

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

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

Monday, January 26, 2009

Approximate Start Time
2:45 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
 - December 15, 2008 Regular Board Meeting
 - b. Investment of Funds
 - Financial Reports November 2008 and December 2008
 - Investment Reports
 - c. Payment of Claims
4. **INTRODUCTION OF GOLETA WATER DISTRICT'S APPOINTEE LAUREN HANSON TO CCRB AND COMB BOARDS** (*see CCRB Item 4*)
5. **RECONSIDERATION OF COMB BOARD COMMITTEE APPOINTMENTS** (*5 minutes*)
6. **REPORTS FROM THE MANAGER** (*10 minutes*)
 - a. Cachuma Water Reports
 - b. Operations Report
 - c. 2008 Surcharge Accounting
 - d. Lauro Debris Basin Project Progress Report
 - e. CCWA Operating Committee Meeting Held January 8, 2009
 - f. Santa Barbara County Water Purveyors Meeting Held January 8, 2009
 - g. **Verbal Report-** Carpinteria Reach Metering Issues Report
 - h. **Verbal Report -** Cachuma Reservoir Current Conditions

7. **LAURO DAM DEBRIS BASIN PROJECT COST CONSIDERATIONS** (7 minutes)
8. **RECOMMENDATION FOR USE OF FY 2007-08 UNEXPENDED FUNDS** (5 minutes)
9. **RECOMMENDATION REGARDING FORMATION OF AN OPERATING COMMITTEE** (10 minutes)
10. **COMB CAPITAL IMPROVEMENT PROGRAM** (10 minutes)
 - a. Financial Advisor's Recommendation Regarding Climate for COMB's CIP Bond Financing
11. **DAMAGE TO SOUTH COAST CONDUIT IN SYCAMORE CANYON** (7 minutes)
12. **PROP 50 AND PROP 84 ACTIVITIES** (10 minutes)
 - a. Prop 50: State Department of Finance Budget Letter - Suspension of Disbursement of Funds from Prop 50 (also see CCRB Item 5b)
 - b. Prop 50: Request for Exemption for Santa Barbara Countywide Grant
 - c. Prop 84: Process Update
13. **CERTIFICATE OF APPRECIATION FOR GARY KEEFE'S RETIREMENT FROM THE CITY OF LOMPOC** (2 minutes)
14. **DIRECTORS' REQUEST FOR AGENDA ITEMS FOR NEXT MEETING** (2 minutes)
15. **MEETING SCHEDULE**
 - February 23, 2009 following CCRB at 2:15 P.M., COMB Office
 - Availability of Board Packages on COMB Website
www.cachuma-board.org
16. **LAURO DEBRIS BASIN SITE VISIT** (30 minutes)
(PLEASE BRING WALKING SHOES)
17. **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, December 15, 2008

1. Call to Order, Roll Call

The meeting was called to order at 2:51 p.m. by President Das Williams, who chaired the meeting. Those in attendance were:

Directors present:

Das Williams	City of Santa Barbara
Bob Lieberknecht	Carpinteria Valley Water District
Jan Abel	Montecito Water District

Others present:

Kate Rees	William Hair
Chip Wullbrandt	Eric Ford
Brett Gray	David McDermott
Tom Mosby	Rebecca Bjork
Alex Keuper	Phil Walker
Janet Gingras	Stacey Hansen
Danna McGrew	

2. Public Comment

Phil Walker, citizen of the City of Santa Barbara, expressed concern on the following topics: sediment in Lake Cachuma and the possibility of utilizing modeling developed by USBR, the cost of COMB's 2nd Barrel Project, and the effects of climate change with regard to water intrusion rates in the tunnels.

President Williams requested that Ms. Rees address these concerns during the Manager's report.

3. Consent Agenda

- a. **Minutes:**
November 24, 2008 Regular Board Meeting
- b. **Investment Funds**
Financial Report
Investment Report

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c. Payment of Claims

Director Abel moved to approve the Consent Agenda, seconded by Director Lieberknecht, passed 4/0/3, Director Loudon and the Goleta Water District Director were absent.

4. Report From the Auditor for Fiscal Year 2007-2008: Recommendation to Accept the Audit

The Financial Statements for the fiscal year ended June 30, 2008 and the Independent Auditors' Report were prepared by Bartlett Pringle & Wolf, Certified Public Accountants and were included in the board packet. Danna McGrew, Partner with Bartlett Pringle & Wolf, and Stacey Hansen, CPA summarized the audit for the Board of Directors. The auditors did not identify any management concerns or reportable conditions in conducting the audit, they issued a clean opinion.

Ms. McGrew discussed with the Board the implications of GASB 45, OBEB Obligation; the implementation date is June 30, 2010. This would require government agencies to accrue liability for health and other benefits provided to retirees. Ms. McGrew stated that they are recommending to their clients that the actuary study be completed during the next year since the liability can be significant. Staff would look into a cost estimate for the study and bring a recommendation back to the Board.

Janet Gingras highlighted the handout on the Constructive Return Distribution for FY 07/08. Out of the \$1.154 million constructive return, \$600,000 was previously committed to the Lauro Debris Basin Project. The Finance Committee recommended that the remaining \$461,906 should be designated for capital expenditures. Staff will come back to the Board in January with a recommendation.

Ms. Rees and the COMB Finance Committee recommended that the Board of Directors accept the Financial Statements for the fiscal year ended June 30, 2008 and the Independent Auditor's Report.

Director Lieberknecht moved to accept the Financial Statements for the fiscal year ended June 30, 2008 and the Independent Auditor's Report, seconded by Director Abel, passed 4/0/3 director Loudon and Goleta Water District Director were absent.

5. Reports From the Manager

a. Cachuma Water Reports

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

b. 2008 Surcharge Accounting

Ms. Rees surcharge accounting report was included in the board packet.

c. Lauro Debris Basin Progress Report

Brett Gray's progress report on the Lauro Debris Basin project was included in the board packet. The project is 75% completed and is progressing very well. There have been 7 change orders to date and Mr. Gray is expecting a couple of changes orders due to some unforeseen soil conditions. He will bring the actual costs to the Board in January.

d. Carpinteria Reach Metering Issues Report

Brett Gray reported that he has been meeting with the engineers from Carpinteria Valley Water District (CVWD) - Bob McDonald, and Montecito Water District (MWD) - Karl Meier. They have been evaluating the overall metering problem in the Carpinteria reach of the South Coast Conduit. They have been focusing on the accuracy of the existing boundary, its location, and rehabilitation of some of the older meters up pipeline of the boundary meter.

e. ACWA 2008 Fall Conference December 2-5, 2008, Long Beach, CA

Ms. Rees reported on a few of the sessions she attended that were relevant to COMB activities and administration. She also completed an ethics training certification.

f. Cachuma Reservoir Current Conditions

Date 12/15/2008

Lake elevation	742.42 feet
Storage	165,062 acre feet
Rain (for the month to date)	1.45 inches
Rain YTD (for the season to date)	1.94 inches
Fish Release-Hilton Creek	10 acre feet per day
Month to Date Fish Release	150.3 acre feet
Month to Date Spill	0 acre feet
Year to Date Spill	0 acre feet

g. 2009 Board Meeting Schedule

The Board meeting schedule was included in the CCRB board packet, item 4c

Ms. Rees addressed the concerns Mr. Walker expressed during Public Comment regarding loss of capacity due to siltation of Lake Cachuma after the Zaca Fire. President Williams requested that a copy of the most recent 2008 Bathymetric Survey of Lake Cachuma be sent to Mr. Walker. Ms Rees stated that the projected cost of the 2nd Barrel Project is currently \$9 to \$10 million. She also noted that although we have not done any climate change studies, the water intrusion rate into Tecolote Tunnel has remained fairly constant over time. For hydrologic modeling work, Stetson Engineering has been the primary firm used due to their expertise on Santa Ynez River hydrology, rather than USBR.

6. Damage to South Coast Conduit in Sycamore Canyon

Brett Gray reported on damage to the SCC in Sycamore Canyon caused by a contractor's excavator puncturing a hole through the pipe on Thursday morning December 4th. The 30" pipeline was taken out of service for 5 days; however no customers were without water during that time. COMB staff worked with the

Member Unit water agencies in shutting down the system, determining water demand through the weekend and meeting those demands. A replacement pipe was ordered and delivered that same day. By Sunday, December 7th the pipeline was repaired. Monday morning COMB began to charge the system, and the pipeline was fully back in service by the end of the day.

The issue of who is responsible for the break and who will be paying for the repair is under discussion due to several factors involved.

7. Consider Resolution No. 478 Regarding Access License for Oceanview Home Owners Association

Ms. Rees reviewed for the Board the request from the Oceanview Home Owners Association for a license to use Reclamation's right-of-way at Ortega Reservoir. Reclamation has no objection to granting a license and the Transfer of Operation and Maintenance Contract allows COMB, acting as Reclamation's agent, to grant a license to the HOA for access rights.

Director Abel moved to approve Resolution no. 478 approving and authorizing the execution of an access license for the Oceanview Home Owners Association, seconded by Director Lieberknecht, a roll call vote was taken, passed 4/0/3. Director Loudon and Goleta Water District Director were absent.

8. Selection of Representative to Attend ACWA 2009 DC Conference

Director Lieberknecht moved that Director Abel be selected to attend the ACWA 2009 DC Conference, February 24-26, 2009, seconded by Director Williams, passed 4/0/3, Director Loudon and Goleta Water District Director were absent.

9. Director's Request for Agenda Items for Next Meeting

The Directors had nothing to add to the agenda for the next meeting.

10. [Closed Session] Conference with Legal Counsel Anticipated Litigation: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b) (one case).

The Board went into closed session at 3:50 p.m. and came out of closed session at 4:05 p.m. There was nothing to report out of closed session.

11. Meeting Schedule

The next regular Board meeting will be held January 26, 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

12. Lauro Debris Basin Site Visit

Due to the morning rains the Lauro Debris Basin site visit was postponed until the January 26, 2009 Board meeting.

13. COMB Adjournment

There being no further business, the meeting was adjourned at 4:07 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Das Williams, President

Approved _____

Unapproved _____ ✓

comb2
Balance Sheet
 As of November 30, 2008

	<u>Nov 30, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
1050 · GENERAL FUND	37,674.60
1100 · REVOLVING FUND	3,207.63
TRUST FUNDS	
1210 · WARREN ACT TRUST FUND	151,228.94
1220 · RENEWAL FUND	5,035.01
Total TRUST FUNDS	<u>156,263.95</u>
Total Checking/Savings	197,146.18
Other Current Assets	
1010 · PETTY CASH	400.00
1200 · LAIF	1,723,158.93
1300 · DUE FROM CCRB	128,920.59
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>1,935,719.24</u>
Total Current Assets	2,132,865.42
Fixed Assets	
1500 · VEHICLES	322,994.31
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	-739,395.66
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><u>9,095,831.13</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2200 · ACCOUNTS PAYABLE	480,015.45
Total Accounts Payable	480,015.45
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	-21,474.24
2563 · LAURO DAM SOD ACT	9,737.00
2590 · DEFERRED REVENUE	156,263.95
Payroll-DepPrm Admin	30.00
Payroll-CCRB DepPrm	4.62
Payroll-DepPrm Ops	6.93
Total Other Current Liabilities	<u>278,989.26</u>
Total Current Liabilities	759,004.71
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	7,486,449.78

7:46 AM
12/30/08
Accrual Basis

comb2
Balance Sheet
As of November 30, 2008

	<u>Nov 30, 08</u>
Equity	
3000 · Opening Bal Equity	0.95
3901 · Retained Earnings	1,813,350.70
Net Income	<u>-203,970.30</u>
Total Equity	<u>1,609,381.35</u>
TOTAL LIABILITIES & EQUITY	<u><u>9,095,831.13</u></u>

7:47 AM
 12/30/08
 Accrual Basis

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Profit & Loss Budget vs. Actual
 July through November 2008

	Jul - Nov 08	Budget	\$ Over Budget	% of Budget
Income				
3000 REVENUE				
3001 · O&M Budget (Qtrly Assessments)	1,754,207.00	3,508,414.00	-1,754,207.00	50.0%
3010 · Interest Income	21,696.66			
3020 · Misc Income	14,578.00			
Total 3000 REVENUE	1,790,481.66	3,508,414.00	-1,717,932.34	51.03%
Total Income	1,790,481.66	3,508,414.00	-1,717,932.34	51.03%
Gross Profit	1,790,481.66	3,508,414.00	-1,717,932.34	51.03%
Expense				
4000 · Reconciliation Discrepancies	0.08			
3100 LABOR				
3101-A · Ops Supervisor	42,259.14			
3101-H · Holiday Leave	6,898.26			
3101-J · Jury Duty	361.75			
3101-S · Sick Leave	3,677.24			
3101-V · Vacation Leave	11,792.31			
3102 · Meter Reading	1,450.18			
3103 · SCC Ops	82,193.75			
3104 · Veh & Equip Mtce	2,856.96			
3105 · SCADA	1,642.63			
3106 · Rodent Bait	1,863.56			
3107 · NORTH PORTAL				
3107-1 · NP INTAKE TOWER				
Total 3107-1 · NP INTAKE TOWER	803.79			
Total 3107-2 · NP CONTROL STATION	257.20			
Total 3107 · NORTH PORTAL	1,060.99			
3108 · GLEN ANNE				
Total 3108-1 · GA SOUTH PORTAL	4,789.95			
Total 3108-2 · GA RESERVOIR	210.51			
Total 3108-3 · GA PUMP STATION	609.68			
Total 3108-4 · GA TURNOUT	613.49			
Total 3108 · GLEN ANNE	6,223.63			

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Profit & Loss Budget vs. Actual
 July through November 2008

	Jul - Nov 08	Budget	\$ Over Budget	% of Budget
3110 · LAURO				
Total 3110-1 · YARD	13,950.51			
Total 3110-3 · RESERVOIR	2,531.04			
Total 3110-4 · DEBRIS BASINS	2,584.21			
Total 3110 · LAURO	19,065.76			
3111 · OFFICE				
Total 3111-2 · IMPLANTS	96.45			
Total 3111-3 · MAIN OFFICE	128.60			
Total 3111 · OFFICE	225.05			
3112 · SHEFFIELD				
Total 3112-1 · CONTROL STATION	432.45			
Total 3112-2 · TUNNEL	224.64			
Total 3112 · SHEFFIELD	657.09			
3113 · ORTEGA				
Total 3113-1 · CONTROL STATION	2,581.67			
Total 3113-2 · RESERVOIR	207.39			
Total 3113 · ORTEGA	2,789.06			
3115 · CARPINTERIA				
Total 3115-2 · RESERVOIR	903.33			
Total 3115 · CARPINTERIA	903.33			
3116 · GOLETA REACH				
Total 3116-1 · STRUCTURES	6,108.74			
Total 3116-2 · LATERAL METERS	1,824.63			
Total 3116-3 · VALVES	4,802.26			
Total 3116 · GOLETA REACH	12,735.63			
3117 · CARPINTERIA REACH				
Total 3117-1 · STRUCTURES	325.11			
Total 3117-2 · LATERAL METERS	3,060.15			
Total 3117-4 · CONDUIT	1,527.13			
Total 3117 · CARPINTERIA REACH	4,912.39			

