

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

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

Monday, February 22, 2010

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. COMB RESOLUTION NO. 500 COMMENDATION FOR JAN ABEL**
(To be presented at the Board meeting.) (*5 minutes*)
- 4. CONSENT AGENDA** (For Board action by vote on one motion unless member requests separate consideration.) (*2 minutes*)
 - a. Minutes January 25, 2010 Regular Board Meeting
 - b. Investment of Funds
 - Financial Reports
 - Investment Reports
 - c. Payment of Claims
- 5. REPORTS FROM THE MANAGER** (*10 minutes*)
 - a. Cachuma Water Reports
 - b. Operations Report
 - c. Quagga Mussels Information
 - d. 2008 Surcharge Accounting
 - e. League of Women Voters Presentation, January 20, 2010, Santa Barbara
 - f. **Verbal Report** - USBR Water Users Conference January 27-29, 2010, Reno
 - g. **Verbal Report** - Cachuma Reservoir Current Conditions

6. **COMB CAPITAL IMPROVEMENT PROGRAM** *(2 minutes)*
 - a. Second Pipeline Project
 - 1) Project Status Report
 - b. Mission Creek Pipeline and Fish Passage Project
 - 1) Project Status Report
 - 2) Update on Member Unit Review of Engineering Designs

7. **CORRESPONDENCE WITH SYR WATER CONSERVATION DISTRICT, ID NO. 1 REGARDING THE COMB BOND AND COMB ACTIVITIES IN THE SANTA YNEZ RIVER** *(5 minutes)*

8. **CONSIDER RESOLUTION NO. 497 TO APPROVE THE COMB 2010 REVENUE BOND AND RELATED LEGAL DOCUMENTS AND AGREEMENTS FOR THE SCC UPPER REACH RELIABILITY PROJECT (2ND PIPELINE PROJECT)** *(Please refer to all supporting documents provided in the January 25, 2010 Board Packet.) (5 minutes)*
 - a. COMB Indenture of Trust
 - b. Goleta Water District Joint Participation Agreement
 - c. City of Santa Barbara Joint Participation Agreement
 - d. COMB Purchase Contract - Citigroup Global Markets, Inc.
 - e. COMB Continuing Disclosure Agreement – Bank of New York Mellon Trust Company, N.A.
 - f. COMB Preliminary Official Statement
 - g. Montecito Water District Contribution Agreement
 - h. Bond Indemnification Agreement

9. **CONSIDER AMENDMENTS TO THE 1996 AMENDED AND RESTATED AGREEMENT FOR THE ESTABLISHMENT OF A BOARD OF CONTROL TO OPERATE AND MAINTAIN THE CACHUMA PROJECT – CACHUMA OPERATION AND MAINTENANCE BOARD** *(20 minutes)*
 - a. Amend Agreement to Modify Unanimous Approval Provision for COMB Obligations in Excess of \$1,000,000
 - b. Amend Agreement to Either Define Fish Related Activities as Water Rights Related or Require a Unanimous Approval for COMB to Undertake Fish Projects or Fish Related Activities in the Lower Santa Ynez River
 - c. Amend Agreement to Allow Withdrawal of the SYR Water Conservation District ID No. 1 from COMB by Mutual Agreement

10. **CONSIDER ASSIGNMENT OF PROPOSITION 50 SUBGRANT AGREEMENT BETWEEN COMB AND THE COUNTY WATER AGENCY TO THE CITY OF SANTA BARBARA FOR CONSTRUCTION OF THE 2ND PIPELINE PROJECT AND RECEIPT OF PROPOSITION 50 GRANT FUNDS, CONTINGENT UPON APPROVAL OF ALL RELATED AGREEMENTS AND PERMITS** *(10 minutes)*

11. **CONSIDER APPROVAL OF NOTICES OF COMPLETION FOR EL JARO CREEK RANCHO SAN JULIAN AND QUIOTA CREEK CROSSING SIX FISH PASSAGE PROJECTS** *(2 minutes)*
12. **CONSIDER APPROVAL TO FUND SOUTH COAST CONDUIT COST BENEFIT ANALYSIS FROM EXCESS BUDGET ASSESSMENTS IN FY 2009-10** *(5 minutes)*
13. **SANTA BARBARA COUNTY PARKS DEPARTMENT ISSUES**
 - a. Report from John McInnes on Preliminary Process Meeting with County of Santa Barbara (also see CCRB Item No. 7) *(2 minutes)*
14. **DIRECTORS' REQUEST FOR AGENDA ITEMS FOR NEXT MEETING** *(2 minutes)*
15. **MEETING SCHEDULE**
 - March 22, 2010 following CCRB at 2:15 P.M., COMB Office
 - Board Packages Available on COMB Website
www.cachuma-board.org
16. **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.]

RESOLUTION NO 500

CACHUMA OPERATION and MAINTENANCE BOARD

EXPRESSING APPRECIATION AND THANKS TO
Jan Abel

WHEREAS, Jan Abel representing the Montecito Water District has served in an outstanding manner from 1992 until April 2010 as a Director and President of the Cachuma Conservation Release Board (CCRB), and from February 2000 until April 2010 as a Director, past President, and past Vice-President of the Cachuma Operation and Maintenance Board (COMB); and

WHEREAS, Ms. Abel has served exceptionally as a representative for CCRB in negotiations with the Santa Ynez River Water Conservation District, Improvement District No. 1, the City of Lompoc, and the Santa Ynez River Water Conservation District to reach agreement on the operations of the Cachuma Project to both maximize the available water supply and ensure that the Cachuma Project does not adversely affect the water quality of the Lompoc Groundwater Basin, during which Ms. Abel's extraordinary effort was indispensable in bringing about an historic Settlement Agreement among all the water purveyors on the Santa Ynez River; and

WHEREAS, Ms. Abel has provided her experience and expertise to COMB during a very active and critical period in the history of the Board, including: COMB's participation in the Santa Barbara IRWMP resulting in a \$25 million grant, of which \$3.2 million will help fund an essential pipeline project; expansion of the Lauro Reservoir Debris Basin; and development of a comprehensive Capital Improvement Program; and

WHEREAS, Ms. Abel has been a strong advocate for the Cachuma Project water rights of the member agencies of CCRB and their endeavors to maintain a balanced program for water supply reliability and protection of fisheries resources downstream of Lake Cachuma, particularly with her lobbying efforts to bring federal grant funds for steelhead to California, and with the installation of gate extensions on Bradbury Dam, to allow storage of an additional 9,200 acre feet of water for the downstream fishery; and

WHEREAS, Ms. Abel has brought her regional perspective, her wisdom, and her dedication to make well reasoned and important decisions for the overall benefit of CCRB and COMB.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors and staff of the Cachuma Operation and Maintenance Board and the Cachuma Conservation Release Board extend to Jan Abel their sincere appreciation and heartfelt thanks for the invaluable service that she has given to the Boards, its staff and to the people of the County of Santa Barbara.

PASSED AND ADOPTED by the Board of Directors of the Cachuma Operation and Maintenance Board on this 22nd day of February 2010.

ATTEST:

Kathleen A. Rees, Secretary

APPROVED:

Das Williams
President of the Board

Lauren Hanson
Director

Lee Bettencourt
Director

June Van Wingerden
Director

Doug Morgan
Director

ITEM # 3
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**MINUTES OF A REGULAR MEETING
Of the
CACHUMA OPERATION & MAINTENANCE BOARD
Held at the**

Cachuma Operation & Maintenance Board Office
3301 Laurel Canyon Road, Santa Barbara, CA
Monday, January 25, 2010

1. Call to Order, Roll Call

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

Directors present:

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

Others present:

Kate Rees	William Hair
Chris Dahlstrom	Tom Mosby
Janet Gingras	Fran Farina
Chip Wullbrandt	Rebecca Bjork
Tim Robinson	Adelle Capponi
Matt Bloise	Phil Walker
John McInnes	Charles Hamilton
Mark Reinhardt	Susan Segovia
Alex Keuper	Harlan Burchardi
Gary Kvistad	Bill Rosen
Isaiah Brookshire	

2. Public Comment

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

3. Consent Agenda

a. Minutes:

December 21, 2009 Regular Board Meeting

b. Investment Funds

Financial Reports
Investment Report

c. Payment of Claims

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

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

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

5. Resolutions Relating to COMB Bank Account

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

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

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

6. Reconsideration of COMB Board Committee Appointments

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

COMMITTEE APPOINTMENTS
 FY 2009-2010
Mid-Year Appointments

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

7. Reports From the Manager

a. Cachuma Water Reports

The Water Reports were included in the board packet.

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

b. Operations Report

The Operations Report was included in the board packet

c. COMB Operating Committee

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

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

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

d. Quagga Mussel Inspection Report – County of Santa Barbara

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

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

e. Jesusita Fire Activities

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

f. Status of Cachuma Lake & Park RMP/EIS

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

g. Proposition 50 and 84 Activities

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

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

h. 2008 Surcharge Accounting

The monthly Surcharge Accounting was included in the board packet.

i. Cachuma Reservoir Current Conditions

Date 01/25/2010

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

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

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

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

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

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

9. COMB Capital Improvement Program

a. Second Pipeline Project

1) Project Status Report

This report was included in the board packet

b. Mission Creek Pipeline and Fish Passage Project

1) Project Status Report

This report was included in the board packet.

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

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

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

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

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

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

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

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

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

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

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

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

Director Morgan moved to postpone the approval of allowing County Parks to use COMB/CCRB projects as matching funds for a federal grant application for the improvement projects at Lake Cachuma until COMB has an opportunity to speak with the County. He would like to authorize Ms. Rees to develop a list of unresolved issues, circulate it among the MU managers and ID #1, and would like for John McInnes to immediately initiate dialog with the County CEO's office to institute a collaborative process. Director Bettencourt requested that a representative from ID #1 be included on the committee that meets with the County, seconded by Director Hanson, passed 6/1/0, Director Bettencourt voted no.

13. Directors' Request for Agenda Items for Next Meeting

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

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

14. Meeting Schedule

February 10, 2010 COMB Facilities Overview Tour, 12:00 p.m. – 4:00 p.m.
The next regular Board meeting will be held February 22, 2010 following the CCRB meeting at 2:15 P.M.

