jul '08 - Apr 09	Budget	\$ Over Budget	% of Budget
TOTAL				
6099 · Hydrology Work	51,859.39	60,000.00	-8,140.61	86.43%
Total 6000 · SPECIAL PROJECTS	2,182,937.69	3,240,400.65	-1,057,462.96	67.37%
6400 · STORM DAMAGE				
6402 · Zaca Fire Damage	-11,345.34	32,430.19	-43,775.53	-34.98%
Total 6400 · STORM DAMAGE	-11,345.34	32,430.19	-43,775.53	-34.98%
PAYROLL				
Gross	0.38			
Gross-CCRB	-0.45			
Total PAYROLL	-0.07			
Total Expense	3,553,251.54	5,086,244.84	-1,532,993.30	69.86%
Net Income	-853,297.33	-1,577,830.84	724,533.51	54.08%

ITEM # 36
 PAGE 8

comb2
Balance Sheet
 As of May 31, 2009

	<u>May 31, 09</u>
ASSETS	
Current Assets	
Checking/Savings	
1050 · GENERAL FUND	260,320.25
1100 · REVOLVING FUND	8,417.56
TRUST FUNDS	
1210 · WARREN ACT TRUST FUND	184,380.26
1220 · RENEWAL FUND	4,998.34
Total TRUST FUNDS	<u>189,378.60</u>
Total Checking/Savings	458,116.41
Other Current Assets	
1010 · PETTY CASH	400.00
1200 · LAIF	664,674.63
1206 · Unexpended Funds FY 07-08	160,000.00
1300 · DUE FROM CCRB	166,457.36
1303 · SOD Act Assessments Receivable	65,654.00
1400 · PREPAID INSURANCE	13,679.72
1401 · W/C INSURANCE DEPOSIT	3,906.00
Total Other Current Assets	<u>1,074,771.71</u>
Total Current Assets	1,532,888.12
Fixed Assets	
1500 · VEHICLES	300,367.20
1505 · OFFICE FURN & EQUIPMENT	173,989.19
1510 · TRAILERS	97,803.34
1515 · FIELD EQUIPMENT	357,779.46
1525 · PAVING	22,350.00
1550 · ACCUMULATED DEPRECIATION	-716,768.55
Total Fixed Assets	<u>235,520.64</u>
Other Assets	
1910 · LT SOD Act Assess Receivable	6,727,445.07
Total Other Assets	<u>6,727,445.07</u>
TOTAL ASSETS	<u>8,495,853.83</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2200 · ACCOUNTS PAYABLE	261,087.56
Total Accounts Payable	261,087.56
Other Current Liabilities	
2550 · VACATION/SICK	78,503.71
2560 · CACHUMA ENTITLEMENT	-0.01
2561 · BRADBURY DAM SOD ACT	55,917.30
2562 · SWRCB-WATER RIGHTS FEE	0.76
2563 · LAURO DAM SOD ACT	9,737.00
2590 · DEFERRED REVENUE	189,378.60
Payroll-CCRB DepPrm	9.24
Payroll-DepPrm Ops	9.24
Total Other Current Liabilities	<u>333,555.84</u>
Total Current Liabilities	594,643.40
Long Term Liabilities	
2602 · SOD Act Liability-Long Term	5,745,431.07
2603 · LT SOD Act Liability - Lauro	982,014.00
Total Long Term Liabilities	<u>6,727,445.07</u>
Total Liabilities	7,322,088.47

1:22 PM
06/17/09
Accrual Basis

comb2
Balance Sheet
As of May 31, 2009

	<u>May 31, 09</u>
Equity	
3000 · Opening Bal Equity	0.95
3901 · Retained Earnings	1,813,350.70
Net Income	-639,586.29
Total Equity	<u>1,173,765.36</u>
TOTAL LIABILITIES & EQUITY	<u><u>8,495,853.83</u></u>

1:24 PM
06/17/09
Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July 2008 through May 2009

	TOTAL		
	Jul '08 - May 09	Budget	% of Budget
		\$ Over Budget	
Income			
3000 REVENUE			
3001 · O&M Budget (Qtrly Assessments)	3,156,967.09		
3010 · Interest Income	37,501.19		
3020 · Misc Income	31,181.48	-351,446.91	89.98%
Total 3000 REVENUE	<u>3,225,649.76</u>	<u>-282,764.24</u>	<u>91.94%</u>
Total Income	3,225,649.76	3,508,414.00	91.94%
Gross Profit	3,225,649.76	3,508,414.00	91.94%
Expense			
4000 · Reconciliation Discrepancies	0.06		
3100 LABOR			
3101-A · Ops Supervisor	92,201.76		
3101-H · Holiday Leave	13,693.83		
3101-J · Jury Duty	528.73		
3101-S · Sick Leave	12,265.85		
3101-V · Vacation Leave	24,147.08		
3102 · Meter Reading	3,887.84		
3103 · SCC Ops	207,928.35		
3104 · Veh & Equip Mtce	3,510.40		
3105 · SCADA	4,235.68		
3106 · Rodent Bait	2,441.39		
3107 · NORTH PORTAL			
Total 3107-1 · NP INTAKE TOWER	1,401.50		
Total 3107-2 · NP CONTROL STATION	1,377.22		
Total 3107 · NORTH PORTAL	<u>2,778.72</u>		
3108 · GLEN ANNE			
Total 3108-1 · GA SOUTH PORTAL	12,650.47		
Total 3108-2 · GA RESERVOIR	2,136.48		
Total 3108-3 · GA PUMP STATION	609.68		
Total 3108-4 · GA TURNOUT	788.85		
Total 3108 · GLEN ANNE	<u>16,185.48</u>		

ITEM # 36
PAGE 11

1:24 PM
 06/17/09
 Accrual Basis

comb2
Profit & Loss Budget vs. Actual
 July 2008 through May 2009

	Jul '08 - May 09	Budget	\$ Over Budget	% of Budget
TOTAL				
3109 - CORONA DEL MAR				
Total 3109-1 · TURNOUT	378.50			
Total 3109 · CORONA DEL MAR	378.50			
3110 · LAURO				
Total 3110-1 · YARD	26,678.72			
Total 3110-2 · CONTROL STATION	431.99			
Total 3110-3 · RESERVOIR	3,532.44			
Total 3110-4 · DEBRIS BASINS	5,356.77			
Total 3110 · LAURO	35,999.92			
3111 · OFFICE				
Total 3111-2 · IMPLANTS	96.45			
Total 3111-3 · MAIN OFFICE	2,475.55			
Total 3111 · OFFICE	2,572.00			
3112 · SHEFFIELD				
Total 3112-1 · CONTROL STATION	757.01			
Total 3112-2 · TUNNEL	429.23			
Total 3112 · SHEFFIELD	1,186.24			
3113 · ORTEGA				
Total 3113-1 · CONTROL STATION	5,170.16			
Total 3113-2 · RESERVOIR	8,754.18			
Total 3113 · ORTEGA	13,924.34			
3115 · CARPINTERIA				
Total 3115-1 · CONTROL STATION	461.93			
Total 3115-2 · RESERVOIR	960.36			
Total 3115 · CARPINTERIA	1,422.29			

ITEM # 36
 PAGE 12

1:24 PM
06/17/09
Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July 2008 through May 2009

	TOTAL			
	Budget	\$ Over Budget	% of Budget	
	Jul '08 - May '09			
3116 · GOLETA REACH				
Total 3116-1 · STRUCTURES	15,815.19			
Total 3116-2 · LATERAL METERS	2,306.88			
Total 3116-3 · VALVES	4,916.32			
Total 3116-4 · CONDUIT	8,001.91			
Total 3116 · GOLETA REACH	31,040.30			
3117 · CARPINTERIA REACH				
Total 3117-1 · STRUCTURES	1,460.76			
Total 3117-2 · LATERAL METERS	3,813.07			
Total 3117-3 · VALVES	1,259.80			
Total 3117-4 · CONDUIT	7,599.30			
Total 3117 · CARPINTERIA REACH	14,132.93			
3150 · Health & Workers Comp	146,453.05			
3155 · PERS	76,829.19			
3160 · Payroll Comp FICA Ops	32,866.28			
3165 · Payroll Comp MCARE Ops	7,761.06			
3100 LABOR - Other	0.00	-854,201.00	0.0%	
Total 3100 LABOR	748,371.21	-105,829.79	87.61%	
3200 VEH & EQUIPMENT				
3201 · Vehicle/Equip Mtce	41,064.05	3,064.05	108.06%	
3202 · Fixed Capital	58,494.31	10,494.31	121.86%	
3203 · Equipment Rental	2,106.97	-7,893.03	21.07%	
3204 · Miscellaneous	14,145.74	-3,854.26	78.59%	
Total 3200 VEH & EQUIPMENT	115,811.07	1,811.07	101.59%	
3300 · CONTRACT LABOR				
3301 · Conduit, Meter, Valve & Misc	10,491.01	-1,508.99	87.43%	
3302 · Buildings & Roads	33,819.46	17,819.46	211.37%	
3303 · Reservoirs	52,256.74	256.74	100.49%	
3304 · Engineering, Misc Services	14,912.79	-11,087.21	57.36%	
Total 3300 · CONTRACT LABOR	111,480.00	5,480.00	105.17%	

ITEM # 36
PAGE 13

comb2

Profit & Loss Budget vs. Actual

July 2008 through May 2009

TOTAL

1:24 PM
06/17/09
Accrual Basis

	Jul '08 - May 09	Budget	\$ Over Budget	% of Budget
3400 · MATERIALS & SUPPLIES				
3401 · Conduit, Meter, Valve & Misc	22,315.75	25,000.00	-2,684.25	89.26%
3402 · Buildings & Roads	22,645.49	25,000.00	-2,354.51	90.58%
3403 · Reservoirs	2,746.50	10,000.00	-7,253.50	27.47%
Total 3400 · MATERIALS & SUPPLIES	47,707.74	60,000.00	-12,292.26	79.51%
3500 · OTHER EXPENSES				
3501 · Utilities	4,001.70	6,500.00	-2,498.30	61.57%
3502 · Uniforms	6,814.80	6,500.00	314.80	104.84%
3503 · Communications	16,376.09	20,000.00	-3,623.91	81.88%
3504 · USA & Other Services	1,975.40	4,000.00	-2,024.60	49.39%
3505 · Miscellaneous	7,855.91	8,000.00	-144.09	98.2%
3506 · Training	6,477.42	8,000.00	-1,522.58	80.97%
Total 3500 · OTHER EXPENSES	43,501.32	53,000.00	-9,498.68	82.08%
4999 · GENERAL & ADMINISTRATIVE				
5000 · Director Fees				
5001 · Director Mileage	727.07			
5000 · Director Fees - Other	8,448.00	12,000.00	-3,552.00	70.4%
Total 5000 · Director Fees	9,175.07	12,000.00	-2,824.93	76.46%
5100 · Legal	64,649.14	63,000.00	1,649.14	102.62%
5101-1 · Audit	10,879.00	12,000.00	-1,121.00	90.66%
5150 · Unemployment Tax	0.00	7,088.00	-7,088.00	0.0%
5200 · Liability Insurance	33,818.00	48,000.00	-14,182.00	70.45%
5201 · Health & Workers Comp	60,318.88	64,240.00	-3,921.12	93.9%
5250 · PERS	31,554.32	33,965.00	-2,410.68	92.9%
5260 · Company FICA Admin	11,860.62	13,000.00	-1,139.38	91.24%
5265 · Company MCARE Admin	2,943.43	3,662.00	-718.57	80.38%
5300 · Manager Salary	44,387.20	50,300.00	-5,912.80	88.25%
5301 · Administrative Manager	86,717.04	93,943.00	-7,225.96	92.31%
5306 · Administrative Assistant	52,012.41	55,265.00	-3,252.59	94.12%
5310 · Postage/Office Exp	8,402.05	10,000.00	-1,597.95	84.02%
5311 · Office Equip/Leases	4,939.39	6,200.00	-1,260.61	79.67%

1:24 PM
06/17/09
Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July 2008 through May 2009

	TOTAL			
	Jul '08 - May 09	Budget	\$ Over Budget	% of Budget
5312 · Misc Admin Expenses	6,121.54	12,000.00	-5,878.46	51.01%
5313 · Communications	3,210.46	5,200.00	-1,989.54	61.74%
5314 · Utilities	5,417.38	6,000.00	-582.62	90.29%
5315 · Membership Dues	6,040.50	6,850.00	-809.50	88.18%
5316 · Admin Fixed Assets	963.33	7,000.00	-6,036.67	13.76%
5318 · Computer Consultant	15,971.07	8,000.00	7,971.07	199.64%
5319 · Parity Study	0.00	20,000.00	-20,000.00	0.0%
5325 · Emp Training/Subscriptions	545.17	4,500.00	-3,954.83	12.12%
5330 · Admin Travel/Conferences	5,052.15	5,000.00	52.15	101.04%
5331 · Public Information	5,693.70	8,000.00	-2,306.30	71.17%
5332 · Transportation	433.68	1,000.00	-566.32	43.37%
Total 4999 · GENERAL & ADMINISTRATIVE	471,105.53	556,213.00	-85,107.47	84.7%
5510 · Integrated Reg. Water Mgt Plan	12,203.18	70,000.00	-57,796.82	17.43%
6000 · SPECIAL PROJECTS				
6062 · SCADA	38,552.80	50,000.00	-11,447.20	77.11%
6090-1 · COMB Bldg/Grounds Repair	18,364.56	75,000.00	-56,635.44	24.49%
6092 · SCC Improv Plan & Design	927,415.89	1,000,000.00	-72,584.11	92.74%
6092-1 · SCC Improv Plan & Design-UF	0.00			
6095 · SCC Valve & Cntrl Sta Rehab	160,057.46	450,000.00	-289,942.54	35.57%
6095-1 · Lauro Debris Basin Rehab	1,107,095.25	1,125,400.65	-18,305.40	98.37%
6095-2 · Lauro Debris Basin - UF	0.00			
6096 · SCC Structure Rehabilitation	62,899.59	350,000.00	-287,100.41	17.97%
6096-1 · SCC Structure Rehab - UF	-100,000.00			
6097 · GIS and Mapping	48,189.08	50,000.00	-1,810.92	96.38%
6098 · Quagga Mussel Research	60,000.00	20,000.00	40,000.00	300.0%
6098-1 · Quagga Mussel	-60,000.00	60,000.00	-120,000.00	-100.0%
6099 · Hydrology Work	58,811.04	60,000.00	-1,188.96	98.02%
Total 6000 · SPECIAL PROJECTS	2,321,385.67	3,240,400.65	-919,014.98	71.64%
6400 · STORM DAMAGE				
6402 · Zaca Fire Damage	-11,345.34	32,430.19	-43,775.53	-34.98%
6403 · Jesusita Fire Damage	5,015.87			
Total 6400 · STORM DAMAGE	-6,329.47	32,430.19	-38,759.66	-19.52%

ITEM # 36
PAGE 15

1:24 PM
 06/17/09
 Accrual Basis

comb2
Profit & Loss Budget vs. Actual
 July 2008 through May 2009

	TOTAL		
	Budget	\$ Over Budget	% of Budget
Jul '08 - May 09			
PAYROLL			
Gross	0.07		
Gross-CCRB	-0.33		
Total PAYROLL	-0.26		
Total Expense	3,865,236.05	-1,221,008.79	75.99%
Net Income	-639,586.29	938,244.55	40.54%

ITEM # 36
 PAGE 16

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

www.treasurer.ca.gov/pmia-laif
June 16, 2009

CACHUMA OPERATION AND MAINTENANCE BOARD

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

PMIA Average Monthly Yields

Transactions
Tran Type Definitions

May 2009 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	664,674.63
Total Withdrawal:	0.00	Ending Balance:	664,674.63

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 May, 2009, 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.



Secretary

ITEM # 36
PAGE 17

**SANTA BARBARA
BANK & TRUST**

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

6043

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

Banking Statement

Statement Period: 05/01/2009 to 05/31/2009

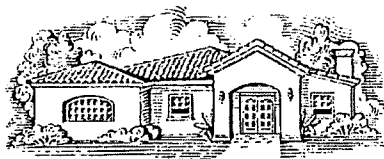
Customer Number: Page 1

Customer Service Representative
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Public Capital Tiered MMDA

Checking Summary

Cachuma Operation & Maintenance Board

Master Contract Renewal Fund

Account Number 102335072
Interest Paid YTD 0.52

Deposit Account Recap

Beginning Balance as of
May 1, 2009 4,998.13 ✓
2 Deposits (Plus) 15.21
1 Withdrawals (Minus) 15.00
Ending Balance as of
May 31, 2009 4,998.34

Service Charge 15.00
Interest Paid 0.21

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 May, 2009, 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 A. Rees

Secretary

ITEM # 36
PAGE 18

**SANTA BARBARA
BANK & TRUST**

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

6044

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

Banking Statement

Statement Period: 05/01/2009 to 05/31/2009

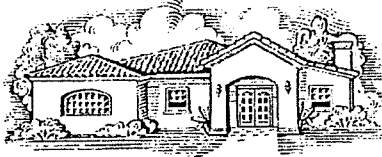
Customer Number: Page 1

Customer Service Representative
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Public Capital Tiered MMDA

Checking Summary

Cachuma Operation & Maintenance Board

Cachuma Project Trust Fund

Account Number 102335080
Interest Paid YTD 364.06

Deposit Account Recap

Beginning Balance as of
May 1, 2009 184,231.30 ✓
1 Deposits (Plus) 148.96
Ending Balance as of
May 31, 2009 184,380.26
Interest Paid 148.96

K. 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 May, 2009, 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
PAGE 19

7:51 AM
 06/16/09
 Accrual Basis

comb2
Payment of Claims
 As of May 31, 2009

Date	Num	Name	Memo	Split	Amount
1050 · GENERAL FUND					
5/6/2009	18028	Idris Hepp Painting	10% due on contract PO#08-09-21	2200 · ACC...	-922.00
5/12/2009	18029	COMB-Petty Cash	Replenish petty cash	2200 · ACC...	-314.49
5/12/2009	18030	COMB - Revolving Fund	May 15 & 29 payroll/taxes	2200 · ACC...	-124,240.59
5/18/2009	18031	A.T.Z. Monogramming		2200 · ACC...	-638.52
5/18/2009	18032	Acorn Landscape Manage...		2200 · ACC...	-1,293.17
5/18/2009	18033	ACWA Health Benefits Au...	6/1/09-7/1/09 coverage	2200 · ACC...	-13,082.10
5/18/2009	18034	ACWA Health Benefits Au...	Jun EAP	2200 · ACC...	-53.10
5/18/2009	18035	AECOM USA Inc.	TO#25 3/28-5/1/09	2200 · ACC...	-1,972.53
5/18/2009	18036	All-Cal Equipment Service...	Annual inspection-NP crane	2200 · ACC...	-200.00
5/18/2009	18037	AT&T	Apr statement	2200 · ACC...	-354.14
5/18/2009	18038	Bedrock Building Supplies		2200 · ACC...	-126.76
5/18/2009	18039	Business Card		2200 · ACC...	-1,119.87
5/18/2009	18040	Central Machine & Welding	Gate modification	2200 · ACC...	-2,720.84
5/18/2009	18041	CIO Solutions, Inc.		2200 · ACC...	-4,136.25
5/18/2009	18042	City of Santa-Barbara	Refuse/recycle	2200 · ACC...	-167.00
5/18/2009	18043	City of Santa Barbara-Cen...	Gloves/towels	2200 · ACC...	-147.05
5/18/2009	18044	CMC Rescue, Inc	Repair 50' tripod mount	2200 · ACC...	-358.00
5/18/2009	18045	Cox Communications	Business internet 4/18-5/17/09	2200 · ACC...	-199.00
5/18/2009	18046	Culligan Water	RO system May	2200 · ACC...	-24.95
5/18/2009	18047	Cushman Contracting Corp.		2200 · ACC...	-55,153.76
5/18/2009	18048	Dell Marketing L.P.	Monitors-DA/AC	2200 · ACC...	-788.89
5/18/2009	18049	ECHO Communications	Answering service	2200 · ACC...	-66.80
5/18/2009	18050	Fed Ex Kinko's, Inc.	Copies for tour	2200 · ACC...	-248.60
5/18/2009	18051	Fence Factory	Tubes/tension bar	2200 · ACC...	-47.28
5/18/2009	18052	Fleet Services	Fuel	2200 · ACC...	-2,028.26
5/18/2009	18053	Flowers & Associates, Inc.	Mar-Apr SCC Exam and Repair pr...	2200 · ACC...	-21,916.75
5/18/2009	18054	GE Capital	Copier lease Billing ID#90133933...	2200 · ACC...	-499.16
5/18/2009	18055	Grainger		2200 · ACC...	-3,913.41
5/18/2009	18056	Home Depot Credit Services		2200 · ACC...	-162.06
5/18/2009	18057	Hydrex Pest Control Co.	Ant/pest control	2200 · ACC...	-65.00
5/18/2009	18058	Laser Cartridge Co.	HP 8150 repair	2200 · ACC...	-297.61
5/18/2009	18059	Lash Construction, Inc.	Dump fee	2200 · ACC...	-55.00
5/18/2009	18060	MarBorg Industries		2200 · ACC...	-328.62
5/18/2009	18061	McCormix Corp.		2200 · ACC...	-246.93
5/18/2009	18062	McMaster-Carr Supply Co.		2200 · ACC...	-374.68
5/18/2009	18063	Nextel Communications	Cellular	2200 · ACC...	-633.06
5/18/2009	18064	Nordman, Cormany, Hair ...		2200 · ACC...	-6,110.00
5/18/2009	18065	Paychex, Inc.	4/3,17, 5/1 payrolls/taxes/qtr tax d...	2200 · ACC...	-388.34
5/18/2009	18066	PG&E		2200 · ACC...	-150.28
5/18/2009	18067	Powell Garage	Oil/filter-Silverado	2200 · ACC...	-58.01
5/18/2009	18068	Praxair Distribution, Inc		2200 · ACC...	-240.98
5/18/2009	18069	Premiere Global Services	Conf. calls Apr	2200 · ACC...	-55.28
5/18/2009	18070	Prudential Overall Supply		2200 · ACC...	-464.20
5/18/2009	18071	Regional Water Quality C...	Add'l fee to complete 401 Certific...	2200 · ACC...	-182.00
5/18/2009	18072	Republic Elevator Co.	Scheduled mtce	2200 · ACC...	-247.26
5/18/2009	18073	S & J Sales	Fan for ferrups PO#8885	2200 · ACC...	-146.05
5/18/2009	18074	Santa Barbara News Press	Mission Creek Neg Dec ad	2200 · ACC...	-58.08
5/18/2009	18075	Sound Billing LLC	Vehicle mtce	2200 · ACC...	-543.72
5/18/2009	18076	Southern California Edison		2200 · ACC...	-1,084.49
5/18/2009	18077	Southwest Services	Calibrate Lauro/GW/NP flow meters	2200 · ACC...	-577.96
5/18/2009	18078	Specialty Tool, LTD	Misc	2200 · ACC...	-311.20
5/18/2009	18079	Staples Credit Plan	Office supplies	2200 · ACC...	-967.34
5/18/2009	18080	State Compensation Insur...	Payroll Report Apr 09	2200 · ACC...	-3,289.73
5/18/2009	18081	The Gas Company	Main ofc	2200 · ACC...	-28.86
5/18/2009	18082	Underground Service Alert...	48 new tickets	2200 · ACC...	-72.00
5/18/2009	18083	Verizon California		2200 · ACC...	-458.80
5/18/2009	18084	Verizon Wireless	Cellular	2200 · ACC...	-182.29
5/18/2009	18085	WFCB-OSH Commercial ...		2200 · ACC...	-65.88
5/18/2009	18086	Challenge Asphalt	Toro Canyon Rd-patch/slurry seal	2200 · ACC...	-1,000.00
5/18/2009	18087	Federal Express	Mailings	2200 · ACC...	-117.20
5/18/2009	18088	MarBorg Industries		2200 · ACC...	-393.62