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Profit & Loss Budget vs. Actual
July through November 2008

	Jul - Nov 08	Budget	\$ Over Budget	% of Budget
3150 · Health & Workers Comp	64,364.65			
3155 · PERS	32,984.90			
3160 · Payroll Comp FICA Ops	13,764.35			
3165 · Payroll Comp MCARE Ops	3,219.08			
3100 LABOR - Other	0.00	854,201.00	-854,201.00	0.0%
Total 3100 LABOR	317,901.69	854,201.00	-536,299.31	37.22%
3200 VEH & EQUIPMENT				
3201 · Vehicle/Equip Mice	19,777.89	38,000.00	-18,222.11	52.05%
3202 · Fixed Capital	29,413.84	48,000.00	-18,586.16	61.28%
3203 · Equipment Rental	712.98	10,000.00	-9,287.02	7.13%
3204 · Miscellaneous	7,570.59	18,000.00	-10,429.41	42.06%
Total 3200 VEH & EQUIPMENT	57,475.30	114,000.00	-56,524.70	50.42%
3300 · CONTRACT LABOR				
3301 · Conduit, Meter, Valve & Misc	2,958.99	12,000.00	-9,041.01	24.66%
3302 · Buildings & Roads	6,638.80	16,000.00	-9,361.20	41.49%
3303 · Reservoirs	29,576.34	52,000.00	-22,423.66	56.88%
3304 · Engineering, Misc Services	1,293.32	26,000.00	-24,706.68	4.97%
Total 3300 · CONTRACT LABOR	40,467.45	106,000.00	-65,532.55	38.18%
3400 · MATERIALS & SUPPLIES				
3401 · Conduit, Meter, Valve & Misc	2,714.04	25,000.00	-22,285.96	10.86%
3402 · Buildings & Roads	13,751.97	25,000.00	-11,248.03	55.01%
3403 · Reservoirs	1,140.19	10,000.00	-8,859.81	11.4%
Total 3400 · MATERIALS & SUPPLIES	17,606.20	60,000.00	-42,393.80	29.34%
3500 · OTHER EXPENSES				
3501 · Utilities	1,727.34	6,500.00	-4,772.66	26.57%
3502 · Uniforms	1,346.82	6,500.00	-5,153.18	20.72%
3503 · Communications	7,847.01	20,000.00	-12,152.99	39.24%
3504 · USA & Other Services	996.42	4,000.00	-3,003.58	24.91%
3505 · Miscellaneous	4,043.55	8,000.00	-3,956.45	50.54%
3506 · Training	4,927.95	8,000.00	-3,072.05	61.6%
Total 3500 · OTHER EXPENSES	20,889.09	53,000.00	-32,110.91	39.41%

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Profit & Loss Budget vs. Actual
July through November 2008

	TOTAL		
	Jul - Nov 08	Budget	% of Budget
		\$ Over Budget	
4999 · GENERAL & ADMINISTRATIVE			
5000 · Director Fees	360.54		
5001 · Director Mileage	3,584.00		
5000 · Director Fees - Other	3,944.54		
Total 5000 · Director Fees		12,000.00	29.87%
		12,000.00	32.87%
5100 · Legal	30,645.08	63,000.00	48.64%
5101-1 · Audit	10,879.00	12,000.00	90.66%
5150 · Unemployment Tax	0.00	7,088.00	0.0%
5200 · Liability Insurance	28,814.00	48,000.00	60.03%
5201 · Health & Workers Comp	28,512.78	64,240.00	44.39%
5250 · PERS	14,386.46	33,965.00	42.36%
5260 · Company FICA Admin	5,248.86	15,262.00	34.39%
5265 · Company MCARE Admin	1,340.68	1,400.00	95.76%
5300 · Manager Salary	20,236.90	50,300.00	40.23%
5301 · Administrative Manager	39,745.31	93,943.00	42.31%
5306 · Administrative Assistant	23,381.60	55,265.00	42.31%
5310 · Postage/Office Exp	4,123.41	10,000.00	41.23%
5311 · Office Equip/Leases	2,202.38	6,200.00	35.52%
5312 · Misc Admin Expenses	3,029.63	12,000.00	25.25%
5313 · Communications	1,553.82	5,200.00	29.88%
5314 · Utilities	2,559.80	6,000.00	42.66%
5315 · Membership Dues	4,856.50	6,850.00	70.9%
5316 · Admin Fixed Assets	700.37	7,000.00	10.01%
5318 · Computer Consultant	5,195.62	8,000.00	64.95%
5319 · Parity Study	0.00	20,000.00	0.0%
5325 · Emp Training/Subscriptions	219.48	4,500.00	4.88%
5330 · Admin Travel/Conferences	2,497.42	5,000.00	49.95%
5331 · Public Information	5,559.18	8,000.00	69.49%
5332 · Transportation	97.08	1,000.00	9.71%
Total 4999 · GENERAL & ADMINISTRATIVE	239,729.90	556,213.00	43.1%
		-316,483.10	
5510 · Integrated Reg. Water Mgt Plan	0.00	70,000.00	0.0%
6000 · SPECIAL PROJECTS			
6062 · SCADA	21,436.07	50,000.00	42.87%
		-28,563.93	

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Profit & Loss Budget vs. Actual
July through November 2008

TOTAL

	Jul - Nov 08	Budget	\$ Over Budget	% of Budget
6090-1 · COMB Bldg/Grounds Repair	8,298.78	75,000.00	-66,701.22	11.07%
6092 · SCC Improv Plan & Design	407,811.61	800,000.00	-392,188.39	50.98%
6095 · SCC Valve & Cntrl Sta Rehab	56,756.07	450,000.00	-393,243.93	12.61%
6095-1 · Lauro Debris Basin Rehab	751,513.26	1,023,494.65	-271,981.39	73.43%
6095-2 · Lauro Debris Basin CR	0.00	-1,023,494.65	1,023,494.65	0.0%
6096 · SCC Structure Rehabilitation	4,738.78	250,000.00	-245,261.22	1.9%
6097 · GIS and Mapping	6,731.26	50,000.00	-43,268.74	13.46%
6098 · Quagga Mussel Research	0.00	20,000.00	-20,000.00	0.0%
6099 · Hydrology Work	0.00	60,000.00	-60,000.00	0.0%
6099-1 · Hydrology Work - CR	0.00	-60,000.00	60,000.00	0.0%
Total 6000 · SPECIAL PROJECTS	1,257,285.83	1,695,000.00	-437,714.17	74.18%
6400 · STORM DAMAGE				
6402 · Zaca Fire Damage	43,098.08	32,430.19	10,667.89	132.9%
6402-1 · Zaca Fire Damage - CR	0.00	-32,430.19	32,430.19	0.0%
Total 6400 · STORM DAMAGE	43,098.08	0.00	43,098.08	100.0%
PAYROLL				
Gross	1.39			
Gross-CCRB	-3.05			
Total PAYROLL	-1.66			
Total Expense	1,994,451.96	3,508,414.00	-1,513,962.04	56.85%
Net Income	-203,970.30	0.00	-203,970.30	100.0%

1:23 PM
 01/20/09
 Accrual Basis

comb2
Balance Sheet
 As of December 31, 2008

	Dec 31, 08
ASSETS	
Current Assets	
Checking/Savings	
1050 · GENERAL FUND	20,061.69
1100 · REVOLVING FUND	11,536.93
TRUST FUNDS	
1210 · WARREN ACT TRUST FUND	151,296.09
1220 · RENEWAL FUND	5,037.24
Total TRUST FUNDS	156,333.33
Total Checking/Savings	187,931.95
Other Current Assets	
1010 · PETTY CASH	400.00
1200 · LAIF	1,282,158.93
1300 · DUE FROM CCRB	106,019.44
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	1,471,818.09
Total Current Assets	1,659,750.04
Fixed Assets	
1500 · VEHICLES	322,994.31
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	-739,395.66
Total Fixed Assets	235,520.64
Other Assets	
1910 · LT SOD Act Assess Receivable	6,727,445.07
Total Other Assets	6,727,445.07
TOTAL ASSETS	8,622,715.75
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2200 · ACCOUNTS PAYABLE	291,779.47
Total Accounts Payable	291,779.47
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	156,333.33
Payroll-DepPrm Admin	25.00
Payroll-CCRB DepPrm	4.62
Payroll-DepPrm Ops	4.62
Total Other Current Liabilities	300,526.33
Total Current Liabilities	592,305.80
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	6,727,445.07
Total Liabilities	7,319,750.87

1:23 PM
01/20/09
Accrual Basis

comb2
Balance Sheet
As of December 31, 2008

	<u>Dec 31, 08</u>
Equity	
3000 · Opening Bal Equity	0.95
3901 · Retained Earnings	1,813,350.70
Net Income	<u>-510,386.77</u>
Total Equity	<u>1,302,964.88</u>
TOTAL LIABILITIES & EQUITY	<u><u>8,622,715.75</u></u>

1:24 PM
01/20/09
Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July through December 2008

	Jul - Dec 08	Budget	\$ Over Budget	% of Budget
TOTAL				
Income				
3000 REVENUE				
3001 · O&M Budget (Qtrly Assessments)	1,754,207.00	3,508,414.00	-1,754,207.00	50.0%
3010 · Interest Income	21,714.59			
3020 · Misc Income	14,578.00			
Total 3000 REVENUE	1,790,499.59	3,508,414.00	-1,717,914.41	51.03%
Total Income	1,790,499.59	3,508,414.00	-1,717,914.41	51.03%
Gross Profit	1,790,499.59	3,508,414.00	-1,717,914.41	51.03%
Expense				
3100 LABOR				
3101-A · Ops Supervisor	49,942.62			
3101-H · Holiday Leave	8,935.05			
3101-J · Jury Duty	361.75			
3101-S · Sick Leave	4,120.70			
3101-V · Vacation Leave	14,716.46			
3102 · Meter Reading	1,510.32			
3103 · SCC Ops	101,574.14			
3104 · Veh & Equip Mtce	2,944.64			
3105 · SCADA	2,382.08			
3106 · Rodent Bait	1,863.56			
3107 · NORTH PORTAL				
Total 3107-1 · NP INTAKE TOWER	883.97			
Total 3107-2 · NP CONTROL STATION	1,221.69			
Total 3107 · NORTH PORTAL	2,105.66			
3108 · GLEN ANNE				
Total 3108-1 · GA SOUTH PORTAL	8,758.53			
Total 3108-2 · GA RESERVOIR	1,252.03			
Total 3108-3 · GA PUMP STATION	609.68			
Total 3108-4 · GA TURNOUT	613.49			
Total 3108 · GLEN ANNE	11,233.73			

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comb2
Profit & Loss Budget vs. Actual
July through December 2008

	Jul - Dec 08	Budget	\$ Over Budget	% of Budget
TOTAL				
3109 · CORONA DEL MAR				
Total 3109-1 · TURNOUT	233.82			
Total 3109 · CORONA DEL MAR	233.82			
3110 · LAURO				
Total 3110-1 · YARD	14,432.60			
Total 3110-3 · RESERVOIR	2,531.04			
Total 3110-4 · DEBRIS BASINS	2,793.19			
Total 3110 · LAURO	19,756.83			
3111 · OFFICE				
Total 3111-2 · IMPLANTS	96.45			
Total 3111-3 · MAIN OFFICE	128.60			
Total 3111 · OFFICE	225.05			
3112 · SHEFFIELD				
Total 3112-1 · CONTROL STATION	432.45			
Total 3112-2 · TUNNEL	224.64			
Total 3112 · SHEFFIELD	657.09			
3113 · ORTEGA				
Total 3113-1 · CONTROL STATION	2,601.72			
Total 3113-2 · RESERVOIR	207.39			
Total 3113 · ORTEGA	2,809.11			
3115 · CARPINTERIA				
Total 3115-2 · RESERVOIR	903.33			
Total 3115 · CARPINTERIA	903.33			
3116 · GOLETA REACH				
Total 3116-1 · STRUCTURES	6,365.37			
Total 3116-2 · LATERAL METERS	1,824.63			
Total 3116-3 · VALVES	4,802.26			
Total 3116 · GOLETA REACH	12,992.26			

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comb2
Profit & Loss Budget vs. Actual
July through December 2008

	Jul - Dec 08	Budget	\$ Over Budget	% of Budget
TOTAL				
3117 · CARPINTERIA REACH				
Total 3117-1 · STRUCTURES	500.47			
Total 3117-2 · LATERAL METERS	3,735.30			
Total 3117-4 · CONDUIT	6,325.00			
Total 3117 · CARPINTERIA REACH	10,560.77			
3150 · Health & Workers Comp	76,848.40			
3155 · PERS	39,630.23			
3160 · Payroll Comp FICA Ops	16,581.49			
3165 · Payroll Comp MCARE Ops	3,952.57			
3100 LABOR - Other	0.00	854,201.00	-854,201.00	0.0%
Total 3100 LABOR	386,841.66	854,201.00	-467,359.34	45.29%
3200 VEH & EQUIPMENT				
3201 · Vehicle/Equip Mtce	25,918.96	38,000.00	-12,081.04	68.21%
3202 · Fixed Capital	29,413.84	48,000.00	-18,586.16	61.28%
3203 · Equipment Rental	763.70	10,000.00	-9,236.30	7.64%
3204 · Miscellaneous	8,716.22	18,000.00	-9,283.78	48.42%
Total 3200 VEH & EQUIPMENT	64,812.72	114,000.00	-49,187.28	56.85%
3300 · CONTRACT LABOR				
3301 · Conduit, Meter, Valve & Misc	8,080.59	12,000.00	-3,919.41	67.34%
3302 · Buildings & Roads	10,404.23	16,000.00	-5,595.77	65.03%
3303 · Reservoirs	29,891.34	52,000.00	-22,108.66	57.48%
3304 · Engineering, Misc Services	4,716.50	26,000.00	-21,283.50	18.14%
Total 3300 · CONTRACT LABOR	53,092.66	106,000.00	-52,907.34	50.09%
3400 · MATERIALS & SUPPLIES				
3401 · Conduit, Meter, Valve & Misc	11,460.90	25,000.00	-13,539.10	45.84%
3402 · Buildings & Roads	15,258.40	25,000.00	-9,741.60	61.03%
3403 · Reservoirs	1,731.46	10,000.00	-8,268.54	17.32%
Total 3400 · MATERIALS & SUPPLIES	28,450.76	60,000.00	-31,549.24	47.42%
3500 · OTHER EXPENSES				
3501 · Utilities	2,398.04	6,500.00	-4,101.96	36.89%
3502 · Uniforms	4,741.24	6,500.00	-1,758.76	72.94%
3503 · Communications	9,228.11	20,000.00	-10,771.89	46.14%

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comb2
Profit & Loss Budget vs. Actual
July through December 2008