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

15. COMB Adjournment

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

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Das Williams, President

Approved _____

Unapproved _____ ✓

comb2
Balance Sheet
As of January 31, 2010

	Jan 31, 10
ASSETS	
Current Assets	
Checking/Savings	
1050 · GENERAL FUND	93,947.72
1100 · REVOLVING FUND	60,596.03
TRUST FUNDS	
1210 · WARREN ACT TRUST FUND	115,003.25
1220 · RENEWAL FUND	5,032.09
Total TRUST FUNDS	120,035.34
Total Checking/Savings	274,579.09
Other Current Assets	
1010 · PETTY CASH	400.00
1200 · LAIF	1,378,357.46
1300 · DUE FROM CCRB	55,348.22
1303 · Bradbury SOD Act Assmnts Rec	59,192.00
1304 · Lauro Dam SOD Assesmnt Rec	18,299.00
1400 · PREPAID INSURANCE	13,456.72
1401 · W/C INSURANCE DEPOSIT	6,529.00
Total Other Current Assets	1,531,582.40
Total Current Assets	1,806,161.49
Fixed Assets	
1500 · VEHICLES	338,973.52
1505 · OFFICE FURN & EQUIPMENT	219,801.66
1510 · TRAILERS	97,803.34
1515 · FIELD EQUIPMENT	366,549.49
1525 · PAVING	22,350.00
1550 · ACCUMULATED DEPRECIATION	-768,209.21
Total Fixed Assets	277,268.80
Other Assets	
1910 · LT Bradbury SOD Act Assess Rec	5,686,239.07
1920 · LT Lauro SOD Act Assess Rec	976,048.00
Total Other Assets	6,662,287.07
TOTAL ASSETS	8,745,717.36
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2200 · ACCOUNTS PAYABLE	67,105.71
Total Accounts Payable	67,105.71
Other Current Liabilities	
2550 · VACATION/SICK	73,628.67
2561 · BRADBURY DAM SOD ACT	59,192.60
2562 · SWRCB-WATER RIGHTS FEE	-0.26
2563 · LAURO DAM SOD ACT	18,299.00
2590 · DEFERRED REVENUE	120,035.34
Payroll-DepPrm Admin	20.00
Payroll-CCRB DepPrm	4.62
Payroll-DepPrm Ops	4.62
Total Other Current Liabilities	271,184.59
Total Current Liabilities	338,290.30
Long Term Liabilities	
2602 · LT SOD Act Liability-Bradbury	5,686,239.07
2603 · LT SOD Act Liability - Lauro	976,048.00
Total Long Term Liabilities	6,662,287.07

9:29 AM
02/16/10
Accrual Basis

comb2
Balance Sheet
As of January 31, 2010

	<u>Jan 31, 10</u>
Total Liabilities	7,000,577.37
Equity	
3000 · Opening Bal Equity	0.95
3901 · Retained Earnings	1,013,062.66
Net Income	732,076.38
Total Equity	<u>1,745,139.99</u>
TOTAL LIABILITIES & EQUITY	<u><u>8,745,717.36</u></u>

9:55 AM
02/16/10
Accrual Basis

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

TOTAL

	Jul '09 - Jan 10	Budget	\$ Over Budget	% of Budget
Income				
3000 REVENUE				
3001 · O&M Budget (Qtrly Assessments)	1,682,863.50			
3007 · Renewal Fund	0.00			
3010 · Interest Income	3,493.33			
3020 · Misc Income	15.00			
3021 · Grant Income	0.00			
3031 · Ins. Reimbrsmnt - Jesusita Fire	203,234.85			
Total 3000 REVENUE	<u>1,889,606.68</u>			
Total Income	<u>1,889,606.68</u>			
Gross Profit	<u>1,889,606.68</u>			
Expense				
3100 LABOR				
3101-H · Holiday Leave	11,381.33			
3101-S · Sick Leave	6,077.49			
3101-V · Vacation Leave	11,422.40			
3102 · Meter Reading	2,285.19			
3103 · SCC Ops	164,216.00			
3104 · Veh & Equip Mnce	2,546.31			
3105 · SCADA	2,127.93			
3106 · Rodent Bait	2,724.05			
3107 · NORTH PORTAL				
Total 3107-1 · NP INTAKE TOWER	1,781.43			
Total 3107-2 · NP CONTROL STATION	686.15			
Total 3107 · NORTH PORTAL	<u>2,467.58</u>			
3108 · GLEN ANNE				
Total 3108-1 · GA SOUTH PORTAL	3,643.92			
Total 3108-2 · GA RESERVOIR	116.80			
Total 3108 · GLEN ANNE	<u>3,760.72</u>			

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02/16/10
Accrual Basis

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

	Jul '09 - Jan 10	Budget	\$ Over Budget	% of Budget
TOTAL				
3109 · CORONA DEL MAR				
Total 3109-1 · TURNOUT	741.54			
Total 3109 · CORONA DEL MAR	741.54			
3110 · LAURO				
Total 3110-1 · YARD	12,363.39			
Total 3110-2 · CONTROL STATION	838.05			
Total 3110-3 · RESERVOIR	7,895.24			
Total 3110-4 · DEBRIS BASINS	660.66			
Total 3110 · LAURO	21,757.34			
3111 · OFFICE				
Total 3111-1 · CREW OFFICE	125.70			
Total 3111-3 · MAIN OFFICE	32.72			
Total 3111-4 · SHOPS	262.79			
Total 3111 · OFFICE	421.21			
3112 · SHEFFIELD				
Total 3112-1 · CONTROL STATION	392.95			
Total 3112 · SHEFFIELD	392.95			
3113 · ORTEGA				
Total 3113-1 · CONTROL STATION	408.53			
Total 3113-2 · RESERVOIR	1,641.14			
Total 3113 · ORTEGA	2,049.67			
3115 · CARPINTERIA				
Total 3115-1 · CONTROL STATION	618.00			
Total 3115-2 · RESERVOIR	419.93			
Total 3115 · CARPINTERIA	1,037.93			
3116 · GOLETA REACH				
Total 3116-1 · STRUCTURES	759.39			
Total 3116-2 · LATERAL METERS	32.92			
Total 3116 · GOLETA REACH	792.31			

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02/16/10
Accrual Basis

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

	Jul '09 - Jan 10	Budget	\$ Over Budget	% of Budget
TOTAL				
3117 · CARPINTERIA REACH				
Total 3117-1 · STRUCTURES	377.10			
Total 3117-2 · LATERAL METERS	230.44			
Total 3117-4 · CONDUIT	362.13			
Total 3117 · CARPINTERIA REACH	969.67			
3150 · Health & Workers Comp	84,108.57			
3155 · PERS	37,829.66			
3160 · Payroll Comp FICA Ops	16,365.65			
3165 · Payroll Comp MCARE Ops	3,827.43			
3100 LABOR - Other	0.00	886,401.00	-886,401.00	0.0%
Total 3100 LABOR	379,302.93	886,401.00	-507,098.07	42.79%
3200 VEH & EQUIPMENT				
3201 · Vehicle/Equip Mtce	11,949.11	40,000.00	-28,050.89	29.87%
3202 · Fixed Capital	1,251.19	40,000.00	-38,748.81	3.13%
3203 · Equipment Rental	568.37	5,000.00	-4,431.63	11.37%
3204 · Miscellaneous	2,256.71	15,000.00	-12,743.29	15.05%
Total 3200 VEH & EQUIPMENT	16,025.38	100,000.00	-83,974.62	16.03%
3300 · CONTRACT LABOR				
3301 · Conduit, Meter, Valve & Misc	6,371.94	12,000.00	-5,628.06	53.1%
3302 · Buildings & Roads	2,251.22	16,000.00	-13,748.78	14.07%
3303 · Reservoirs	3,675.50	52,000.00	-48,324.50	7.07%
3304 · Engineering, Misc Services	0.00	20,000.00	-20,000.00	0.0%
Total 3300 · CONTRACT LABOR	12,298.66	100,000.00	-87,701.34	12.3%
3400 · MATERIALS & SUPPLIES				
3401 · Conduit, Meter, Valve & Misc	141.33	25,000.00	-24,858.67	0.57%
3402 · Buildings & Roads	5,239.39	25,000.00	-19,760.61	20.96%
3403 · Reservoirs	1,421.22	10,000.00	-8,578.78	14.21%
Total 3400 · MATERIALS & SUPPLIES	6,801.94	60,000.00	-53,198.06	11.34%

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9:55 AM
02/16/10
Accrual Basis

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

	Jul '09 - Jan 10	Budget	\$ Over Budget	% of Budget
TOTAL				
3500 · OTHER EXPENSES				
3501 · Utilities	2,515.32	6,500.00	-3,984.68	38.7%
3502 · Uniforms	206.49	6,500.00	-6,293.51	3.18%
3503 · Communications	9,803.49	20,000.00	-10,196.51	49.02%
3504 · USA & Other Services	1,202.12	4,000.00	-2,797.88	30.05%
3505 · Miscellaneous	6,514.05	8,000.00	-1,485.95	81.43%
3506 · Training	475.00	8,000.00	-7,525.00	5.94%
Total 3500 · OTHER EXPENSES	20,716.47	53,000.00	-32,283.53	39.09%
4999 · GENERAL & ADMINISTRATIVE				
5000 · Director Fees				
5001 · Director Mileage	691.15			
5000 · Director Fees - Other	6,912.00	12,000.00	-5,088.00	57.6%
Total 5000 · Director Fees	7,603.15	12,000.00	-4,396.85	63.36%
5100 · Legal	60,482.83	63,000.00	-2,517.17	96.0%
5101-1 · Audit	12,000.00	12,000.00	0.00	100.0%
5150 · Unemployment Tax	1,800.00	7,567.00	-5,767.00	23.79%
5200 · Liability Insurance	31,629.00	40,000.00	-8,371.00	79.07%
5201 · Health & Workers Comp	45,027.95	72,310.00	-27,282.05	62.27%
5250 · PERS	22,577.86	39,760.00	-17,182.14	56.79%
5260 · Company FICA Admin	7,808.76	15,658.00	-7,849.24	49.87%
5265 · Company MCARE Admin	2,066.28	3,662.00	-1,595.72	56.97%
5300 · Manager Salary	41,192.19	73,000.00	-31,807.81	56.43%
5301 · Administrative Manager	55,498.80	96,198.00	-40,699.20	57.69%
5306 · Administrative Assistant	34,281.60	59,421.00	-25,139.40	57.69%
5310 · Postage/Office Exp	4,032.14	9,000.00	-4,967.86	44.8%
5311 · Office Equip/Leases	3,462.04	6,200.00	-2,737.96	55.84%
5312 · Misc Admin Expenses	3,568.83	12,000.00	-8,431.17	29.74%
5313 · Communications	2,280.81	6,000.00	-3,719.19	38.01%
5314 · Utilities	4,283.06	6,000.00	-1,716.94	71.38%
5315 · Membership Dues	5,633.00	6,050.00	-417.00	93.11%
5316 · Admin Fixed Assets	0.00	5,000.00	-5,000.00	0.0%
5318 · Computer Consultant	10,571.90	10,000.00	571.90	105.72%