7:51 AM
06/16/09
Accrual Basis

comb2
Payment of Claims
As of May 31, 2009

Date	Num	Name	Memo	Split	Amount
5/18/2009	18089	Santa Ynez River Water C...	Stetson-Surcharge services 2/1-4/...	2200 · ACC...	-6,951.65
5/18/2009	18090	Southern California Edison	Foothill Rd	2200 · ACC...	-32.30
5/18/2009	18091	UPS	Shipping	2200 · ACC...	-7.22
5/18/2009	18092	Verizon California	SCADA	2200 · ACC...	-521.69
5/27/2009	18093	William Alcalá		2200 · ACC...	-220.00
5/29/2009	18094	County of SB-P.W. Water ...	Prop 84 Admin costs	2200 · ACC...	-10,632.00
Total 1050 · GENERAL FUND					-274,454.66
TOTAL					-274,454.66

CACHUMA OPERATION AND MAINTENANCE BOARD
WATER STORAGE REPORT

MONTH: **May 2009**

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	348.00 Feet
Water in Storage	94.74 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	547.20 Feet
Water in Storage	553.95 Acre Feet

ORTEGA RESERVOIR

Capacity at 460' elevation:	65 Acre Feet
Capacity at outlet at elevation 440':	0 Acre Feet
Stage of Reservoir Elevation	449.50 Feet
Water in Storage	27.63 Acre Feet

CARPINTERIA RESERVOIR

Capacity at 384' elevation:	45 Acre Feet
Capacity at outlet elevation 362':	0 Acre Feet
Stage of Reservoir Elevation	377.00 Feet
Water in Storage	27.95 Acre Feet

TOTAL STORAGE IN RESERVOIRS

Change in Storage	83.72 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	741.4 Feet
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Water in Storage	162,287 AF
------------------	------------

Area	2,702
------	-------

Evaporation	1,610.0 AF
-------------	------------

Inflow	885.8 AF
--------	----------

Downstream Release WR8918	0 AF
---------------------------	------

Fish Release	704.5 AF
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Spill/Seismic Release	0 AF
------------------------------	------

State Project Water	715.2 AF
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Change in Storage	-4,092 AF
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Tecolote Diversion	3,069.1 AF
--------------------	------------

Rainfall: Month: 0.00 Season: 13.39 Percent of Normal: 65%

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

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

MONTH	DELVRD TO LAKE	Delvd to Lake CVWD Stored	Delvd to SC to MW Transf	Delvd to Lake MWD Stored	Delvd to SC to MW Spill	Delvd to SC to Lake S.B. Stored	Delvd to Lake GWD Stored	Delvd to SC to Lake GWD Stored	Delvd to Lake LCMWC Evap/Spill	Delvd to Lake RSYS Stored	Delvd to Lake MLC Stored
2008											
Bal. Frwd		0	0	134.2	0	0	0	0	0	0	0
January	39	39	0	48	125	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0
June	716	253	0	0	253	0	379	84	0	0	0
July	627	218	0	0	218	0	327	73	0	9	0
August	994	885	0	323	562	0	0	99	0	10	0
September	988	100	100	416	554	0	0	241	0	0	0
October	87	0	0	0	416	0	0	87	0	0	0
November	153.6	0	0	0	0	0	0	153.6	0	0	0
December	89	17	0	0	17	0	17	38	0	0	0
Total	3693.6	117	0	2059	48	2145	723	775.6	0	19	0

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

MONTH	DELVRD TO LAKE	Delvd to Lake CVWD Stored	Delvd to SC to MW Transf	Delvd to Lake MWD Stored	Delvd to SC to MW Spill	Delvd to Lake S.B. Stored	Delvd to Lake GWD Stored	Delvd to SC to Lake GWD Stored	Delvd to Lake LCMWC Evap/Spill	Delvd to Lake RSYS Stored	Delvd to Lake MLC Stored
2009											
Bal. Frwd		0	0	0	0	0	0	0	0	0	0
January	143	0	0	0	0	0	5	5	138	0	0
February	122	0	0	0	0	0	64	64	58	0	0
March	166	0	0	0	0	0	129	129	37	0	0
April	332	0	0	0	0	0	287	287	45	0	0
May	715	400	0	0	400	0	220	220	95	0	0
June	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0
Total	1478	400	0	400	0	400	705	705	373	0	0

Operations Report – May 2009

Cachuma Project water usage for the month of May 2009 was 2,303.2 acre-feet, compared with 2,512 acre-feet for the same period in 2008. Cachuma Project water use for the 12 months ending May 31, 2009 was 22,820 acre-feet, compared with 28,602 acre-feet for the 12 months ending May 31, 2008.

The average flow from Lake Cachuma into the Tecolote Tunnel was 45 acre-feet per day. Lake elevation was 742.85 feet at the beginning of the month and 741.40 feet at the end. Recorded rainfall at Lauro Dam was 0 inches for the month and 12.32 inches for the rainfall season, which commenced on September 1, 2008.

Santa Barbara wheeled 393.66 acre-feet of Gibraltar water through Lauro Reservoir during the month. 715.2 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. Weekly monitoring of drain flow and site conditions continued. Ortega Reservoir was put back into service on 5/20/09, after the debris removal and cleaning of both bays.

Jesusita Fire recovery efforts continued with a damage assessment of Lauro Reservoir facilities. Cost estimates were gathered for:

- Removal of 100 pine trees around Lauro Reservoir burned in the fire, threatening public drinking water quality as well as the safety of any personnel in the vicinity;
- Lauro Reservoir Perimeter Fence Replacement- The galvanized coating of the perimeter fence was melted in the fire, creating easy access into Lauro Reservoir and potentially jeopardizing the security of the water supply;
- Lauro Debris Basin accelerated clean-out cost associated with debris run-off from the San Roque Creek Watershed extent burned in the Jesusita Fire;
- Hydro-Mulching/Erosion Control Measures to mitigate debris run-off around Lauro Reservoir

California Disaster Assistance and National Resources Conservation Service funding opportunities are currently being pursued to assist with fire recovery projects. COMB hopes to hear status on potential disaster funding in the upcoming weeks.

Other activities conducted this month include:

- Structure Rehabilitation was completed on five more structures on the Upper Reach of the SCC. The riser nozzle of each Blow Off structure received a dual application epoxy Amerlock 400 coating to protect against corrosion and extend the life of the piping. The riser painting is the last step in a structure rehabilitation process that includes replacing valving, man-hole covers and discharge piping.
- Control building improvements occurred at Lauro and Ortega Reservoirs, including both roof replacement and the painting of each building. The Glen Anne Turnout building also received new paint and window replacement from damage that occurred during the Gap Fire.

- SCADA damage was repaired that occurred during the Jesusita Fire resulting in the inability to retrieve data from remote locations from 5/7/09-5/11/09. The Lauro Reservoir signal wire was out of service until 5/29/09. Verizon worked very diligently during the outage to put SCADA back online.
- B.O. 44+75 discharge piping was replaced in conjunction with a Caltrans drainage project along Hwy 192 requiring the excavation and removal of the discharge piping from B.O. 44+75. The blow off location is on the south side of Hwy 192 west of Mission Canyon Rd. COMB supervised the excavation, and replaced the cut discharge piping to route to a new drop inlet box installed by Caltrans. The project will improve the drainage along Hwy 192 in the area, and allowed COMB to make improvements to the blow off structure.
- Progress continued on the 2nd Pipeline and Mission Creek projects. This work included permit acquisition, work on procuring easements and ROW access, and environmental work on the Mission Creek project. The comment period for the final draft of the MND on the Mission Creek project has closed, pending any response from impacted landowners in the area who were out of town for the comment period. A few routine comments were received for the draft MND, and those comments are being addressed by SAIC. A Final MND will be completed by SAIC and presented to the board for approval at the July meeting. Weed eradication of invasive species along the 2nd Pipeline Corridor continued, and has currently progressed to 70% of the 2nd Pipeline extent. Weed removal will continue on a weekly schedule through July, and move to an as-needed status with slower plant growth due to higher summer temperatures and lack of precipitation. The completion of the weed eradication is a vital step in construction mobilization for the project.

Routine operation and maintenance activities conducted during the month included:

- Sample water at North Portal Intake Tower
- Complete Maintenance Management Program work orders
- Read anode rectifiers and monitor cathodic protection systems
- Monitor conduit right-of-way and respond to Dig Alert reports
- Read piezometers and underdrains at Glen Anne, Lauro and Ortega Dams
- Read meters, conduct monthly dam inspections, and flush venture meters



RECEIVED

JUN 10 2009

CACHUMA O&M BO.

June 9, 2009

Kate Rees
General Manager
Cachuma Operation & Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105-2017

Dear Ms. Rees,

Board of Directors

President
Richard Shaikewitz

Vice President
W. Douglas Morgan

Jan E. Abel
Samuel Frye
Larry Wilson

**General Manager
and Secretary**

Thomas R. Mosby

Montecito Water District (MWD) is advising you that it has completed negotiations for the purchase of 600 acre-feet of Carpinteria Valley Water District's (CVWD) Cachuma carryover water. This negotiated purchase was approved by the CVWD Board of Directors at its meeting of June 3, 2009. To complete this transaction MWD will hand deliver a check in the amount of \$180,000 to CVWD on Tuesday, June 9, 2009. The effective date for the transfer of water to MWD will be upon payment to CVWD.

MWD requests that all deliveries of water from Lake Cachuma to MWD in the coming months be in the order of: State Water, Cachuma carryover, followed by our annual Cachuma water-year allocation. Please contact me at 969-2271 if you need any further authorization regarding this transfer of 600 AF of carryover water from CVWD to MWD.

Sincerely,

Tom Mosby
General Manager

cc: Charles Hamilton
MWD Board of Directors
Toni Bailey
Laura Menahen

583 San Ysidro Road
Santa Barbara, CA
93108-2124

Ph 805.969.2271
Fax 805.969.7261

This is recycled paper.
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webmaster@montecitowater.com
<http://www.montecitowater.com>

ITEM # 4c
PAGE 1

Meeting of the
**OPERATING COMMITTEE
OF THE
CACHUMA OPERATION & MAINTENANCE BOARD**
3301 Laurel Canyon Road, Santa Barbara

Wednesday, June 3, 2009 at 8:30 a.m.

AGENDA

1. **Call to Order and Roll Call**
2. **Public Comment – (Any member of the public may address the Committee relating to any matter within the Committee’s jurisdiction. Individual speakers may be limited to five minutes; all speakers a total of fifteen minutes.)**
3. **Approval of Minutes, April 1, 2009**
4. **General Manager’s Report**
 - a. Status of Spill/Surcharge/Exchange Accounting
 - b. Proposed Submittal of Accounting Reports to Reclamation
5. **COMB Capital Improvement Program**
 - a. CIP Bond Schedule
 - b. CIP Bond Legal Documents and Cost Distribution Provision
 - c. Draft Indemnification Agreement for ID1 for COMB Bond Issuance
 - d. 2nd Pipeline Project Construction Management Proposals
 - e. Status of Purchasing Easements for 2nd Pipeline Project
6. **COMB Operations**
 - a. SCC Metering of Lower Reach
 - b. Ortega Reservoir Leak
7. **Cachuma Issues**
 - a. Proposed Cachuma Project Cost Sharing Evaluation (CVWD)
 - b. Cachuma Project Contractual Obligations: County Water Agency, Member Units, COMB
8. **City Land Acquisition for Hydro Plant at Lauro Reservoir**
9. **Agenda Items for Next Regular Meeting**
10. **Date of Next Regular Meeting: July 1, 2009**
11. **Adjournment**

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

ITEM # yd
PAGE 1

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

Wednesday, June 3, 2009

1. Call to Order

Rebecca Bjork called the meeting to order at 8:37 a.m.

Managers Present

Rebecca Bjork
Tom Mosby
Eric Ford
Kate Rees
Charles Hamilton (via phone for item 5b)

Others Present

Janet Gingras
Bill Hair
Ruth Snodgrass

2. Public Comment

There were no comments from the public.

3. Approval of Minutes, April 1, 2009

Eric Ford moved to approve the minutes for the April 1, 2009 meeting, seconded by Tom Mosby, passed 3/0/2, Chris Dahlstrom and Charles Hamilton were absent.

4. General Manager's Report

a. Status of Spill/Surcharge/Exchange Accounting

Rebecca Bjork reported that the Member Unit managers had developed a plan and asked Chris Dahlstrom to draft a letter summarizing the plan. The letter he sent to the managers was not acceptable in its entirety, although they did agree to it in concept. They are waiting for a revised plan from Mr. Dahlstrom. Mr. Mosby will follow up on the mechanics of SWP water deliveries to ID#1 and report on the progress of settling this issue at the July meeting.

b. Proposed Submittal of Water Accounting Reports to Reclamation

ITEM # 46
PAGE 2

To be able to provide something to Reclamation, Kate Rees suggested that Janet Gingras prepare and submit two sets of water accounting reports – one with no spill water exchange with ID1 and one with spill water exchange - until the Member Units work out the spill/surcharge/exchange accounting issue. The managers felt this would cause confusion and did not agree that two reports should be sent.

5. COMB Capital Improvement Program

a. CIP Bond Schedule

Ms. Rees said that the schedule for the bond process had been delayed a month in order to allow everyone more time. The bond legal documents will go before the individual Boards at their July Board meetings for approval.

b. CIP Bond Legal Documents and Cost Distribution Provision

Ms. Rees referred to the issue raised by Charles Hamilton that COMB consider a different bond repayment cost distribution than along historic Cachuma entitlement percentages, primarily because state water is now being delivered through the Cachuma Project SCC facilities. Therefore, there is a capacity disparity issue in the way the SCC is now being used. She was concerned that the discussion over this issue would hold up the bond issuance for some time, and requested that it take place outside of the bond process. She suggested a provision be added to COMB's Official Statement and to the member unit's participating agreements allowing a change to the cost distribution at a later time, if all agreed to do so. The provision would not obligate anyone to change the repayment distribution, but would provide the opportunity to do so later after a cost sharing evaluation had been done. The other managers were open to including the provision after they have had a chance to review the language. However, Mr. Hamilton did not think this would obligate anyone to carry out a cost evaluation.

Ms. Rees said she had reviewed the Warren Act Contract and Trust Fund Agreement and discovered that the per acre foot fee charged by CCWA for State Water delivered, was for storage and conveyance of state water in the Cachuma Project facilities – not just for delivery of the water to Lake Cachuma as everyone thought. Consequently, those ordering more state water were already paying a conveyance fee through the SCC.

Mr. Hamilton was of the opinion that because it was going to be a COMB action to issue a bond, it must be up to the COMB Board to determine any changes in cost allocation. Ms. Rees thought COMB had no authority to do so, however, Bill Hair indicated that COMB's Joint Powers Agreement does permit COMB to change allocation of costs, but not the water entitlement percentages.

c. Draft Indemnification Agreement for ID #1 for COMB Bond Issuance

Ms. Rees indicated that an Indemnification Agreement concerning repayment of the bond would be drafted between COMB, ID#1 and the other Member Units, as well

as a response to the letter from Harlan Burchardi regarding the proposed new COMB office building.

d. 2nd Pipeline Project Construction Management Proposals

Ms. Rees highlighted the 3 proposals for Construction Management Services for the 2nd Pipeline Project. Staff will be recommending to the COMB Board to contract with AECOM as the Construction Manager for the project. The managers agreed with that selection.

e. Status of Purchasing Easements for 2nd Pipeline Project

Deferred.

6. COMB Operations

a. SCC Metering of Lower Reach

Ms. Rees reported receiving a letter from Tom Mosby regarding the metering of the lower reach. She did have one correction to his letter which was COMB did not object to using the Ortega south flow meter. COMB is also working on replacing or rehabbing the meters in between the Ortega south flow and the boundary meter.

b. Ortega Reservoir Leak

Tom Mosby reported that progress is being made through the legal process.

7. Cachuma Issues

a. Proposed Cachuma Project Cost Sharing Evaluation

Ms. Rees referred to a memo distributed by Mr. Hamilton advocating a different cost sharing methodology for repayment of the bond debt service. He was recommending to the CVWD Board that they formally request the COMB Board to approve that this new methodology be used by COMB to reallocate the cost sharing for the bond debt service.

Ms. Rees suggested that the money that is in the Trust Fund could be used to offset the bond debt service repayment. For FY 09/10 the RF/TF money will be used to offset the fisheries projects but the following year it could be designated to offset the bond debt service repayment.

Rebecca Bjork stated that she had difficulty in addressing the cost repayment of the bond in isolation. She thought that if the mechanism for cost allocation is being looked at based on equity, there are many inequitable allocations that also need to be acknowledged and considered.

The City, GWD, and MWD managers were all comfortable with the historic entitlement cost allocations, and thought changing them would be a very complicated process. If there was interest on the part of the Member Units, they felt

it needed to be revisited as a full cost of service analysis that considered all of the issues and looked at the cost of service for each south coast member unit.

Ms. Bjork moved that in the event there was interest on the part of the COMB Board to revisit cost allocations, that a firm experienced in cost of service analysis should be hired to address all of the issues affecting the distribution of cost to COMB Member Agencies, seconded by Mr. Ford, passed 3/0/2, Charles Hamilton and Chris Dahlstrom were absent.

Ms. Bjork also recommended that COMB should pursue opportunities to get some revenue offset for capital SCC expenses from private companies using the Cachuma facilities. They already pay for the variable flow of state water through their Warren Act charges.

b. Cachuma Project Contractual Obligations: County Water Agency, Member Units, COMB

Bill Hair had prepared a memo concerning the contractual relationships between various contracts and distributed to the managers. Mr. Hair indicated that this is a “work in progress” and would welcome any comments.

8. City Land Acquisition for Hydro Plant at Lauro Reservoir

There was nothing to report at this time.

9. Items for Next Regular Meeting Agenda

- a. SCC Metering of Lower Reach
- b. Bond Issuance
- c. Proposed Cachuma Project Cost Sharing Evaluation
- d. Pre-Qualification of Contractors for the 2nd Pipeline Project
- e. Status of Spill/Surcharge/Exchange Accounting

10. Date of Next Regular Meeting:

The next Operating Committee will meet July 1, 2009 at 8:30 a.m. at the COMB office.

11. Adjournment

The meeting was adjourned at 11:02 a.m.