	TOTAL		
	Jul - Dec 08	Budget	% of Budget
3504 · USA & Other Services	1,065.42	4,000.00	26.64%
3505 · Miscellaneous	4,671.25	8,000.00	58.39%
3506 · Training	5,061.95	8,000.00	63.27%
Total 3500 · OTHER EXPENSES	27,166.01	53,000.00	51.26%
4999 · GENERAL & ADMINISTRATIVE			
5000 · Director Fees			
5001 · Director Mileage	487.09		
5000 · Director Fees - Other	5,248.00	12,000.00	43.73%
Total 5000 · Director Fees	5,735.09	12,000.00	47.79%
5100 · Legal	34,582.58	63,000.00	54.89%
5101-1 · Audit	10,879.00	12,000.00	90.66%
5150 · Unemployment Tax	0.00	7,088.00	0.0%
5200 · Liability Insurance	28,814.00	48,000.00	60.03%
5201 · Health & Workers Comp	33,631.93	64,240.00	52.35%
5250 · PERS	17,002.18	33,965.00	50.06%
5260 · Company FICA Admin	6,049.98	13,000.00	46.54%
5265 · Company MCARE Admin	1,584.44	3,662.00	43.27%
5300 · Manager Salary	23,952.33	50,300.00	47.62%
5301 · Administrative Manager	46,971.73	93,943.00	50.0%
5306 · Administrative Assistant	27,632.80	55,265.00	50.0%
5310 · Postage/Office Exp	4,514.96	10,000.00	45.15%
5311 · Office Equip/Leases	2,824.99	6,200.00	45.56%
5312 · Misc Admin Expenses	2,890.87	12,000.00	24.09%
5313 · Communications	1,836.35	5,200.00	35.31%
5314 · Utilities	3,429.79	6,000.00	57.16%
5315 · Membership Dues	5,960.50	6,850.00	87.02%
5316 · Admin Fixed Assets	700.37	7,000.00	10.01%
5318 · Computer Consultant	6,675.30	8,000.00	83.44%
5319 · Parity Study	0.00	20,000.00	0.0%
5325 · Emp Training/Subscriptions	277.67	4,500.00	6.17%
5330 · Admin Travel/Conferences	3,825.19	5,000.00	76.5%
5331 · Public Information	5,611.50	8,000.00	70.14%
5332 · Transportation	112.08	1,000.00	11.21%
Total 4999 · GENERAL & ADMINISTRATIVE	275,495.63	556,213.00	49.53%

comb2
Profit & Loss Budget vs. Actual
July through December 2008

	Jul - Dec 08	Budget	\$ Over Budget	% of Budget
TOTAL				
5510 - Integrated Reg. Water Mgt Plan	0.00	70,000.00	-70,000.00	0.0%
6000 - SPECIAL PROJECTS				
6062 - SCADA	21,436.07	50,000.00	-28,563.93	42.87%
6090-1 - COMB Bldg/Grounds Repair	9,451.15	75,000.00	-65,548.85	12.6%
6092 - SCC Improv Plan & Design	526,103.20	800,000.00	-273,896.80	65.76%
6095 - SCC Valve & Cntrl Sta Rehab	57,006.07	450,000.00	-392,993.93	12.67%
6095-1 - Lauro Debris Basin Rehab	749,201.68	1,023,494.65	-274,292.97	73.2%
6095-2 - Lauro Debris Basin CR	0.00	-1,023,494.65	1,023,494.65	0.0%
6096 - SCC Structure Rehabilitation	4,738.78	250,000.00	-245,261.22	1.9%
6097 - GIS and Mapping	8,628.70	50,000.00	-41,371.30	17.26%
6098 - Quagga Mussel Research	0.00	20,000.00	-20,000.00	0.0%
6099 - Hydrology Work	45,362.66	60,000.00	-14,637.34	75.6%
6099-1 - Hydrology Work - CR	0.00	-60,000.00	60,000.00	0.0%
Total 6000 - SPECIAL PROJECTS	1,421,928.31	1,695,000.00	-273,071.69	83.89%
6400 - STORM DAMAGE				
6402 - Zaca Fire Damage	43,098.08	32,430.19	10,667.89	132.9%
6402-1 - Zaca Fire Damage - CR	0.00	-32,430.19	32,430.19	0.0%
Total 6400 - STORM DAMAGE	43,098.08	0.00	43,098.08	100.0%
PAYROLL				
Gross	1.20			
Gross-CCRB	-0.75			
Total PAYROLL	0.45			
Total Expense	2,300,886.36	3,508,414.00	-1,207,527.64	65.58%
Net Income	-510,386.77	0.00	-510,386.77	100.0%

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

www.treasurer.ca.gov/pmia-laif
 January 14, 2009

CACHUMA OPERATION AND MAINTENANCE BOARD

PMIA Average Monthly Yields

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

Account Number:

Transactions

Tran Type Definitions

December 2008 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/8/2008	12/8/2008	RW	1201856	KATHLEEN REES	-550,000.00
12/23/2008	12/22/2008	RD	1203715	KATHLEEN REES	109,000.00

Account Summary

Total Deposit:	109,000.00	Beginning Balance:	1,723,158.93
Total Withdrawal:	-550,000.00	Ending Balance:	1,282,158.93

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 December, 2008, complies with legal requirements for investment policy of government agencies, AB 1073. I hereby certify that it constitutes a complete and accurate summary of all LAIF investments of this agency for the period indicated.

Kathleen Q. Rees
 Secretary

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P.O. BOX 660022
DALLAS, TX 75266-0022

10206136

This Statement Covers

From: 12/01/08
Through: 12/31/08

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CACHUMA OPERATION AND MAINTENANCE BOARD
3301 LAUREL CANYON RD
SANTA BARBARA CA 93105-2017



8-12

See enclosed Privacy Policy. If you are a new Chase customer you need to contact us to exercise your privacy preferences.

Your Guaranteed Great Rate Money Market Detail Information

CACHUMA OPERATION AND MAINTENANCE BOARD **Account Number:**
Washington Mutual Bank, FA

Your Account at a Glance

Beginning Balance	12/1/08	\$5,035.01	Interest Earned	\$2.23
Checks Paid		\$0.00	Annual Percentage Yield Earned	0.52%
Other Withdrawals		\$0.00	YTD Interest Paid	\$59.85
Deposits		+\$2.23	YTD Interest Withheld	\$0.00
Ending Balance		\$5,037.24		

Date	Description	Withdrawals (-)	Deposits (+)
12/31	Interest Payment		\$2.23

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 December, 2008, 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 Washington Mutual Bank investments of this agency for the period indicated.

Kathleen A. Rees
Secretary

ITEM # 36
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P.O. BOX 660022
DALLAS, TX 75266-0022

10206137

This Statement Covers

From: 12/01/08
Through: 12/31/08

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Your Guaranteed Great Rate Money Market Detail Information

CACHUMA OPERATION AND MAINTENANCE BOARD TRUST FUND **Account Number: Washington Mutual Bank, FA**

Your Account at a Glance

Beginning Balance	<i>11/8/09</i> \$151,228.94 ✓	Interest Earned	\$67.15
Checks Paid	\$0.00	Annual Percentage Yield Earned	0.52%
Other Withdrawals	\$0.00	YTD Interest Paid	\$2,722.04
Deposits	+\$67.15 ✓	YTD Interest Withheld	\$0.00
Ending Balance	\$151,296.09		

Date	Description	Withdrawals (-)	Deposits (+)
12/31	Interest Payment		\$67.15

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 December, 2008, 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 Washington Mutual Bank investments of this agency for the period indicated.

Kathleen A. Rees
Secretary

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9:17 AM
 12/31/08
 Accrual Basis

comb2
Payment of Claims
 As of December 31, 2008

Date	Num	Name	Memo	Split	Amount
1050 - GENERAL FUND					
12/1/2008	17597	State Board of Equalization	Water Rights Fee 7/1/08-6/30/09	2200 · ACC...	-21,474.24
12/1/2008	17598	Select Staffing	Temp help-JMcKean	2200 · ACC...	-70.56
12/9/2008	17599	Acorn Landscape Manage...		2200 · ACC...	-508.30
12/9/2008	17600	ACWA Health Benefits Au...		2200 · ACC...	-100.56
12/9/2008	17601	AT&T	Nov statement	2200 · ACC...	-236.62
12/9/2008	17602	Best, Best & Krieger, LLP	Crawford-Hall CEQA Oct services	2200 · ACC...	-632.80
12/9/2008	17603	Boyle Engineering Corp.		2200 · ACC...	-105,077.97
12/9/2008	17604	Business Card		2200 · ACC...	-894.89
12/9/2008	17605	Channel City Lumber	Lumber	2200 · ACC...	-1,152.37
12/9/2008	17606	CIO Solutions, Inc.		2200 · ACC...	-2,282.37
12/9/2008	17607	City of Santa-Barbara	Refuse/recycle 10/29-11/26/08	2200 · ACC...	-167.00
12/9/2008	17608	Coastal Copy, LP	Lease/mtce agmt KM-C4035 10/9...	2200 · ACC...	-11.37
12/9/2008	17609	COMB-Petty Cash	Replenish petty cash	2200 · ACC...	-314.71
12/9/2008	17610	COMB - Revolving Fund	Dec 12 & 26, 2008 payroll/taxes	2200 · ACC...	-121,795.53
12/9/2008	17611	Culligan Water	RO system Dec	2200 · ACC...	-24.95
12/9/2008	17612	Earth Systems Southern C...	Lauro Debris Basin services thru ...	2200 · ACC...	-17,189.00
12/9/2008	17613	ECHO Communications	Answering service	2200 · ACC...	-63.20
12/9/2008	17614	Famcon Pipe & Supply	Pipe/bend/split coupler PO#8836	2200 · ACC...	-1,142.15
12/9/2008	17615	Federal Express	Mailings	2200 · ACC...	-58.48
12/9/2008	17616	Fleet Services	Fuel	2200 · ACC...	-1,409.66
12/9/2008	17617	Flowers & Associates, Inc.		2200 · ACC...	-33,095.25
12/9/2008	17618	GE Capital	Copier lease Billing ID#90133933...	2200 · ACC...	-494.57
12/9/2008	17619	Goleta Water Dist.	Reimb split cost GATO/Ellwood R...	2200 · ACC...	-2,820.68
12/9/2008	17620	Graham Chevrolet-Cadillac	CCRB-vehicle mtce Chev Colorado	2200 · ACC...	-233.89
12/9/2008	17621	Home Depot Credit Services	Hex bolts/nuts	2200 · ACC...	-69.55
12/9/2008	17622	Hydrex Pest Control Co.	Ant/pest control	2200 · ACC...	-80.00
12/9/2008	17623	Larry's 8-Day Auto Parts	Halogen sealed beam	2200 · ACC...	-35.84
12/9/2008	17624	Laser Cartridge Co.	Cartridge recharge	2200 · ACC...	-161.60
12/9/2008	17625	Lash Construction, Inc.	Dump fee	2200 · ACC...	-55.00
12/9/2008	17626	MarBorg Industries		2200 · ACC...	-393.30
12/9/2008	17627	McCormix Corp.	Diesel fuel	2200 · ACC...	-118.48
12/9/2008	17628	Mid-State Concrete	Catch basin top	2200 · ACC...	-592.62
12/9/2008	17629	Nextel Communications	Cellular/Equipment	2200 · ACC...	-693.59
12/9/2008	17630	Nordman, Cormany, Hair ...	Gen Counsel Nov services	2200 · ACC...	-4,950.00
12/9/2008	17631	Paychex, Inc.	11/14,28 payrolls/taxes	2200 · ACC...	-241.29
12/9/2008	17632	PG&E		2200 · ACC...	-228.02
12/9/2008	17633	Power Maintenance Corp.	Mtce contract UPS system-Lake ...	2200 · ACC...	-650.00
12/9/2008	17634	Praxair Distribution, Inc	Cylinder rental	2200 · ACC...	-52.41
12/9/2008	17635	Prudential Overall Supply		2200 · ACC...	-330.12
12/9/2008	17636	Quinn Company	500 hour service	2200 · ACC...	-1,176.51
12/9/2008	17637	Republic Elevator Co.	Scheduled mtce	2200 · ACC...	-247.26
12/9/2008	17638	Reserve Account	Postage refill	2200 · ACC...	-400.00
12/9/2008	17639	Santa Barbara Human Re...	2009 Membership	2200 · ACC...	-145.00
12/9/2008	17640	Santa Barbara Sand & To...	Gravel	2200 · ACC...	-444.03
12/9/2008	17641	Santa Ynez Band of Chum...	Lauro Retention Basin	2200 · ACC...	-2,311.58
12/9/2008	17642	Science Applications Inter...		2200 · ACC...	-9,972.02
12/9/2008	17643	Solinst Canada Ltd.	Water level meter/replacement ca...	2200 · ACC...	-770.24
12/9/2008	17644	Southern California Edison	Main ofc/outlying stations	2200 · ACC...	-986.17
12/9/2008	17645	Staples Credit Plan	Office supplies	2200 · ACC...	-698.52
12/9/2008	17646	State Compensation Insur...	Payroll Report Nov 08	2200 · ACC...	-2,996.33
12/9/2008	17647	SWRCB Fees	Annual fee-waste discharge requir...	2200 · ACC...	-1,452.00
12/9/2008	17648	The Wharf		2200 · ACC...	-626.96
12/9/2008	17649	Underground Service Alert...	46 new tickets	2200 · ACC...	-69.00
12/9/2008	17650	Verizon California		2200 · ACC...	-404.91
12/9/2008	17651	Verizon Wireless	Cellular	2200 · ACC...	-179.56
12/9/2008	17652	Western Farm Service, Inc.	Bait	2200 · ACC...	-138.11
12/9/2008	17653	Western Welding		2200 · ACC...	-301.69
12/9/2008	17654	WFCB-OSH Commercial ...		2200 · ACC...	-484.06
12/9/2008	17655	Fugro West, Inc.	Quiota Creek Crossing 6 Geotech...	2200 · ACC...	-750.00
12/9/2008	17656	MNS Engineers, Inc.	PO#08-09-08 Quiota Creek	2200 · ACC...	-7,880.00
12/10/2008	17657	Cushman Contracting Corp.	Lauro Res Debris Basin Project E...	2200 · ACC...	-178,131.07

9:17 AM
12/31/08
Accrual Basis

comb2
Payment of Claims
As of December 31, 2008

Date	Num	Name	Memo	Split	Amount
12/12/2008	17658	CSK Auto, Inc.		2200 · ACC...	-42.67
12/15/2008	17659	Action Tree Care	Wood removal from man-hole	2200 · ACC...	-300.00
12/15/2008	17660	J&C Services	Ofc cleaning 11/7,17,24, 12/5	2200 · ACC...	-500.00
12/15/2008	17661	Southern California Edison	Glen Anne gate	2200 · ACC...	-20.38
12/15/2008	17662	C. Charles Evans	Nov mtg fees	2200 · ACC...	-133.85
12/15/2008	17663	Das Williams	Nov mtg fees	2200 · ACC...	-265.70
12/15/2008	17664	Jan Abel	Nov mtg fees	2200 · ACC...	-279.40
12/15/2008	17665	Robert Lieberknecht	Nov mtg fees	2200 · ACC...	-144.55
12/16/2008	17666	ACWA Health Benefits Au...	1/1/09-2/1/09 coverage	2200 · ACC...	-13,081.90
12/16/2008	17667	Premiere Global Services	Conf. calls Nov	2200 · ACC...	-74.13
12/16/2008	17668	Verizon California	SCADA	2200 · ACC...	-515.64
12/23/2008	17669	COMB - Revolving Fund	Dec 26, payroll/taxes	2200 · ACC...	-7,000.00
Total 1050 · GENERAL FUND					-552,826.18
TOTAL					-552,826.18

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: January 26, 2009
TO: Das Williams, President of the Board
FROM: Kate Rees, General Manager
RE: Reconsideration of Committee Appointments for Fiscal Year 2008-2009

RECOMMENDATION:

It is recommended that the President of the Board reconsider and make appointments for Fiscal Year 2008-2009 to the following COMB Board committees: Capital Improvements, Finance, Management and Public Affairs, Operations, and Legal Affairs.