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02/16/10
Accrual Basis

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

	Jul '09 - Jan 10	Budget	\$ Over Budget	% of Budget
TOTAL				
5325 · Emp Training/Subscriptions	746.16	4,500.00	-3,753.84	16.58%
5330 · Admin Travel/Conferences	1,530.62	5,000.00	-3,469.38	30.61%
5331 · Public Information	352.93	6,000.00	-5,647.07	5.88%
5332 · Transportation	744.46	1,000.00	-255.54	74.45%
Total 4999 · GENERAL & ADMINISTRATIVE	359,194.37	571,326.00	-212,131.63	62.87%
5510 · Integrated Reg. Water Mgt Plan	0.00	70,000.00	-70,000.00	0.0%
6000 · SPECIAL PROJECTS				
6062 · SCADA	9,320.00	50,000.00	-40,680.00	18.64%
6090-1 · COMB Bldg/Grounds Repair	5,707.50	50,000.00	-44,292.50	11.42%
6092 · SCC Improv Plan & Design	139,003.50	275,000.00	-135,996.50	50.55%
6092-1 · SCC Improv Plan & Design - UF	0.00	-100,000.00	100,000.00	0.0%
6096 · SCC Structure Rehabilitation	1,593.44	100,000.00	-98,406.56	1.59%
6097 · GIS and Mapping	4,525.16	50,000.00	-45,474.84	9.05%
Total 6000 · SPECIAL PROJECTS	160,149.60	425,000.00	-264,850.40	37.68%
6400 · STORM DAMAGE				
6403 · Jesusita Fire Damage	203,037.68	375,000.00	-171,962.32	54.14%
6403-1 · Jesusita Fire Damage - UF	0.00	-375,000.00	375,000.00	0.0%
Total 6400 · STORM DAMAGE	203,037.68	0.00	203,037.68	100.0%
6999 · Uncategorized Expense	0.00	1,100,000.00	-1,100,000.00	0.0%
PAYROLL				
Gross	0.06			
Gross-CCRB	0.05			
Total PAYROLL	0.11			
Total Expense	1,157,530.30	3,365,727.00	-2,208,196.70	34.39%
Net Income	732,076.38	-3,365,727.00	4,097,803.38	-21.75%

Net Income
ITEM # 4.6
PAGE 7

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

www.treasurer.ca.gov/pmia-lai
February 08, 2010

CACHUMA OPERATION AND MAINTENANCE BOARD

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

PMIA Average Monthly Yields

Transactions

Transaction Definitions

January 2010 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/13/2010	1/12/2010	RW	1254008	KATHLEEN REES	-50,000.00
1/15/2010	1/14/2010	QRD	1255518	SYSTEM	2,028.84

Account Summary

Total Deposit:	2,028.84	Beginning Balance:	1,426,328.62
Total Withdrawal:	-50,000.00	Ending Balance:	1,378,357.46

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

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

Kathleen Rees
Secretary

ITEM # 46
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**SANTA BARBARA
BANK & TRUST**

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

6558

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

Banking Statement

Statement Period: 01/01/2010 to 01/31/2010

Customer Number: Page 1

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

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

www.sbbt.com

FDIC INSURANCE NOTICE

Effective 01/01/2010, many banks have decided to opt out of the FDIC's Transaction Account Guarantee Program.

Pacific Capital Bank, N.A. has committed to remain a participant in the Program, and unlimited funds held in eligible transaction accounts will continue to be fully insured by the safety and security of the FDIC.

Please contact your local branch manager with any questions you may have.

Business Money Market

Checking Summary

Cachuma Operation & Maintenance Board

Master Contract Renewal Fund

Account Number	102335072
Interest Paid YTD	2.14
Interest Paid Last Year	49.13

Deposit Account Recap

Beginning Balance as of		
January 1, 2010	5,029.95	✓
1 Deposits (Plus)	2.14	
Ending Balance as of		
January 31, 2010	5,032.09	
Interest Paid	2.14	

KE 2/1/10

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

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

Kathleen Rees
Secretary

ITEM # 4 b

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**SANTA BARBARA
BANK & TRUST**

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

6559

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

Banking Statement

Statement Period: 01/01/2010 to 01/31/2010

Customer Number: Page 1

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

BANKLINE-24-HOUR AUTOMATED INFORMATION
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Please contact your local branch manager with any questions you may have.

Public Capital Tiered MMDA

Checking Summary

Cachuma Operation & Maintenance Board

Cachuma Project Trust Fund

Account Number	102335080
Interest Paid YTD	68.32
Interest Paid Last Year	846.73

Deposit Account Recap

Beginning Balance as of		
January 1, 2010	103,539.93	✓
2 Deposits (Plus)	11,463.32	
Ending Balance as of		
January 31, 2010	115,003.25	
Interest Paid	68.32	

KA
2/10/10

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

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

Kathleen Rees
Secretary

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02/16/10
Accrual Basis

comb2
Payment of Claims
As of January 31, 2010

Date	Num	Name	Memo	Split	Amount
1050 - GENERAL FUND					
1/4/2010	18622	COMB - Revolving Fund	Jan 8 & 22, Feb 5 payroll/taxes	2200 · ACC...	-161,451.60
1/4/2010	18623	CIO Solutions, LP	Video card-SP computer	2200 · ACC...	-288.19
1/4/2010	18624	PG&E		2200 · ACC...	-182.80
1/12/2010	18625	William Alcala		2200 · ACC...	-60.00
1/13/2010	18626	Acacia Erosion Control, Inc.	Hydroseeding-Lauro PO#09-10-06	2200 · ACC...	-50,305.31
1/13/2010	18627	Acorn Landscape Manage...	Scheduled mtce	2200 · ACC...	-253.17
1/13/2010	18628	ACWA Health Benefits Au...	2/1-3/1/10 coverage	2200 · ACC...	-12,642.86
1/13/2010	18629	ACWA Health Benefits Au...	Feb EAP	2200 · ACC...	-46.02
1/13/2010	18630	AECOM USA Inc.		2200 · ACC...	-7,000.98
1/13/2010	18631	American Water Works As...	Member dues 4/1/10-3/31/11 #00...	2200 · ACC...	-354.00
1/13/2010	18632	Aqua-Flo Supply		2200 · ACC...	-791.17
1/13/2010	18633	AT&T	Dec statement	2200 · ACC...	-225.43
1/13/2010	18634	Central Valley Project Wat...	2010 Member Dues	2200 · ACC...	-750.00
1/13/2010	18635	CIO Solutions, LP		2200 · ACC...	-827.50
1/13/2010	18636	City of Santa-Barbara	Refuse/recycle 11/30-12/30/09	2200 · ACC...	-158.12
1/13/2010	18637	Coastal Copy, LP	Lease/mtce agmt KM-C4035 11/9...	2200 · ACC...	-333.42
1/13/2010	18638	COMB-Petty Cash	Replenish petty cash	2200 · ACC...	-328.57
1/13/2010	18639	Cox Communications	Business internet 12/18/09-1/17/10	2200 · ACC...	-195.00
1/13/2010	18640	CSK Auto, Inc.	Wiper blades	2200 · ACC...	-10.31
1/13/2010	18641	Culligan Water	RO system Jan	2200 · ACC...	-24.95
1/13/2010	18642	Das Williams	Dec mtg fees	2200 · ACC...	-265.12
1/13/2010	18643	Draganchuk Alarm Systems	Alarm monitoring Jan-Mar 2010	2200 · ACC...	-82.50
1/13/2010	18644	ECHO Communications	Answering service	2200 · ACC...	-69.20
1/13/2010	18645	Environmental Systems R...	ArcInfo/ArcGIS/ArcView 1/11/10-1...	2200 · ACC...	-5,866.89
1/13/2010	18646	Fed Ex Kinko's, Inc.	Copies	2200 · ACC...	-171.29
1/13/2010	18647	Federal Express	Mailings	2200 · ACC...	-46.92
1/13/2010	18648	Fence Factory	Netting for traps	2200 · ACC...	-264.96
1/13/2010	18649	Fleet Services	Fuel	2200 · ACC...	-1,269.91
1/13/2010	18650	GE Capital	Copies lease Billing ID#90133933...	2200 · ACC...	-499.16
1/13/2010	18651	Growing Solutions	Plant care PO#8931	2200 · ACC...	-100.00
1/13/2010	18652	Hydrex Pest Control Co.		2200 · ACC...	-145.00
1/13/2010	18653	J&C Services	Ofc cleaning 12/4,11,18,28/09	2200 · ACC...	-500.00
1/13/2010	18654	Jan Abel	Dec mtg fees	2200 · ACC...	-278.00
1/13/2010	18655	Larry's 8-Day Auto Parts	Gage/coupler kit/blo gun	2200 · ACC...	-78.64
1/13/2010	18656	Lauren W. Hanson	Dec mtg fees	2200 · ACC...	-267.00
1/13/2010	18657	Lee F. Bettencourt	Dec mtg fees	2200 · ACC...	-318.38
1/13/2010	18658	M&W Pumps, Inc.	Irrigation supplies-Cross Creek R...	2200 · ACC...	-3,284.06
1/13/2010	18659	MarBorg Industries		2200 · ACC...	-4,889.55
1/13/2010	18660	Mark Crane's Tree & Arbor...	4 add'l pine tree removal PO#09-1...	2200 · ACC...	-2,460.00
1/13/2010	18661	Nextel Communications	Cellular	2200 · ACC...	-622.08
1/13/2010	18662	Nordman, Cormany, Hair ...	Gen Counsel Dec services	2200 · ACC...	-8,415.00
1/13/2010	18663	Paychex, Inc.	12/11,24 payrolls/taxes	2200 · ACC...	-233.22
1/13/2010	18664	Pitney Bowes Global Fina...	Equip lease-postage 1/10-4/10/10	2200 · ACC...	-446.97
1/13/2010	18665	Powell Garage	Full service-Colorado	2200 · ACC...	-1,234.52
1/13/2010	18666	Praxair Distribution, Inc	Cylinder rental	2200 · ACC...	-41.40
1/13/2010	18667	Prudential Overall Supply		2200 · ACC...	-365.05
1/13/2010	18668	Quinn Company	Posi-trak repir	2200 · ACC...	-1,582.26
1/13/2010	18669	Republic Elevator Co.	Scheduled mtce	2200 · ACC...	-256.90
1/13/2010	18670	Reserve Account	Postage refill	2200 · ACC...	-400.00
1/13/2010	18671	Robert Dunlap	Reimb exp	2200 · ACC...	-163.39
1/13/2010	18672	Robert Lieberknecht	Dec mtg fees	2200 · ACC...	-287.12
1/13/2010	18673	Sansum Clinic-Occupation...		2200 · ACC...	-418.00
1/13/2010	18674	Southern California Edison		2200 · ACC...	-1,145.99
1/13/2010	18675	Spatial Wave	Software conf pkg PO#8875 (bal ...	2200 · ACC...	-5,000.00
1/13/2010	18676	Staples Credit Plan	Office supplies	2200 · ACC...	-560.90
1/13/2010	18677	State Compensation Insur...	Payroll Report Dec 09	2200 · ACC...	-4,225.54
1/13/2010	18678	Total Compensation Syste...	Retiree Health Valuation	2200 · ACC...	-2,000.00
1/13/2010	18679	Underground Service Alert...	Dec tickets	2200 · ACC...	-61.50
1/13/2010	18680	Verizon California		2200 · ACC...	-466.46
1/13/2010	18681	Verizon Wireless	Cellular	2200 · ACC...	-183.73
1/13/2010	18682	Western Welding	Tubing/saw cut	2200 · ACC...	-18.71