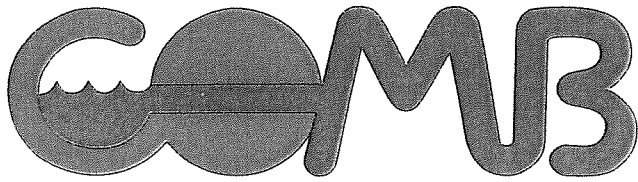
CACHUMA RESERVOIR

DISPOSITION OF 2008 SURCHARGE WATER

(UNOFFICIAL)

DATE	DESCRIPTION	FISH RELEASE FROM SURCHARGE (acre feet)	SURCHARGE BALANCE (acre feet)	FISH RELEASE FROM PROJECT YIELD (acre feet)
3/9/2008	End of Spill		8,300	
3/31/08	March	759	7,541	
4/30/08	April	620	6,921	
5/31/08	May	746	6,175	
6/30/08	June	394	5,781	
7/31/08	July	1,235	4,546	
8/31/08	August	1,038	3,508	
9/30/08	September	308	3,200	584
10/31/08	October		3,200	737
11/30/08	November		3,200	597
12/31/08	December		3,200	310
1/31/09	January		3,200	340
2/28/09	February		3,200	329
3/31/09	March		3,200	377
4/30/2009	April		3,200	494
5/31/2009	May			1,014
6/30/2009	June (projected)			991
7/31/2009	July			1,000
8/31/2009	August			1,000
*** TOTAL		5,100	3,200	4,782

ITEM # 4
PAGE 1



CACHUMA OPERATION AND MAINTENANCE BOARD

3301 LAUREL CANYON ROAD
SANTA BARBARA, CALIFORNIA 93105-2017
TELEPHONE (805) 687-4011 FAX (805)569-5825
www.ccrb-comb.org
contactus@cachuma-board.org

June 12, 2009

Harlan J. Burchardi, President
Santa Ynez River Water Conservation District, ID No. 1
P.O. Box 157
Santa Ynez, CA 93460

Dear Mr. Burchardi:

Thank you for your letter of May 1, 2009 regarding the proposed COMB office building. As you know, COMB has never had an adequate office for its staff in all the years it has been carrying out operation and maintenance of the Cachuma Project facilities. Construction of a new building is one of the many projects in COMB's long-term Capital Improvement Program (CIP). It is currently part of the suite of projects that both the CIP Board Committee and COMB Board have recommended to be financed by a bond issuance, if sufficient funds are realized from the bond.

There are several points in your letter that I believe need clarification. This information has been discussed previously at COMB Board meetings over the last year. You expressed concern about the expenditure of significant public funds for a building to be constructed on property owned by Reclamation. Our General Manager has discussed the office building project with Reclamation staff and received verbal confirmation that the property on Laurel Canyon Road will be permanently designated for Cachuma Project work activities. In addition, the new office building will be owned by COMB, and will not add additional value to the transferred project works. Before we move forward with construction, however, these assurances will need to be provided to COMB in writing. We are also planning to begin researching the feasibility of transferring ownership of the Cachuma Project conveyance facilities from Reclamation to COMB. If the South Coast Member Units decide that owning the facilities is desirable, our staff will initiate title transfer proceedings with Reclamation. This will take a number of years, but upon completion the entire COMB facility, including the office building, would be included in the title transfer.

With regard to Reclamation compensating the Member Units for the existing COMB Board room office building, neither COMB nor the Member Units own the building, nor do they have any investment in it except for maintaining it. Reclamation owns the property and all of the COMB facilities, so it would not reimburse COMB for demolishing the existing building in order to build a new one. This is different from the situation you described where Reclamation demolished a building actually owned by ID No.1, where compensation may have been warranted.

*Carpinteria Valley Water District
City of Santa Barbara
Goleta Water District
Montecito Water District
Santa Ynez River Water Conservation District, Improvement District #1
General Manager/Secretary of the Board, Kathleen A. Rees*

ITEM # 5a-2
PAGE 1

You also expressed reservations about COMB constructing a new building in this severe economic climate. These are certainly challenging financial times. However, it is actually a very favorable time to build, because contractors are currently submitting bids far below engineering estimates. We expect that will be the case for the COMB office building as well. In addition, COMB's Financial Advisor has indicated that the bond market has almost fully recovered, interest rates are nearing historic lows, and investors are readily buying municipal bonds. So constructing a new building using long-term bond financing makes fiscal sense, as it is unlikely that there will ever be another opportunity to do so. Preparation of concept level architectural drawings is underway, and the architect will soon be providing a contractor's preliminary estimate to COMB based on those drawings so that the Board can better evaluate what the building will actually cost in today's market.

The COMB Board acknowledged several months ago that ID No. 1 would not participate in the bond issuance because the proposed capital improvements involve the South Coast Conduit conveyance system only. To avoid delaying the bond process, the Board suggested that any potential sharing of the cost for a new office building with ID No.1 would best be handled through a separate agreement negotiated outside of the bond process. The south coast Member Units are certainly willing to do that.

The new office building will not trigger an increase in water rates for any of the Member Units in the near future. For the last several years, COMB has allocated approximately \$1.5 million of its annual budget for capital improvement work. Recognizing the financial constraints that all of the Member Units are experiencing, this amount will remain constant by structuring future budgets with an annual bond debt service of about \$1.1 million and \$400,000 for smaller capital projects that can be carried out by COMB personnel or local contractors. In essence, the debt service will replace what is normally budgeted for capital improvement work, which will result in an essentially flat budget for the next several years.

A final point raised deals with reorganization of COMB and CCRB. Discussions have been ongoing for more than four years, and it does not appear that a consensus resolution will be reached any time soon. So I do not think construction of a new building should be predicated on the outcome of those discussions. Completion of the priority projects is essential for COMB to be able to continue to reliably deliver Cachuma water, regardless of the eventual outcome of reorganization. COMB and CCRB work must continue, and the staff needs an adequate workplace within in which to carry out this work. To construct or lease an office building on "non-Reclamation" property at a different location from the COMB yard where O&M and fisheries staff, equipment, and vehicles are headquartered does not make practical sense. When the COMB Board considered a new office building about six years ago, substantial time was spent evaluating different offsite office buildings that might be available for purchase or lease. Although paying rent appears to be a less expensive option, in the long run it would be even more expensive because rent would become a permanent expense unlike borrowing money for a

June 12, 2009

Page 3

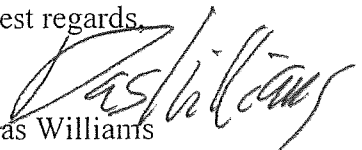
new building that the agency will eventually pay off. In addition, COMB would not have the assurance of permanent office facilities, as the property owner may decide to end the lease or sell the property. Most importantly, however, is that such an arrangement would separate the administrative and management staff from the operations and biology crews, which would be dysfunctional from a management perspective.

The current direction from the COMB Board is to move forward with issuing a bond to pay for the priority capital improvement projects, which currently includes the office building. Whether the new building is ultimately included or not will depend on how much money is actually realized from the bond and on receipt of the \$3.2 million from Proposition 50 approved for the 2nd Pipeline Project.

Approval of any COMB obligation over \$1 million requires a unanimous vote of the COMB Board and ratification by all of its Member Units, even though ID No. 1 will not be a participating partner. Therefore, your District's support of the bond is essential for COMB to be able to carry out the SCC improvements needed to continue reliable water deliveries. We recognize that ID No.1 needs to be assured that it will not be responsible for repayment of the bond in future. That assurance is provided by language in COMB's Preliminary Official Statement, but I would also recommend entering into a separate indemnification agreement among COMB, ID No. 1, and each of the south coast Member Units, a draft of which is enclosed for your review.

I hope this explanation addresses the issues you have raised, and gives ID No.1 the assurances it needs to support COMB's bond issuance for critically needed capital improvements.

Best regards,


Das Williams
President

Enclosure

cc: COMB Board of Directors
SYR Water Conservation District, ID No. 1 Board of Trustees
Kate Rees, General Manager, COMB/CCRB
Chris Dahlstrom, General Manager, ID No. 1

ITEM # 5a-2
PAGE 3

DRAFT

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is entered into this ____ day of _____, 2009, by and between the Cachuma Operation and Maintenance Board, a joint powers authority ("COMB"), Goleta Water District, City of Santa Barbara, Montecito Water District, Carpinteria Valley Water District and the Santa Ynez River Water Conservation District, Improvement District No. 1 ("ID No.1"), with reference to the following facts:

A. COMB intends to enter into and issue Revenue Bonds for the purpose of obtaining funds in carrying out certain modifications and improvements to the South Coast Conduit and related facilities ("SCC").

B. The SCC is operated and maintained for the benefit of the four South Coast members of COMB: Goleta Water District, City of Santa Barbara, Montecito Water District and Carpinteria Valley Water District ("South Coast Members").

C. The 1996 Joint Powers Agreement creating that COMB ("COMB Agreement") provides that each party's obligation for Cachuma Project operation and maintenance cost is expressly limited to the amount determined by its members.

D. Under the COMB Agreement the five members divide and pay for the operation and maintenance cost according to their proportionate use of and benefit from the facilities.

E. ID No. 1 will receive no benefit from the SCC improvements or from the operation of the improved SCC.

F. The members of COMB and the COMB Board have determined and agree that ID No. 1 should not be obligated to pay for any part of the obligations incurred by the Revenue Bonds referred to in Recital A above or otherwise be held responsible for the SCC project.

AGREEMENT

The parties agree as follows:

1. Allocation.

The parties agree, notwithstanding the general provisions of the COMB Agreement, that the South Coast Members shall be solely responsible for all

of COMB's obligations, debts and liabilities related to the issuance of the Revenue Bonds and the SCC Improvement Project.

2. Indemnification.

To the maximum extent allowed by law, COMB hereby covenants and agrees, at the South Coast Members' sole and exclusive cost and expense, to indemnify and hold harmless ID No. 1, its officers, directors, agents and employees, from and against any and all damages, liabilities, claims, demands, actions, causes of action, attorneys' fees, expert witness fees, and all other costs, expenses of any kind or nature that arise out of or in any way relate to the SCC Improvement or the Revenue Bonds to be issued. In the event of a court challenge to the legality or the applicability of this Indemnity provision, the parties agree that this Indemnification provision shall be interpreted in favor of ID No. 1 and that ID No. 1 shall be afforded the maximum degree of indemnification as may be reasonably inferable from the language of this provision as available at law.

ID No. 1 shall notify COMB of the existence of any claim, demand, or other matter to which COMB's indemnification obligations would apply and shall give COMB a reasonable opportunity to defend the same at COMB's expense with counsel of COMB's own selection, subject to ID No. 1's reasonable approval. If COMB, within a reasonable time after written notice, fails to defend, ID No. 1 shall have the right, but not the obligation, to undertake the defense of, and compromise a settlement (exercising reasonable business judgment), any claim or other matter on behalf, for the account, and at the risk of COMB and the South Coast Members.

3. Notices.

All notices, approvals, acceptances, demands and other communications required or permitted under this Agreement, to be effective, shall be in writing and shall be delivered in person or by U.S. mail (postage prepaid, certified, return receipt requested) or by Federal Express or other similar overnight delivery service to the party to whom the notice is directed at the address of such party as maintained by COMB. Any written communication given by mail shall be deemed delivered two (2) business days after such mailing date and any written communication given by overnight delivery service shall be deemed delivered one (1) business day after the dispatch date. Either party may change its address by giving the other party written notice of its new address as provided above.

4. Other Instruments.

The parties shall, whenever and as often as reasonably requested by the other party, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered any and all documents and instruments as may be necessary, expedient or proper in the reasonable opinion of the requesting party to

carry out the intent and purposes of this Agreement, provided that the requesting party shall bear the cost and expense of such further instruments or documents (except that each party shall bear its own attorneys' fees).

5. 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 and shall not be construed for or against either party, as each party has participated in the drafting of this Agreement and had the opportunity to have their counsel review it. 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.

6. Severability.

If any term, provision, covenant or condition of this Agreement shall be or become illegal, null, void or against public policy, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected, impaired or invalidated thereby. The term, provision, covenant or condition that is so invalidated, voided or held to be unenforceable shall be modified or changed by the parties to the extent possible to carry out the intentions and directives stated in this Agreement.

7. 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.

8. Waiver.

No waiver of any provision or consent to any action shall constitute a waiver of any other provision or consent to any other action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver in the future except to the extent specifically stated in writing. Any waiver given by a party shall be null and void if the party requesting such waiver has not provided a full and complete disclosure of all material facts relevant to the waiver requested. No waiver shall be binding unless executed in writing by the party making the waiver.

9. 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.

10. 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.

11. Joint and Several.

COMB and the South Coast Members shall be jointly and severally responsible for the obligations under this Agreement. This Agreement may be enforced by ID No. 1 against either COMB or the South Coast Members separately or against them jointly.

12. Attorneys' Fees.

If any action at law or equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover actual attorneys' fees and costs which may be determined by the court in the same action or in a separate action brought for that purpose. The attorneys' fees and costs to be awarded shall be made to fully reimburse for all attorneys' fees, paralegal fees, costs and expenses actually incurred in good faith, regardless of the size of the judgment, it being the intention of the parties to fully compensate for all attorneys' fees, paralegal fees, costs and expenses paid or incurred in good faith.

13. 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. Each signatory shall also indemnify the other parties to this Agreement, and hold them harmless, from any and all damages, costs, attorneys' fees and costs and other expenses, if the signatory is not so authorized.

14. 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. Each party waives their right to claim, contest or assert that this Agreement was modified, cancelled, superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

**SANTA YNEZ RIVER WATER
CONSERVATION DISTRICT
IMPROVEMENT DISTRICT NO. 1:**

President

ATTEST:

Secretary

GOLETA WATER DISTRICT:

President

ATTEST:

Secretary

**CARPENTERIA VALLEY WATER
DISTRICT:**

President

ATTEST:

Secretary

**CACHUMA OPERATION AND
MAINTENANCE BOARD:**

President

ATTEST:

Secretary

CITY OF SANTA BARBARA:

President

ATTEST:

Secretary

MONTECITO WATER DISTRICT:

President

ATTEST:

Secretary



RECEIVED

MAY 04 2009

CACHUMA O&M BOARD

May 1, 2009

TRUSTEES:

DIVISION 1
LOS OLIVOS
Harlan J. Burchardi

DIVISION 2
SOLVANG
Jeff P. Clay

DIVISION 3
SOLVANG
Lee F. Bettencourt

DIVISION 4
SANTA YNEZ
Harry F. Poor

TRUSTEE-AT-LARGE
Matthew Loudon

MANAGER/SECRETARY
Chris Dahlstrom

BROWNSTEIN HYATT
FARBER SCHRECK, LLP
General Counsel

Mr. Das Williams, President representing City of Santa Barbara
Ms Jan Abel, Director representing Montecito Water District
Ms Lauren Hanson, Director representing Goleta Water District
Mr. Bob Lieberknecht, Director representing Carpinteria Valley Water District

Cachuma Operations and Maintenance Board

3301 Laurel Canyon Road
Santa Barbara, CA 93105

Subject: Proposed COMB Office Building

Dear Board Members:

During the February COMB Board of Directors meeting, the Board approved hiring an architect and spending up to \$50,000 for conceptual architectural services for a proposed COMB office building. As each of you are aware from prior discussions, the Santa Ynez River Water Conservation District, Improvement District No. 1 (District) has not been in favor of proceeding with this proposed project for a variety of reasons. The purpose of this letter is to layout the District's rational for your consideration and, if the majority of the Board still desires to proceed with this proposed project, to work out a mutually acceptable arrangement to address the District's concerns so the other COMB members may proceed with it.

As you may recall, one of the District's long standing concerns has been the expenditure of significant public funds for a building to be constructed on property owned by Reclamation. The District previously encountered a situation where Reclamation decided to construct improvements that required one of the District's buildings near Bradbury Dam to be demolished. The District was not compensated for the interruption or loss of the building. If COMB is going to go forward with the proposed office building, it should be constructed on non-Reclamation property or, a long term arrangement negotiated with Reclamation to ensure that COMB does not summarily lose its investment because of decisions Reclamation might make in the future.

Second, the timing for development of a COMB office building does not seem well advised due to the severe economic climate. Our District, as well as its customers, are facing significant financial challenges. As we understand, most of the agencies in COMB are facing similar challenges. We do not think it is wise to make such a large expenditure of public funds during these difficult

times. Further, each of our agencies would likely need to increase rates to pay for the proposed office building – a burden that would not be welcomed by our customers. The District has limited public funds, which needs to be spent wisely.

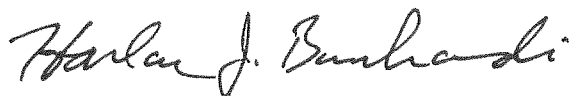
Another consideration is the pending restructuring of COMB and CCRB that we have been discussing. Admittedly these discussions have been sidetracked due to a number of other matters facing our agencies. However, a restructure could significantly alter, and possibly nullify, the need for the proposed office building. As an example, if COMB's operations for south coast conduit were transferred to CCWA, most or possibly all of the functions of COMB could be run out of CCWA's office in Buellton, eliminating the need for a new building, except for some ancillary space on the south coast. Another consideration is the location of fisheries personnel. If, as part of the restructuring, it was decided that some or all of the fisheries functions should be located closer to the Santa Ynez River, that could change the requirements for the building. These are only two of many possibilities that could significantly alter the need for a new office building.

Last, and prior to proceeding with development of the proposed office building, we think it is important to evaluate the best option for a new building. As an example, it seems prudent to compare various options, such as other sites that might be available, other existing buildings that are available for purchase, or leasing space rather than owning a building. Without this type of evaluation, we do not see how COMB can make an informed decision that is fiscally responsible and in the best interest of its member agencies.

If, notwithstanding the above concerns, the majority of the COMB Directors believe that it is in the best interest of COMB and their agencies to go forward with a new office building, we will need to discuss and agree upon the allocation of financial responsibility. In that event, we would like to have those arrangements worked out well in advance of this proposed project being brought to the COMB Board for approval (unanimous). The District wants to continue its cooperative partnership with the other COMB member agencies but, as each of you can surely understand, ID No.1 must first look out for the best interest of its customers.

This matter was thoroughly discussed at the District's recent Board meeting where it was unanimously agreed to send this letter to each of you. We appreciate your consideration of the matters raised in this letter and look forward to working with each of you.

Sincerely,



Harlan J. Burchardi
President

Cc: Chris Dahlstrom, General Manager
Kate Rees, General Manager, COMB

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: June 22, 2009
TO: BOARD OF DIRECTORS
FROM: Kate Rees, General Manager
RE: **Receipt of Contractor Prequalifications for 2nd Pipeline Project**

RECOMMENDATION:

For information only.

DISCUSSION:

A Notice Requesting Prequalifications for construction of the 2nd Pipeline Project was advertised in late May 2009. We received 25-30 requests for a prequalification package, and 11 contractors submitted their qualifications for the project. A list of those contractors is attached for your information.

The firms are currently being ranked per the Prequalification Policy adopted by the Board at the May 18th meeting. The five top-ranked contractors will be determined through this process and be sent a bid package with the full specifications for the project within about a month. We anticipate awarding a contract to the selected contractor by October 1, 2009.

Respectfully submitted,



Kate Rees
General Manager

Attachment

Pre-Qual Contractors

Blois Construction, Inc.
Oxnard, CA

Specialty Construction Inc.
San Luis Obispo, CA

Lash Construction
Santa Barbara, CA

ARB Inc.
Lake Forest, CA

W.A. Rasic Construction Co., Inc.
Bell Gardens, CA

Don Kelly Construction Inc.
Bozeman, Mt.

Vido Artukovich & Son, Inc/Vidmar, Inc. A JV
El Monte, CA

W.M Lyles Co.
Fresno, CA

L.H. Woods and Sons, Inc.
Vista, CA

E.J. Meyer Company
Highland, CA

Spiess Construction Co., Inc.
Santa Maria, CA

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: June 22, 2009
TO: BOARD OF DIRECTORS
FROM: Kate Rees, General Manager
RE: **Contractor Selection for Construction Management Services for the South Coast Conduit Upper Reliability Project**

RECOMMENDATION:

That AECOM be selected to provide construction management services for the South Coast Conduit Upper Reliability Project (2nd Pipeline Project)

DISCUSSION:

Three engineering firms were pre-selected to submit bids for construction management for the 2nd Pipeline Project. Bids were received by May 19, 2009 from the following contractors: Flowers & Associates, Inc., Kennedy/Jenks Consultants, and AECOM (formerly Boyle Engineering). COMB staff reviewed the bids and also solicited an outside review.

The qualifications, experience in working with large diameter pipe projects, personnel assigned for the project, project components, estimated costs for each component, and total bid costs were compiled and compared for each firm. The Proposition 50 grant agreement requires labor compliance monitoring relative to State Labor Code and prevailing wages. A Labor Compliance Program will be provided and administered by a certified sub consultant, at an estimated cost of about \$21,000. The bid amounts below are adjusted with and without these services to better compare the construction management costs only.

The bids from each contractor for construction management services are:

	With Labor Compliance	Without Labor Compliance
1. Flowers & Associates, Inc.	\$616,700	\$595,700
2. Kennedy/Jenks Consultants	\$531,863	\$552,863
3. AECOM	\$406,600	\$427,600

All of the contractors submitted responsive bids, and all have appropriate experience as well as the personnel and equipment to successfully complete the project. However, all bid reviewers felt Flowers & Associates did not have the depth of experience for large pipeline work that the other two firms had. In addition, they were the highest bid. Therefore, staff concentrated their evaluation of the proposals on Kennedy/Jenks and AECOM.