DISCUSSION:

Due to the retirement of Chuck Evans as President of the COMB Board effective December 5, 2008, the FY 2008-09 committee assignments held by Mr. Evans are vacant. These include Committee Member of the Operations Committee, and Alternate Member of both the Capital Improvements Committee and Management and Public Affairs Committee.

Staff requests that the new Board President, Das Williams, reconsider these and all existing committee assignments, and recommend new appointments, where appropriate, at the January 26, 2009 Board meeting. The attached sheet shows the existing committee appointments made for FY 2008-2009.

Respectfully submitted,



Kate Rees
General Manager

KR.COMB\COMB Admin\Board memos\012609_Committee Appts.mmo

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CACHUMA OPERATION & MAINTENANCE BOARD

**COMMITTEE APPOINTMENTS
FY 2008-2009**

COMMITTEE NAME	COMMITTEE MEMBER	COMMITTEE MEMBER	ALTERNATE MEMBER
Capital Improvements	Jan Abel	Das Williams	Chuck Evans
Finance	Matt Loudon	Das Williams	Bob Lieberknecht
Management & Public Affairs	Bob Lieberknecht	Matt Loudon	Chuck Evans
Operations	Bob Lieberknecht	Chuck Evans	Jan Abel
Legal Affairs	Jan Abel	Das Williams	Matt Loudon

**COMMITTEE APPOINTMENTS
FY 2008-2009
Mid-Year Appointments**

COMMITTEE NAME	COMMITTEE MEMBER	COMMITTEE MEMBER	ALTERNATE MEMBER
Capital Improvements	Jan Abel	Das Williams	
Finance	Matt Loudon	Das Williams	Bob Lieberknecht
Management & Public Affairs	Bob Lieberknecht	Matt Loudon	
Operations	Bob Lieberknecht		Jan Abel
Legal Affairs	Jan Abel	Das Williams	Matt Loudon

CACHUMA OPERATION AND MAINTENANCE BOARD WATER STORAGE REPORT

MONTH: **December 2008**

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	355.00 Feet
Water in Storage	148.07 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	537.40 Feet
Water in Storage	373.92 Acre Feet

ORTEGA RESERVOIR

Capacity at 460' elevation:	65 Acre Feet
Capacity at outlet at elevation 440':	0 Acre Feet
Stage of Reservoir Elevation	447.40 Feet
Water in Storage	20.78 Acre Feet

CARPINTERIA RESERVOIR

Capacity at 384' elevation:	45 Acre Feet
Capacity at outlet elevation 362':	0 Acre Feet
Stage of Reservoir Elevation	372.30 Feet
Water in Storage	17.81 Acre Feet

TOTAL STORAGE IN RESERVOIRS

Change in Storage	412.52 Acre Feet
	-151.23 Acre Feet

CACHUMA RESERVOIR*

Capacity at 750' elevation:	186,636 Acre Feet
Capacity at sill of tunnel 660' elevation:	25,668 Acre Feet

Stage of Reservoir Elevation 742.28 Feet

Water in Storage 164,678 AF

Area 2,735

Evaporation 254.1 AF

Inflow 186.8 AF

Downstream Release WR8918 0 AF

Fish Release 309.7 AF

Spill/Seismic Release 0 AF

State Project Water 88.7 AF

Change in Storage -905 AF

Tecolote Diversion 1,178.6 AF

Rainfall: Month: 2.46 Season: 6 Percent of Normal: 103% ITEM # 6a

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

**CACHUMA OPERATION AND MAINTENANCE BOARD
METERED USE REPORT FOR DECEMBER 2008**

LATERAL/ STATION	NAME	ACRE FEET METERED	LATERAL/ STATION	NAME	ACRE FEET METERED
CARPINTERIA WATER DISTRICT			GOLETA WATER DISTRICT		
Boundary Meter		22.41	18+62	G. WEST #1	0.00
Less 2% system losses		(0.45)	18+62	G. WEST #2	3.30
			78+00	Corona Del Mar FILTER Plant	692.35
			78+00	CHEM. FEED-No longer exists	0.00
			122+20	STOW RANCH	0.00
				CAMINO REAL (Bishop)	0.00
				STATE WTR CREDIT	(17.00)
				Morehart Land (SWP)	0.00
				Raytheon (SWP)	0.00
				La Cumbre SWP Transfer	0.00
			TOTAL		678.65
			MONTECITO WATER DISTRICT		
			260+79	BARKER PASS	17.76
			386+65	MWD YARD	62.96
			487+07	VALLEY CLUB	0.00
			499+65***	E. VALLEY-ROMERO PUMP	36.90
			599+27	TORO CANYON	2.35
			510+95	ORTEGA CONTROL	0.68
			510+95	MWD PUMP (SWD)	4.15
			526+43	ASEGRA RD	11.37
			555+80	CO. YARD	0.00
			583+00	LAMBERT RD	0.18
				STATE WTR CREDIT	(17.00)
				SWP CRED - CVWD	0.00
			TOTAL		119.35
			CITY OF SANTA BARBARA		
			CATER	INFLOW	908.42
			"	SO. FLOW	(234.39)
			"	PENSTOCK	(291.74)
			Sheffield	SHEF.LIFT	84.12
				STANWOOD MTR TO SCC-credit	0.00
				STATE WTR CREDIT	0.00
				La Cumbre Mutual (SWP) transfer	(38.00)
			TOTAL		428.40
			S. Y. RIVER WTR CON DIST., ID#1		
			COUNTY PARK, ETC		3.79
			TOTAL		3.79
			BREAKDOWN OF DELIVERIES BY TYPE:		
			STATE WTR TO SOUTH COAST		89.00
			BISHOP RANCH DIVERSION		0.00
			METERED DIVERSION		1,235.16
STATE WTR CRD		(17.00)			
TOTAL		4.96			

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

MONTH	DELVRD TO LAKE	CVWD		MWD		Transf		Delvd to SC		S.B.		GWD		LCMWC		RSYS		MLC		
		Delvd to Lake	Delvd to Lake	Delvd to Lake	Delvd to Lake	Delvd to CV	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	
2007																				
Bal. Fwd		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	412	0	0	62.27	306.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	419	0	0	352	351.4	0.6	350.9	0	0	0	0	0	0	0	0	0	0	0	0	0
May	797	0	0	288	-62.9	0	350.9	0	0	0	0	0	0	0	0	0	0	0	0	0
June	982	0	0	345	0	0	345	0	0	0	0	0	0	0	0	0	0	0	0	0
July	882	0	0	308	0	0	308	0	0	0	0	0	0	0	0	0	0	0	0	0
August	716	0	0	254	0	0	254	0	0	0	0	0	0	0	0	0	0	0	0	0
September	764	100	0	230	0	0	230	0	0	0	0	0	0	0	0	0	0	0	0	0
October	588	100	0	403	0	0	403	0	0	0	0	0	0	0	0	0	0	0	0	0
November	263	0	0	183	0	0	183	0	0	0	0	0	0	0	0	0	0	0	0	0
December	486	0	0	418	134.2	0	283.8	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	6316	200	0	3150	134.2	0	3016	0	0	0	0	2180	0	693	0	693	0	33	0	60

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

MONTH	DELVRD TO LAKE	CVWD		MWD		Evap/Spill		Delvd to SC		S.B.		GWD		LCMWC		RSYS		MLC		
		Delvd to Lake	Delvd to Lake	Delvd to Lake	Delvd to Lake	Delvd to SC	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	
2008																				
Bal. Fwd		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January	39	0	0	39	48	0	125	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	716	0	0	253	0	0	253	0	0	0	0	0	0	0	0	0	0	0	0	0
July	627	0	0	218	0	0	218	0	0	0	0	0	0	0	0	0	0	0	0	0
August	994	0	0	885	323	0	562	0	0	0	0	0	0	0	0	0	0	0	0	0
September	988	100	0	647	416	0	554	0	0	0	0	0	0	0	0	0	0	0	0	0
October	87	0	0	0	0	0	416	0	0	0	0	0	0	0	0	0	0	0	0	0
November	153.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	89	17	0	17	0	0	17	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3693.6	117	0	2059	0	48	2145	0	0	0	0	723	0	775.6	0	775.6	0	19	0	0

Operations Report – December 2008

Cachuma Project water usage for the month of December 2008 was 1,235 acre-feet, compared with 1,839 acre-feet for the same period in 2007. Cachuma Project water use for the 12 months ending December 31, 2008 was 25,272 acre-feet, compared with 27,795 acre-feet for the 12 months ending December 31, 2007.

The average flow from Lake Cachuma into the Tecolote Tunnel was 38 acre-feet per day. Lake elevation was 742.61 feet at the beginning of the month and 742.28 feet at the end. Recorded rainfall at Lauro Dam was 2.28 inches for the month and 4.78 inches for the rainfall season, which commenced on September 1, 2008.

Santa Barbara wheeled 325 acre-feet of Gibraltar water through Lauro Reservoir during the month. 63 acre-feet of State Water Project water was wheeled through Cachuma Project facilities and delivered to South Coast Member Units during the month.

COMB staff assisted the contractor on the repair of the SCC Coyote Road damage. Staff also assisted with the flushing and disinfection of the SCC before being returned the SCC to service. See "Damage to the SCC in Coyote Creek" for more information.

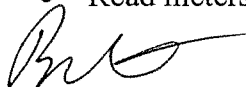
Work has continued this month on repairs and upgrades to culverts and retaining structures in the Glen Anne area. Several culverts were cleaned out, one replaced, and several new drop inlets were installed. Two of the plank retaining structures required maintenance due to age and fire damage. The Glen Anne area is a high erosion area that typically requires constant attention in the winter months. This area will require more work this year due to increased runoff and erosion caused by the Gap Fire in this area.

Activities conducted this month include:

- Work continued on the design of the line valves in the Montecito section of the SCC.
- Design and environmental work continued on the 2nd Pipeline Project and the Mission Creek Project. Final design and specifications were submitted to COMB for review. The final EIR/EIS is expected to be completed in January. Delays in finalization of the EIR/EIS have occurred due to requirements for USBR review of comments and response to comments.
- Work continued on the evaluation of metering issues in the lower reach of the SCC. More testing will be done in January.
- Work was completed on the Lauro drain project and was tested during the November and December rains.

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


Brett Gray
Operations Supervisor

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 (projected)		3,200	341
2/28/09	February		3,200	300
3/31/09	March		3,200	300
4/30/2009	April		3,200	300
*** TOTAL		5,100	3,200	3,469

kr\comb\cachuma 2008 surcharge account 012609

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CACHUMA OPERATION AND MAINTENANCE BOARD
MEMORANDUM

Date: January 16, 2009
To: Members of the Board of Directors
From: Kate Rees, General Manager
RE: Lauro Retention Basin Progress Report

Discussion:

Work on the Lauro Retention Basin is progressing on-schedule through final stages with construction nearing 92% completion and 88% of the project budget expended. The demobilization process is well underway, and pending performance testing and final hardware/gate installation the construction of Lauro Retention Basin will be complete by the end of January 2009.

Project Status:

- Debris Basin Dam construction complete
- Diversion Structure is 98% complete pending gate installation
- Subdrain installation is complete
- Access Improvements are complete
- Decant Structure 95% complete pending testing and hardware installation

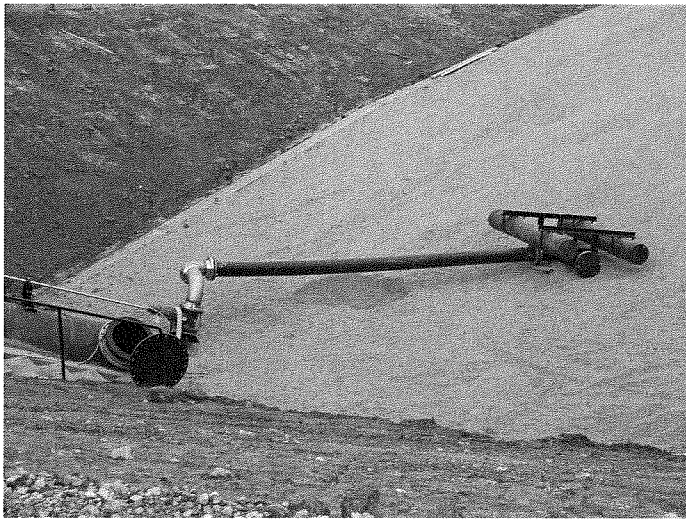


Picture 1 –Lauro Retention Basin
Overview Pre-Construction

Picture 2 –Lauro Retention Basin
Overview After Construction



Picture 2 –Concrete Access Rd 1/16/09



Picture 3 – Inlet Pipe Float 1/16/09



Picture 4 – Decant Structure 1/10/09



A Meeting of the
**OPERATING COMMITTEE
OF THE
CENTRAL COAST WATER AUTHORITY**

will be held at 9:00 a.m., on Thursday, January 8, 2009
at 255 Industrial Way, Buellton, California

Leo Trujillo
Chairman

Fred Lemere
Vice Chairman

William J. Brennan
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

255 Industrial Way
Buellton, CA 93427-9565
(805) 688-2292
FAX: (805) 686-4700

- I. **Call to Order and Roll Call**
- II. **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 to a total of fifteen minutes.)**
- III. **Consent Calendar**
 - *A. Approve Minutes of the October 9, 2008 Operating Committee Meeting
- IV. **Executive Director's Report**
 - A. Operations Update
 - B. 2009 State Water Project Table A Amount Allocation Update
 - *C. 2009 Drought Water Bank
 - D. DWR Revised 2009 Statement of Charges
 - E. FY 2009/10 Budget and 2010 Four Year Financial Plan Preparation
 - *F. 2008 Accomplishments and 2009 Goals
- V. **Reports from Committee Members for Information Only**
 - *A. City of Buellton's Appointment of Ed Andrisek to CCWA Board of Directors and Holly Sierra as Alternate
- VI. **Items for Next Regular Meeting Agenda**
 - A. Preliminary FY 2009/10 Budget
 - B. SWP Table A Amount Allocation Update
- VII. **Date of Next Regular Meeting: March 12, 2009
(Joint Meeting with Finance Committee)**
- VIII. **Adjournment**

*Indicates attachment of document to agenda packet.

A handwritten signature in black ink, appearing to be "JTB", with the number "34655" written below it.