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02/16/10
Accrual Basis

comb2
Payment of Claims
As of January 31, 2010

Date	Num	Name	Memo	Split	Amount
1/13/2010	18683	MarBorg Industries	Roll off	2200 · ACC...	-42.00
1/13/2010	18684	Graham Chevrolet-Cadillac	CCRB-Silverado tail gate latch part	2200 · ACC...	-33.68
1/13/2010	18685	Aspen Publishers, Inc.	Ca Employers Guide 2010	2200 · ACC...	-126.80
1/13/2010	18686	CIO Solutions, LP		2200 · ACC...	-1,755.00
1/13/2010	18687	Durbiano Fire Equipment, ...	Fire extinguishers recharge	2200 · ACC...	-657.15
1/18/2010	18688	Verizon California	SCADA	2200 · ACC...	-527.01
1/18/2010	18689	Premiere Global Services	Conf. calls Dec	2200 · ACC...	-159.75
1/18/2010	18690	Southern California Edison	Foothill Rd	2200 · ACC...	-31.75
Total 1050 · GENERAL FUND					-288,547.86
TOTAL					-288,547.86

09-10 ENTITLEMENT

CACHUMA OPERATION AND MAINTENANCE BOARD

WATER PRODUCTION AND WATER USE REPORT

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

(All in rounded Acre Feet)

						MONTH TOTAL	YTD TOTAL
WATER PRODUCTION:							
Cachuma Lake (Tec. Diversion)						1,549	8,032
Tecolote Tunnel Infiltration						194	532
Glen Anne Reservoir						0	0
Cachuma Lake (County Park)						2	16
State Water Diversion Credit						37	302
Gibraltar Diversion Credit						0	0
Bishop Ranch Diversion						0	0
Meter Reads						1,731	7,988
So. Coast Storage gain/(loss)						(33)	(67)
Total Production						1,745	8,580
Total Deliveries						1,735	8,223
Unaccounted-for						10	357
% Unaccounted-for						0.58%	4.16%
WATER USE:	GWD	SB CITY	MWD	CVWD	SYRWCD I.D. #1	TOTAL	
M&I	670	762	152	46	2	1,633	
Agricultural	69	0	6	23	0	99	
TOTAL FOR MONTH	739	762	159	69	2	1,731	
Same Mo/prev. yr	884	527	274	111	3	1,799	
M&I Yr to date	2,778	3,011	851	331	15	6,987	
Ag. Yr to date	636	0	83	279	0	999	
TOTAL YTD	3,414	3,011	935	610	15	7,985	
USAGE % YTD	27.5%	23.1%	24.6%	16.3%	0.9%	22.1%	
Previous Year/YTD	3,845	1,542	763	516	21	6,687	
Evaporation	1	6	1	1	2	11	
Evaporation, YTD	30	60	12	11	12	125	
Entitlement	9,322	8,277	2,651	2,813	2,651	25,714	
Carryover	3,088	4,937	1,129	944	839	10,937	
Carryover Balances Spilled YTD	0	0	0	0		0	
Surplus^^	0	0	0	0	0	0	
State Water Exchange^	113	76	76	51	(316)	0	
Transfers*/Adjustment***	0	0	0	0	0	0	
Passthrough H2O**	0	0	0	0	0	0	
TOTAL AVAILABLE	12,523	13,290	3,856	3,808	3,174	36,651	
REMAINING BALANCE	9,079	10,219	2,909	3,187	3,147	28,540	

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

State Water Deliveries for JANUARY to Lake Cachuma were MWD 0 AF; CVWD 0 AF
GWD 0 AF(Morehart 0 AF); City of S.B. 0 AF; and LaCumbre 37 AF; (Ratheon 0 AF).

^ Per SWP Exchange Agrmt GWD received 23 AF; MWD received 15;

City of SB received 15 AF; and CVWD received 11 AF from ID#1 in JANUARY 2010.

**CACHUMA OPERATION AND MAINTENANCE BOARD
WATER STORAGE REPORT**

MONTH: **January 2010**

GLEN ANNIE RESERVOIR

Capacity at 385' elevation:	518 Acre Feet
Capacity at sill of intake at 334' elevation:	21 Acre Feet
Stage of Reservoir Elevation	345.00 Feet
Water in Storage	74.06 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	542.00 Feet
Water in Storage	452.83 Acre Feet

ORTEGA RESERVOIR

Capacity at 460' elevation:	65 Acre Feet
Capacity at outlet at elevation 440':	0 Acre Feet
Stage of Reservoir Elevation	445.10 Feet
Water in Storage	13.68 Acre Feet

CARPINTERIA RESERVOIR

Capacity at 384' elevation:	45 Acre Feet
Capacity at outlet elevation 362':	0 Acre Feet
Stage of Reservoir Elevation	376.50 Feet
Water in Storage	26.82 Acre Feet

TOTAL STORAGE IN RESERVOIRS

Change in Storage	493.33 Acre Feet
	-33.41 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	738.31 Feet
------------------------------	-------------

Water in Storage	154,101 AF
------------------	------------

Area	2,601
------	-------

Evaporation	262.4 AF
-------------	----------

Inflow	19,200.0 AF
--------	-------------

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

Fish Release	369.1 AF
--------------	----------

Spill/Seismic Release	0 AF
------------------------------	------

State Project Water	37 AF
---------------------	-------

Change in Storage	19,155 AF
-------------------	-----------

Tecolote Diversion	1,549.4 AF
--------------------	------------

Rainfall: Month: 10.34 Season: 15.65 Percent of Normal: 153%

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

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

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

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

MONTH	DELVRD TO LAKE	Delvd CVWD		Transf to MW	Delvd MWD		Evap/Spill	Delvd S.B.		Delvd GWD		LGMWC		Delvd RSYS		Delvd MLC		
		to Lake	to SC		to Lake	to SC		to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake
2010																		
Bal. Fwvd		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	37	0	0	0	0	0	0	0	0	0	0	37	28	0	0	0	0	0

SUMMARY OF WATER USED

CACHUMA PROJECT - CONTRACT #175R-1802

Contract Entity: Carpinteria Valley Water District
 Last updated by C.O.M.B. 1/31/10

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

Month	Approved Schedule Current Year		2813	944	WATER USED CHARGED TO CARRYOVER BALANCES			WATER USED CHARGED TO CURRENT ENTITLEMENT		
	Current Year	Previous Year			Evap	Div	Total	M & I	AG	Total
Oct	132	123	255	6	255	261	135	126	0	0
Nov	104	106	210	3	210	213	105	107	0	0
Dec	49	27	76	1	76	77	50	27	0	0
Jan	46	23	69	1	69	70	47	23	0	0
Feb	0	0	0							
Mar	0	0	0							
Apr	0	0	0							
May	0	0	0							
Jun	0	0	0							
Jul	0	0	0							
Aug	0	0	0							
Sep	0	0	0							
Total	331	279	610							

Month	STORAGE WATER		CONVERSIONS		CURRENT SCHEDULE		SCHEDULE AND REVISIONS		SCHEDULE AND REVISIONS	
	M & I	AG	M & I	AG	M & I	AG	M & I	AG	M & I	AG
Oct	135	-135	0	0	0	0	0	0	1,013	1,800
Nov	105	-105	0	0	0	0	0	24	24	24
Dec	50	-50	0	0	0	0	0	8	8	8
Jan	47	-47	0	0	0	0	0	8	8	8
Feb			0	0	0	0	0	11	11	11
Mar			0	0	0	0	0	0	0	0
Apr			0	0	0	0	0	0	0	0
May			0	0	0	0	0	0	0	0
Jun			0	0	0	0	0	0	0	0
Jul			0	0	0	0	0	0	0	0
Aug			0	0	0	0	0	0	0	0
Sep			0	0	0	0	0	0	0	0
Total	331	279	944	944	0	0	0	0	1,013	1,800