COMB has not previously worked with Kennedy/Jenks, so they are not familiar with the South Coast Conduit system. But the firm came highly recommended and they have a great deal of construction management experience. They would provide third party engineering oversight of all construction activities and adherence to the engineering drawings.

AECOM is the project engineer, so knows the design basis for the project and the SCC pipeline system better than anyone else. The firm has worked with COMB for many years and has always provided excellent work products and engineering expertise. They carried out the South Coast Conduit Reliability Study and assisted COMB in identifying and developing the agency's long-term capital improvement program. They have been the staff manager for the 2nd Pipeline Project from its inception, and understand COMB's goals and priorities. They have provided sub consultant services through Hamner-Jewell for the acquisition of temporary construction easements and permanent right-of-way easement, and have also coordinated with SAIC for all required environmental and permitting activities.

The 2nd Pipeline Project is the largest project COMB has ever undertaken, so it is essential that the construction oversight engineer be someone who can be trusted to make sure that construction of the project is accomplished successfully. Staff has great confidence that AECOM will provide that assurance. We also believe there will be financial economies of scale by having construction engineering services and construction management services handled by the same firm. Therefore, it is recommended that AECOM be hired to provide Construction Management Services for this project.

Attached is the cost estimate for AECOM. It also includes an estimate for additional construction engineering services that will be a separate contract at a later time. The cover letter separates the costs for these services.

Respectfully submitted,



Kate Rees
General Manager

Attachment

AECOM
 5851 Thille Street, Suite 201, Ventura, CA 93003 USA
 T 805.644.9704 F 805.642.8277 www.aecom.com

Mr. Brett Gray
Cachuma Operation & Maintenance Board
 3301 Laurel Canyon Road
 Santa Barbara, CA 93105

May 12, 2009
Updated/Reformatted June 15, 2009

**Subject: Cachuma Operation & Maintenance Board
 South Coast Conduit Upper Reach Reliability Project – CPS Services**

Dear Brett:

Transmitted herewith is the proposed level of effort and estimate of fees for the scope of work for the South Coast Conduit Upper Reach Reliability Project CPS Services dated May 12, 2009. As discussed on Thursday, June 4, 2009, we have reformatted this letter to further clarify (differentiate) the level of effort for construction phase engineering services and the on-site observation services. Additionally, we have reduced the Scope of Work and Fee related to Proposition 50 administration. The following table provides a summary of the services:

■ Construction Phase Engineering Services *	
■ AECOM	
– Pre-construction Services (Task 1000)	\$ 22,000*
– Construction Administration (Tasks 2030, 2060, 2070, 2080)	\$ 98,300*
– Submittals and Supplemental Engineering (Task 2100)	\$ 53,900*
– Change Orders and RFIs (Task 2200)	\$ 30,800*
– Program Support (Tasks 2300, 2500, 2600, 2710, 2720, 2800, and 2900)	\$ 35,800*
– Post-Construction Services (Task 3000)	\$ 13,200*
■ Golden State Labor Compliance	\$ 21,300*
■ Fugro (Geotechnical)	\$ 14,400*
■ Hamner Jewell (ROW)	\$ 3,700*
Subtotal	\$ <u>293,400</u>
■ Construction Phase On-Site Services	
■ AECOM	
– Pre-construction meeting (Task 2010)	\$ 3,700
– Schedule Review (Task 2020)	\$ 2,500
– Progress Pay Estimates (Task 2040)	\$ 14,800
– Punch Lists (Task 2050)	\$ 6,200
– On-site Observations (Task 2400)	\$ 265,000
– Material Testing (Task 2710)	\$ 114,400
Subtotal	\$ <u>406,600</u>
Total	<u>\$ 700,000</u>

* Tasks that are in addition to the Scope of Work in COMB's April 22, 2009 RFP, which should be provided by AECOM if others provide "Construction Phase On-site Services."

We sincerely appreciate the continued opportunity to provide engineering services to COMB, and look forward to discussing this proposal with you. Thank you for your consideration.

Yours sincerely,

AECOM



Glen M. Hille, PE
Vice President, Regional Quality Manager

Attachment

cc: Kate Rees, COMB

P/N: F:_2 Business Development\2009 PROPOSALS\COMB ~ SCC Upper Reach Reliability\Proposal\6b. Fees Cover Ltr Revised 6-15-09.doc

**Cachuma Operations Maintenance Board
South Coast Conduit Upper Reach Reliability Project CPS Services
Fee Estimate**

Task	Description	AECOM Level of Effort		Sub Consultant
		Manhours	(\$)	
PRE-CONSTRUCTION SERVICES				
1000	Project Set Up			
* 1010	Gather the available project data for field file.	16	\$ 2,500	
* 1020	Attend orientation meeting	8	\$ 1,200	
* 1030	Construction Administration Procedures Manual	64	\$ 9,900	\$ 1,000
* 1040	Issued for Construction Documents	48	\$ 7,400	
CONSTRUCTION SERVICES				
2000	Construction Contract Administration			
2010	Conduct pre-construction meeting, prepare and distribute meeting minutes	24	\$ 3,700	
2020	Review contractor's construction schedule	16	\$ 2,500	
* 2030	Maintain contract files	200 ¹	\$ 30,800	
2040	Review contractor's monthly progress payment requests	96 ²	\$ 14,800	
2050	Punch lists will be developed	40	\$ 6,200	
* 2060	Program Management, Project Management, Quality Control of construction phase services	400 ³	\$ 61,600	
* 2070	Attend up to four partnering workshops	0	\$ -	
* 2080	Prop 50 Grant Administration Assistance	40	\$ 5,900	
2100	Submittal Processing, Review and Supplemental Engineering			
* 2110	Review submittals	150	\$ 23,100	
* 2120	Supplemental Engineering Services	200	\$ 30,800	
2200 *	Change Order Management and RFIs	200	\$ 30,800	
2300 *	Permits	24	\$ 3,700	SAIC ⁴
2400	Construction Observations	1720 ⁵	\$ 265,000	
2500 *	Record Drawings	80	\$ 12,300	
2600 *	Easement and Right-of-Way	8	\$ 1,200	\$ 3,700 (Hamner/Jewell)
2700	Materials Testing Services and Geotechnical			
* 2710	Materials Testing Services	32	\$ 4,600	\$ 114,400 (Fugro) ⁶
* 2720	Geotechnical	8	\$ 1,600	\$ 14,400 (Fugro) ⁶
2800 *	Environmental (Biological) Monitoring	40	\$ 6,200	SAIC ⁴
2900 *	Labor Compliance Services	40	\$ 6,200	\$ 21,300 (Golden State LC)
3000	Post-Construction			
* 3010	Conduct final project review with COMB	24	\$ 3,700	\$ 2,000
* 3020	Prepare final report, submit to COMB	16	\$ 2,500	
* 3030	Review mitigation monitoring reports	16	\$ 2,500	
* 3040	Compile a final submittal package	16	\$ 2,500	
4000	Additional Engineering Services	0	\$ -	
	Total		\$ 543,200	\$ 156,800

It is anticipated that an engineering fee of \$700,000 will be required to accomplish the above-referenced engineering tasks based on an average of \$142 per MH, and 8.5% for other cost. Compensation will be on a time and materials basis consistent with the 2009 Fee Schedule attached and our Engineering Services Agreement dated February 22, 1999.

- 1) 4 hours/week - 52 weeks
- 2) 12 monthly payments anticipated
- 3) 8 hours/week - 52 weeks
- 4) Under contract with COMB
- 5) Refer to Task 2400 for level of effort
- 6) Refer to Task 2700 for level of effort

* Tasks that are in addition to the Scope of Work in COMB's April 22, 2009 RFP, which should be provided by AECOM if others provide "Construction Phase On-site Services."

Boyle | AECOM (VT)
FEE SCHEDULE FOR PROFESSIONAL SERVICES
Effective January 1, 2009

Engineers, Planners, Architects, Scientists:

Student Assistant	\$	77.00 per hour
Assistant I	\$	93.00 per hour
Assistant II	\$	106.00 per hour
Associate	\$	125.00 per hour
Senior I	\$	149.00 per hour
Senior II	\$	171.00 per hour
Principal	\$	207.00 per hour
Company Officer	\$	224.00 per hour
Special Consultant	\$	176.00 per hour

Construction Administration Personnel:

Resident Project Representative	\$	125.00 per hour
Senior Resident Project Representative	\$	135.00 per hour
Resident Engineer	\$	147.00 per hour
Construction Services Manager	\$	194.00 per hour

Technical Support Staff:

Clerical/General Office	\$	67.00 per hour
Administrative Specialist	\$	77.00 per hour
Drafter/CADD Technician	\$	69.00 per hour
Assistant CADD Operator	\$	80.00 per hour
Designer/CADD Operator	\$	91.00 per hour
Senior Designer/Design CADD Operator	\$	106.00 per hour
Design/CADD Supervisor	\$	119.00 per hour

General Project Expenses ^{1/} 8.5% of Labor

Direct Project Expenses

Other Reproduction (8 1/2 x11/11x17 Color)	\$1.15/1.50 per page
Plan Sheet Printing - In House Bond/Vellum/Mylar	\$3.00/4.00/7.00 per sheet
Subcontracted Services/Reproduction	Cost + 15%
Subcontracted or Subconsultant Services	Cost + 15%
Auto Mileage for Construction Phase Services	\$0.60 per mile
Travel & Subsistence (other than mileage)	Cost
Miscellaneous Materials	Cost + 15%

If authorized by the Client, an overtime premium multiplier of 1.5 may be applied to the billing rate of hourly personnel who work overtime in order to meet a deadline which cannot be met during normal hours.

Applicable sales tax, if any, will be added to these rates. Invoices will be rendered monthly. Payment is due upon presentation. A late payment finance charge of 1.5% per month (but not exceeding the maximum rate allowable by law) will be applied to any unpaid balance commencing 30 days after the date of the original invoice.

Fee schedule is subject to change annually.

^{1/} Includes mail, telephone, fax, office photo copies, personal computers and mileage (except as noted).

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: June 22, 2009
TO: BOARD OF DIRECTORS
FROM: Kate Rees, General Manager
RE: **Acquisition of Easements for 2nd Pipeline Project**

RECOMMENDATION:

Authorize the General Manager to sign the Right-of-Way Agreements, accept the Easement Deeds, and authorize payments into escrow for Gessert-Brown and University Exchange Corporation.

DISCUSSION:

COMB's real estate consultant, Cathy Springford of Hamner-Jewell, and staff have been in negotiations with the two landowners in the Glen Annie watershed that will be affected by construction of the 2nd Pipeline Project. The negotiations are for the purchase of acquiring temporary construction easements and permanent right-of way agreements from (1) the University Exchange Corporation (UEC) and (2) Susan Gessert, Thomas Brown, and Barbara Brown.

At the April 27, 2009 meeting the Board authorized me to offer financial compensation to the two landowners within the range of certified appraised amounts based on appraisals done by Hawkes Real Estate on COMB's behalf. I am happy to report that the negotiations have been completed, and a mutually agreed upon price has been accepted by each of the landowners, contingent upon approval by the COMB Board.

The proposed financial compensation for the Gessert-Brown easements is \$, which was only \$2,200 over COMB's original offer. The higher amount was agreed to because of the landowner's assessment of the value of the avocado trees that would be affected. This seemed reasonable to Hamner-Jewell and was acceptable to me.

The proposed financial compensation for the UEC easements is \$10,000, which is \$5,700 over COMB's original offer. UEC was of the opinion that the appraiser had undervalued some of the land that is basically inaccessible, and countered with a substantially higher request. This was negotiated down to \$10,000 which was still within the appraiser's cost value range. This was acceptable to me as well.

Ms. Gessert and Ms. And Mr. brown signed their legal agreements on June 17, 2009. UEC has approved its agreements and we should receive their signed legal documents within the next two weeks. Council Hair has reviewed Temporary Easement Deeds, Legal Property Descriptions, and Permanent Right-of-Way Agreements and found them to be in order.

ITEM # 56-3
PAGE 1

I would, therefore, request authorization to sign the Right-of-Way Agreements, accept the Easement Deeds, and authorize payments into escrow for Gessert-Brown and University Exchange Corporation, on COMB's behalf.

Respectfully submitted,



Kate Rees
General Manager

KR.COMB\Board memos\2nd pipe ROW authorization_062209

ITEM # 56-3

PAGE 2



(As of June 17, 2009)

May						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June						
S	M	T	W	T	F	S
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7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Date	Activity	Responsibility
Week of April 27, 2009	Draft Member sections, legal documents and participation agreement of POS re-distributed	SYCR
April 27, 2009	COMB Board Meeting	COMB
April 29, 2009	Agenda Deadline Goleta Water District (for 5/12), for briefing if desired	GWD, COMB
April 29, 2009	Agenda Deadline Santa Barbara City Council on 5/26, for briefing is desired	SB, COMB

Date	Activity	Responsibility
May 5, 2009	Legal Documents, (other than City of Santa Barbara Joint Participation Agreement, Contractor Appendices and Purchase Contract) distributed	SYCR, UC
May 13, 2009	Agenda Deadline COMB (for 5/18)	COMB
May 14, 2009	Agenda Deadline Montecito – Briefing	MWD, COMB
May 18, 2009	COMB Board Meeting – Status Report	All
May 19, 2009	Montecito Board Meeting – Briefing	MWD, COMB, SB
May 26, 2009	Goleta Water District Board Meeting – Briefing	GWD, COMB
May 27, 2009	CVWD Board Meeting – Briefing	CVWD, COMB
May 27, 2009	Comments on Member Appendices to POS due	All
Week of June 1, 2009	Working group call on legal documents/schedule	Working Group (COMB, SYCR, CITI, FA, UC)
June 8, 2009	Revised Member sections and Participation Agreement, front portion of POS	SYCR
June 16, 2009	Santa Ynez Meeting	
June 22, 2009	City of Santa Barbara Decision on Payment Priority	SB
June 29, 2009	Distribute City of Santa Barbara Joint Participation Agreement	SB, SYCR
Week of July 6	Due Diligence Calls with member Units	
Week of July 6	Financing Documents distributed to Rating Agencies	FA
July 2009	<ul style="list-style-type: none"> ▪ Documents agendized for Carpinteria, Goleta, Montecito and Santa Barbara Boards/Councils ▪ Santa Barbara Water Commission 7/13 (Agenda Deadline 7/6) ▪ Goleta Water District 7/14 (Agenda Deadline 7/1) ▪ Montecito 7/21 (Agenda Deadline 7/16) ▪ Carpinteria 7/22 (Agenda Deadline 7/15) ▪ Santa Barbara Finance Committee 7/14 (Agenda deadline 6/16) 	All

Date	Activity	Responsibility
	<ul style="list-style-type: none"> ▪ Santa Barbara City Council 7/21 (Agenda Deadline 6/23) ▪ COMB 7/27 (Agenda Deadline 7/20) 	
Week of July 13	Conference Calls/meetings with Rating Agencies	CITI, COMB, FA, SYCR
July 14, 2009	Santa Barbara Finance Committee	SB, COMB
Mid July	Receive Construction bids	COMB
Week of July 20, 2009	Receive Ratings From Rating Agencies	FA
July 27 or potential Special Meeting, if necessary	Cachuma O&M Board Authorization of Documents in substantially final form	COMB, SYCR
August 2009	<ul style="list-style-type: none"> ▪ Member agencies ratify debt issue ▪ Documents agendized for Carpinteria, Goleta, Montecito and Santa Barbara Boards/Councils ▪ Goleta Water District 8/11 (Agenda Deadline 7/29) ▪ Montecito 8/18 (Agenda Deadline 8/13) ▪ Santa Barbara City Council 8/18 (Agenda Deadline 7/18) ▪ Carpinteria 8/26 (Agenda Deadline 8/19) 	All
Week of August 17	Working Group finalizes POS	SYCR, All
Week of August 24	Print and Distribute Preliminary Official Statement	SYCR
Week of August 31	Pre-Price Bonds	CITI, COMB, FA
Week of August 31	Price Bonds and Sign Purchase Contract	CITI, COMB, FA
Week of September 7	Print Final Official Statement	SYCR
Week of September 14	Pre-Close	All
Week of September 14	Closing and Delivery of Funds	All
September	Award Contracts	COMB

Responsible Parties

Cachuma O&M Board	COMB
Carpinteria Board	CVWD
Goleta Board	GWD
Montecito Board	MWD
Santa Barbara City Council	SB
Bond Counsel	SYCR
Financial Advisor	FA
Underwriter	CITI
Underwriter's Counsel	TBD
Trustee	TBD

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CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: June 22, 2009
TO: MEMBERS OF THE BOARD
FROM: Kate Rees, General Manager
RE: **Informational briefing Regarding Proposed Cost Distribution for Repayment of COMB CIP Bond Debt Service**

RECOMMENDATION:

Seeking Board Direction

DISCUSSION:

At the May 18, 2009 Board meeting, President Williams, at the request of Carpinteria Valley Water District, agreed that the COMB Board should receive information and consider a different bond repayment cost distribution than along historic Cachuma entitlement percentages. Counsel Hair has confirmed that COMB's Joint Powers Agreement does permit COMB to change allocation of costs if it chooses to do so, but not the water entitlement percentages. Enclosed is a letter from Mr. Hamilton and a proposed new methodology for calculating repayment.

At the request of the Board, the COMB Operating Committee discussed this issue at its June 3, 2009 meeting. Mr. Hamilton participated by phone for only part of the discussion and does not agree with the Operating Committee's recommendation. The other General Managers did not want to consider the cost repayment of the bond in isolation because there are many inequitable allocations that also need to be acknowledged and considered. They were all comfortable with the historic entitlement cost allocations, and thought changing them would be a very complicated process that should take place outside the bond process.

The Operating Committee recommended that in the event there was interest on the part of the COMB Board to revisit cost allocations, that a firm experienced in cost of service analysis should be hired to address all of the issues affecting the distribution of cost to COMB Member Agencies.

As COMB's General Manager, I concur with the Operating Committee's recommendation. I am concerned that the discussion over this issue would hold up the bond issuance for some time, and request that it take place outside of the bond process. To that end, below is a proposed additional provision that could be placed in COMB's Official Statement and the participating agreements. It was drafted by Doug Brown, our bond counsel, and would allow a change to the cost distribution at a later time, if all agreed to do so. The provision would not obligate anyone to change the repayment distribution, but would provide the opportunity to do so after a cost sharing evaluation had been done.

(Add as third paragraph to Section 3.01 of the draft Joint Participation Agreements)

ITEM # 5C - 2
PAGE 1

Notwithstanding the forgoing, the payments of principal and interest set forth in Exhibit A may be increased or decreased by not more than XX% in each year in the event that (i) the board of directors of COMB approves a reallocation of capital costs with respect to the 2009 Project and (ii) such reallocation is approved by the governing body of each member unit of COMB executing a joint participation agreement with respect to the COMB Bonds. In the event the conditions set forth above have been met, COMB will promptly append a revised Exhibit A to this Joint Participation Agreement to reflect such reallocation of principal and interest and will promptly provide each revised Exhibit A to the Trustee.

Additional information will be presented verbally at the Board meeting. Please also see the minutes from the June 3, 2009 Operating Committee Meeting.

Respectfully submitted,



Kate Rees
General Manager

KR.COMB\COMB Admin\Board memos\062209_CIP bond cost sharing issues.mmo

ITEM # 5C-2
PAGE 2



Carpinteria Valley Water District

1301 Santa Ynez Avenue • Carpinteria, CA 93013
Phone (805) 684-2816 • Fax (805) 684-3170

BOARD OF DIRECTORS

Frederick Lemere
President
June Van Wingerden
Vice President
Robert R. Lieberknecht
Matthew T. Roberts
James W. Drain

GENERAL MANAGER

Charles B. Hamilton

June 5, 2009

Kate Rees
General Manager
Cachuma Operation & Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105-2017

Dear Ms. Rees,

Please be advised that the Carpinteria Valley Water District Board of Directors took action at its special Board meeting held on June 2, 2009 to formally request that the Cachuma Operation & Maintenance Board (COMB) prepare a new cost sharing methodology, not based solely on the 1950's Project yield percentages, for consideration by COMB for COMB's proposed 2009 \$16 million bond issue debt service.

The CVWD Board is not specifically requesting that the cost sharing methodology outlined in the attached memo dated June 2, 2009 from me to CVWD's Rate & Budget Committee be utilized. It may however, with some possible modifications, be the best and most easily implemented methodology. Other methodologies that may emerge in this effort should certainly be considered if they capture the reality of the new and different uses of the proposed new COMB owned Project facilities.

As much as it would have been a good idea to approach the cost sharing questions for the bond issue debt service as part of a comprehensive review of cost sharing for the Cachuma Project as whole, perhaps in conjunction with acquisitions from the Bureau, I do not see an effort that large occurring in the short time frame remaining before the bond issue documents are now scheduled to go before the four south coast agency boards of approval. Perhaps what is done now for the new COMB owned projects will serve as a model for some future Cachuma Project cost sharing agreement.