34655

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Santa Barbara County Water Purveyors

Quarterly Meeting

Thursday January 8, 2009 11:00 AM - 12:30 PM

Central Coast Water Authority

255 Industrial Way

Buellton CA 93427

(805) 688-2292

AGENDA

- | | |
|-------------------------------------|---------|
| 1. Introductions | Naftaly |
| 2. Additions to Agenda | Naftaly |
| 3. Burn Area Update | Fayram |
| A. Tea Fire | |
| B. Gap Fire | |
| C. Zaca Fire | |
| 4. Cloudseeding | Naftaly |
| 5. Water Supply Update | Naftaly |
| 6. IRWMP | Naftaly |
| A. Proposition 50 | |
| B. Proposition 84 | |
| 7. Water Agency Function and Future | Fayram |
| 8. Next Meeting | Group |
| 9. Adjourn | |

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Item 7

Santa Barbara County Water Agency January 8, 2009		
WA Current Tasks (Partial List)	Historic/Periodic Tasks	Staff
Cachuma Support	Cach. Modified Ops	Manager 1
Cloudseeding	Drought Planning	Conservation 2
Emergency Response Support	Fish Studies ?	PCW 3
Flood Operation Support	Santa Ynez River Modeling	Hydrology 1
GW Monitoring	Twitchell Sediment Study	
GW Reports and Studies	Water Supply Planning	
IRWMP Development & Maintenance	Water Supply Reports	
Misc. Tasks as assigned by BOS	Watershed Planning	
Prop. 50 Administration		
Prop. 84 Administration		
Public Information		
Purveyor Meetings		
Regional Water Conservation Program		
Regional Water Quality Program		
State Water Oversight		
Twitchell Support		

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: January 26, 2009
TO: Members of the Board of Directors
FROM: Kate Rees, General Manager
RE: **Lauro Debris Basin Additional Expenses**

RECOMMENDATION:

The recommendation will be covered under Item 8 – Recommendation for Use of FY 2007/08 Unexpended Funds

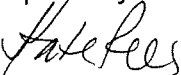
DISCUSSION:

The Lauro Dam Debris Basin Project is progressing well and is expected to be completed by the end of January 2009. Several unforeseen issues have occurred, such as wet soil conditions, unusable debris in existing site soils, additional site tree removal, and other small project improvements.

The largest problem encountered has been the wet soil conditions. The debris basin is located in a creek so wet soil issues were expected, but not to the level that has been encountered in the last month. The excessive wet soil has required additional soil stabilization efforts significantly above what the project contract specified. This has generated a number of change orders from Cushman Contractors.

The original contract amount for this project was \$961,825. It is anticipated that the additional change orders will total approximately \$100,000 by the end of the project. Based on this estimate, it is recommended that \$100,000 dollars be designated for this project from the FY 2007/2008 unexpended fund balance.

Respectfully submitted,


Kate Rees
General Manager

CACHUMA OPERATION and MAINTENANCE BOARD

MEMORANDUM

DATE: January 26, 2009
TO: Members of the Board of Directors
FROM: Kate Rees, General Manager
RE: **Fiscal Year 2007-2008 Unexpended Funds Recommendation**

RECOMMENDATION:

Authorize allocation of the FY 2007/08 unexpended fund balance as follows:

1. \$100,000 for the Lauro Debris Basin Project
2. \$200,000 for the 2nd Pipeline Project and Mission Creek Project
3. \$100,000 for the South Coast Conduit - South Reach Meter Project

DISCUSSION:

The unexpended fund balance from FY2007/08 is \$461,906 as reported by the auditor and discussed at the December 15, 2008 Board meeting. COMB's Board President suggested that instead of using those funds to offset future assessments, that they instead be allocated toward COMB capital project improvement work.

Staff concurs with this suggested approach as there are financial needs this fiscal year that were not anticipated when the budget was being developed. \$100,000 in additional funds is needed for the Lauro Debris Basin Project as discussed under Item 7. The Mission Creek Pipeline and 2nd Pipeline Projects will cost about \$200,000 to complete the final designs, environmental compliance, regulatory permits, easements, and contract documents, all of which will be required before construction can begin. This work was anticipated for this fiscal year. However, it was expected that funding would be available from a Proposition 50 reimbursement for the 2nd Pipeline Project, and from bond financing for the Mission Creek Project. Both of these funding sources have been put on hold due to the current financial downturn and the State's budget impasse. Allocation of funds to these projects will allow work to continue. Lastly, it would be prudent to earmark \$100,000 of the unexpended funds for the SCC South Reach Meter Project once the corrective action is determined.

Staff, therefore, recommends allocation of the unexpended fund balance as described. The use of unexpended funds for this line item will not affect or change the current fiscal year budget.

Respectfully submitted,


Kate Rees
General Manager

KR.COMB admin/board memos/FY 07-08 unexpended funds.mmo

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CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: January 26, 2009
TO: Members of the Board of Directors
FROM: Kate Rees, General Manager
RE: **Formation of an Operating Committee**

RECOMMENDATION:

It is recommended that the Cachuma Member Unit Manager Group be restructured to effectively function as an Operating Committee for both COMB's operational and special project activities, and CCRB/ID No.1's fisheries operational and project activities, without being a formal committee of either or both Boards.

DISCUSSION:

At the December 15, 2008 Board meeting, the COMB Board President appointed an ad hoc committee to formulate how an Operating Committee might be structured for COMB. Charles Hamilton had suggested that it be structured along the same lines as the Operating Committee for CCWA. The COMB Board appointed Kate Rees, Rebecca Bjork, and Charles Hamilton to the ad hoc committee which met on December 10, 2008. The following provides a summary of the ad hoc committee meeting and initial recommendation, and a revised staff recommendation based on input from the Member Unit General Managers, with the exception of Mr. Hamilton who was unable to attend the Manager meeting in early January.

Purpose of the Operating Committee

The ad hoc committee was of the opinion that it would be most effective and efficient to form one Operating Committee for CCRB as well as COMB because both agencies have substantial budgets and a number of physical projects planned well into the future for which coordinated long-term budget and financial planning among all agencies is needed.

The purpose of the Operating Committee would be to provide a structure and process to enable the Member Units, COMB, and CCRB to efficiently coordinate their planning and interaction, with a focus on major operational and budgeting activities. It would also allow the Member Unit General Managers to interact with the COMB/CCRB General Manager and COMB/CCRB staff in a timely manner to mutually determine the scope of work for capital projects, steelhead habitat improvement projects, their planning, and budgeting.

Committee Responsibilities

COMB currently chairs an existing staff level Capital Improvement Program Coordinating Committee (CIP) made up mainly of the south coast member units' engineering and upper level

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management staff and consultants. This group shares technical information and coordinates real time operational activities and special projects being carried out by the various Member Units on the South Coast.

COMB also has a Board level Capital Improvement Program Committee (Board CIP) which meets with the General Manager and staff regularly to formulate policy recommendations to the Board regarding evaluation, prioritization, and funding of capital improvement projects as well as COMB's long-term CIP program.

CCRB has a Board level Steelhead Habitat Improvement Committee (HIP) that is similarly structured. It meets with the General Manager and staff to formulate policy recommendations to the Board regarding evaluation, prioritization, and funding of fish habitat improvement projects, as well as the long-term Santa Ynez River Fisheries Monitoring Program.

The new Operating Committee would enable manager level interaction. In addition to providing a vehicle for interaction about major operational and budgeting matters of both CCRB and COMB, it would provide the Member Unit General Managers the opportunity for early input into the planning and coordination of CIP and HIP projects, and give the COMB General Manager and staff a better understanding of the budgeting issues facing the individual Member Units, thereby assisting COMB staff with better defining the need and approach for implementing the components of the CIP and HIP programs of work. This will, hopefully, result in a holistic approach for planning and funding what is needed for the Cachuma Project and its operations as a whole. Recommendations will be developed by the Operating Committee for consideration by the CIP or HIP Committees, and by the COMB and CCRB Boards.

Operating Committee Structure

The voting members of the Operating Committee would consist of the General Manager of each of the Cachuma Member Units. The COMB/CCRB General Manager and COMB/CCRB staff, as directed by the COMB/CCRB General Manager, would interact with the Operating Committee.

COMB/CCRB staff would prepare and present reports and information regarding operations, major maintenance, capital improvement projects, habitat improvement projects, financial information, state-wide issues of concern, and issues involving USBR, SWRCB and state and federal regulatory agencies.

COMB/CCRB staff would prepare meeting agendas and summary notes of the meetings. As appropriate, the presentations and information provided at the Operating Committee meetings would also be presented to the COMB and CCRB Boards.

Cachuma Manager/Attorney Meetings

These are monthly meetings are to keep General Managers and some Member Unit attorneys current with COMB and CCRB activities, mostly pertaining to public trust and State Water Resources Control Board matters, and to elicit some input from this group. The ad hoc committee does not think these meetings are structured in such a way as to be conducive to interactive discussions to adequately address major COMB and CCRB activities. These Manager/Attorney meetings are currently structured for brief dissemination and discussion of information rather than what is described for the proposed Operating Committee.

The ad hoc committee recommended that major COMB and CCRB operational and financial issues, for which legal input is not needed, be addressed by an Operating Committee, and that

joint Manager/Attorney meetings be reduced in frequency to quarterly meetings, or as needed, to address issues for which legal input and/or feedback is needed or desired.

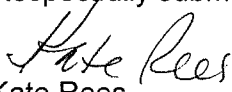
Formation of the Operating Committee

The ad hoc committee recommended that the COMB and CCRB Boards approve the formation of an Operating Committee to serve both Boards. This recommendation was discussed among the Member Unit General Managers at the January 7, 2009 Manager/Attorney meeting. Chris Dahlstrom supported the formation of a COMB Operating Committee, where ID No.1 would mainly be an observer, but objected to a combined COMB/CCRB Operating Committee because ID No. 1 is not a member of CCRB. As an alternative approach, it was suggested that the existing General Manager Group be restructured as described above to effectively function as an Operating Committee for both COMB's operational activities and CCRB/ID#1's fisheries activities, without being a formal committee of either or both Boards. All General Managers present supported this proposal, although Mr. Hamilton was absent. I also recommend this approach.

Meeting Schedule

Regular meetings of the General Managers' Operating Committee would initially be held monthly until it is determined that quarterly meetings are adequate. The Managers would continue to meet the first Wednesday in the month beginning in February 2009.

Respectfully submitted,


Kate Rees
General Manager

kr.admin/COMB admin/board memos/012609_operating comm recommendation.mmo

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: January 26, 2009

TO: Members of the Board of Directors

FROM: Kate Rees, General Manager
Brett Gray, Operations Supervisor

RE: **South Coast Conduit Line Break in Coyote Creek, Sycamore Canyon, Santa Barbara**

RECOMMENDATION:

Propose cost sharing to the City of Santa Barbara for the repair costs for the South Coast Conduit line break in Coyote Creek, Sycamore Canyon, Santa Barbara

DISCUSSION:

On December 4, 2008, at 8:15 am, the South Coast Conduit (SCC) in the Southern Reach was damaged by Tierra Contracting, who was installing a large trash rack in Coyote Creek along Coyote Road as an emergency project for the City of Santa Barbara. The pipeline was taken out of service for five days for the repair. This section of the SCC is a 30" concrete cylinder pipe that supplies water to Montecito Water District (MWD) and Carpinteria Valley Water District (CVWD). Fortunately, the outage did not affect the delivery of water to any of MWD's or CVWD's customers due to COMB, Tierra, and City staff efficiently working together to restore water deliveries as quickly as possible. Below is a summary of events and a discussion of the how this event occurred.

Summary of Events

Thursday December 4th

- At 8:15 am COMB staff received a call from Tierra Contracting that they had damaged a water line at Coyote Road at Hwy 192.
- COMB staff responded to the site and determined that the damaged waterline was the SCC.
- MWD, CVWD, and Cater Water Treatment staffs were notified of the situation and a status report of their system storage and demand was requested.
- Demand at this time was approximately 1 MGD for all users south of the damage location.
- COMB staff shutdown the SCC and started to drain the pipeline.

ITEM # 11
PAGE 1

- The pipeline was drained by 11:00 am and COMB staff entered the site to determine the extent of the damage.
- The damage consisted of a 1.5" x 10" inch puncture in the exterior concrete, interior concrete, and steel liner; and broke 2 rods of the pre-stressed reinforcing steel wrap.
- Based on the damage, the best and only long term repair was to replace the entire joint of pipe. This joint of pipe is 16 feet long.
- Replacement of the SCC section was estimated as a 4 day project.
- Based CVWD and MWD system storage and low demand, it was determined that supplies could sustain a 5 to 6 day shutdown.
- By 12:00 pm COMB staff had located a replacement joint of pipe and expedited its delivery by 5 pm.
- Based on the information at hand, it was determined that replacement of the full joint of pipe was the best option for returning the SCC to service in a reliable and timely fashion.
- In the afternoon a meeting was held with Tierra Contracting to plan repair of the SCC. The method of repair was determined and completion estimated by December 7th.
- MWD and CVWD staff were contacted and informed of the repair plan. They concurred that they could handle a planned shutdown of six days.
- Site preparations began for full joint replacement.

Friday December 5th

- Shoring, complete excavation of the SCC, removal of the broken section of the SCC, and ruff fitting of the new section of SCC was completed.
- COMB staff worked with MWD staff to determine the disinfection process for returning the pipeline to service.

Saturday December 6th

- The new section of pipeline was welded into place.
- SCC structures above and below the damaged section were opened for access for internal grouting of the welded areas.
- Welding was completed at 9:30 pm.

Sunday December 7th

- Grouting on the interior of the welded section was completed by 1:00 pm and the SCC structures were closed.
- The SCC was now ready for filling on Monday December 8th as originally planned.
- System storage levels were significantly above expected levels.

Monday December 8th

- At 9:00 am filling and disinfection of the SCC commenced.
- This process was completed at 5:30 pm and the SCC was returned to service.
- Work also started this day on a reinforcing cage to be formed around the new pipe section of the SCC for protection from high stream flows in Coyote Creek.

Tuesday December 9th and Wednesday December 10th

- The reinforcing cage, backfill of the site, and site cleanup was completed.
- MWD, CVWD, and Cater Water Treatment staffs were notified of the progress each day.

Investigation of Cause

COMB received two DigAlerts for projects in this area. One was for silt removal in the creek filed by Tierra Contracting and the second was for the excavation of a sediment basin filed by the County of Santa Barbara Flood Control District. Both of these DigAlerts were filed for work being done for Santa Barbara County Flood Control, and both were filed on the morning of November 20th. No DigAlerts were filed for the installation of a trash rack or for any City of Santa Barbara project.

Based on the projects described in the two DigAlerts (silt removal and excavation of a sediment basin), COMB staff determined that the SCC was outside the DigAlerts delineation for both projects. COMB staff first checked the DigAlerts on Friday November 21st and placed a call to Tierra asking for more information about the scope of work of the project. COMB did not receive a return call from Tierra. COMB staff checked the work area again on Monday November 24th and determined there was no conflict with the SCC location. The sediment basin is located at the corner of Hwy 192 and Coyote Rd, well away from the SCC. Due to this, the SCC was not marked in the area of the damage.

At the time of the repair, Tierra's delineation marks at the site showed that the SCC was within the designated work area. However, this was more than two weeks after the DigAlerts were filed. Marks at the site indicated that the delineation was first marked for a work area about 16 feet away from the SCC, and then subsequently extended to a larger area that included the SCC. Tierra acknowledged that they initially marked the site for one area, and extended the delineation on the same day. The two agencies that filed the DigAlerts delineated the work site using two different formats. Two COMB staff who investigated the DigAlerts indicated that the delineation marks did not extend to the area where the SCC was located at the time of inspection. If the marks that were at the site during the repair were present when COMB staff initially investigated the DigAlerts, the difference in the delineation formats caused by extending of the work area would have caused confusion regarding the actual area of delineation.