Month	REMAINING BALANCES		REMAINING BALANCES		REMAINING BALANCES	
	Total	M&I	AG	M&I	AG	Total
Oct	683	0	683	1037	1800	2837
Nov	470	0	471	1045	1800	2845
Dec	394	0	394	1053	1800	2853
Jan	324	0	324	1064	1800	2864
Feb						
Mar						
Apr						
May						
Jun						
Jul						
Aug						
Sep						
Total	683	0	683	1037	1800	2837

TOTAL 3,188

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

Contract Entity: **Goleta Water District**
 Last updated by **C.O.M.B. 1/31/10**
 Contract Year: **10/1/09 to: 9/30/10**

Month	TOTAL WATER USED		WATER USED CHARGED TO CARRYOVER BALANCES				WATER USED CHARGED TO CURRENT ENTITLEMENT		
	M & I	Agr	Evap	Div	Total	M & I	Agr	M & I	Agr
Oct	744	227	19	971	990	759	231	0	0
Nov	821	219	8	1,040	1,048	828	221	0	0
Dec	543	121	2	664	666	545	121	0	0
Jan	670	69	1	739	383	348	36	323	33
Feb	0	0	0	0	0	0	0	0	0
Mar	0	0	0	0	0	0	0	0	0
Apr	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0
Jun	0	0	0	0	0	0	0	0	0
Jul	0	0	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0	0	0
Total	2,778	636			3,414				356

Month	STORAGE WATER		CONVERSIONS		CURRENT SCHEDULE		SCHEDULES AND REVISIONS	
	M & I	Agr	M & I	Agr	M & I	AG	M & I	AG
Oct	0	0	0	0	0	0	6,756	2,566
Nov	0	0	0	0	0	0	55	55
Dec	0	0	0	0	0	0	18	18
Jan	0	0	0	0	0	0	17	17
Feb	345	-345	0	0	0	0	23	23
Mar	0	0	0	0	0	0	0	0
Apr	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0
Jun	0	0	0	0	0	0	0	0
Jul	0	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0	0
Total	345	-345	0	0	3,088	953	6,756	2,566

Month	REMAINING BALANCES		Total
	M & I	AG	
Oct	1376	722	2098
Nov	548	501	1049
Dec	3	380	383
Jan	0	-1	0
Feb	0	0	0
Mar	0	0	0
Apr	0	0	0
May	0	0	0
Jun	0	0	0
Jul	0	0	0
Aug	0	0	0
Sep	0	0	0
Total	1376	722	2098

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TOTAL 9,079

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

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

Contract Entity: Montecito Water District
 Last updated by C.O.M.B. 1/31/10

Month	Approved Schedule		Carryover Previous Year	WATER USED CHARGED TO CARRYOVER BALANCES			WATER USED CHARGED TO CURRENT ENTITLEMENT	
	Current Year	2651		1129	Evap	Div	Total	M & I
Oct	178	165	343	7	343	350	182	168
Nov	252	40	292	3	292	295	254	40
Dec	133	8	141	1	141	142	134	8
Jan	152	6	158	1	158	159	153	6
Feb	0	0	0					
Mar	0	0	0					
Apr	0	0	0					
May	0	0	0					
Jun	0	0	0					
Jul	0	0	0					
Aug	0	0	0					
Sep	0	0	0					
Total	715	219	934					

Month	STORAGE WATER		CONVERSIONS		CURRENT SCHEDULE		SCHEDULE AND REVISIONS	
	M & I	Agr	M & I	Agr	M & I	Agr	M & I	Agr
Oct	0	0	0	0	0	0	0	0
Nov	0	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0	0
Jan	0	0	0	0	0	0	0	0
Feb	0	0	0	0	0	0	0	0
Mar	0	0	0	0	0	0	0	0
Apr	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0
Jun	0	0	0	0	0	0	0	0
Jul	0	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0	0
Total	-168	168	0	0	1,129	1,129	2,386	2,651

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

TOTAL 2,910

Operations Report – January 2010

The average flow from Lake Cachuma into the Tecolote Tunnel for January was 37 acre-feet per day. Lake elevation was 730.57 feet at the beginning of the month and 738.31 feet at the end. 50 acre-feet of State Water Project water was wheeled through Cachuma Project facilities and delivered to South Coast Member Units during the month.

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

Other activities conducted this month include:

- Jesusita Fire recovery efforts at Lauro Reservoir during January continued with project development and planning for an oak tree planting and restoration program for Lauro Reservoir proposed to begin in March 2010.
- Initial site visits and planning for a South Coast Conduit Lower Reach Alignment and ROW study began in January.
- The landscaping contract for the Ortega Reservoir Cover Project was completed, and the termination of the contract consented to by Montecito Water District, COMB and Plowboy Landscapes, Inc.
- Progress continued on the 2nd Pipeline and Mission Creek projects. A complete status of the projects is included in the board packet for the February COMB board meeting.

Routine operation and maintenance activities conducted during the month included:

- Sampled water at North Portal Intake Tower
- Monitored conduit right-of-way and responded to Dig Alert reports
- Read piezometers and underdrains at Glen Anne, Lauro and Ortega Dams
- Read meters, conducted monthly dam inspections, and flushed venturi meters
- Weed abatement at Lauro Yard
- Quarterly calibration in January of all venturi meters on the Upper Reach of the SCC

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Kate Rees

From: Hernandez, Daniel [Dchernandez@co.santa-barbara.ca.us]
Sent: Friday, January 29, 2010 9:17 AM
To: Maus-Nisich, Terri; Kate Rees
Subject: FW: Quagga Mussel Monitoring Program

Good Morning All.

I had Liz Gaspar at the Lake do research on the article Kate sent me. Here is what we were able to find out regarding funding of the Quagga Program from the Feds.

Dan

From: Gaspar, Liz
Sent: Thursday, January 28, 2010 4:31 PM
To: Hernandez, Daniel
Cc: Stone, Jeff; Medeiros, Mitch
Subject: RE: Quagga Mussel Monitoring Program

Dan,

Regarding possible funding for quagga programs, long story short, FWS funding is going to broad application or state-wide urgent needs. The \$2 million that Congress allocated to FWS for quagga prevention is going toward specific, high-priority needs identified in the Quagga-Zebra Mussel Action Plan (QZAP) for Western US Waters, released last May. One angle would be for Parks to lobby DFG to go after FWS funding for inspection stations on roadways connecting Cachuma Lake to waterbodies to the south inc. San Diego, eg, 101 and I5.

Long story long:

The four "highest priority actions," included:

- Implementation of inspection and decontamination stations at infested waters;
- Dedicated state ANS law enforcement
- A rapid response fund for containment at newly infested waters
- Detection and monitoring programs

Further, the QZAP identified \$165 million needed annually to address these issues in the western states alone. So far, Congress has allocated a mere \$2 million to FWS.

In other words, the funding is being applied to urgent needs that will have broad application:

Research: studying the mortality efficacy of hot water wash; and studying how to improve laboratory detection of microscopic mussel larvae within water samples.

Roadside decontamination stations on roads leading to Lake Tahoe

Another portion will support specific quagga and zebra mussel activities addressed in Aquatic Nuisance Species Task Force-approved State and Interstate ANS Plans.

So, as I already mentioned, it's in our interest--and seems compatible with statewide ANS plans--to lobby DFG to go after FWS funding for inspection stations on roadways connecting Cachuma Lake to waterbodies to the south inc. San Diego, eg, 101 and I5.

Parks and Public Works did receive funding last year from USBR to purchase hot washers, signage, and outreach.

There are a couple important areas where we could beef up our program if we had funding:

1) Early Detection and Monitoring: Plankton tows to collect samples to examine for microscopic veligers. Samples would be sent to a lab equipped to detect them.

2) Public outreach:

a. Production of a radio PSA to be used repeatedly, in different seasons and regions that would have applicability anywhere in the state of California. Not only would we benefit locally and regionally, further regions could then use the generic piece and arrange to air or purchase their own air time.

b. Several timed mailings to our boater base to spread the word regionally to keep pressing to promote a paradigm shift in boater behavior and expectations. Boater education has an impact, there is no question on that count.

I'll put out inquiries for smaller pockets of money to my contacts in DFG and elsewhere. I also will inquire whether there are more recent funding opportunities from USBR.

Liz

.....
.....

Liz Gaspar
Park Naturalist, Santa Barbara County Parks
Cachuma Lake, 2225 Hwy 154, Santa Barbara, CA 93105
(805) 688-4515
Work Week: Tuesday - Saturday
lgaspar@co.santa-barbara.ca.us
www.countyofsb.org/parks

-----Original Message-----

From: Medeiros, Mitch
Sent: Monday, January 25, 2010 8:47 AM
To: Gaspar, Liz
Cc: Stone, Jeff
Subject: FW: Quagga Mussel Monitoring Program

Liz,
Could you please look into this and report back, thanks

Mitch

-----Original Message-----

From: Hernandez, Daniel
Sent: Friday, January 22, 2010 9:18 PM
To: Kate Rees; Fayram, Tom; Maus-Nisich, Terri; SupervisorCarbajal; Stone, Jeff; Medeiros, Mitch
Subject: RE: Quagga Mussel Monitoring Program

Thanks for the info Kate. I'll have my Lake staff get into this asap.

Dan

From: Kate Rees [KRees@cachuma-board.org]
Sent: Friday, January 22, 2010 6:14 PM
To: Hernandez, Daniel; Fayram, Tom; Maus-Nisich, Terri; SupervisorCarbajal
Subject: FW: Quagga Mussel Monitoring Program

Some good news about potential funding for quagga mussel prevention programs. Dan, I think you should try to apply for some of this funding for your inspection and prevention program at Lake Cachuma.