I am sure you appreciate that decisions by elected boards relative to long term debt obligations require their full understanding and consent, and that it is my duty as CVWD's General Manager to ensure that CVWD's Directors are fully informed and prepared for such a decision as is going forward at COMB. I look forward to working with you to make this happen.

Sincerely,

Charles B. Hamilton
General Manager

Cc: Board of Directors and staff
Rebecca Bjork, Water Resources Manager, City of Santa Barbara
Tom Mosby, General Manager, Montecito Water District
Eric Ford, Interim General Manager, Goleta Water District
Chris Dahlstrom, General Manager, Santa Ynez Water Conservation District, ID#1

ITEM # 5C-2
PAGE 3

Memo

To: Rate & Budget Committee
From: Charles B. Hamilton
CC: Norma Rosales; Bob McDonald; Alex Keuper
Date: June 2, 2009
Re: COMB 2009 bond issue cost sharing

Recommendation:

Recommend to full Board that this District formally request of COMB that a new methodology, described below, be used by COMB to address cost sharing of the **debt service for the proposed 2009 \$16 million bond issue** by COMB. This methodology is as follows:

Each year, for the \$16 million bond issue, the amount of debt service (~\$1,100,000) based on the old Cachuma entitlement percentages (Goleta 40.42%; Santa Barbara 35.89%; Carpinteria 12.2%; Montecito 11.5%) paid by the four South coast agencies is to be adjusted by a usage based calculation. The difference of the two will result in an annual adjustment in the form of a credit or debit to the following year's debt service payment obligation.

For example, using FY 07-08 actual usage numbers (see attached Table 2) the City of Santa Barbara's cost share of **\$394,793** (using the old Cachuma entitlement percentage - 35.89% of \$1.1 million) would be adjusted based on total actual usage cost total of **\$389,056**, calculated below:

$$\begin{aligned} & \$1.1 \text{ million (annual debt service)} / 32,672 \text{ AF (total all agency usage)} = \$33.67/\text{AF}. \\ & \$33.67 \text{ AF} \times 11,555 \text{ AF (total Santa Barbara usage)} = \mathbf{\$389,056}. \end{aligned}$$

Santa Barbara would then receive a credit of \$5,736 applied to the next year's debt service payment, as follows: **\$394,793 - \$389,056 = \$5,736**.

Following this methodology for other agencies, Montecito would be debited \$26,853; Carpinteria credited for \$30,806; and Goleta credited for \$8,998. La Cumbre would contribute \$17,744.

Background:

- 1) Existing costs for the maintenance of the COMB facilities are fixed and based on entitlement allocations derived when the Cachuma Project was constructed in the 1950s;
- 2) There are, however, new realities of water use through Cachuma facilities, including:
 - a. New sources of water supply, most notably imported State Water;
 - b. Other agencies, not COMB members, utilize Project facilities and do not pay for system maintenance and improvements.

The following Table 1 illustrates **Cachuma and State Water allocations** for all South Coast water agencies; Table 2 illustrates **all water use** for FY 2007-08.

Table 1: South Coast Water Agencies' Cachuma and State Water Project Allocations

	Cachuma Allocation		State Water Project Table A Allocation		TOTAL	
	AF	%	AF	%	AF	%
Goleta Water District	9,321	40.4%	7,000 *	43.1%	16,321	41.5%
City of Santa Barbara	8,277	35.9%	3,000	18.5%	11,277	28.7%
Montecito Water District	2,651	11.5%	3,000	18.5%	5,651	14.4%
Carpinteria Valley Water District	2,813	12.2%	2,000	12.3%	4,813	12.2%
TOTAL (AF)	23,062	100.0%				
La Cumbre Mutual Water Co.			1,000	6.2%	1,000	2.5%
Morehart Land Co.			200	1.2%	200	0.5%
Raytheon Systems Company			50	0.3%	50	0.1%
TOTAL (AF)			16,250	100.0%	39,312	100.0%

* Goleta Allocation = 4,500 AF + 2,500 AF 'additional' Table A water

Source: Cachuma Operations and Maintenance Board (COMB) and Central Coast Water Authority (CCWA)

2

Table 2: South Coast Water Agencies' Cachuma and State Water Project Use for FY 2007-08

	Cachuma Use FY 2007-08		State Water Project Table A FY 2007-08 Delivered		TOTAL	
	AF	%	AF	%	AF	%
Goleta Water District	11,328	39.7%	1,609	38.9%	12,937	39.6%
City of Santa Barbara	11,555	40.5%	0	0.0%	11,555	35.4%
Montecito Water District	2,718	9.5%	1,835	44.4%	4,553	13.9%
Carpinteria Valley Water District	2,936	10.3%	134	3.2%	3,070	9.4%
TOTAL (AF)	28,537	100.0%				
La Cumbre Mutual Water Co.			527	12.7%	527	1.6%
Morehart Land Co.			30	0.7%	30	0.1%
Raytheon Systems Company			0	0.0%	0	0.0%
TOTAL (AF)			4,135	100.0%	32,672	100.0%

Source: Cachuma Operations and Maintenance Board (COMB) and Central Coast Water Authority (CCWA)

COMB Preliminary Bond Budget

May 2009

	Second Barrel Pipeline Project	Mission Creek Crossing	SCC South Reach Rehab Project	Right-of-Way Definition Program	COMB Office Building	Project Totals
Engineering	\$ 700,000	\$ 500,000	\$ 150,000	\$ 250,000	\$ 310,000	\$ 1,660,000
Construction	6,000,000	1,700,000	2,120,000	150,000	1,750,000	11,570,000
Right-of-Way/Surveys	350,000	50,000	-	400,000	-	400,000
Environmental Mitigation	125,000	75,000	-	75,000	230,000	430,000
Construction Management	740,000	400,000	-	-	300,000	1,440,000
Contingency	1,150,000	300,000	250,000	125,000	300,000	2,000,000
	\$ 9,065,000	\$ 3,025,000	\$ 2,520,000	\$ 1,000,000	\$ 2,890,000	\$ 18,500,000

Projected Net Bond Proceeds \$ 15,300,000 Assumes 5.4% interest rate - \$1.1m annual debt service repayment (Principal and Interest)

Prop 50 Funding Proceeds \$ 3,200,000
 \$ 18,500,000 (Amortized for 30 years)

Annual Debt Service Repayment

GWD	40.42%	\$444,586.91
City of Santa Barbara	35.89%	\$394,793.18
CWWD	12.20%	\$134,173.26
MWWD	11.50%	\$126,446.65
	100.00%	\$1,100,000.00

Project Descriptions

- Second Barrel Pipeline Project
 - Reliability water pipeline constructed between South Portal of Tecelote Tunnel and Corona Del Mar Turnout.
- Mission Creek Pipeline Project
 - Replacement of damaged pipeline in Mission Creek along with proposed stream channel improvements.
- South Reach Rehab Project
 - Rehabilitation of South Reach airvent blowoff and lateral structures.
- Right-of-Way Definition Program
 - Delineation of South Coast Conduit to control encroachments and develop policies to protect SCC within the public right-of-way.
- COMB Office Building
 - Replace temporary aged modular offices with permanent fixed office building for COMB staff.

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: June 22, 2009
TO: BOARD OF DIRECTORS
FROM: Kate Rees, General Manager
RE: **Proposed COMB Budget for Fiscal Year 2009-2010**

RECOMMENDATION:

Approve the proposed COMB Budget for Fiscal Year 2009-2010 in the amount of \$3,365,727.

DISCUSSION:

The proposed COMB Budget for Fiscal Year 2009-2010 in the amount of \$3,508,414 was reviewed by the Finance Committee (Directors Hanson and Williams) and presented in draft form to the Board for preliminary review on May 18, 2009 with changes from the Finance Committee incorporated.

Attached for your consideration are a number of spreadsheets. This final budget reflects changes from the preliminary budget in the General and Administrative portion of the budget to account for a reduction in the proposed COLA from 2.5% to 2.4% for all staff, and an adjustment to the General Manager's salary approved by the Board on May 18, 2009. The attachments include:

- Proposed COMB FY 2009-2010 Final Budget Spreadsheets and Budget Summary
- COMB Actual Expenditures Comparisons (FY 2002-03 to FY 2009-10)
- Proposed Member Unit Allocations

The proposed Member Unit allocations spreadsheet shows the cost allocation of the proposed FY 2009-2010 Final Budget among the Member Units. There is a split between costs paid by all Member Units and costs paid only by the South Coast Member Units for certain categories, as approved by the COMB Board last year.

Respectfully submitted,



Kate Rees
General Manager

**Cachuma Operation & Maintenance Board
Proposed Final Budget**

Fiscal Year 2009 / 10

06/22/09

Account Number	Account Name	FY 2008 / 09 Approved Budget	Estimated Actuals Thru 6/30/09	FY 2009 / 10 Proposed Budget	Change	Percentage Change
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OPERATION & MAINTENANCE EXPENSES

<i>LABOR</i>						
3100	LABOR OPS	854,201	850,000	886,401	32,200	
	TOTAL	854,201	850,000	886,401	32,200	3.77%
<i>VEHICLES & EQUIPMENT</i>						
3201	VEHICLE/EQUIP MTCE	38,000	35,000	40,000	2,000	
3202	FIXED CAPITAL	48,000	58,231	40,000	(8,000)	
3203	EQUIPMENT RENTAL	10,000	4,500	5,000	(5,000)	
3204	MISC	18,000	15,000	15,000	(3,000)	
	TOTAL	114,000	112,731	100,000	(14,000)	-12.28%
<i>CONTRACT LABOR</i>						
3301	CONDUIT, METER, VALVE	12,000	12,000	12,000	0	
3302	BUILDINGS & ROADS	16,000	15,000	16,000	0	
3303	RESERVOIRS	52,000	50,000	52,000	0	
3304	ENGINEERING, MISC SERVICES	26,000	26,000	20,000	(6,000)	
	TOTAL	106,000	103,000	100,000	(6,000)	-5.66%
<i>MATERIALS & SUPPLIES</i>						
3401	CONDUIT, METER, VALVE & MISC	25,000	22,000	25,000	0	
3402	BUILDINGS & ROADS	25,000	22,000	25,000	0	
3403	RESERVOIRS	10,000	8,000	10,000	0	
	TOTAL	60,000	52,000	60,000	0	0.00%
<i>OTHER EXPENSES</i>						
3501	UTILITIES	6,500	6,000	6,500	0	
3502	UNIFORMS	6,500	6,000	6,500	0	
3503	COMMUNICATIONS	20,000	18,000	20,000	0	
3504	USA & OTHER SERVICES	4,000	2,500	4,000	0	
3505	MISC	8,000	7,500	8,000	0	
3506	TRAINING	8,000	7,200	8,000	0	
	TOTAL	53,000	47,200	53,000	0	0.00%
	TOTAL O & M EXPENSE	1,187,201	1,164,931	1,199,401	12,200	1.03%

ITEM # 6
PAGE 2

Cachuma Operation & Maintenance Board
Proposed Final Budget

Fiscal Year 2009 / 10

Account Number	Account Name	FY 2008 / 09 Approved Budget	Estimated Actuals Thru 6/30/09	FY 2009 / 10 Proposed Budget	Change	Percentage Change
<u>GENERAL AND ADMINSTRATIVE EXPENSES</u>						
5000	DIRECTORS FEES	12,000	11,500	12,000	(0)	
5100	LEGAL & AUDIT	75,000	69,000	75,000	(0)	
5150	UNEMP TAX	7,088	0	7,567	479	
5200	LIABILITY & PROPERTY INSURANCE	48,000	39,000	40,000	(8,000)	
5201	HEALTH & WORKERS COMP.	64,240	64,000	72,310	8,070	
5250	PERS	33,965	33,000	39,760	5,795	
5339	FICA/MEDICARE	16,661	16,000	19,320	2,659	
5300,1,6	ADMIN. SALARIES	199,508	198,000	228,619	29,111	
5310	POSTAGE / OFFICE SUPPLIES	10,000	9,000	9,000	(1,000)	
5311	OFFICE EQUIPMENT / LEASES	6,200	6,000	6,200	0	
5312	MISC. ADMIN. EXP.	12,000	11,500	12,000	0	
5313	COMMUNICATIONS	5,200	5,200	6,000	800	
5314	UTILITIES	6,000	6,000	6,000	0	
5315	MEMBERSHIP DUES	6,850	6,050	6,050	(800)	
5316	ADMIN. FIXED ASSETS	7,000	5,000	5,000	(2,000)	
5318	COMPUTER CONSULTANT	8,000	8,000	10,000	2,000	
5325	EMPLOYEE EDUCATION/SUBSCRIPTION	4,500	4,000	4,500	0	
5330	ADMIN TRAV & CONFERENCES	5,000	5,000	5,000	0	
5331	PUBLIC INFO	8,000	6,500	6,000	(2,000)	
5332	TRANSPORTATION	1,000	700	1,000	0	
TOTAL GENERAL & ADMINISTRATIVE		536,213	503,450	571,326	35,113	6.55%
<u>SPECIAL G & A EXPENSES</u>						
5319	PARITY STUDY	20,000	0	0	(20,000)	
5510	INTEGRATED REGNL WATER MGMT PL	70,000	60,000	70,000	0	
TOTAL SPECIAL G & A		90,000	60,000	70,000	(20,000)	-22.22%
TOTAL O & M and G & A		1,813,414	1,728,381	1,840,727	27,313	1.51%

ITEM # 6
PAGE 3

**Cachuma Operation & Maintenance Board
Proposed Final Budget**

Fiscal Year 2009 / 10

06/22/09

Account Number	Account Name	FY 2008 / 09 Approved Budget	Estimated Actuals Thru 6/30/09	FY 2009 / 10 Proposed Budget	Change	Percentage Change
<u>SPECIAL PROJECTS</u>						
6062	SCADA	50,000	48,000	50,000	0	
6090-1	COMB Bldg/Grounds Repair	75,000	50,000	50,000	(25,000)	
6092	SCC Improv Plan & Design	800,000	835,800	175,000	(625,000)	
6095	SCC Valve & Control Sta. Rehabilitation	450,000	225,000	0	(450,000)	
6096	SCC Structure Rehabilitation	250,000	230,000	100,000	(150,000)	
6097	GIS and Mapping	50,000	50,000	50,000	0	
6098	Quagga Mussel Research	20,000	0	0	(20,000)	
	O & M SPECIAL PROJECTS	1,695,000	1,438,800	425,000	(1,270,000)	-74.93%
<u>DEBT SERVICE</u>						
	Annual Debt Service Repayment (2009 Bond)	0	0	1,100,000	1,100,000	100.00%
	TOTAL COMB BUDGET	3,508,414	3,167,181	3,365,727	(142,687)	-4.07%

Notes:

- COLA = 2.4%
- GM Salary split equally with CCRB
- Health / Dental increases = 7.5 % in January 2010
- PERS EE expense = 7%
- PERS ER expense = 10.361%

ITEM # 6
PAGE 4

Cachuma Operation & Maintenance Board
Operations & Maintenance Expenses
Proposed Final Budget
Fiscal Year 2009 / 10

Account Number	Account Name	FY 2008/09 Approved Budget	FY 2009 / 10 Proposed Budget	Description
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OPERATIONS and MAINTENANCE EXPENSES

LABOR

3100	LABOR OPS	854,201	886,401	Field Crew, Foreman, Operations Supervisor + benefits
	TOTAL	854,201	886,401	

VEHICLES & EQUIPMENT

3201	VEHICLE/EQUIP MTCE	38,000	40,000	Ops & mtce costs of vehicles & equip including inspections
3202	FIXED CAPITAL	48,000	40,000	Utility Truck: Misc Replacement equipment
3203	EQUIPMENT RENTAL	10,000	5,000	Rental equipment
3204	MISC	18,000	15,000	Small tools, Misc
	TOTAL	114,000	100,000	

CONTRACT LABOR

3301	CONDUIT, METER, VALVE	12,000	12,000	Heavy equip operators, Southwest Services
3302	BUILDINGS & ROADS	16,000	16,000	Republic; Equip relocation; equip repair; heavy equip; lands
3303	RESERVOIRS	52,000	52,000	Reservoir Cleaning-silt vacuuming reservoirs
3304	ENGINEERING, MISC SERVICE	26,000	20,000	CIP consultants, engineering, design
	TOTAL	106,000	100,000	

MATERIALS & SUPPLIES

3401	CONDUIT, METER, VALVE & MI	25,000	25,000	Fill materials, charts, locks, signs
3402	BUILDINGS & ROADS	25,000	25,000	Paint, window, lights, gravel, spray, fencing, etc
3403	RESERVOIRS	10,000	10,000	Gravel, spray, fencing, etc.
	TOTAL	60,000	60,000	

OTHER EXPENSES

3501	UTILITIES	6,500	6,500	Electric; gas
3502	UNIFORMS	6,500	6,500	Uniforms; boots; raingear
3503	COMMUNICATIONS	20,000	20,000	Phones at facilities/Cell Phones/Ops & Mtce
3504	USA & OTHER SERVICES	4,000	4,000	Underground Service Alerts
3505	MISC	8,000	8,000	Miscellaneous operational expenses
3506	TRAINING	8,000	8,000	Certs / classes
	TOTAL	53,000	53,000	

TOTAL O & M EXPENSE	1,187,201	1,199,401	
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**Cachuma Operation & Maintenance Board
General and Administrative Expenses
Proposed Final Budget**

Fiscal Year 2009 / 10

<i>Account Number</i>	<i>Account Name</i>	<i>FY 2008 / 09 Approved Budget</i>	<i>FY 2009 / 10 Proposed Budget</i>	
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GENERAL AND ADMINISTRATIVE EXPENSES

5000	DIRECTORS FEES	12,000	12,000	Directors Fees
5100	LEGAL & AUDIT	75,000	75,000	Audit, Legal, Acctg Consultant
5150	UNEMP TAX	7,088	7,567	Unemployment Tax
5200	LIAB INSURANCE	48,000	40,000	General premiums
5201	HEALTH & WC	64,240	72,310	Assumes 7.5% increase in health benefits/Jan 20
5250	PERS	33,965	39,760	PERS employer portion increased slightly
5339	FICA / MEDICARE	16,661	19,320	Payroll driven
5300	MGR SALARY	50,300	73,000	50% of GM annual salary of \$150,000
5301	ADMIN MGR	93,943	96,198	Cola increase
5306	ADMIN ASST	55,265	59,421	Cola increase
5310	POST/OFFICE	10,000	9,000	Ofc supplies/postage
5311	OFFICE EQUIP/LEASES	6,200	6,200	Copiers lease/mtce/PBCC
5312	MISC ADMIN EXP	12,000	12,000	J&C janitorial/Paychex/F&G permits
5313	COMMUNICATIONS	5,200	6,000	COX/Veri/ATT/Gen/Cells
5314	UTILITIES	6,000	6,000	SCE / SC Gas
5315	MEMBERSHIP DUES	6,850	6,050	ACWA/AWWA/CVWP
5316	ADMIN FIXED ASSETS	7,000	5,000	Computers/Office Furniture
5318	COMPUTER CONSULTANT	8,000	10,000	Technical Expertise
5319	ADMIN. CONSULTANT	20,000	0	Parity Study
5325	EMPLOYEE EDUCATION/SUBSCRIPTION	4,500	4,500	Admin Expense
5330	TRAVEL & CONF.	5,000	5,000	COMB travel
5331	PUBLIC INFO	8,000	6,000	Website
5332	TRANSPORTATION	1,000	1,000	Staff car
TOTAL		556,212	571,326	

ITEM # 6
PAGE 6

6062	SCADA	50,000	50,000	This line item for the 2009-2010 budget is allocated for updates of the existing system as well as the annual maintenance contract with Tesco Control Systems. The update portion will include the replacement of SCADA software, and programming updates. The annual maintenance contract will include support on issues that occur with the system and the inspection and evaluation of PLC's, computers, instruments, communication, and programming. The maintenance support and upgrading of software will ensure that the system continues to function with the current high level of reliability and functionality.
6090-1	COMB Bldg/Grounds Repair	75,000	50,000	This account will provide funds for existing mobile unit repair requirements, as well as maintaining and upgrading existing grounds and facilities.
6092	SCC Improv Plan & Design	800,000	175,000	The SCC Improvement Plan and Design consists of studying the SCC and designing improvements based on these studies. To date we have completed two reliability studies on two sections of the SCC, designed several new line valve installations, and started the design of the 2nd pipeline project and the open air vent modifications. For the 2009/2010 Fiscal Year the main focus will be to start work on the SCC Right-of-Way Definition Program. Work will also occur on other miscellaneous smaller projects.
6095	SCC Valve & Control Sta. Rehabilitation	450,000	0	This program of work includes the rehabilitation of COMB's seven control stations and valve pits along the SCC. The rehabilitation work will include replacement of valves, repair of roofs, electrical, fencing, and roads, repainting of building and valve pits, and correcting other deficiencies that exist at these facilities and the installation of 10 new line valves. In the Fiscal Year 2009 / 2010 no work will occur in this category.
6096	SCC Structure Rehabilitation	250,000	100,000	This line item includes funding for the rehabilitation of COMB's approx. 200 air vent, blow-off and lateral structures. Currently, 50 structures have been rehabilitated and another 30 have had significant portions of rehabilitation completed. In the Fiscal Year 2009/2010 it is planned to rehabilitate 5 to 10 laterals in the lower reach and continue pipeline inspections.
6097	GIS and Mapping	50,000	50,000	Currently all COMB's maps, easements and information systems for the SCC date back to the 1950's. Very few changes to these maps, easements and the information system have been made since then, but many changes have occurred surrounding the SCC. The existing organization of the data is difficult and cumbersome to navigate. The Geographic Information System (GIS) reorganizes, updates in computerized format, allow better access to the information and allows the information to be easily updated. Currently, all maps have been scanned and filed into the computer, the SCC has been plotted, the location of the SCC is being corrected, drawings are being linked to the system, and other data sets are being collected and imported. This line item for the 2009/10 fiscal year will continue to fund the work.
6098	Quagga Mussel Research	20,000	0	Research options for protecting Cachuma project facilities from quagga mussel infestation and remain current with the developments in that arena. No work is planned for FY 2009/10.
TOTAL SPECIAL PROJECTS		1,695,000	425,000	