Typically, projects of this nature require engineered plans, utility research, and ownership/easement research to coordinate with agencies that have utility lines or other facilities in the area. We understand that this project was an emergency project due to flooding concerns caused by the Tea Fire, and that normal project planning procedures were not followed. Therefore, steps were taken to expedite the project that did not allow for due diligence in project planning. Consequently, COMB was never contacted by the City regarding plans for this project, request for utility research, or consultation regarding the federal Cachuma Project easement for the SCC at the project site.

Repair Costs

Because immediate repair of the SCC was necessary, COMB and City staff agreed that Tierra Contracting should carry out the repair and replace the damaged section of pipeline. Tierra had appropriate equipment at the site, and experience in working on pipeline replacement projects. They did an excellent job and completed the project quickly. Tierra's costs to repair the SCC totaled \$28,807, which included a substantial reduction for use of their large equipment. Typically for this type of project, costs would normally be about \$60,000.

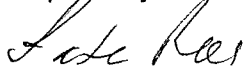
Suggested Cost Sharing

It is staff's position that COMB was not responsible for the damage to the SCC for the reasons stated above. However, it appears that there was enough uncertainty with regard to the nature of the actual project compared to the scope of work described in the DigAlerts, emergency project planning vs. normal project planning procedures, the initial delineation and subsequent expansion of the work area, and not marking the location of the SCC, that the repair costs

should be shared - 50% COMB and 50% City of Santa Barbara because Tierra was working for the City's on the trash rack project when the damage occurred. COMB staff was also able to carry out some improvements to the SCC structures in the area, and the new section of pipeline is now reinforced against any future flood damage in that portion of Sycamore Creek. Therefore, COMB derived some benefit from the repair project.

The main thing to acknowledge is that the repair work could not have gone more smoothly. A potential catastrophe was avoided by COMB, Tierra, and City staff working together for long hours to restore water deliveries as quickly as possible – which they did. No customers were affected and pipeline improvements were made. The trash rack installation was completed with minimal delay further downstream out of the SCC right of way.

Respectfully submitted,



Kate Rees
General Manager

KR.COMB admin/board memo/012609_SCC break Coyote Rd.mmo

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PAGE 4

Kate Rees

From: Naftaly, Matt [Mnaftal@co.santa-barbara.ca.us]
Sent: Monday, December 22, 2008 3:39 PM
To: Kate Rees; 'treyburn@ci.santa-maria.ca.us'; 'glmcfarland@goletawater.com'; 'CraigM@carpsan.com'; 'jbarget@vvcasd.org'; 'TConti@SantaBarbaraCA.gov'; Wilder, Marty; 'ccsd@inreach.com'; 'gorley_robin@yahoo.com'; 'kazoury@goletasanitary.org'; 'kwerner@goletasanitary.org'; 'callen@vvcasd.org'; 'mvanderlinden@goletawater.com'; 'bob@cvwd.net'; 'charles@cvwd.net'; 'jsalt@goletasanitary.org'; 'jzachary@ci.santa-barbara.ca.us'; 'rubenm@att.net'; Janet Gingras; Chang, David; 'SRamaker@aspenerg.com'; 'Almy, Robert A.'
Cc: 'Jane Gray'; 'Tom Evans'; 'Meredith Clement'; 'Alison K. Evans'; Fayram, Tom; McGolpin, Scott; 'kwalsh@afo.net'
Subject: Suspension of SWRCB Proposition 50 Funding
Attachments: Prop50Let122208.pdf
Importance: High

The information below pertains to a letter issued December 18, 2008 by the SWRCB Finance Department.

This is potentially a very serious threat to the Grant money for which we have all worked so hard. Despite the holidays and County work furlough, I felt that an initial response was necessary immediately. Therefore, I drafted and sent the attached letter to Kelley List. In the coming weeks, we should consider what additional response would be appropriate. This may include letters from individual proponents and/or letters to Legislators. Hopefully, clarification regarding the specifics of the suspension is forthcoming.

I look forward to hearing your ideas and concerns.

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

This is to notify you that the State Water Resources Control Board has been directed by the Department of Finance (via Budget Letter 08-33, available on-line at: http://www.dof.ca.gov/budgeting/budget_letters/documents/BL08-33.pdf) to freeze/suspend all new GO bond invoices and commitments.

Propositions 13, 40, 50 and 84 invoices will be put on hold immediately and no new commitments (grant agreements) will be formalized. If you have a 319(h) funded project or a Clean Water State Revolving Fund Program project, these will continue as normal.

** If you have questions please contact your Grant Manager after Monday, December 22, 2008.

Below is specific language from the BL 08-33 that relates to what is stated above (please take note of #4).

Portion of Budget Letter 08-33: PROJECT SUSPENSION AND FREEZES

Effective immediately, all state entities that have expenditure control and oversight of General Obligation and lease revenue bond programs shall:

1. Cease authorizing any new grants or obligations for bond projects, including new phases for existing projects.
2. Suspend all projects, excluding those for which Department of Finance (DOF) authorizes an exemption based on criteria described unless the contracting entity can continue with non-state funding sources (private, local, or federal funds).

3. Freeze all disbursements on AB 55 loans that were not authorized nor submitted to the Controller for payment prior to December 17, 2008.
4. Instruct all grant or loan recipients not to enter into any new construction, other agreements or contracts that would be funded from AB 55 loans.

Thank you,
Division of Financial Assistance
State Water Resources Control Board

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

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 942360001
(916) 653-5791



January 13, 2009

NOTICE TO ALL GENERAL OBLIGATION BOND FUND RECIPIENTS

The State of California is suffering an unprecedented economic financial crisis. As a consequence, the State's Pooled Money Investment Board voted on December 17, 2008 to freeze disbursements from Pooled Money Investment Account (PMIA) loans. These PMIA loans are used to finance projects authorized and funded by General Obligation Bonds (Propositions 3, 25, 28, 44, 55, 81, 82, 204, 13, 50, 84, and 1E).

The California Department of Finance (DOF) has issued instructions to State Agencies to suspend all General Obligation Bond-funded projects, excluding those for which DOF authorizes an exemption. This freeze will remain in effect until the budget crisis is resolved in a manner sufficient to allow the state to resume issuing bonds. For further information, please see DOF's Budget Letter 08-33, available on-line at: http://www.dof.ca.gov/budgeting/budget_letters/documents/BL08-33.pdf.

As a recipient of General Obligation bond funding offered through the Department of Water Resources (DWR) it is our desire to provide to you a caution that our funding agreements, contracts, grants, and/or loans with your organization could be affected. Moreover, we have been informed that the State Controller's Office has currently suspended all payments of claims financed by General Obligation Bonds. We will share additional information with you as soon as it is made available to us.

If you have questions regarding the above information, please contact your DWR Program Manager.

Sincerely,

A handwritten signature in black ink, appearing to read "Lester A. Snow", with a long horizontal line extending to the right.

Lester A. Snow
Director

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DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 942360001
(916) 653-5791



January 7, 2009

NOTICE TO PENDING GRANT AND LOAN RECIPIENTS AND CONTRACTORS

The State of California is suffering an unprecedented economic financial crisis. As a consequence, the Department of Finance has directed the Department of Water Resources (DWR) to cease authorizing any new obligations for General Obligation Bond projects. This action is necessary due to the State's budget crisis and the need to preserve necessary cash resources to pay the day-to-day operational needs of the State for the balance of the fiscal year pending further Pooled Money Investment Board action in January. This freeze will remain in effect until the budget crisis is resolved in a manner sufficient to allow the State to resume issuing bonds. For further information, please see Department of Finance's Budget Letter 08-33, available on-line at: http://www.dof.ca.gov/budgeting/budget_letters/documents/BL08-33.pdf.

During this time all pending funding agreements, contracts, grants, or loans with your organization are being suspended until further notice. We will share additional information with you as soon as it is made available to us.

If you have questions regarding the above information, please contact your DWR Program Manager.

Sincerely,

A handwritten signature in black ink, appearing to read "Lester A. Snow", with a long horizontal line extending to the right.

Lester A. Snow
Director

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PAGE 4

Dear Kate Rees,

Proposition Bond Funds Frozen until Budget Crisis Resolved
Pooled Money Investment Board to consider partial lift

The Department of Water Resources (DWR) is notifying recipients of all general obligation bond funds and pending grant and loans that all projects and disbursements will be frozen until the budget crisis is resolved. The action stems from the Pooled Money Investment Board's (PMIB) decision in mid-December to suspend and freeze all disbursements from AB 55 loans (Pooled Money Investment Account (PMIA) loans) to "preserve necessary cash resources to pay the day-to-day operational needs of the state."

PMIA loans are used to finance projects under Propositions 204, 13, 50, 84 and 1E.

In a notice dated January 7, DWR Director Lester Snow notified pending grant and loan recipients and contractors that DWR will stop authorizing any new obligations for bond projects. A second notice dated January 13, indicated that all disbursements from PMIA loans are frozen as well.

Copies of both of the notices from DWR are available:

January 7 Notice to Pending Grant and Loan Recipients and Contractors:


<http://www.acwa.com/uploads/G.O.BondLetter2.pdf>

January 13 Notice to All General Obligation Bond Fund Recipients:

<http://www.acwa.com/uploads/G.O.BondLetter1.pdf>

The PMIB is scheduled to meet Friday, Jan. 16, at 10 a.m. at the CalPers Building to consider partially lifting the freeze. The meeting agenda lists the specific requests that will be considered. A copy is available online at: <http://www.treasurer.ca.gov/pmia-laif/pmib-agenda/20090116.pdf>

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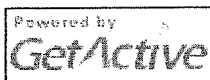
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Santa Barbara County Public Works Department
Flood Control & Water Agency

December 22, 2008

Kelley List
State Water Resources Control Board
Grant manager
1001 I Street, 16th Floor
Sacramento, CA 95814

RE: SWRCB Department of Finance, Budget Letter Number 08-33

Dear Kelley,

The referenced letter pertains to the suspension of Bond related funding including that specific to Proposition 50. Acting as Grantee, the Santa Barbara County Water Agency (SBCWA) recently signed an Integrated Regional Management (IRWM) Implementation Grant Agreement with the State Water Resources Control Board (06-613-550-0).

As the Grantee, the (SBCWA) respectfully requests that the Components funded as part of that contract be exempt from the suspension referred to in the letter. Although the letter is not specific as to what will ultimately be included in the suspension and what may constitute an exemption, the Santa Barbara County Water Agency IRWM Implementation Grant Agreement was executed prior to the issuance of the SWRCB letter and therefore may not be subject to its terms.

In addition, suspension of funds would result in great hardship for several sub grantees which are disadvantaged communities or have projects already under construction. These include Component #4, Casmalia Community Services District; Component #5, the City of Guadalupe; Component #7, the City of Santa Maria; component #8, County of Santa Barbara Agricultural Commissioner; Components #9 and 10, Cuyama Community Services District; and Component # 14, Vandenberg Village Community Services District.

We look forward to receiving additional clarification as to the specifics of the suspension and to working with the SWRCB to secure funds for our IRWM Implementation Grant.

Sincerely,

Matt Naftaly
Santa Barbara County Water Agency
Grant Contact

ITEM # 126
PAGE 1

Submitted by Matt Hagarty
9:01am 12/29/08

Section

Department: State Water Resources Control Board
 Bond Fund: 6.031
 Program Name: Water management (SWRCB) - Southern California
 Type of Cost:

Project Name	DAC?	Anticipated State Cash Need through 6/30/09	Demobilization Costs		Restart Costs	Impacts/Risks	Explanation
			State \$	Local \$			
Santa Barbara Countywide IRWM Component #1: COMB South Coast Conduit Upper Reach Reliability Pipeline Component #4: Casmalia CSD Water System Improvements	NO YES	7,500,000	N/A*	N/A*		Project to alleviate under-design flaws. Water supply to 200,000 people at risk if failure occurs during delay. Water System infrastructure would continue to deteriorate to the point where the Health Department would require that the system be shutdown. This could happen at any time as system currently has significant deficiencies. The community would then have to be abandoned unless another source of funding is found.	Project will be in jeopardy if unfunded. *Project is well developed and nearly ready to be implemented. Project will not proceed to construction without funding. Construction is expected to begin in April or May 2009.
Component #9: Cuyama Community Services District Wastewater Treatment Plant Effluent Disinfection	YES					Project would correct discharge of chlorination of byproducts to groundwater. District is operating at a loss and now being fined by RWQCB for non-compliance. Delay of project would extend period of non-compliance and potentially result in additional fines.	
Component #10: Cuyama Community Services District Water Supply Improvements	YES					Project to replace existing storage tank that is seismically unsafe. Delay could result in loss of water supply to community in the event of tank failure.	
Component #14: Vandenberg Village Community Services District Lompoc Regional Wastewater Reclamation Plant Upgrade. (DAC)	YES		2,000,000		1,000,000	Project well into construction. Costs resulting from terminating contract, demobilization, reconfiguration of wastewater treatment operations, and resolution of legal/contractual issues. The contractor, Parsons RC, is an international firm with 3 subcontractors and 60 construction workers in the home stretch of construction. Only 10 percent of earnings (\$8 million) and 29 percent of time (250 days) remain on the contract.	
TOTAL by Program		3,800,000 7,500,000	\$	\$	\$		

Kate Rees

PRop 84 UPDATE

From: Lynn Rodriguez [Lynn.Rodriguez@ventura.org]
Sent: Monday, December 01, 2008 4:44 PM
To: Susan Hughes
Subject: Re-Cap of Information Workshop on IRWM/SWFM Grants and Region Acceptance Process
Attachments: Nov08_Slide_Handout.pdf; Nov08_IRWM_workshop_schedule.pdf; Nov08_IRWM_wrkshp_leg.pdf

WVC MEMBERS

On November 21st Sue Hughes and I (and a few other people from local agencies) attended the DWR Information workshop held in Santa Barbara regarding IRWM (as authorized by SB xx1) and SWFM grants and the Region Acceptance Process. I have attached the handouts from the workshop. We learned a lot from the discussion and the handouts. Please review the handouts, which have more detail than what will be summarized in this message.

Here's the highlights of what we learned:

1) There will be \$100 million in IRWM Implementation Grants available through an expedited process for release in March 2009. At least \$20 million of that must be used for agricultural and urban water conservation projects to help meet the goal of a 20% reduction in use by 2020 (urban). The State needs to clarify how agricultural projects will access the funds to meet an urban goal. At least \$10 million must be used to fund critical water supply or quality needs in disadvantaged communities. Applications for these funds will likely be due in May or June 2009. Funds may be allocated as follows: one grant per IRWM region, a cap of 1/9th of the funding per funding area (approximately \$24 million in the LA Funding Area which includes us), a desire (but not commitment) to fund in each funding area. See attached handouts for more information on the schedule and funding concepts. Areas receiving one of these grants will have to prepare an updated IRWM within two years of execution of the contract with DWR. All contracts in this funding program will be with DWR (none with the State Water Board).