Cheers,

CACHUMA RESERVOIR

DISPOSITION OF 2008 SURCHARGE WATER

(UNOFFICIAL)

DATE	DESCRIPTION	FISH RELEASE FROM SURCHARGE (acre feet)	SURCHARGE BALANCE (acre feet)	FISH RELEASE FROM PROJECT YIELD (acre feet)
3/9/2008	End of Spill		8,300	
3/31/08	March	759	7,541	
4/30/08	April	620	6,921	
5/31/08	May	746	6,175	
6/30/08	June	394	5,781	
7/31/08	July	1,235	4,546	
8/31/08	August	1,038	3,508	
9/30/08	September	308	3,200	584
10/31/08	October		3,200	737
11/30/08	November		3,200	597
12/31/08	December		3,200	310
1/31/09	January		3,200	340
2/28/09	February		3,200	329
3/31/09	March		3,200	377
4/30/2009	April		3,200	494
5/31/2009	May		3,200	1,014
6/30/2009	June		3,200	1,022
7/31/2009	July		3,200	1,269
8/31/2009	August		3,200	1,097
9/30/2009	September		3,200	1,104
10/31/2009	October		3,200	605
11/30/2009	November		3,200	373
12/31/2009	December		3,200	365
1/31/2010	January		3,200	369
2/28/2010	February (projected)	1,558	1,642	
*** TOTAL		6,658		10,986

kr\comb\cachuma 2008 surcharge account 022210

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Kate Rees

From: Sandy Stites [sandyatducks@earthlink.net]
Sent: Friday, January 15, 2010 12:52 PM
To: Rebecca Bjork - City of SB Resources; Environmental Defense Center B. Trautwein; Kate Rees
Cc: Linda Phillips
Subject: PLEASE FORWARD TO YOUR LISTS - LEAGUE OF WOMEN VOTERS FORUM WEDNESDAY 1/20

LEAGUE OF WOMEN VOTERS OF SANTA BARBARA JANUARY COMMUNITY FORUM

WATER CHALLENGES FACING THE SOUTH COAST

Date: Wednesday, January 20, 12:00 to 2 p.m.

Location: Louise Lowry Davis Community Center, De La Vina and Victoria Streets,
Santa Barbara

Speakers:

Kate Rees, General Manager, Cachuma Operations and Maintenance Board (COMB) -
Discussing the proposed second pipeline to Lake Cachuma

Rebecca Bjork,
Resources Manager, City of Santa Barbara -
Discussing City water sources, future projections, recycling and conservation

Brian Trautwein, Environmental Analyst, Environmental Defense Center -
Discussing the importance of our local water shed and the challenges facing us in the future.

Description: Water problems of the South Coast have not been solved by two rain storms. California is in the third year of drought and our allotment of state water has been cut to 5% of the allotment.

Brown bag lunch; coffee and cookies provided!

For further information call Pat Shewczyk - 964-7506

Project Status South Coast Conduit/Upper Reach Reliability Project and Mission Creek South Coast Conduit Crossing and Fish Passage Project

Project	Engineering Design	CEQA/NEPA Environmental Compliance	Land Access/Easement Acquisition	Revegetation/Weed Abatement	Mitigation Plans	Bid Process	Construction Management Services	Award Contract for Construction
South Coast Conduit/Upper Reach Reliability Project (2nd Barrel)	Technical Specifications completed 7/30/09.	Final Environmental Impact Statement/Environmental Impact Report completed February 2009.	Permit to Enter, Right of Way Agreement and Easement Deed completed for all impacted landowners.	1. Revegetation plan in progress by SAIC. 2. Weed abatement of 2nd barrel alignment completed 7/30/09 for 2009 growing season. 3. Weed Abatement for 2010 growing season began January 2010.	Weed Identification and Removal Manual completed March 2009. Draft Special Status Species Protection Plan complete April 2009.	1. Pre-Qualification distributed April 2009. 2. Pre-bid contractor site meeting on 8/20/09 conducted by AECOM and COMB 3. A second follow-up contractor site visit was conducted on 9/4/09. 4. Ready to bid pending funding for project	Construction Management Services awarded to AECOM/Boyle and approved by board 6/22/09.	The contractor bid took place on 9/10/09, with a total of seven bids submitted. The contractor bids are currently being reviewed, with a contract to be awarded 90 days from the bid date of 9/10/09. *Contractor Re-Bidding process initiated in November 2009.
Mission Creek South Coast Conduit Crossing and Fish Passage Project	Technical specifications pending.	Initial Study/Draft MND complete April 2009. Final MND pending USBR review. Landowner comments incorporated into Final MND.	Permit to Enter completed for all impacted landowners.	Revegetation plan in progress by SAIC.	Biological Resources Survey Report completed February 2009.			Award Contract for Construction November 2009.
SCC Vent Improvements and Air Binding Reduction								

*Red italic text indicates update

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

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*Red italic text indicates update

Permit Status: Mission Creek South Coast Conduit Crossing and Fish Passage Project

Agency	Permit	Status	Notes	Action Req'd
U.S. Army Corps of Engineers (USACE) Section 404 Permit	Section 404 of the Clean Water Act (CWA) permit	Pending Application dated 2-2009 Nationwide Permits 12 & 33	See "Notes" tab for Mission Creek South Coast Conduit Crossing and Fish Passage Project	(COMB): 1) Follow up with NWP #33, #12, and #27. 2) Send Final Section 401 Certification to USACE once in hand.
National Marine Fisheries Service (NMFS)	Section 7 of the Endangered Species Act Consultation	Pending Part of 404 - no separate application. Revetation Plan is accepted.	See "Notes" tab for Mission Creek South Coast Conduit Crossing and Fish Passage Project	Completion of MND pending Section 7
U.S. Bureau of Reclamation	MP620 permit for additions and alternations	<i>Not Required- pipeline repair and easement use already authorized by the O&M Transfer Agreement between COMB and USBR.</i>	NEPA/ESA review necessary by USBR- plans emailed 1/19/2010 to Ned Gruenhagen for review.	
State Historic Preservation Office	Section 106 of the National Historic Preservation Act review	Pending	Pending CEQA document completion, will be reviewed by USBR. 1. Plans sent to Adam Nickels at USBR on 1-19-10.	Completion of MND pending Section 106
Regional Water Quality Control Board (RWQCB)	Section 401 of the CWA certification: General Permit for Storm Water Discharges Associated with Construction Activity (CWA Section 402)	Pending	1. Email from Brandon Sanderson of CC RWQCB (dated 8/28/09) indicated: Application for 401 Cert was <u>WITHDRAWN</u> until CEQA compliance has been met. Water Board is awaiting further notification of CEQA compliance prior to issuing 401 Certification. 2. Email from Brandon Sanderson of CC RWQCB (dated 8/28/09) indicated: Separate permit not req'd for diversion of creek or pipeline trenching (covered under 401 Cert once issued). 3. CC RWQCB will not require a "Linear Construction SMALL LUP General Permit"	(COMB/SAIC): Finish CEQA and notify CC RWQCB of status. Cannot be issued until MND complete.
California Department of Fish and Game (CDFG)	Streambed Alteration Agreement	Issued 7/27/2009 Doesn't "expire". Must have a copy of the letter, application and all attachments available at the work site at all times.	Notification# 1600-2009-0063-R5 issued- CDFG action period expired 6/30/2009 and agreement was issued automatically as a result of expired action period. Standard Permit conditions.	None
Caltrans	Encroachment Permit # 0509-NUB-0017	Original Issued 5/20/2009; Rider Issued 7/1/2009- permit extended to 12/31/2010.	1. Permit expiration date is 12/31/2010. 2. Contractor is req'd to apply and pay for "Double Permit" at \$492.00. 3. Temporary road/bridge closure at the Route 192/Foothill Rd Bridge (Bridge No. 51-105PM 3.36) = 1-week MAXIMUM at any one time. 4. Contractor cannot park/operate heavy equipment on the bridge without permission from Caltrans.	None
City of Santa Barbara	Temporary Traffic Control Permit No: PBW 2008-01878	Original Verbally Issued 12/20/2008 Permit expires end 2009.	1. Permit verbally issued over phone to Cesar Romero. City does not provide hard copy of permit until Construction is set to begin. City Public Works Counter Staff indicates permit should be picked up/paid for 2-4 weeks before work starts 2. Cost of Permit = \$218.00. 3. Temporary traffic detours (through City Limits) are currently permitted for a 6-week period from October 1 to November 15; and a one week period after the SCC is in operation. Road closure duration = 1 week MAXIMUM at any time.	1.(AECOM/COMB): Need to EXTEND Permit duration through 2010 (City Traffic/Public Works staff unresponsive to AECOM calls and emails) 2. Permit extended to 12/2010.
County of Santa Barbara	Flood Control Permit	Pending	1. County Flood Control has been contacted (9/2009) to verify if permit is needed. Waiting on response. 2. Flood Control responded via email on 10/29/09 they are currently reviewing the project. 3. 11/16/09- Flood Control completed project review and the determination was made that a permit from Flood Control for the project will not be necessary. However, it was advised that the City of Santa Barbara be contacted to evaluate the water surface elevations within the floodway.	1. COMB- Contact City of Santa Barbara re: water surface elevations 2. City Flood Plain Coordinator contacted, response from David Miles requires possible letter of No Rise from Syd Temple at Questa. Syd currently reviewing request per email sent 1-7-2010.

**Red italic text indicates update*

Notes for Mission Creek South Coast Conduit Crossing and Fish Passage Project			
Agency	Permit	Status	Notes
U.S. Army Corps of Engineers (USACE) Section 404 Permit	Section 404 of the Clean Water Act (CWA) permit	Pending Application dated 2-2009 Nationwide Permits 12 & 33	1. Originally submitted to Sacramento office- should go to Crystal Huerta in the Ventura Office. (Per Rosie Thompson.) Will be resubmitted 7/23/09 with AECOM distribution of design specifications. 2. Emails from Rosie of SAIC (dated 8/14/09) indicated: NWP #33 req'd under Section 404 for dewatering + NWP #12 + NWP # 27 also req'd. 3. <i>Letter dated 2/12/2010 requesting formal Section 7 Consultation was sent to NOAA and COMB.</i>
National Marine Fisheries Service (NMFS)	Section 7 of the Endangered Species Act Consultation	Pending Part of 404 - no separate application. Revetation Plan is accepted.	1. Pending USBR review - Rosie to draft letter to USBR requesting review 2. Email from Michael Kinsey (9/9/09) indicating USBR approves USACE taking lead on Section 7 Consultation. 3. On 9/10/09, COMB submitted response to USACE request for add'l information including Section 401 application 4. On 10/16/09 COMB submitted a Preliminary Jurisdictional Determination Form with MND to Theresa Stevens. 5. Corps sent letter 10/20/09 requesting consultation. 6. Section 7 USACE consultation completed 10/20/09 and sent to NOAA and USFWS. Consultation will be informal. 7. Letter dated 12/16/2010 from NOAA to USACE determines that NOAA does not concur with the USACE proposed action of not likely to affect steelhead, and is requesting that NMFS also not concur with the USACE determination. Formal Consultation is requested by NOAA. 8. <i>Response from Syd Temple at Questa to the request for additional information per the NOAA comment letter dated 12/16/2009 concerning the Mission Creek South Coast Conduit Crossing and Fish Passage Project was sent to Theresa Stevens at USACE on 1/13/2010 to route to NMFS. 9. On 2/10/2010 COMB submitted the response from Syd Temple to NOAA comment letter dated 12/16/2009 to Matt McGoogan, acting project contact for NMFS.</i>