ITEM # 6
PAGE 7

CACHUMA OPERATION & MAINTENANCE BOARD

Proposed Allocation for FY 2009 - 2010 Budget

(Admin costs) \$571,326 / (Total Budget) \$3,365,727 = 17.0%

G&A Salaries = \$ 360,588 (Salaries, Unempl tax, W/C, Pers, Fica, Health)

COMB (All 5 Member Units) Directors Fees at 20%		
MEMBER UNIT	PERCENT %	DOLLARS \$
Goleta Water District	0.2000	2,400.00
City of Santa Barbara	0.2000	2,400.00
Carpinteria Valley Water District	0.2000	2,400.00
Montecito Water District	0.2000	2,400.00
Santa Ynez River Wtr Consv Dist, ID#1	0.2000	2,400.00
	1.0000	\$12,000.00

COMB (All 5 Member Units) G & A Salaries and Benefits at 40%			
MEMBER UNIT	Cachuma Entitlement %	PERCENT %	DOLLARS \$
Goleta Water District	36.25%	0.3625	\$52,285.26
City of Santa Barbara	32.19%	0.3219	46,429.31
Carpinteria Valley Water District	10.94%	0.1094	15,779.33
Montecito Water District	10.31%	0.1031	14,870.65
Santa Ynez River Wtr Consv Dist, ID#1	10.31%	0.1031	14,870.65
	100%	1.0000	\$144,235.20

G & A Salaries + Benefits = \$360,588 x 40% = \$144,235.20

COMB (All 5 Member Units) Remaining G & A \$216,353			
MEMBER UNIT	Cachuma Entitlement %	PERCENT %	DOLLARS \$
Goleta Water District	36.25%	0.3625	\$13,332.75
City of Santa Barbara	32.19%	0.3219	\$11,839.48
Carpinteria Valley Water District	10.94%	0.1094	\$4,023.73
Montecito Water District	10.31%	0.1031	\$3,792.02
Santa Ynez River Wtr Consv Dist, ID#1	10.31%	0.1031	\$3,792.02
	100%	1.0000	\$36,780.00

17% of \$216,353 = \$36,780.00

South Coast Member Units Only G & A			
MEMBER UNIT	Cachuma Entitlement %	So Co Percent %	DOLLARS \$
Goleta Water District	36.25%	0.4042	\$152,913.23
City of Santa Barbara	32.19%	0.3588	\$135,737.92
Carpinteria Valley Water District	10.94%	0.1220	\$46,153.92
Montecito Water District	10.31%	0.1150	\$43,505.74
Santa Ynez River Wtr Consv Dist, ID#1	10.31%	0.0000	\$0.00
	100%	1.0000	\$378,310.80

SCMU only G&A = \$571,326.00 -12,000.00 -144,235.20-36,780.00 = \$378,310.80

Total G & A	DOLLARS \$
Goleta Water District	\$220,931.24
City of Santa Barbara	\$196,406.71
Carpinteria Valley Water District	\$68,356.98
Montecito Water District	\$64,568.41
Santa Ynez River Wtr Consv Dist, ID#1	\$21,062.67
	\$571,326.00

ITEM # 6
PAGE 8

COMB O & M, and CERTAIN SPECIAL PROJECTS ASSESSMENT		
MEMBER UNIT	So Co Percent %	DOLLARS \$
Goleta Water District	40.42	\$1,109,204.33
City of Santa Barbara	35.89	984,973.44
Carpinteria Valley Water District	12.20	334,750.22
Montecito Water District	11.50	315,473.01
	100.00	\$2,744,401.00

O&M 1,199,401 + IRWMP 70,000 +SCC improv/design 100,000 + SCADA 75,000 +
 SCC Structure Rehab 100,000+GIS 100,000 + Bond Debt Repayment 1,100,000 = \$2,744,401.

COMB Building & Grounds Repair		
MEMBER UNIT	PERCENT %	DOLLARS \$
Goleta Water District	0.3625	\$18,125.00
City of Santa Barbara	0.3219	16,095.00
Carpinteria Valley Water District	0.1094	5,470.00
Montecito Water District	0.1031	5,155.00
Santa Ynez River Wtr ConservDist,ID#1	0.1031	5,155.00
	1.0000	\$50,000.00

MEMBER UNIT TOTALS (Fiscal Year 2009-10)	Actual % Budget	DOLLARS \$
Goleta Water District	40.06%	\$1,348,260.56
City of Santa Barbara	35.58%	\$1,197,475.15
Carpinteria Valley Water District	12.14%	\$408,577.20
Montecito Water District	11.44%	\$385,196.42
Santa Ynez River Wtr Conserv Dist, ID#1	0.78%	\$26,217.67
TOTAL	100.00%	\$3,365,727.00

QUARTERLY PAYMENT

MEMBER UNIT TOTALS	DOLLARS \$	Quarterly
Goleta Water District	\$1,348,260.56	\$337,065.14
City of Santa Barbara	1,197,475.15	299,368.79
Carpinteria Valley Water District	408,577.20	102,144.30
Montecito Water District	385,196.42	96,299.10
Santa Ynez River Wtr Conserv Dist, ID#1	26,217.67	6,554.42
TOTAL	\$3,365,727.00	\$841,431.75

Formula for allocating costs:

- 1) Directors fees subtracted from admin costs and are allocated equally among all member units using .20 as multiplier
- 2) Admin Costs are divided by total budget to reach percentage
- 3) G & A Salaries are subtracted from admin costs - 40% of that number is used to allocate for all 5 MU's
- 4) Remaining G & A is multiplied by percentage derived above for normal allocation among all member units
- 5) The remaining G & A is allocated at SCMU % only
- 6) O & M is SCMU only
- 7) Litigation and Bldg/grounds repair - all 5 member units normal allocation

ITEM # 6
 PAGE 9

CACHUMA OPERATION & MAINTENANCE BOARD BUDGET COMPARISON - 2005 TO 2010
6/22/09

	02-03 Adopted	02-03 Actual	04-05 Adopted	04-05 Actual	05-06 Adopted	05-06 Actual	06-07 Adopted	06-07 Actual	07-08 Adopted	07-08 Actual	08-09 Adopted	09-10 Proposed
LABOR												
	450,240	417,617	604,178	583,707	677,921	663,241	705,332	705,000	826,565	685,821	854,201	886,401
OPS & MAINTENANCE												
	237,568	187,649	267,890	221,436	285,801	171,589	310,990	294,300	332,000	238,637	333,000	313,000
TOTAL O&M EXPENSE	687,808	605,266	872,068	805,142	943,722	834,829	1,016,322	999,300	1,158,565	924,458	1,187,201	1,199,401
GENERAL & ADMINISTRATIVE												
	478,290	430,341	510,439	476,412	539,581	475,389	509,030	422,607	546,486	440,510	626,213	641,326
TOTAL OPS/MTCE & G & A	1,166,098	1,035,607	1,382,507	1,281,554	1,483,303	1,310,218	1,525,352	1,421,907	1,705,051	1,364,968	1,813,414	1,840,727
PERCENT OF CHANGE BY YEAR O&M-G&A			8%	11%	7%	2%	3%	9%	12%	-20%	33%	2%
COMB SPECIAL PROJECTS												
Seismic Consultant	5,000	1,138	5,000	1,058	-	1,200	-	-	-	-	-	-
COMB Ofc. Bldg.	110,000	24,882	-	-	-	-	-	-	-	-	-	-
COMB Bldg/Grounds Repair	114,000	106,036	50,000	51,778	50,000	62,523	50,000	45,000	50,000	42,455	75,000	50,000
SCC Hydrologic Capacity Sty	40,000	29,658	-	-	-	-	-	-	-	-	-	-
SCADA	600,000	5,201	50,000	5,586	60,000	44,339	60,000	30,000	30,000	18,773	50,000	50,000
Bradbury Dam Radial Gates	-	-	-	10,769	-	2,966	-	-	-	-	-	-
Bradbury Dam Surcharge	30,000	-	-	-	-	-	-	-	-	-	-	-
Hilton Creek Watering System	-	-	-	-	-	-	-	-	-	-	-	-
SCC Improv Plan & Design	100,000	79,742	95,000	93,851	95,000	66,471	300,000	200,000	250,000	482,116	800,000	175,000
SCC Life Expectancy Study	100,000	-	70,000	69,935	95,000	75,401	-	-	-	-	-	-
North Portal Rehabilitation	45,000	42,723	280,000	156,933	-	-	-	-	-	-	-	-
SCC Valve & Control Sta. Rehab	150,000	112,832	630,000	663,057	600,000	469,553	600,000	585,000	450,000	718,200	450,000	-
Lauro Debris Basin Rehabilitation	-	-	-	-	50,000	14,068	-	15,000	600,000	120,556	-	-
SCC Structure Rehabilitation	105,000	120,354	280,000	262,108	305,000	275,446	400,000	416,000	450,000	430,821	250,000	100,000
GIS and Mapping	-	-	100,000	12,937	75,000	14,275	100,000	100,000	40,000	11,187	50,000	50,000
2005 Storm Damage	-	-	-	16,399	200,000	109,749	100,000	7,000	100,000	132,750	-	-
Zaca Fire Damage	-	-	-	-	-	-	-	-	-	59,135	-	-
IRWMP	-	-	-	-	-	-	-	-	-	-	-	-
Quagga Mussel research	-	-	-	-	-	-	-	-	-	-	20,000	-
COMB SPECIAL PROJECTS	1,568,000	672,608	1,560,000	1,344,412	1,530,000	1,135,992	1,610,000	1,398,000	1,970,000	2,015,992	1,695,000	425,000
Legal/Litigation	-	-	-	-	-	-	-	-	-	-	-	-
Spec Counsel Costs /FMP-BO EIS/R	-	2,214	155,614	173,928	100,000	58,748	100,000	95,000	100,000	89,801	-	-
TOTAL LEGAL/LITIGATION	-	2,214	155,614	173,928	100,000	58,748	100,000	95,000	100,000	89,801	-	-
Bond Repayment	-	-	-	-	-	-	-	-	-	-	-	1,100,000
TOTAL COMB BUDGET	2,734,098	1,710,428	3,098,121	2,799,894	3,113,303	2,504,968	3,235,352	2,914,907	3,775,051	3,470,761	3,508,414	3,365,727
PERCENT OF CHANGE BY YEAR	4%	-24%	-44%	-45%	0.49%	-11%	4%	16%	17%	-8%	-7%	-4.07%

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: June 22, 2009
TO: BOARD OF DIRECTORS
FROM: Kate Rees, General Manager
RE: **Jesusita Fire Damage - Proposed 2008- 09 COMB Budget Adjustments**

RECOMMENDATION:

Consider reallocation of current fiscal year budgeted funds to carry out erosion control measures and replacement of fencing around Lauro Reservoir caused by the recent Jesusita Fire.

DISCUSSION:

In early May 2009, the Jesusita Fire burned approximately 36.8 acres within the fence line around Lauro Reservoir. The Bureau of Reclamation estimated that about 122 acres of federal land were burned in the watershed above the reservoir. Damage assessments and cost estimates for the fire recovery effort are currently being evaluated and compiled. The estimates below are only preliminary.

The items that need to be addressed for recovery of the burned area include:

- Removal of 80-100 trees (mostly pine trees) around Lauro Reservoir that were burned in the fire. They are a potential threat to water quality if they fall into the reservoir, as well as to the safety of any personnel in the vicinity. \$125,000
- Installation of a silt fence prior to the tree removal to prevent sediment and debris from entering the reservoir that will be generated by the heavy equipment used to remove the dead trees. \$1,000
- Application of hydro-mulch or hydro-seed in the vicinity immediately around Lauro Reservoir to control erosion and mitigate debris and sediment run-off into the reservoir. \$110,000
- Replacement of the security fence that runs the perimeter of the entire reservoir, estimated to be about 8,000 linear feet, and replacement of some of the support posts. The galvanized coating of the fence was burned off during the fire, which has greatly compromised the strength of the fencing. This is security fencing to prevent access into Lauro Reservoir and the adjacent areas, and in its current condition, is potentially jeopardizing the security of the water supply. \$140,000
- The new Lauro Debris Basin is the primary erosion control facility. We had not anticipated a need to clean it out for several years, however, it may fill prematurely depending if we receive large amounts of rainfall in the winter months. If it fills, cleaning

out the debris basin will be expensive, most likely about \$300,000 to \$400,000. But I would recommend waiting to see what happens next winter.

In order to move forward with the un-anticipated recovery efforts, I am recommending a budget adjustment from the two accounts shown in the table below to a new Jesusita Fire Damage account. This would be a shifting of dollars from one line item to another.

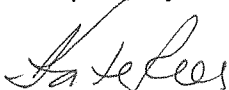
It was anticipated that this year we would be able to carry out a line valve project in the lower reach of the SCC. Also, some of the structure rehabilitation work that was scheduled for the current fiscal year has not been completed due to other priorities. The funds for these activities have already been assessed, so no new assessments would be required.

<i>ACCT NO</i>	<i>ACCT NAME</i>	<i>FY 08-09 Amount budgeted</i>	<i>Amount Available to transfer</i>	<i>Revised proposed budget</i>
Adjustments From:				
6095	SCC Valve & Control Sta Rehab	450,000	275,000	175,000
6096	SCC Structure Rehab	350,000	100,000	175,000
Total Adjustments			375,000	
<i>ACCT NO</i>	<i>ACCT NAME</i>	<i>FY 08-09 Amount Budgeted</i>	<i>Additional amount needed</i>	<i>Revised proposed budget amt</i>
Adjustments To:				
6403	Jesusita Fire Damage	0	375,000	375,000
Total Adjustments			375,000	

Staff attended a meeting held by the Governor's Office of Emergency Services to gain information about project eligibility for fire disaster relief through the federal Fire Management Assistance Grant Program (FMAG) and the California Disaster Assistance Act Program (CDAA). Staff is in the process of applying for funds from CDAA for the tree removal and replacement of the Lauro Reservoir fencing, and will apply to National Resource Conservation Service for erosion control measures such as hydro-seeding. The Bureau of Reclamation has also been contacted to see if Homeland Security funds might be available to replace the fencing around Lauro Reservoir. Most of this work needs to be done before the rainy season and there is no guarantee that disaster funding will be forthcoming, although we are optimistic that COMB's projects will be considered eligible.

Therefore, I request that the Board approve the reallocation of budgeted funds to cover the unanticipated costs associated with the Jesusita Fire.

Respectfully submitted,



Kate Rees
General Manager

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: June 22, 2009
TO: BOARD OF DIRECTORS
FROM: Kate Rees, General Manager
RE: **Contractor Selection for El Jaro Creek Cross Creek Ranch Fish Passage Enhancement Project**

RECOMMENDATION:

That Lapidus Construction, Inc. be selected as the contractor for construction of the El Jaro Creek Cross Creek Ranch Fish Passage Enhancement Project

DISCUSSION:

Four bids were received on June 12, 2009 from the following contractors: Lapidus Construction, Specialty Construction, Schock Contracting, and Pat Molnar General Engineering. Staff opened and read the bids. Representatives of three of the four contracting companies were present during the bid opening. The total bid amounts from each contractor were compiled, and the qualifications from each company were passed out to the contractors. COMB staff explained to the group that a final decision would be made at the June 22nd, 2009 COMB Board meeting, and that each contractor would be notified of the contract award by 5:00 PM that day.

The bids from each contractor were:

- | | |
|---|-----------|
| 1. Lapidus Construction, Inc. | \$423,947 |
| 2. Schock Contracting Corp. | \$369,900 |
| 3. Pat Molnar General Engineering, Inc. | \$521,340 |
| 2. Specialty Construction, Inc. | \$599,210 |

The amount budgeted for this project in the CCRB/ID#1 FY 2009-10 Budget is \$550,000 for construction and \$50,000 for engineering oversight during construction. Secured grant funds for the project total \$315,489 and were provided by three grants and two in-kind matches from the California Conservation Corp and the landowner. The project was designed by Ed Wallace of Northwest Hydraulic Consultants, and the engineer's estimated construction cost of the project was \$519,050.

All of the contractors submitted responsive bids, and all have appropriate experience as well as the personnel and equipment to successfully complete the project. However, staff concentrated their evaluation of the proposals on the two lowest bidders. Although Schock Contracting's bid came in somewhat lower, staff is recommending that Lapidus Construction be hired as the

contractor for the Cross Creek Ranch Fish Passage Project due to their extensive experience in fish passage construction projects locally, their reputation, and their dedication to detail throughout the bidding process. In addition, Lapidus reduced his bid amount by about \$100,000 from the bid he submitted last year for the same project, primarily due to changes in design of the project, but also to be responsive to our financial constraints.

The current project schedule is to enter into a contract with the contractor by the end of June, 2009, and begin construction of the project on August 17th, 2009. The duration of the project is anticipated to be two to three months.

Respectfully submitted,



Kate Rees
General Manager

kr.comb/admin/board memos/062209_Cross Creek Ranch bid rec.mmo

ITEM # 8
PAGE 2

Cross Creek Ranch Fish Passage Enhancement Project, El Jaro Creek

5/26/09 - Bid Schedule and Cost Estimate

6/12/09 - 10:05 AM bids opened

Bids:

Bid Schedule	Est. Quantity	Unit	Engineer's Estimate		Lapidus		Schock		Molnar		Speciality	
			Unit Price	Item Cost	Unit Price	Item Cost	Unit Price	Item Cost	Unit Price	Item Cost	Unit Price	Item Cost
1 Mobilization	1	lump sum	\$16,200.00	\$16,200	\$38,600	\$38,600	\$35,761	\$35,761	\$59,600	\$59,600	\$24,600	\$24,600
2 Site Preparation	1	lump sum	\$26,000.00	\$26,000	\$14,412	\$14,412	\$37,549	\$37,549	\$16,800	\$16,800	\$40,000	\$40,000
3 Install, Maintain, and Remove Dewatering System	1	lump sum	\$40,000.00	\$40,000	\$27,313	\$27,313	\$27,805	\$27,805	\$63,000	\$63,000	\$50,000	\$50,000
4 Protection and Repair of Private Property	1	lump sum	\$20,000.00	\$20,000	\$14,587	\$14,587	\$9,714	\$9,714	\$16,000	\$16,000	\$10,000	\$10,000
5 Site Grading	1	lump sum	\$30,000.00	\$30,000	\$34,184	\$34,184	\$31,149	\$31,149	\$17,400	\$17,400	\$33,250	\$33,250
6 Rock Weir Installation	1400	tons	\$120.00	\$168,000	\$91	\$127,400	\$63	\$88,200	\$95	\$133,000	\$133	\$186,200
7 Rock Slope Protection	1200	tons	\$120.00	\$144,000	\$91	\$109,200	\$63	\$75,600	\$95	\$114,000	\$141	\$169,200
8 Rock Keys	70	tons	\$120.00	\$8,400	\$91	\$6,370	\$84	\$5,880	\$118.57	\$8,300	\$269	\$18,830
9 Pathway Improvements	1	lump sum	\$7,500.00	\$7,500	\$9,000	\$9,000	\$23,963	\$23,963	\$10,400	\$10,400	\$5,000	\$5,000
10 Drainage Swale	90	lf	\$55.00	\$4,950	\$41	\$3,690	\$74	\$6,660	\$201.56	\$18,140	\$72	\$6,480
11 24" Culvert Installation	1	lump sum	\$2,000.00	\$2,000	\$1,600	\$1,600	\$4,737	\$4,737	\$10,400	\$10,400	\$2,100	\$2,100
12 Rock Wall Installation	1	lump sum	\$25,000.00	\$25,000	\$19,471	\$19,471	\$14,345	\$14,345	\$23,000	\$23,000	\$33,100	\$33,100
13 Concrete Slab and Curb	1	lump sum	\$9,000.00	\$9,000	\$9,967	\$9,967	\$7,332	\$7,332	\$18,600	\$18,600	\$11,850	\$11,850
14 Site Clean-up and Demobilization	1	lump sum	\$18,000.00	\$18,000	\$8,153	\$8,153	\$1,205	\$1,205	\$12,700	\$12,700	\$8,600	\$8,600
15												
Total:			\$519,050	\$519,050	\$423,947	\$423,947	\$369,900	\$369,900	\$521,340	\$521,340	\$599,210	\$599,210
20% Contingency			\$103,810	\$103,810								
TOTAL			\$622,860	\$622,860								

ITEM # 8
PAGE 3



Daniel C. Hernandez, MPA
Director of Parks
(805) 568-2461

Michael Gibson, MPA
Business Manager
(805) 568-2477

Juan Beltranena, AIA, AICP
Project Manager
(805) 568-2470

Jeff Stone
North County
Deputy Director
(805) 934-6145

Erik Axelson
South County
Deputy Director
(805) 681-5651

Park Administration Office
610 Mission Canyon Road
Santa Barbara, CA 93105
Tel: (805) 568-2461
Fax: (805) 568-2459

**North County
Park Operations**
300 Goodwin Road
Santa Maria, CA 93455
Tel: (805) 934-6123
Fax: (805) 934-6213

**South County
Park Operations**
4568 Callie Real, Building E
Santa Barbara, CA 93110
Tel: (805) 681-5650
Fax: (805) 681-5657

**Cachuma Lake
Recreation Area**
HC 59, Hwy. 154
Santa Barbara, CA 93105
Tel: (805) 686-5055
Fax: (805) 686-5075

www.sbparcs.org
Equal Opportunity Employer

May 29, 2009

Ms. Kate Rees
General Manager
Cachuma Operation and Maintenance Board (COMB)
3301 Laurel Canyon Road
Santa Barbara, CA 93105-2017

Re: *Cachuma Lake Quagga Mussel Program Long-Term Funding Alternatives*

Dear Ms. Rees:

On March 24, 2009 the Board of Supervisors directed staff to develop a long-term plan to address the critical funding issues related to the ongoing cost of the current quagga mussel inspection/prevention program at Cachuma Lake. The Board clarified that the cost of the program should not be offset with any General Fund dollars; the cost should be covered through fees, contributions to the program from funding partners, and other funding sources.