2) There will be \$39 million in IRWM Planning Grants which will likely be issued in the summer of 2009 - there will be \$30 million for IRWM planning in non-disadvantaged community areas. There will be \$9 million for Local Groundwater Assistance funding. It is yet-to-be-determined if we can count past expenditures (back to 2007 or 2008) toward the local match required. There was not a definitive answer regarding whether or not the planning grant funds can be used to help study/plan a particular project. That may depend on the type of project.

3) Disadvantaged Communities are still defined as areas (census tracts) with less than 80% of the statewide median household income. Ventura County does not currently have any communities that fit this definition (only smaller pockets within Analysis Zones). Should the State change this definition at some point in the future (i.e. to take into account the higher cost of housing near the coast), we might qualify.

4) There will be \$150 million for Prop. 1E and Stormwater and Flood Management Grants but most of this funding is earmarked for other areas/purposes.

5) Region Acceptance Process: In order to receive IRWM grant funding in this process, all IRWM regions must go through a process to be "accepted" by DWR. DWR is developing guidelines for the process of determining which regions are acceptable. The Draft Guidelines will likely be released for comment in December. The process of interviewing regions and considering acceptance will be completed in late April or early May, just prior to the grant application period. Only accepted regions can apply for grants. Acceptable regions should

- "not be based solely on geographic features, be defined by water management issues, stakeholder composition and water-related conflicts; and be configured to achieve the function of diversifying and strengthening the regional water management portfolio." See the attached handouts for more detail on this process.

6) Future IRWM Implementation Grant funds will be made available sometime in Summer 2010 or later.

7) Compliance with AB 1420 - Implementation of Demand Management Measures (best management practices) as required in urban water management plans. Compliance will focus on Foundational BMPs for retail and wholesale urban water suppliers. This represents nine of the 14 BMPs for retail agencies, and six BMPs for wholesale agencies. All affected agencies report on implementation to the California Urban Water Conservation Council or to DWR. DWR is assuming that most urban water suppliers are not implementing all of the foundational BMPs as they are defined, and will need to potential ways to help suppliers meet these requirements. Programmatic options will likely be part of the grant application process. Further detail regarding how non-compliance may be handled can be found in the attached handouts. Local agencies required to prepare an urban water management plan (serving 3,000 customers or 3,000 acre-feet per year of urban water supplies) should complete Table 1 regarding AB 1420 Foundational BMP Compliance found on the DWR website at: <http://www.owue.water.ca.gov/finance/index.cfm>.

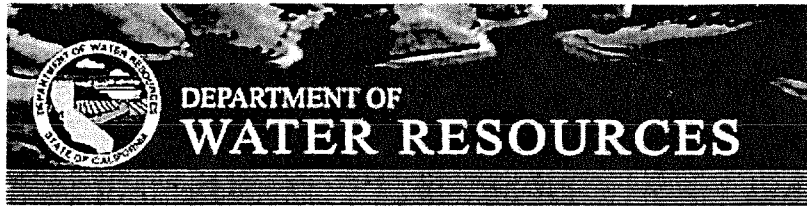
NEXT STEPS FOR WCVC AND WATERSHED COMMITTEES:

- We need continue our preparations for the region acceptance process (i.e. complete the MOU/charter regarding our governance structure, and review and comment on the guidelines when released by DWR).
- Each watershed committee will need to review existing project lists and determine if there are projects that meet the "ready to proceed" requirements and have the required match - as well as meeting the other criteria established for the expedited round of funding.
- WCVC will need to consider all watershed committee input and determine how to proceed with one or more projects for our region.
- We should continue to work toward updating our IRWM plan based on the guidelines contained in SBxx1, and continue with out ongoing IRWM planning effort.
- Each urban water supplier with an UWMP should complete Table 1 on DWR's website as soon as possible. Compliance issues need to be raised in the watershed committees as part of the project selection process.

We will discuss these issues further at future meetings.

If you have any questions, please call me at 654-2455.

Lynn



News for Immediate Release

December 22, 2008

Contacts:

Norman Shopay, Conjunctive Water Management	(916) 651-9218
Don Strickland, Information Officer	(916) 653-9515
Ted Thomas, Information Officer	(916) 653-9712

DWR RELEASES DRAFT GUIDELINES FOR IRWM REGION ACCEPTANCE PROCESS

SACRAMENTO -- The Department of Water Resources (DWR) is releasing for public comment draft guidelines for the Integrated Regional Water Management (IRWM) Region Acceptance Process (RAP).

These draft guidelines have been posted on DWR's Web site at: http://www.grantsloans.water.ca.gov/grants/irwm/integregio_rap.cfm. DWR will solicit oral and written comments on the draft RAP guidelines from interested parties, stakeholders, and the public at two public meetings.

January 22, 2009 - 1-3 p.m.
California Regional Water Quality Control Board LA Region
320 W. 4th St, Carmel Room
Los Angeles, CA 90013

January 26, 2009 - 1-3 p.m.
Resources Building, Auditorium
1416 9th Street,
Sacramento, CA 95814

Prior to the January 22 public meeting, material will be posted at http://www.grantsloans.water.ca.gov/grants/irwm/integregio_rap.cfm.

Attendees who need reasonable accommodation due to disabilities should contact Linda Woolridge, (916) 653-6255; TDD (916) 653-6934

Written comments will be accepted until 9:00 AM (Pacific Time) on Tuesday January 27, 2009.

E-mail comments to Norman Shopay at DWR_IRWM@water.ca.gov.

The Department of Water Resources operates and maintains the State Water Project, provides dam safety and flood control and inspection services, assists local water districts in water management and water conservation planning, and plans for future statewide water needs.

Contact the [DWR Public Affairs Office](#) for more information about DWR's water activities.

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PAGE 3

PROP 84
RAP

Kate Rees

From: Dave Bolland [DaveB@acwa.com]
Sent: Monday, January 05, 2009 10:06 AM
Cc: Dave Bolland; Krista Clark; Ron Davis; Whitnie Henderson
Subject: IRWMP Region Acceptance Process (RAP)

All - DWR is proposing a "Region Acceptance Process" to qualify regional groups to participate in the IRWM grant process going-forward. Comments are due on January 27, 2009.

Here is the info from DWR:

Integrated Regional Water Management

Region Acceptance Process (RAP):

The region acceptance process is a component of the Integrated Regional Water Management (IRWM) Program Guidelines and will be used to evaluate and accept an IRWM region into the IRWM grant program. It is not a grant funding application, however, acceptance and approval of the composition of an IRWM region into the IRWM grant program will be required before any region can submit an application for IRWM grant funds. DWR has not previously reviewed and accepted any region, therefore, this process applies to all IRWM regions, both existing and developing.

Draft RAP Guidelines: [PDF] (135 KB)

Draft guidelines released on December 22, 2008 for 30-day public comment period. Provide comments no later than January 27th, 2009 by 9am to the Dept of Water Resources, Conjunctive Water Management Branch, 901 P St Rm 213-A, Sacramento CA 95814.

News Release: [PDF] (28 KB)

The 30-day public comment period will be followed by two public meetings - the first on January 22nd in Los Angeles and a second meeting on January 26th in Sacramento.

Background: In September 2008, SB 1 (Perata, Stats. 2008, Ch. 1; eff. March 1, 2009) was signed by Governor Schwarzenegger. SB1 contains the "Integrated Regional Water Management Planning Act", CWC §10530 et seq. The IRWM Planning Act provides a general definition of an IRWM plan as well as guidance to DWR as to what IRWM program guidelines must contain. CWC §10541(f) states that the guidelines shall include standards for identifying a region for the purposes of developing or modifying an IRWM plan.

At a minimum, a region is defined as a contiguous geographic area encompassing the service areas of multiple local agencies; is defined to maximize the opportunities to integrate water management activities; and effectively integrates water management programs and projects within a hydrologic region defined in the California Water Plan, the Regional Water Quality Control Board (RWQCB) region, or subdivision or other region specifically identified by DWR (Public Resource Code §75026.(b)(1)).

Schedule: The first RAP will take place in winter/spring of 2008/2009. The draft RAP guidelines are scheduled to be released in December 2008. It will be followed by a 30-days public comment period and two public comment meetings before final guidelines are published. Submittals and interviews are anticipated in February and March 2009. Subsequent acceptance recommendations are expected in late spring of 2009.

Who Should Submit: Regional Water Management Group (RWMG) - a group of three or more local agencies, at least two of which have statutory authority over water supply or management, as well as those other persons necessary for the development and implementation of a plan (CWC Â§10539).

Contact: Norman Shopay at (916) 651-9218, nshopay@water.ca.gov

David Bolland
Senior Regulatory Advocate
Association of California Water Agencies 910 K Street, Suite 100 Sacramento, CA 95814-3577
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Kate Rees

PROP 84 UPDATE

From: Naftaly, Matt [Mnaftal@co.santa-barbara.ca.us]
Sent: Friday, January 09, 2009 3:34 PM
To: 'smv.waterconservation@verizon.net'; 'kazoury@goletasanitary.org'; 'jbarget@vvcasd.org'; 'rbjork@santabarbaraca.gov'; 'kbarnard@dock.net'; 'wjb@ccwa.com'; Chang, David; 'cdahlstrom@syrwd.org'; 'jdameron@lacumbrewater.com'; 'daved@ci.carpinteria.ca.us'; 'BFerguson@SantaBarbaraCa.gov'; Frye, Jon; 'mgaasch@cityofgoleta.org'; 'dgabriel@montsan.org'; 'rgaglione@cityofgoleta.org'; 'gorley_robin@yahoo.com'; 'charles@cvwd.net'; 'glmcfarland@goletawater.com'; 'jmcmanus@summerlandsd.org'; 'rubenm@att.net'; 'mrhartsock@gswater.com'; 'tom@montecitowater.com'; 'CraigM@carpsan.com'; 'mnation@goletawest.com'; 'knilsson@cityofgoleta.org'; 'f_priore@ci.lompoc.ca.us'; 'SRamaker@aspeneg.com'; Kate Rees; 'treburn@ci.santa-maria.ca.us'; 'mwriley_mhcsd@verizon.net'; 'operations@sycsd.com'; 'citymanager@cityofbuellton.com'; 'mvanderlinden@goletawater.com'; 'bradv@cityofsolvang.com'; 'wwoodard@gswater.com'; 'bwales@syrwcd.com'; 'swagner@cityofgoleta.org'; 'kwerner@goletasanitary.org'; Wilder, Marty; 'ccsd@inreach.com'
Cc: 'kwalsh@afo.net'; Fayram, Tom; 'Jane Gray'; Walsh, Kevin
Subject: Prop 84 Developments

Potential Prop 84 Partners,

As you may know, the State has recently suspended funding for Prop 84 among many other propositions. At this point, the specifics and duration of the suspension are unknown and due to the large amount of coordination and preparation necessary to secure funding, it is prudent to continue forward with work toward an application. This email is to update you on status of Prop 84 work and to introduce Kevin Walsh (if anyone doesn't already know him) who is acting as the Prop 84 manager on behalf of the County Water Agency. Below are some of the actions that Kevin is or will be working on.

- 1) Develop a draft prop 84 work plan
- 2) Monitor regional meetings
- 3) Review and comment on the Prop 84 draft guidelines (viewable at http://www.grantsloans.water.ca.gov/grants/irwm/integregio_rap.cfm)
- 4) Coordinate the regional definition process with other Counties within the larger region
- 5) Finalize an MOU between the County and Prop 84 partners

Kevin's County email address is kdwalsh@cosbpw.net. He will soon be contacting you to arrange for a meeting of the prop 84 partners.

Feel free to contact Kevin or me if you have any questions.

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

From: Walsh, Kevin [kdwalsh@co.santa-barbara.ca.us]
Sent: Thursday, January 15, 2009 3:58 PM
To: Naftaly, Matt; 'smv.waterconservation@verizon.net'; 'kazoury@goletasanitary.org'; 'jbarget@vvcgsd.org'; 'rbjork@santabarbaraca.gov'; 'kbarnard@dock.net'; 'wjb@ccwa.com'; Chang, David; 'cdahlstrom@syrwd.org'; 'jdameron@lacumbrewater.com'; 'daved@ci.carpinteria.ca.us'; 'BFerguson@SantaBarbaraCa.gov'; Frye, Jon; 'mgaasch@cityofgoleta.org'; 'dgabriel@montsan.org'; 'rgaglione@cityofgoleta.org'; 'gorley_robin@yahoo.com'; 'charles@cvwd.net'; 'glmcfarland@goletawater.com'; 'jmcmanus@summerlandsd.org'; 'rubenm@att.net'; 'mrhartsock@gswater.com'; 'tom@montecitowater.com'; 'CraigM@carpsan.com'; 'mnation@goletawest.com'; 'knilsson@cityofgoleta.org'; 'f_priore@ci.lompoc.ca.us'; 'SRamaker@aspeneg.com'; Kate Rees; 'treyburn@ci.santa-maria.ca.us'; 'mwriley_mhcsd@verizon.net'; 'operations@syicsd.com'; 'citymanager@cityofbuellton.com'; 'mvanderlinden@goletawater.com'; 'bradv@cityofsolvang.com'; 'wwoodard@gswater.com'; 'bwales@syrwcd.com'; 'swagner@cityofgoleta.org'; 'kwerner@goletasanitary.org'; Wilder, Marty; 'ccsd@inreach.com'
Cc: Fayram, Tom; 'Jane Gray'; 'Almy, Robert B.'; 'themmeter@valleywater.org'
Subject: Prop 84 - 15 January 2009

Follow Up Flag: Follow up
Flag Status: Flagged

There have been two telephone conferences this week with regard to Prop 84: One with the Central Coast funding area with representatives from the Counties of Santa Cruz, Monterey, San Luis Obispo, and Santa Barbara. The second one was with all the funding areas in the State.

At issue in these conferences were the major points of 1) the funding freeze and the 2) Draft Regional Acceptance Process Guidelines.

FUNDING FREEZE: There is a lack of information flowing from Sacramento on the funding freeze. The freeze applies to Prop 50, 1E, and Prop 84. The so-called freeze also covers the expedited Prop 84 process. There is one source that you can check that is not related to any State agency but is tracking the situation. That web site is:

www.stopworkimpact.ning.com
<http://stopworkimpact.ning.com/>

There you can learn about the Pooled Money Investment Account (PMIA) and Pooled Money Investment Board (PMIB), a part of our government most do not know about. It was the PMIB that implemented the freeze, and is supposedly meeting on Jan 16 to consider the situation. The bottom line, as of this date no one knows when the freeze might be lifted for Prop 50, Prop 1E, or Prop 84.

GUIDELINES: The general consensus is that the guidelines for the Regional Acceptance Process (RAP) are well written with many agencies sending in letters of support, or letters with minor comments and compliments. Comments are due by Jan 22. I will be drafting a letter of support to be sent to DWR for Water Agency Manager Matt Naftaly's signature. If you have comments that you would like to have considered to be added, please e-mail them to me if they are significant and relate to changes or additions that should be made to the guidelines. Of course your own agency is free to make any comments on your own.

(If you think the DWR staff did a commendable job on the draft guidelines, you may want to consider telling them so. We all know thanks for a good job is a scarce phrase in our public servant world. And, I am sure there will be many disappointed folks later on expressing that disappointment since the need for the funding is far in excess of the funds available.)