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RECEIVED

FEB 01 2010

CACHUMA O&M BOARD

January 29, 2010

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

Dear Kate:

**Subject: Cachuma Operation and Maintenance Board
Mission Creek Pipeline Relocation
Minutes from January 7, 2010 Member Agency Review Meeting**

Per your December 2009 request, AECOM prepared for and attended a meeting on January 7, 2010 to discuss Member Agency review comments relative to the proposed Mission Creek Pipeline Relocation Project. We have the following comments:

- ▶ Review comments were requested to be submitted from the Member Agencies prior to the meeting; however no comments were submitted prior to the meeting.
- ▶ Written review comments were provided by the Goleta Water District during the meeting (copy attached). The following are our responses:
 1. Sheet C-1 – AECOM will modify the profile to clarify that “designed” centerline of the SCC does not match the as built centerline of the pipeline shown.
 2. Sheet C-5 – Damage to the temporary pipe support due to flood flows should not be an issue (concern) because the pipeline construction has to be completed prior to the wet season.
 3. Sheet C-7
 - a. The design of the blow-off discharge pipe will be revisited as requested.
 - b. The MH drain detail will be revised as requested.
 4. Sheet C-8
 - a. Elevations will be added to details 1 and 2.
 - b. Piping configuration has been confirmed with COMB, therefore no revisions are anticipated.
 5. Sheet D-2 – Detail 1 will be revised to reflect the more recent design of the profiles (Sheets 7 and Questa Profile drawing).
 6. Sheet D-5 – Thrust block comments were discussed and then resolved in the meeting. No revisions required.
 7. Sheet D-6 – Confirmed, all new pipe joints are restrained (welded).
 8. Questa Plan/Profile Sheet – Size of boulders have been increased based on review comments from permit agencies.

ITEM # 56-2

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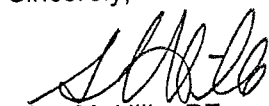
9. Questa Roughened Channel Profile Sheet – Will add second cut-off wall as requested.

► Miscellaneous Comments Discussed During the Meeting:

1. Pipeline Relocation to Avoid Any Impact to the Streambed: During the concept development phase of the project, the Project Team (COMB, Civil consultant (AECOM), and CEQA consultant (SAIC)) conducted a “constraints analysis.” The analysis concluded:
 - a. The pipeline could not be realistically relocated without impacts to the streambed (bank to bank).
 - b. Any impact to the stream bed would result in regulatory permit requirements inclusive of Department of Fish and Game Streambed Alteration and NMFS Biological Opinion.
 - c. The regulatory permits would require removal of the existing pipeline.
 - d. The existing concrete above the pipeline is a barrier to fish passage.
 - e. Revised horizontal alignments would require substantial additional easements.
2. Pipeline Located on Another Alignment: The base concept to remove this section of the SCC and replace it with a new pipeline section on the same horizontal alignment was selected well over two years ago. The concept is clearly described in AECOM’s 2008 proposal for engineering services which was authorized by COMB and available to Member Agencies. The concept was also clearly noted in the 2008 Initial Project Report for the Reliability Program which was distributed to all Member Agencies. The concept was clearly stated in the documents for CEQA compliance, permit applications, and right-of-way acquisition which have also been available to Member Agencies. Extensive effort and costs were not expended on alternative alignments or aerial concepts, as they were determined early on to be either infeasible, have as great or greater environmental impact, and not be cost effective. On January 7, 2010 COMB, AECOM, SAIC, and the City of Santa Barbara met to revisit the conclusions of the initial constraints analysis. SAIC and the City of Santa Barbara strongly confirmed that any permit process will require removal of the existing pipeline (barrier). AECOM confirmed that the magnitude of cost of the project would easily “more than” double if the pipeline was to be relocated without any impact to the streambed and adjacent “eco-sensitive” areas. The proposed alignment and profile is clearly the most overall cost effective approach given the primary constraint that the existing pipeline (barrier) will be removed.
3. Temporary Pipe with Intermediate Pipe Support: The pipe “span” is not edge of bank to edge of bank, but between the points where the pipe is supported. Heavy wall pipe and cable/truss supports and associated foundations result in a higher cost than the standard pipe with a relatively simple intermediate support.
4. Stability of Restored Stream Bank: Questa will be requested to confirm the design for stability of the disturbed sections of the stream banks.

Please call if additional clarification is required.

Sincerely,



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

cc: Robert Dunlap



January 22, 2010

Das Williams, President
Douglas Morgan, Director
Lauren Hanson, Director
Bob Lieberknecht, Director
Cachuma Operations and Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105

TRUSTEES:

DIVISION 1
LOS OLIVOS
Harlan J. Burchardi

DIVISION 2
SOLVANG
Jeff P. Clay

DIVISION 3
SOLVANG
Lee F. Bettencourt

DIVISION 4
SANTA YNEZ
Harry F. Poor

TRUSTEE-AT-LARGE
Matthew Loudon

MANAGER/SECRETARY
Chris Dahlstrom

BROWNSTEIN HYATT
FARBER SCHRECK, LLP
General Counsel

RE: COMB BOND AND COMB ACTIVITIES IN THE SANTA YNEZ RIVER

Dear Directors,

At the Santa Ynez River Water Conservation District, Improvement District No. 1 ("ID No.1") Board meeting on Tuesday night, the Board of Trustees received a report from its General Manager concerning COMB's continuing¹ and expanded activities in the Santa Ynez River below Bradbury Dam. Based on written documentation provided by COMB, these latest activities involve the Meadowlark Project and a proposed agreement between COMB and the County of Santa Barbara ("County"). As understood from the information provided at the COMB Operating Committee meeting, COMB has made certain financial arrangements and commitments with a private mutual water company and a private property owner in the Santa Ynez Valley to undertake the removal of certain private facilities within and crossing the Santa Ynez River. As to the second matter, COMB has engaged the County in negotiating a contract for the ownership and maintenance of the roadway, culvert, and streambed improvements of the Quiota Creek Bridge Crossing 6 Project ("Fish Project"). To complicate matters, CCRB personnel² negotiated the financial arrangements and commitments on behalf of COMB.

Following a significant and lengthy discussion, the ID No.1 Board has found these most recent COMB actions highly objectionable for several reasons, as should the Board Members of COMB and CCRB since each is a separate and distinct organization. First, COMB's stated reason for the proposed Meadowlark Project is to remove a private culvert facility within the Santa Ynez River channel since it "poses a flooding hazard and a partial fish migration barrier." That premise is clearly outside the scope of COMB's charge under its JPA. Additionally, COMB

¹ COMB initially entered into an agreement with CCRB for COMB to construct Cross Creek Ranch Project on El Jaro Creek based on the representation that CCRB did not carry insurance and therefore could not construct this Project. ID No. 1 strongly objected to this arrangement as exceeding COMB's authority, a dispute that remains unresolved.

² CCRB personnel are actually COMB employees but are under a verbal contract with COMB to provide one hundred percent (100%) of their services for CCRB, except for the general manager's time which is allocated between the two agencies. The salaries and benefits of the CCRB personnel are paid by the CCRB member agencies and ID No. 1.

made a financial commitment, utilizing its member agency's funds, as part of a grant, to pay in advance for this project for the benefit of private property owners that would have otherwise been responsible for those costs, which amounts to a gift of its public funds – a violation of California law. Finally, and equally as troubling, ID No. 1 does not understand how COMB can undertake such a project without prior authorization, direction or approval from the COMB Board. As such, it would appear that COMB staff prematurely and inappropriately committed COMB to this project, which is not binding on ID No.1.

With regard to COMB engaging the County in negotiating a contract for the ownership and maintenance of the Fish Project, no reason has been presented that would justify COMB's involvement or purpose for entering into permanent obligations for a project that was neither needed nor funded by COMB. CCRB and ID No. 1 provided for the design and exclusive funding for the Fish Project. It is understood that CCRB then executed a purchase order for construction of the Fish Project³, which COMB was not involved in this project. After completion of construction, COMB had no interest in the Fish Project, as ownership or otherwise, as no such interest was transferred to COMB⁴. As result, COMB does not have the authority to negotiate with the County for something in which it does not have an interest. ID No. 1 will not accept any responsibility for the County road right-of-way or maintenance of the creek channel to stabilize the roadway, and that it would not otherwise be contractually bound to maintain. The arrangements with ownership and maintenance of the bridge and streambed improvement should have been negotiated prior to construction, not afterwards, thus avoiding the current situation.

ID No. 1's greater concern is that COMB is now pursuing projects outside its authority, in the Santa Ynez River and which involve the water rights of COMB's member agencies. The Meadowlark Project is an egregious example of COMB proposing to undertake a project that could adversely affect ID No. 1's water rights⁵. COMB undertaking projects downstream of Bradbury Dam in the Santa Ynez River and its tributaries creates serious concerns which cannot and will not be tolerated by ID No. 1. Any further consideration of this project by COMB may lead to investigation, and possible action, to bring COMB into compliance with its JPA, in addition to ID No. 1 asserting its interest as necessary to protect its water rights.

The above activities underscore a larger issue and continuing concern that the ID No.1 Board has raised in the past regarding activities undertaken by COMB and CCRB without regard to ID No. 1's partnership participation in the fisheries projects. The recent Fish Project is indicative of the problem. ID No. 1 was precluded from the joint decision-making process in two respects: First, CCRB acted as if ID No. 1 and CCRB were not in a partnership to carryout the projects

³ CCRB's entered into this P.O. for construction of the Fish Project without CCRB carrying liability insurance, something that could have easily been cured by CCRB acquiring such insurance. Apparently CCRB did not need insurance for the numerous fish projects it previously constructed. ID No. 1 objected to the cost overruns that occurred during construction that were approved only by CCRB without change orders.