In order to implement a long-term financing plan that does not include long-term funding (\$60,000) from the Cachuma Operation and Maintenance Board (COMB), the following funding scenarios exist and will be either phased in over the next 17 years, or could be implemented sooner based on available funds.

Please note that any fee increase must be approved by the Board of Supervisors and this plan does not in any way obligate any future Board to approve or disapprove fee increases. Additionally, as various funds become available, staff is not committed to any specific alternative, as long as the financial burden is not transferred to the County General Fund. Finally, program adjustments can be considered based on available funding as well as standards deemed acceptable by the State Department of Fish and Game.

- **Increase Fees** – On March 24, 2009, the Board approved a \$30 boat wash fee for vessels that are not tagged from previous inspections. The Board also approved an increase in the daily boat launch fee from \$8 to \$13, an increase in the annual boat launch fee from \$65 to \$125, and an increase in the senior/disabled/travel club member annual boat launch fee from \$55 to \$85.

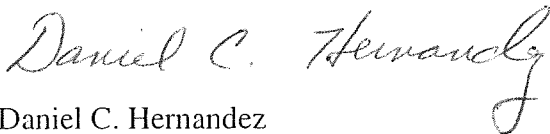
ITEM # 9a
PAGE 1

In order to achieve full cost recovery of the quagga mussel program through boating-related fees, the daily boat launch fee would need to be increased from \$13 to \$47. In order to phase this increase in over time to our boat launch customers, it would require an annual increase of \$2 per year for the next 17 years. Fee increases would need to be determined based on a market comparison to other lakes within southern California that provide similar amenities and services.

- **Seek Federal/State Funding Assistance** – Due to the heightened concerns of infestation of water sources on the west coast, it is possible that future State and/or federal funding may become available in the future for quagga mussel infestation prevention efforts. No grants are currently available for the quagga mussel inspection program; however, there are grants available for the educational aspects of quagga mussel prevention.
- **Seek Other Non-General Fund County Funding Assistance** – There is additional County Water Agency funds already allocated to the Cachuma Project by contract. These funds could be an additional source of funding, but would require COMB concurrence. This alternative was raised by Supervisor Carbajal during the public hearing on March 24th.
- **Seek Funding Assistance from Individual Water Districts** – The County reserves the right to request assistance from individual COMB member water agencies to assist in funding the quagga mussel inspection program in future years. Future water district boards may decide that it is in their best interest to assist the County in protecting the lake from quagga infestation.

It is important to note that the current protocols that have been implemented exceed the standards deemed acceptable by the State Department of Fish and Game and are in place due to additional funds that have been secured for this program. The County will continue to work with the various water agencies and research other possible funding sources in order to maintain these current standards. The chart attached shows the FY 2008-09 and 2009-10 financing plan for the quagga mussel program.

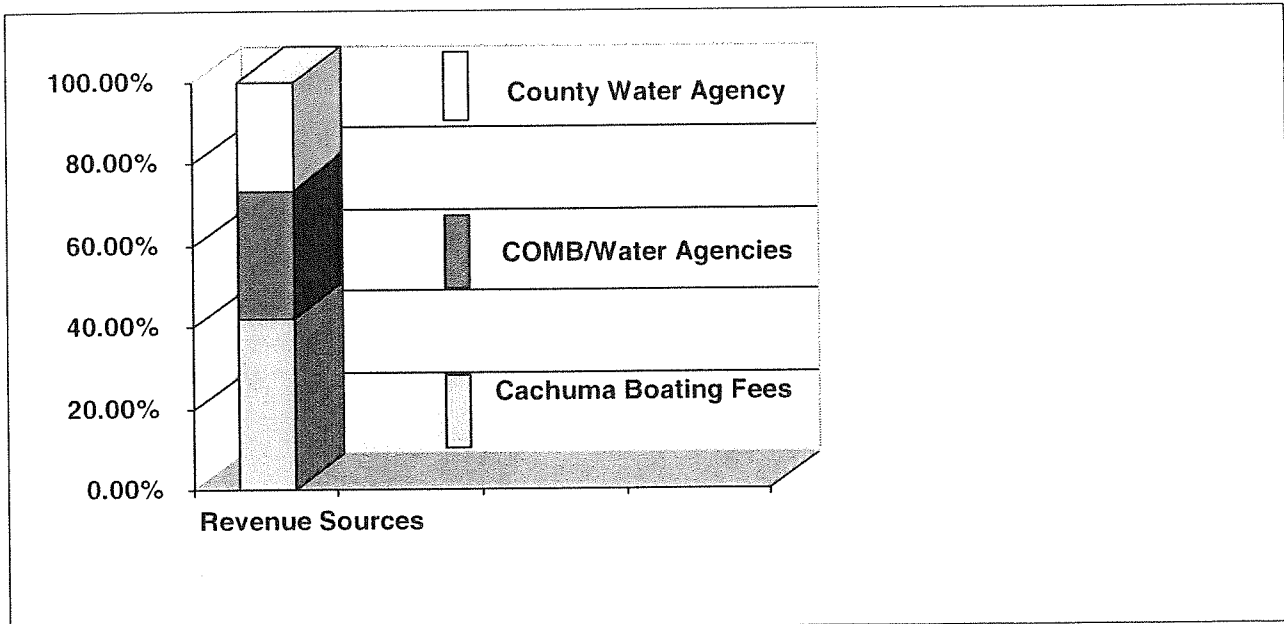
Sincerely,



Daniel C. Hernandez
Director

**FULL-TIME EQUIVALENT (FTE) STAFFING
 FOR
 QUAGGA MUSSEL PREVENTION PROGRAM**

Quagga Mussel Prevention Program Staff	FY 07-08 (March - June)	FY 08-09 (Jul - April)	FY 08-09 (Projected)	FY 09-10 (Estimated)
Direct Admin. Staff (Parks Director, Dep. Parks Director, Business Mgr., & Admin. Supp. Supv'r.)	0.03 FTE	0.17 FTE	0.21 FTE	0.21 FTE
Direct Operations Staff (Operations Mgr., Park Ranger III's, Mtce. Supv'r., Naturalist, & Asst. Naturalist)	0.27 FTE	0.37 FTE	0.44 FTE	0.44 FTE
Inspectors, Taggers, & Washers (Park Ranger II's, Park Mtce. Workers, & Extra Help Staff)	0.48 FTE	1.31 FTE	1.57 FTE	1.57 FTE
Total FTE's	0.78 FTE	1.85 FTE	2.22 FTE	2.22 FTE
Revenue	\$-0-	\$-0-	\$64,500	\$191,700
Total Staff Costs	\$79,108	\$128,946	\$154,735	\$154,735
Services & Supplies Costs	\$11,611	\$8,129	\$9,800	\$9,800
Total Program Costs	\$90,719	\$137,075	\$164,535	\$164,535
Total Net Program Costs	\$90,719	\$137,075	\$100,035	(\$27,165)



CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: June 22, 2009
TO: DAS WILLIAMS, PRESIDENT OF THE BOARD
FROM: Kate Rees, General Manager
RE: **Quagga Mussel Prevention Ad Hoc Committee Appointments**

RECOMMENDATION:

It is recommended that the President of the Board make appointments to a Quagga Mussel ad hoc committee.

DISCUSSION:

At the May 18, 2009 Board meeting it was agreed that an ad hoc committee should be formed to continue discussions with the Santa Barbara County Board of Supervisors regarding additional measures that might be instituted to prevent the infestation of quagga mussels in Lake Cachuma.

President Williams will make those appointments.

Respectfully submitted,



Kate Rees
General Manager

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ITEM # 96
PAGE 1

PROPOSITION 84 MEETING

Thursday, June 11, 2009

9:00 a.m. – 11:00 a.m.

Location: 2nd Floor Conference Rm., Granada Garage, 1221 Anacapa Street, Santa Barbara

Directions: Exit off Anacapa Street (west side of Anacapa) through the glass doors labeled "Environmental Services" & take the elevator to the 2nd floor; exit to the right and into the conference room straight ahead

Conference Phone Number: 805.681.5400

Passcode: 455136

AGENDA

9:00

Welcome and Introductions
Public Comment for Items not on the Agenda
Approval of Meeting Minutes from May 11, 2009 Meeting

9:10

Budgets, Contracts and Invoicing for Prop 84
Proposed Reporting to Cooperating Partners on Prop 84 Milestones and Deliverables

9:45

Update on Prop 84 Expedited Round
Update on Prop 84 Planning Grants
Update on Steering Committee Membership and Role of Steering Committee
Update on MOU
Report on June 4, 2008 Ventura IRWM & Santa Barbara IRWM Coordination Meeting

10:15

Overview of the DWR Interview and Presentation scheduled for June 19, 2009
Continue Discussion on Project Selection

10:55

Next Steps
Schedule Next Meeting

Adjourn

ITEM # 10

PAGE 1

PROPOSITION 84 MEETING

Monday, May 11, 2009

10:00 a.m. – 12:00 p.m.

Location: Central Coast Water Authority
255 Industrial Way
Buellton, CA

Conference Phone Number: 697-5249

Enter: 401#

Passcode: 0101#

Attendees

Joe Barget, Vandenberg Village Community Services District; Andrew Dudley, CCWA; Matt Naftaly, Santa Barbara County Water Agency; Shruti Ramaker, Casmalia Community Services District; Tully Clifford, City of Solvang; Tom Conti, City of Santa Barbara; Michelle Ricker, City of Buellton; Bruce Wales, Santa Ynez River Water Conservation District; Matt van der Linden, Goleta Water District; Teresa Reyburn, City of Santa Maria; Steve Kahn, City of Santa Maria; Kevin Walsh, Santa Barbara County Water Agency; Tom Evans, Dudek; Jane Gray; Dudek

On the Conference Call

Marti Schultz, City of Goleta; Cameron Benson, City of Santa Barbara, Urban Creeks Division; Laura Miz, Vandenberg Air Force Base, Emergency Management; Kate Rees, COMB/CCRB; Craig Murray, Carpinteria Sanitary District.

Proceedings

The meeting began at 10:05 and was called to order by Kevin Walsh who gave a brief overview of where the Group was in the Prop 84 process. He stated that there was still time to make corrections to the Final RAP document through the interview process. Thereafter, everyone at the meeting and on the phone introduced themselves. He then asked if there were comments for items not on the agenda. Seeing none, Kathy Caldwell spoke about the coordinated efforts on the RAP document and thanked everyone for their time in reviewing and their thoughtful and helpful comments.

Kevin then gave a quick overview of how the RAP would be reviewed, indicating that there would likely be more than one person reviewing each section. He also stated that the interviews would likely be held in different locations and depending on whether or not we would want to sit in on other region's interview (i.e. SLO, Ventura) and have them join ours would determine the interview location. He mentioned that there was a possibility that the Santa Barbara Region's interview would be in June. Further, he stated that the implementation guidelines were being drafted and they would likely be released prior to July. Bruce Wales raised a question regarding the weighting of the interview v.s. the RAP document. It was explained that the RAP document is just a tool for the interview panel to use and is a precursor to the interview. Kathy Caldwell further stated that there is no set criteria, and that and in preparation for the interview, the Group would need to identify its weaknesses so that we could address them head-on.

PROPOSITION 84

Steering Committee Members

1. **COMB/CCRB**
2. **City of Lompoc**
3. **City of Buellton**
4. **City of Santa Maria**
5. **City of Santa Barbara**
6. **Goleta Water District**
7. **Montecito Water District**
8. **Central Coast Water Authority**
9. **Casmalia Community Services District**
10. **Hillary Hauser, Heal the Ocean**

PROPOSITION 84

Proposed RAP Interview Team

1. **Matt Naftaly**
2. **Kathy Caldwell**
3. **Teresa Reyburn**
4. **Kate Rees**
5. **Joe Barget**
6. **Shruti Ramaker**
7. **Cameron Benson**
8. **Jane Gray**
9. **Kevin Walsh**

Santa Barbara County Water Agency
 Proposition 84: Cost Accounting & Contract Status
 June, 2009

DRAFT

Consultant	Task Types	Contract Amount	Amount Expended	Remaining on Contract	MOU Amount	Remaining on MOU
CH2MHill	(RAP Development)	\$22,000	\$22,000	\$0	\$142,418	\$120,418
Dudek	(Project Assistance/Administration)	\$72,270	\$29,636	\$42,634	\$64,017	\$34,381
Kevin Walsh	(Project Management)	NA	\$7,168	NA	\$57,090	\$49,922
Total		\$94,270	\$58,804	\$42,634	\$263,525	\$204,721

- 1) Recommend Immediate initiation of new contract with CH2MHill for RAP presentation/interview and project selection process.
 Recommended Contract Amount = \$40,000

AGENDA
Santa Barbara IRWM and Ventura IRWM Discussion
Thursday, June 4, 2009
1:00 p.m. – 2:30 p.m.

**Location: Santa Barbara County Water Agency, 2nd Floor Conference Room;
123 East Anapamu, Santa Barbara, CA**

Agenda

- 1:00 Welcome and Introductions
- 1:15 Current Prop 50 Projects
- 1:30 Update on the RAP Process and Interviews
- 1:45 Update on SB Co. & Ventura Co. Coordination on the Cuyama Groundwater Basin Study
- 2:00 Rincon Creek Watershed Plan and Coordination Efforts with CalTrans
- 2:15 Opportunities for collaboration/coordination on projects within shared areas of Santa Barbara and Ventura Counties; for example:
 - Coordination with the Los Padres;
 - Santa Barbara and Ventura Counties' Water Purveyors Joint Meeting on June 18, 2009
- 2:30 Future meetings/Next Steps/ Adjourn

**PROPOSITION 84
COOPERATING PARTNERS MEETING
Monday, May 11, 2009
10:00 a.m. – 12:00 p.m.**

Location: Central Coast Water Authority
255 Industrial Way
Buellton, CA

Conference Phone Number: 697-5249
Enter: 401#
Passcode: 0101#

Attendees

Andrew Dudley, CCWA; Matt Naftaly, Santa Barbara County Water Agency; Shruti Ramaker, Aspen Environmental/Casmalia Community Services District; Tully Clifford, City of Solvang; Tom Conti, City of Santa Barbara; Michelle Ricker, MNS Engineers; Bruce Wales, Santa Ynez River Water Conservation District; Matt van der Linden, Goleta Water District; Teresa Reyburn, City of Santa Maria; Steve Kahn, City of Santa Maria; Kevin Walsh, Santa Barbara County Water Agency; Tom Evans, Dudek/City of Carpinteria; Jane Gray; Dudek

On the Conference Call

Marti Schultz, City of Goleta; Cameron Benson, City of Santa Barbara, Urban Creeks Division; Laura Miz, Vandenberg Air Force Base, Emergency Management; Kate Rees, COMB/CCRB; Craig Murray, Carpinteria Sanitary District.

Proceedings

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A question was raised as to why Santa Maria was identified as a DAC even though they were not identified as a DAC in Prop 50. Teresa Reyburn explained that although the City is fiscally sound, the demographics qualify it for DAC status.

A question was then raised by Shruti Ramaker as to whether or not the County was going to pursue the expedited round of Prop 84. She stated the Casmalia would like to pursue expedited funding. Lompoc said that they would have a project for expedited funding and so too would Laguna San. It was decided that there would be some research into the expedited round.

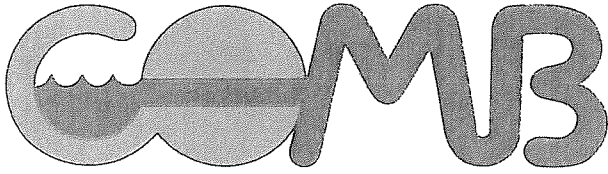
The next topic of discussion was the role of "Stakeholders" in the process. Kevin introduced the topic by discussing how Ventura County defines Stakeholders and then posed the questions of whether or not the MOU needed to be re-written to be more inclusive of NGO's and other interested parties instead of the "pay to play" mentality that seems to be how the process is now. To the end of being more inclusive and competitive, it was decided that if people are willing to participate, then they should be able to collaborate on the process and have a voice. The vehicle for more focused decision making according to the MOU is the Steering Committee, thus those who were able to make a time commitment and had a desire to be more involved in the process were encouraged to write a letter of intent to be on the Steering Committee.

The discussion then focused on project selection for Prop 84. Kathy Caldwell gave a presentation on "Decision Science" which included a decision-making tool designed for more transparent and objective conclusions to weighting and selecting projects. Presentation of this tool was in anticipation of its use in up-coming meetings when actual projects have been proposed. It was discussed that there would likely be a series of workshops with the cooperating partners and public for the proposal and selection of projects for Prop 84.

The meeting concluded with Kevin Walsh reiterating the need for interested members to draft a letter of intent to join the Steering Committee and a commitment to get in touch with everyone once there was a date for the interview.

The meeting was adjourned at 12:06.

FYI



CACHUMA OPERATION AND MAINTENANCE BOARD

3301 LAUREL CANYON ROAD
SANTA BARBARA, CALIFORNIA 93105-2017
TELEPHONE (805) 687-4011 FAX (805)569-5825

contactus@cachuma-board.org

FOR IMMEDIATE RELEASE

Contact: Kate Rees, General Manager
805-687-4011, ext. 203

Cachuma Improvement Projects Proposed to Assure Water Supply to South Coast

The Cachuma Operation and Maintenance Board (COMB) is considering a bond issue to fund approximately \$16 million for projects that would make critically needed improvements to 1950s-era facilities that convey water from Lake Cachuma to the South Coast Santa Barbara area communities.

COMB is responsible for operation and maintenance of the water delivery system that carries Cachuma Project water and State Project water to the City of Santa Barbara and the water agencies in Goleta, Montecito, and Carpinteria. The proposed bond issue would not increase costs to these COMB member agencies for a number of years.

The projects are part of a 10-year capital improvement program aimed at making vital maintenance, repair, and replacement improvements to aging conveyance facilities. The changes would increase reliability of water deliveries from Lake Cachuma through the South Coast Conduit pipeline.

Eighty percent of South Coast's water supplies come through this single pipeline. Any interruptions in the flow of water because of emergencies, peak demands, or maintenance activities could cause serious water supply problems for the South Coast. The proposed projects would provide additional redundancy in a critical part of the system, and improve portions of the South Coast Conduit and its associated facilities.

Money from the proposed 30-year bond issue would be combined with a state grant from Proposition 50 of \$3.2 million, resulting in a total of about \$18 million to fund several priority projects approved by the COMB Board. Decisions about which projects to fund were made after a thorough analysis of the agency's capital improvement program.

The COMB Board considered several funding options and selected a revenue bond as the most cost-effective financing method. For the first five years, the estimated \$1.1 million a year to repay the bond would come from COMB's annual capital improvement budget by substituting the bond payments for what is normally spent by the participating agencies on major infrastructure work each year. Consequently, the proposed bond financing would not increase costs or water rates of the participating COMB member agencies during that time.

If the bond proposal is approved in July by the COMB Board and the five COMB member agencies, the most important pipeline project could begin work in September 2009. It will take several years to complete all of the priority projects.

The \$3.2 million from Proposition 50 is earmarked for the largest and most significant project on COMB's priority list. This key project involves construction of a redundant section of pipeline along the South Coast Conduit's Upper Reach at a cost of \$9 million. The project would increase operational flexibility, water supply reliability, and restore the original capacity of the conduit in the Goleta area to accommodate peak summer demand and allow for shutdowns to carry out much needed maintenance on the existing conduit.