Realize that the Guidelines for the RAP are a component of the IRWM Program Guidelines. The first step is to have your IRWMP region accepted. No planning grants, and no implementation grants until the RAP is done. At a later date draft guidelines will be issued for those grants applications. Hopefully DWR staff will deliver another commendable effort when the time comes. (Or should I say "if", since the freeze may last for who knows how long.)

MEETING: It is time to have meeting of all Prop 84 participants. The meeting will be tentatively held during the first week in February in Buellton, hopefully at the CCWA Board room. I will send out a notice and draft agenda next week. If you have agenda items, please let me know. For us here in Santa Barbara, I believe the priority for the Santa Barbara IRWMP region is getting an MOU approved, and then working on Table 1 in the Guidelines, which is the heart of the Regional Acceptance Process. Please send me your comments on the MOU that was passed around at the last meeting, and I will incorporate them into a new draft document. Without an MOU, there is no money to hire a consultant to begin work on Table 1.

Kevin Walsh
Prop 84 Project Manager

CACHUMA OPERATION AND MAINTENANCE BOARD
and
CACHUMA CONSERVATION RELEASE BOARD

Certificate of Appreciation

The Directors and staff of the Cachuma Operation and Maintenance Board and the Cachuma Conservation Release Board do hereby express their thanks and appreciation to

Gary Keefe

for his long and outstanding service to the City of Lompoc, the Lompoc and Santa Ynez Valleys, and to the entire Santa Barbara County water community. During his 32 years of employment with the City of Lompoc, his professionalism and dedication to duty have contributed to the good relations, spirit of cooperation that exists today between the City of Lompoc, and the Cachuma Operation & Maintenance Board and Cachuma Conservation Release Board. COMB and CCRB Directors and staff congratulate Gary on his retirement from the City of Lompoc, and wish him good fortune and every success in all his future endeavors.

Presented this 26th day of January, 2009

Das Williams
COMB President

Bob Lieberknecht
CCRB Vice-President

Kate Rees
General Manager

FYI



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December 19, 2008

RECEIVED

DEC 22 2008

CACHUMA O&M BOARD

William G. Hair
General Counsel
Cachuma Operation and Maintenance Board
c/o Nordman Cormany Hair & Compton
1000 Town Center Drive, Sixth Floor
Oxnard, CA 93036

Re: Our Client Santa Ynez River Water Conservation District, Improvement District No. 1 – Cachuma Surplus Water

Dear Bill:

I hope that this letter finds you well, and that you are enjoying lots of time away from the Town Center Building. For my part, while I miss my friends and colleagues at Norman Dowler, I am very happy to be here in Sacramento. The people in this firm are wonderful, the work is challenging and exciting, and with all of the governmental activities here it's a fun town. I continue to be very, very pleased with the big leap I've made.

I still spend a lot of time home in Santa Paula, however, working on ongoing matters. I continue to serve as general counsel for three local mutual water companies and do special counsel litigation work for another mutual, as well as for Casitas. The agribusiness practice I brought with me includes owners of wells within both the Fox Canyon GMA and the Santa Maria Basin Adjudication. I also continue to serve as a Director of Farmers Irrigation Company, the Santa Paula Basin Pumpers Association, and, of course, Limoneira Company.

Being a member of Best Best & Krieger has also presented new opportunities to work on Central Coast water issues in general, and specifically for our long-time client Santa Ynez River Water Conservation District, Improvement District No. 1 ("ID No. 1"). It has also provided the opportunity to get acquainted with Kate Rees, who not only is a dynamic General Manager, but also – unsurprisingly – holds you in high regard. It is your role as General Counsel for Kate's agency, Cachuma Operation and Maintenance Board ("COMB") that provides the occasion for this letter.

As you may imagine, I am new to many of the Cachuma Project matters and related issues. As such, I am still reviewing the historical background and legal framework surrounding these issues. Nevertheless, I believe that circumstances necessitate that the following request be conveyed on behalf of ID No. 1 concerning a water accounting matter: By this letter COMB is asked to cease and desist from reporting the ID No. 1's "exchanged spill water," as part of its basic State Water Project (SWP) allocation or deducted from its basic Cachuma allocation. "Exchanged spill water" refers to that additional amount of available Cachuma Project water that is delivered to ID No. 1 under its February 1, 1993, Santa Ynez River/State Water Project Exchange Agreement ("Exchange Agreement") in exchange for water that

William G. Hair
General Counsel
December 19, 2008
Page 2

would otherwise be subject to Section 11(c) of the September 12, 1949, Contract for the Furnishing of Water to Member Units of Santa Barbara County Water Agency ("1949 Contract"), as such has been amended and renewed by the April 14, 1996, Contract Between the United States and Santa Barbara County Water Agency Providing for Water Service from the Project ("1996 Contract"). Whether such water is small "s" "surplus water," large "S" "Surplus Water," "spill water," "water in excess," or otherwise, this water is not part of the base allocation of water under the 1996 Contract and other Member Unit agreements.

The four South Coast Member Units have from time to time disputed ID No. 1's means for receiving surplus water, as most recently evidenced by the letter that the four South Coast Managers directed to Kate just this past November 20 (to which this letter is, in part, a response on behalf of ID No. 1) For its part, ID No. 1's legal and factual arguments have previously been detailed in correspondence that includes, but is not limited to: The letter of April 4, 2005, to Robert Wignot of COMB, from ID No. 1's General Manager Chris Dahlstrom; the memorandum of September 6, 2005, to Cachuma Project Managers and counsel from Steve Amerikaner; and the letter of March 19, 2007, to Robert Roebuck of Montecito Water District, Kevin Walsh of Goleta Water District, Charles Hamilton of Carpinteria Water District and Steve Mack of the City of Santa Barbara, from Chris. (If your files do not include copies of any of these documents, please let me know.)

While there is little that I can add to ID No. 1's correspondence, it appears that in 1993, and for the mutual benefit of all of the Member Units, ID No. 1 exchanged two very valuable assets: Its entitlement to federal project water, and its improvements, infrastructure and easements for its Santa Ynez Pipeline. In return, ID No. 1 received the right to replace that federal project water -- and all of that water -- with water from the SWP that would otherwise inure to the benefit of the South Coast Member Units. "All of that water" includes the portion of water that ID No. 1 would otherwise have received when Lake Cachuma is in a spill condition (as provided in the 1949 Contract), in addition to its base allocation. From a reading of all of the agreements, it is clear that such spill water is contemplated in the definition of "Cachuma Project Water Available to Santa Ynez [i.e., ID No. 1]," as that term is defined in the Exchange Agreement. From correspondence between and among certain representatives of the South Coast Member Units, it appears either expressly or impliedly that there are those who believe that spill water is something "extra," to which ID No. 1 is not entitled as a matter of right. But had ID No. 1 never entered into the Exchange Agreement, and had it not provided the South Coast Member Units with the significant benefits of the Santa Ynez Pipeline, it would still be receiving all of its federal Project water under the terms and conditions of the 1949 and 1996 Contracts. Moreover, it is doubtful that anyone would in such circumstance challenge ID No. 1's right to spill water any time it was to be made available by the Bureau of Reclamation.

Also from correspondence between and among certain representatives of the South Coast Member Units, it seems that the South Coast has taken the position that ID No. 1 is not entitled to take SWP water in exchange for federal spill water because ID No. 1 has no way to "physically receive" such federal water. This circumstance is certainly not determinative, in that the very reason ID No. 1 does not have a pipeline in place to take spill water is that it gave up that very pipeline to the South Coast Member Units in the Exchange Agreement. For the significant benefit of the South Coast Units, ID No. 1 agreed to the sale of that asset in exchange for the express right to avail itself of SWP water in like amount.

William G. Hair
General Counsel
December 19, 2008
Page 3

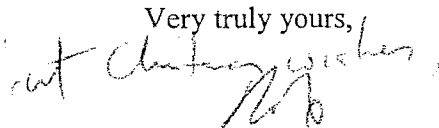
Some of the South Coast Member Units have complained about the cost of the SWP water that ID No. 1 takes in lieu of federal water, expressing concern that the water is "free." While ID No. 1 is entitled to take the water at no cost to itself, the water certainly isn't delivered without appropriate charges. Again, in exchange for the SWP water, ID No. 1 agreed to the sale of its valuable assets. In other words, when the South Coast Member Units pay for SWP water to supply "spill water" to ID No. 1, they are doing nothing more than continuing to pay what they agreed to pay for the exchange of available Cachuma Project water. Additionally, while I certainly understand the South Coast Member Units' concerns about the cumulative expense, it would appear that both the agreements and Mother Nature provide a high level of protection. E.g., the agreements limit ID No. 1's carryover storage at Lake Cachuma, reducing any incentive ID No. 1 might have to over-subscribe for spill water. Additionally, by its very nature, spill water is only available during times of the year when there are significant rains, which in turn reduce water use for everything from agricultural irrigation to landscaping to domestic uses. Once storage is full and reduced winter and early spring water demands limit customer deliveries, ID No. 1's demand is accordingly reduced.

Finally in this regard, some South Coast Member Units consider their exchange of SWP water for Cachuma spill water to be unfair. With respect to the fairness of spill water or when the lake is in a surplus condition, consideration must also be given to fairness when the lake is in a deficit condition and all the Member Units including ID No. 1 take an agreed-upon 20 percent reduction in their annual entitlement during shortages. There must be equity consideration given to all Member Units under all water supply conditions of lake. The contracts provide that no one entity or entities be provided rights over another and that the 1996 Contract terms and conditions are applied to all Cachuma Project Member Units.

Ultimately, the problem that ID No. 1 faces with the water accounting method urged upon COMB by the South Coast Member Units is that spill water treated as base allocation water causes certain deliveries to be treated as debits against ID No. 1's deliveries for the following water year. Given the history and the circumstances, this is not only unfair to ID No. 1, but is contrary to the language and intent of the Exchange Contract. It is ID No. 1's hope that this request will result in COMB no longer reporting ID No. 1's exchanged spill water as part of its base allocation, but rather as what it is, surplus or excess water resulting from the commitments and policies of Reclamation under the 1949 and 1996 Contracts.

Thank you for this opportunity to discuss this important matter with you. I look forward to any questions or concerns you may have. In the meantime, please convey my best regards to all of my friends at Nordman Cormany Hair & Compton, as well as to Kate.

Very truly yours,



Robert M. Sawyer
for BEST BEST & KRIEGER LLP

William G. Hair
General Counsel
December 19, 2008
Page 4

cc: Chris Dahlstrom, General Manager,
Santa Ynez River Water Conservation District, Improvement District No. 1
Kate Rees, General Manager, Cachuma Operation and Maintenance Board
Tom Mosby, General Manager, Montecito Water District
Eric Ford, Interim General Manager, Goleta Water District
Charles Hamilton, General Manager, Carpinteria Water District
Rebecca Bjork, Water Resources Manager, City of Santa Barbara
Clyde E. (Chip) Wullbrandt, General Counsel, MWD, GWD and CWD
David C. McDermott, City Attorney, City of Santa Barbara
William Brennan, Executive Director, Central Coast Water Authority

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December 30, 2008

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DEC 31 2008

CACHUMA O&M BOARD

Robert M. Sawyer, Esq.
Best Best & Kreiger LLP
400 Capitol Mall, Suite 1650
Sacramento, CA 95814-4419

**Re: Your Letter of December 19, 2008 /
Cachuma Operation and Maintenance Board**

Dear Rob:


I found your letter dated December 19, 2008 on my desk when I returned from the Christmas holidays yesterday. I will not have a chance to discuss this matter with the appropriate COMB officials until sometime next week. So I cannot provide a definitive response until then. In the meantime, I would note that COMB is not a party to the 1993 Exchange Agreement, nor is it a party to the 1995 Warren Act Contract, nor the 1949 and 1996 Water Service Contracts. In fact, in the past, ID No. 1 has specifically requested that COMB not become involved in the apparent interpretation issues that seem to exist between ID No. 1 and the South Coast Member Units.

Robert M. Sawyer, Esq.
Best Best & Krieger LLP
December 30, 2008
Page 2

As soon as I have a chance to have definitive discussions with the COMB representatives, I will give you a more definitive response.

Very truly yours,

NORDMAN CORMANY HAIR & COMPTON LLP



William H. Hair

WHH:lagh

cc: Chris Dahlstrom, General Manager, Santa Ynez River Water Conservation
District, Improvement District No. 1
Kate Rees, General Manager, COMB
Tom Mosby, General Manager, Montecito Water District
Eric Ford, Interim General Manager, Goleta Water District
Charles Hamilton, General Manager, Carpinteria Water District
Rebecca Bjork, Water Resources Manager, City of Santa Barbara
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David C. McDermott, City Attorney, City of Santa Barbara
William Brennan, Executive Director, Central Coast Water Authority

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January 19, 2009

Robert M. Sawyer, Esq.
Best Best & Kreiger LLP
400 Capitol Mall, Suite 1650
Sacramento, CA 95814-4419

**Re: Your Letter of December 19, 2008 /
Cachuma Operation and Maintenance Board**

Dear Rob:

As a follow up to my letter of December 30, 2008, I have had a chance to discuss this spill/exchange "issue" with COMB management and I have also read, with interest, the email exchange between Chris Dahlstrom, Charles Hamilton and some of the other Member Unit managers.

In light of Chris' statement in his January 8, 2009 email to Mr. Hamilton that "... the BB&K letter is not directing this matter to become a COMB issue", there does not seem to be a need to make any further response on behalf of COMB. As I pointed out in my previous letter, COMB is not a party to any of the agreements referred to in your letter, and is merely directed by the five Member Units, who are the parties to the Exchange Agreement, to prepare certain water use reports. At present COMB has received conflicting directions regarding spill water accounting. As resolution needs to be reached among the parties, we will, therefore, merely await unanimous direction from all five Member Units.

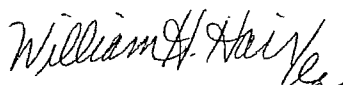
Robert M. Sawyer, Esq.
Best Best & Krieger LLP
January 19, 2009
Page 2

Without intending to be presumptuous, it would seem to me that if the parties to the Exchange Agreement cannot reach an agreement as to how to account for spill water, perhaps a submission to binding arbitration might be a desirable solution. The agreement does not seem to provide any vehicle for dispute resolution.

In any event, COMB will await further instructions.

Very truly yours,

NORDMAN CORMANY HAIR & COMPTON LLP



William H. Hair

WHH:la

cc: Chris Dahlstrom, General Manager, Santa Ynez River Water Conservation District, Improvement District No. 1
Kate Rees, General Manager, Cachuma Operation & Maintenance Board
Tom Mosby, General Manager, Montecito Water District
Eric Ford, Interim General Manager, Goleta Water District
Charles Hamilton, General Manager, Carpinteria Water District
Rebecca Bjork, Water Resources Manager, City of Santa Barbara
Clyde E. (Chip) Wullbrandt, General Counsel MWD and CWD
Fran Farina, General Counsel, GWD
Gary Kvistad, General Counsel, I.D. No. 1
David C. McDermott, City Attorney, City of Santa Barbara
William Brennan, Executive Director, Central Coast Water Authority
Steve Amerikaner, General Counsel, CCWA