Other projects on the priority list include: replacement of a damaged section of the South Coast Conduit that crosses Mission Creek, which will incorporate improved steelhead fish passage (\$3 million); a program to map the pipeline location through a computer Geographic Information System along the conduit's 26-mile length in order to better protect it and reduce widespread pipeline easement encroachments (\$1 million); rehabilitation of laterals, valves, manholes and air vents, particularly in the Carpinteria area (\$2.5 million); and construction of new COMB office facilities to replace substandard and damaged temporary modular offices (\$2.9 million). The cost of the office building is likely to be considerably less than this planning estimate.

More information about these and future COMB projects is available on COMB's website at www.cachuma-board.org, or by calling the agency at 805-687-4011.

--END--



JUN 11 2009

County News Clipping Service ~ PO Box 2098 ~ Santa Barbara CA 93101-2098
John Hankins ~ www.gnusman.com ~ john@gnusman.com ~ (805) 745-5432

Water board takes up \$16 million revenue bond

By SCOTT STEEPLTON
NEWS-PRESS CITY EDITOR

S. B. News-Press JUN - 9 2009
The board that oversees water delivery facilities from Lake Cachuma to the South Coast is considering using funds from a nearly \$16 million revenue bond for what officials call critically needed repairs to a system that dates to the 1950s.

Voters don't take part in the issuance of this type of bond. It will be sold on the open market alone or perhaps as part of a bond package by the underwriter, Citigroup, said Kate Rees, general manager of the Cachuma Operation and Maintenance Board.

In July, the Cachuma board and its member agencies, Carpinteria Valley Water District, Goleta Water District, city of Santa Barbara, Montecito

If approved, the funds would be combined with a \$3.2 million grant from Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, to pay for \$18 million in upgrades that are part of a 10-year capital improvement plan aimed at repairing and replacing the conveyance facilities.

Water District and Improvement District 1 of the Santa Ynez River Water Conservation District, will vote on whether to approve the 30-year bond. The agencies, which each send an elected official to the COMB board, move first. If a majority OKs the bond, it goes to COMB for a vote.

COMB's rules states the vote by its five-member board must be unanimous.

If approved, the funds would be combined with a \$3.2 million grant from Proposition 50, the Water

Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, to pay for \$18 million in upgrades that are part of a 10-year capital improvement plan aimed at repairing and replacing the conveyance facilities.

Costs to the member agencies would not increase for at least five years, because the \$1.1 million debt service in each of those years would be paid through money typically spent by the member agencies on major infrastructure work, officials said.

A focus of the work would be to increase reliability of water flow from the lake through the 26-mile-long South Coast Conduit, which carries 80 percent of the water to Santa Barbara and surrounding areas.

"This is a really essential water supply system," said Ms. Rees.

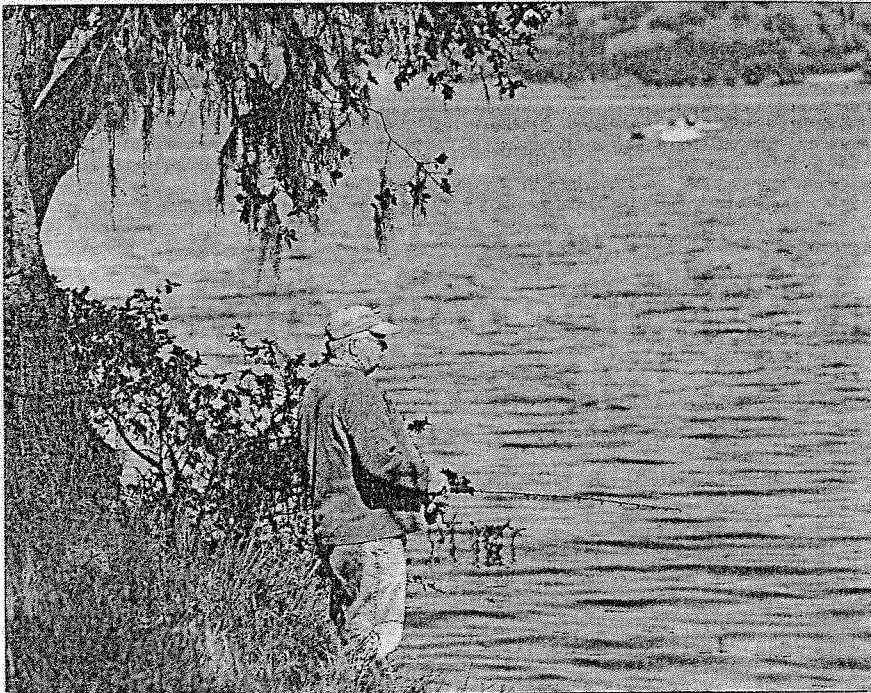
If the vote goes the way Ms. Rees hopes, preliminary work on the most important pipeline project — construction of a \$9 million redundant section along the conduit's Upper Reach — could begin in September. This work would restore the conduit to its original capacity in the Goleta area "to accommodate peak summer demand and allow for shutdowns to carry out much needed maintenance on the existing conduit."

Other projects on the Cachuma Operation and Maintenance Board's priority list include:

- Replacing a damaged section of the South Coast Conduit across Mission Creek, incorporating improved steelhead fish passage — \$3 million
- Mapping the pipeline through a computer geographic information system to protect it and reduce widespread pipeline easement encroachments — \$1 million
- Rehabilitation of laterals, valves, manholes and air vents, particularly in the Carpinteria area — \$2.5 million
- Construction of new Cachuma Operation and Maintenance Board offices, to replace temporary modulars — \$2.9 million

More information on the projects is available at www.cachuma-board.org, or by calling 837-4011.

e-mail: [ssteepton@newspress.com](mailto:sssteepton@newspress.com)



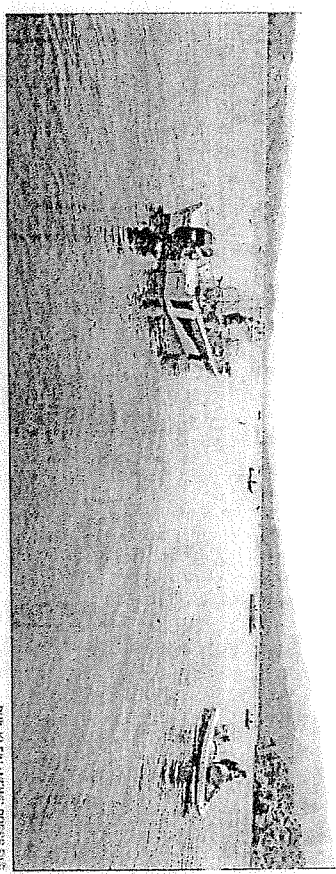
PHIL KLEIN / NEWS

A participant in the Cachuma Lake Trout Derby tries his luck during the event in 2008.

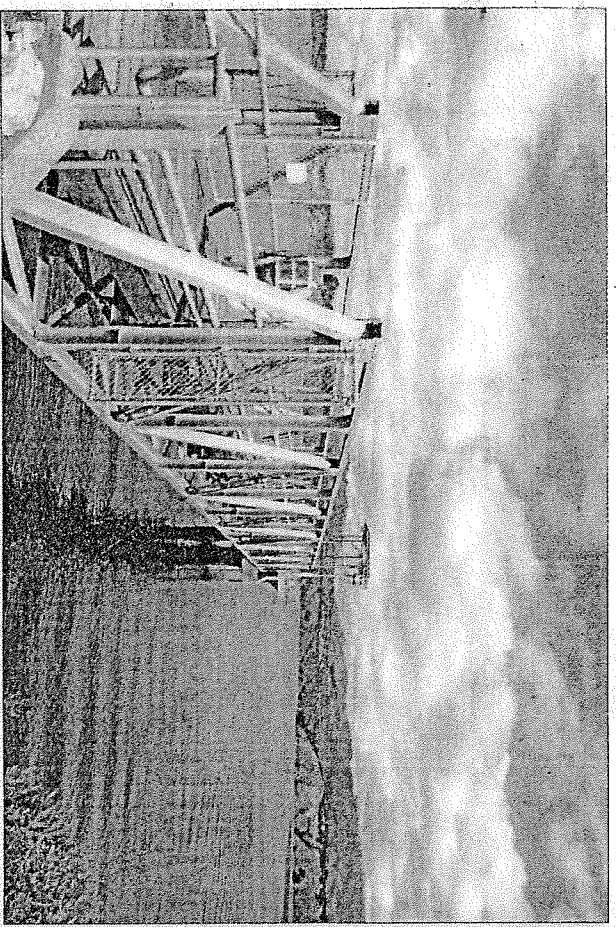
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Increased reliability of water flow is goal of work

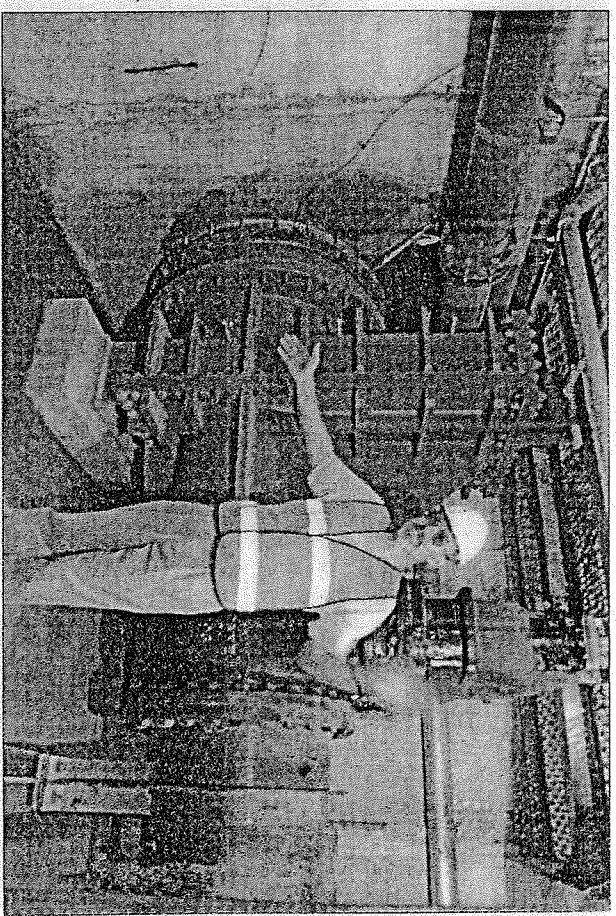
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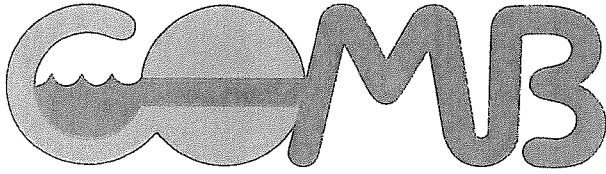
PHIL KLEIN/NEWS-PRESS FILE
People are shown fishing during the Lake Cachuma Trout Derby in 2008. Fixing the pipes that move water from Lake Cachuma to the South Coast is a goal of a revenue bond proposed by the Cachuma Operations and Maintenance Board.



Above left, the Tecolote Tunnel Intake, which starts at the end of this pier at Lake Cachuma, is one of the water delivery systems under the auspices of the Cachuma Operations and Maintenance Board. Above right, the a worker shows Tecolote Tunnel under Lake Cachuma.



RAFAEL MALDONADO/NEWS-PRESS FILE PHOTOS



CACHUMA OPERATION AND MAINTENANCE BOARD

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FOR IMMEDIATE RELEASE

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805-687-4011, ext. 203

Cachuma Improvement Projects Proposed to Assure Water Supply to South Coast

The Cachuma Operation and Maintenance Board (COMB) is considering a bond issue to fund approximately \$16 million for projects that would make critically needed improvements to 1950s-era facilities that convey water from Lake Cachuma to the South Coast Santa Barbara area communities.

COMB is responsible for operation and maintenance of the water delivery system that carries Cachuma Project water and State Project water to the City of Santa Barbara and the water agencies in Goleta, Montecito, and Carpinteria. The proposed bond issue would not increase costs to these COMB member agencies for a number of years.

The projects are part of a 10-year capital improvement program aimed at making vital maintenance, repair, and replacement improvements to aging conveyance facilities. The changes would increase reliability of water deliveries from Lake Cachuma through the South Coast Conduit pipeline.

Eighty percent of South Coast's water supplies come through this single pipeline. Any interruptions in the flow of water because of emergencies, peak demands, or maintenance activities could cause serious water supply problems for the South Coast. The proposed projects would provide additional redundancy in a critical part of the system, and improve portions of the South Coast Conduit and its associated facilities.

Money from the proposed 30-year bond issue would be combined with a state grant from Proposition 50 of \$3.2 million, resulting in a total of about \$18 million to fund several priority projects approved by the COMB Board. Decisions about which projects to fund were made after a thorough analysis of the agency's capital improvement program.

The COMB Board considered several funding options and selected a revenue bond as the most cost-effective financing method. For the first five years, the estimated \$1.1 million a year to repay the bond would come from COMB's annual capital improvement budget by substituting the bond payments for what is normally spent by the participating agencies on major infrastructure work each year. Consequently, the proposed bond financing would not increase costs or water rates of the participating COMB member agencies during that time.

If the bond proposal is approved in July by the COMB Board and the five COMB member agencies, the most important pipeline project could begin work in September 2009. It will take several years to complete all of the priority projects.

The \$3.2 million from Proposition 50 is earmarked for the largest and most significant project on COMB's priority list. This key project involves construction of a redundant section of pipeline along the South Coast Conduit's Upper Reach at a cost of \$9 million. The project would increase operational flexibility, water supply reliability, and restore the original capacity of the conduit in the Goleta area to accommodate peak summer demand and allow for shutdowns to carry out much needed maintenance on the existing conduit.

Other projects on the priority list include: replacement of a damaged section of the South Coast Conduit that crosses Mission Creek, which will incorporate improved steelhead fish passage (\$3 million); a program to map the pipeline location through a computer Geographic Information System along the conduit's 26-mile length in order to better protect it and reduce widespread pipeline easement encroachments (\$1 million); rehabilitation of laterals, valves, manholes and air vents, particularly in the Carpinteria area (\$2.5 million); and construction of new COMB office facilities to replace substandard and damaged temporary modular offices (\$2.9 million). The cost of the office building is likely to be considerably less than this planning estimate.

More information about these and future COMB projects is available on COMB's website at www.cachuma-board.org, or by calling the agency at 805-687-4011.

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Water board takes up \$16 million revenue bond

By SCOTT STEEPLTON *W*
NEWS-PRESS CITY EDITOR

S. B. News-Press JUN - 9 2009
The board that oversees water delivery facilities from Lake Cachuma to the South Coast is considering using funds from a nearly \$16 million revenue bond for what officials call critically needed repairs to a system that dates to the 1950s.

Voters don't take part in the issuance of this type of bond. It will be sold on the open market alone or perhaps as part of a bond package by the underwriter, Citigroup, said Kate Rees, general manager of the Cachuma Operation and Maintenance Board.

In July, the Cachuma board and its member agencies, Carpinteria Valley Water District, Goleta Water District, city of Santa Barbara, Montecito

If approved, the funds would be combined with a \$3.2 million grant from Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, to pay for \$18 million in upgrades that are part of a 10-year capital improvement plan aimed at repairing and replacing the conveyance facilities.

Water District and Improvement District 1 of the Santa Ynez River Water Conservation District, will vote on whether to approve the 30-year bond. The agencies, which each send an elected official to the COMB board, move first. If a majority OKs the bond, it goes to COMB for a vote.

COMB's rules states the vote by its five-member board must be unanimous.

If approved, the funds would be combined with a \$3.2 million grant from Proposition 50, the Water

Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, to pay for \$18 million in upgrades that are part of a 10-year capital improvement plan aimed at repairing and replacing the conveyance facilities.

Costs to the member agencies would not increase for at least five years, because the \$1.1 million debt service in each of those years would be paid through money typically spent by the member agencies on major infrastructure work, officials said.

A focus of the work would be to increase reliability of water flow from the lake through the 26-mile-long South Coast Conduit, which carries 80 percent of the water to Santa Barbara and surrounding areas.

"This is a really essential water supply system," said Ms. Rees.

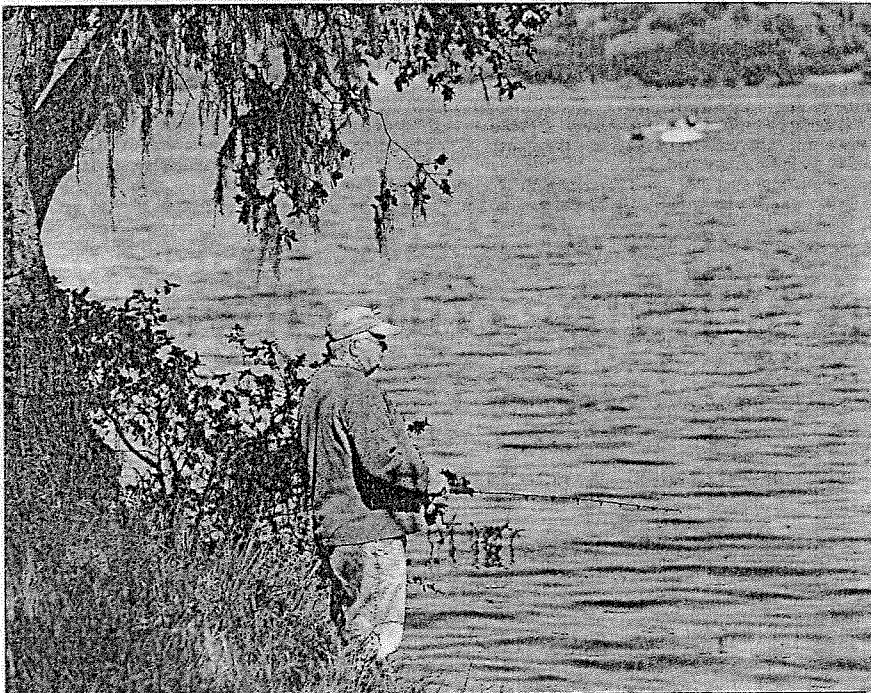
If the vote goes the way Ms. Rees hopes, preliminary work on the most important pipeline project — construction of a \$9 million redundant section along the conduit's Upper Reach — could begin in September. This work would restore the conduit to its original capacity in the Goleta area "to accommodate peak summer demand and allow for shutdowns to carry out much needed maintenance on the existing conduit."

Other projects on the Cachuma Operation and Maintenance Board's priority list include:

- Replacing a damaged section of the South Coast Conduit across Mission Creek, incorporating improved steelhead fish passage — \$3 million
- Mapping the pipeline through a computer geographic information system to protect it and reduce widespread pipeline easement encroachments — \$1 million
- Rehabilitation of laterals, valves, manholes and air vents, particularly in the Carpinteria area — \$2.5 million
- Construction of new Cachuma Operation and Maintenance Board offices, to replace temporary modulars — \$2.9 million

More information on the projects is available at www.cachuma-board.org, or by calling 687-4011.

e-mail: sssteepleton@newspress.com



PHIL KLEIN / NEWS

A participant in the Cachuma Lake Trout Derby tries his luck during the event in 2008.

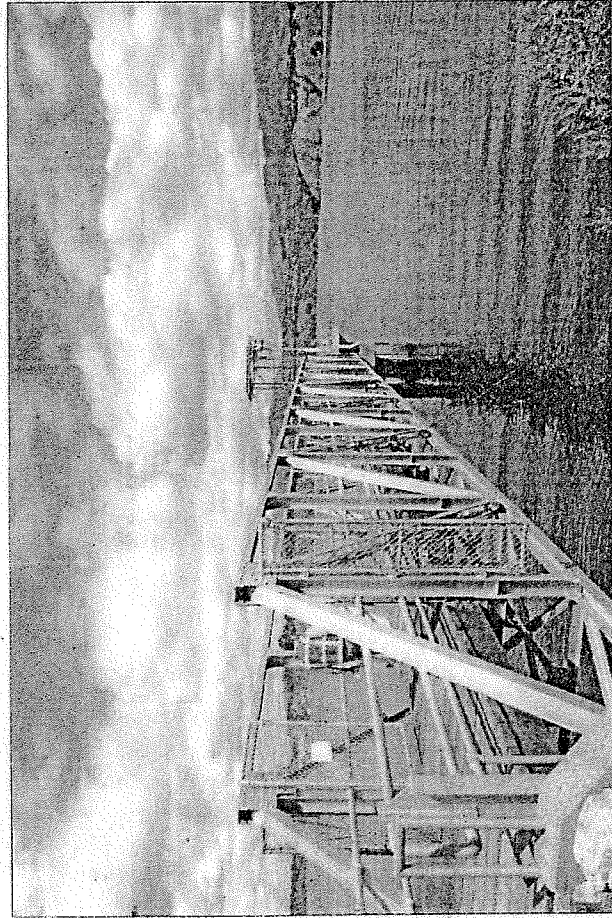
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People are shown fishing during the Lake Cachuma Trout Derby in 2008. Fixing the pipes that move water from Lake Cachuma to the South Coast is a goal of a revenue bond proposed by the Cachuma Operations and Maintenance Board.



RAFAEL MALDONADO/NEWS-PRESS FILE PHOTOS

Above left, the Tecolote Tunnel intake, which starts at the end of this pier at Lake Cachuma, is one of the water delivery systems under the auspices of the Cachuma Operations and Maintenance Board. Above right, the a worker shows Tecolote Tunnel under Lake Cachuma.