⁴ In addition, the County does not have any interest in the bridge improvements since the County can only accept such improvements by dedication, something that has not been done.


⁵ ID No. 1 has a well field in the Santa Ynez River located immediately downstream of the Meadowlark project.

envisioned by the Biological Opinion; and, second due to the unilateral assignment, over the objection of ID No. 1, of this project from CCRB to COMB. This process that recently ensued was not envisioned in the 2001 MOU signed by CCRB and ID No.1 which provides for joint decision-making through a partnership for fish project approvals, funding and construction.

ID No. 1 has and desires to continue to work cooperatively with COMB and its member agencies on projects and programs within the purview of COMB. However, COMB must reciprocate that same level of cooperation by performing its activities within its JPA. COMB's disregard for complying with its JPA and disrespect for ID No. 1's representative on the COMB Board, coupled with the COMB undertaking activities with the Meadowlark Project has brought this matter to a head and will not be tolerated. As a result, the ID No. 1 Board determined in a motion, which was unanimously approved, that it would defer and withhold its action on the COMB Bond Resolution. The deferral of the Bond approval action will be effective until such time that an amendment is made and approved to the COMB JPA which clarifies that COMB is precluded from performing or engaging in any and all activities in the Santa Ynez River downstream of Bradbury Dam, and any and all Cachuma Project or water rights matters that affect downstream interests. Also, a clear demarcation between COMB and CCRB must be re-established and re-defined immediately to provide for a clear distinction between the two organizational structures, to separate the current commingling of the two agencies management and staff, to eliminate the overlapping and misappropriation of resources, and adhere to the existing JPA for each agency to allow for each agency's proper operation and administration. The motion also included that the COMB Board amend the amendment to the JPA at its next COMB Board meeting. Once the above matters are accomplished, the ID No.1 Board will schedule a special Board Meeting in early February to take action on the COMB Bond Resolution. If such an amendment to the COMB JPA not be acceptable, ID No.1 will formally request withdrawal from COMB.

The ID No. 1 Board sincerely regrets having to withhold its consent to the COMB Bond resolution, especially considering that it has taken so many months for the COMB member agencies to iron out their differences. However, COMB undertaking yet another fish project, without the approval of the COMB Board and without first talking with ID No. 1 (since the project is within ID No. 1's territory) is the straw that broke the camel's back. The ID No. 1 Board is hopeful that this problem can be solved immediately so that the other COMB member agencies can proceed with the COMB Bond funding and construction of the second pipeline project.

Sincerely,

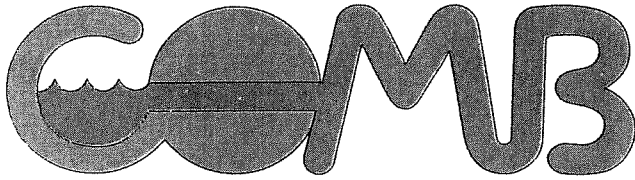


Harlan J. Burchardi, President

Santa Ynez River Water Conservation District, Improvement District No.1

cc: Board of Trustees, SYRWCD, ID No. 1
Bill Rosen, President Goleta Water District
Fred Lemere, President Carpinteria Valley Water District
Richard Shaikewitz, President, Montecito Water District
Chris Dahlstrom, General Manager, SYRWCD, ID No.1
Gary M. Kvistad, Brownstein Hyatt Farber Schreck, LLP
Kate Rees, General Manager, COMB
Cachuma Project Member Unit Managers

ITEM # 7
PAGE 3



CACHUMA OPERATION AND MAINTENANCE BOARD

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www.ccrb-comb.org
contactus@cachuma-board.org

February 3, 2010

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

Harlan Burchardi, President
Lee Bettencourt
Jeff Clay
Harry Poor
Matthew Loudon

RE: COMB Bond and COMB Activities in the Santa Ynez River

Dear Mr. Burchardi and Trustees:

This is in response to your letter of January 22, 2010 concerning the action taken by the Santa Ynez River Water Conservation District, ID No. 1 (ID No. 1) Board at its January 19, 2010 meeting regarding the Board's decision to withhold its approval of COMB's bond issue for the South Coast Conduit Upper Reach Reliability Project (Second Pipeline Project). Before responding to your demands regarding changes to COMB's Joint Powers Agreement (JPA) and COMB's authority to carry out steelhead projects in the Santa Ynez River watershed, the many inaccurate statements and conclusions stated in your letter need to be corrected. The ID No. 1 Board was misinformed, purportedly by your General Manager, regarding the status of the proposed Meadowlark Project to remove debris in the Santa Ynez River, as well as the proposed ownership and maintenance agreement with the County of Santa Barbara for the recently completed Quiota Creek Crossing 6 Fish Passage Project.

Your letter states that COMB had made financial arrangements and commitments with a private mutual water company and a private property owner in the Santa Ynez Valley to undertake the Meadowlark Project. As the COMB Board was unaware of this project, your accusation intimates that COMB's staff made these commitments without Board approval. As discussed at COMB's January 25th Board meeting, and confirmed by other member units managers and COMB's General Counsel, all of whom were present at the Operating Committee meeting of January 13, 2010, this is simply untrue. Neither COMB's General Manager nor any other member of staff authorized this project to move forward, and that was made very clear at the Operating Committee meeting, and repeated at COMB's Board meeting. The project was presented as a proposal for preliminary review, discussion, and input from the managers prior to making any recommendation to the Board. Yet the ID No. 1's Board was told that COMB staff had unilaterally made such financial and project commitments on behalf of COMB. Such an accusation is egregious and defamatory, and will not be tolerated by this Board.

*Carpinteria Valley Water District
City of Santa Barbara
Goleta Water District
Montecito Water District*

*Santa Ynez River Water Conservation District, Improvement District #1
General Manager/Secretary of the Board, Kathleen A. Rees*

ITEM # 7
PAGE 4

The “documentation provided by COMB” referred to in your letter was an unexecuted grant agreement signed by the Pacific States Marine Fisheries Commission (PSMFC) indicating its approval of a grant for this project should the COMB Board decide to authorize it. Neither the staff nor the COMB Board approved proceeding with this project or signed any contract obligating COMB. Based on the Operating Committee’s discussion, the consensus was that it would be more appropriate for the Santa Barbara County Flood Control District, or the private landowners, or even ID No. 1 to carry out the project rather than COMB. Therefore, the project was dropped as far as COMB was concerned, and staff was requested by the Operating Committee to investigate these other possibilities, which they have done.

The actual facts, a landowner near the Meadowlark crossing contacted Tim Robinson to ask for his assistance in getting a grant and regulatory permits to remove abandoned pieces of concrete culverts and old railroad spurs from the Santa Ynez River on his property. Dr. Robinson agreed to look into it, and was successful in obtaining a grant from the PSMFC with funds provided from the California Department of Fish and Game’s (CDFG) discretionary funds for steelhead improvement projects. CDFG grants are normally awarded only to public agencies or NGO’s, therefore a proposal to have COMB contract for the Meadowlark Project was discussed with the Operating Committee. Minimal staff time was spent on the grant application, and the purpose was to engender good will with the landowners in the area, which can do nothing but help the member units in carrying out the mandatory Biological Opinion requirements.

CDFG was of the opinion that the debris in the river was a potential steelhead passage impediment and flood hazard. In addition if the culvert pieces or railroad spurs were to break loose during high flood flows, they could cause damage to public structures downstream, including to ID No. 1’s 4 cfs well field. Therefore, public benefits would be realized by removing this debris, negating your opinion that if COMB were to undertake this project it would amount to a gift of public funds to the landowners as well as a violation of California law. This conclusion is completely unfounded.

COMB’s General Counsel is of the opinion that COMB does have the authority to implement the tributary projects and fisheries activities in the Cachuma Project Biological Opinion (BO), as well as other projects beneficial to steelhead that present themselves to comply with the adaptive management component of the BO. The fact that ID No. 1 differs with this opinion is indicative of the many outstanding issues left unresolved during the failed attempt at reorganizing COMB’s and CCRB’s responsibilities, including better coordination between CCRB and ID No. 1. I have personally offered many times to continue those discussions, but there has been an unwillingness on the part of ID No. 1 to do so.

With regard to the proposed ownership and maintenance agreement for the Quiota Creek Crossing 6 Project, you were again misinformed. First of all, construction of this project was contracted through COMB, not CCRB. Therefore, COMB was involved with this project and does have an interest. It was partially funded by a grant from the California Coastal Conservancy using the remaining funds awarded to CCRB through Proposition 12 in 2000. However, the Coastal Conservancy was unwilling to provide the grant funds to CCRB without that agency having proper insurance coverage. There were a number of other administrative questions raised as well. Consequently, the CCRB and COMB Boards agreed it would be most expedient to have COMB enter into the construction contract for this project. An MOU was drawn up between CCRB and COMB (also a Coastal Conservancy requirement) to allow the CCRB grant to be used for the COMB project.

Because COMB held the construction contract, the County's encroachment permit was issued to COMB. Consequently, the proposed draft ownership and maintenance agreement was written between COMB and the County. This draft document has only been discussed on the staff level and has gone no further than the Operating Committee. It was drafted to be responsive to a request by the COMB Board and the member unit managers, and most by especially ID No. 1, to establish a procedure for determining ownership and maintenance of the fish passage structures. The Quiota Creek Crossing 6 Project is the first of these agreements to be addressed, and the intent is to use the ownership and maintenance agreement as a template for all projects on public property. The COMB Board has not seen it or approved it. Again, incorrect information was presented to the ID No. 1 Board unjustly accusing CCRB staff of negotiating financial arrangements and commitments on behalf of COMB.

The underlying issue here is ID No. 1's desire to keep COMB and CCRB activities completely separate, whereas the south coast member units have, for the sake of efficiency, carried out construction of the fisheries projects through COMB. After four years of discussion, these organizational conflicts are still not resolved. However, it is the opinion of COMB's General Counsel that COMB is acting within the powers of its JPA when implementing the fish projects identified in the Biological Opinion/Fish Management Plan EIR/EIS for which COMB was the CEQA lead agency (which was adopted by unanimous vote of the COMB Board). Therefore, COMB does not believe any amendment to the JPA is warranted.

COMB also desires to work cooperatively with ID No. 1, and has not excluded ID No. 1 from the decision-making on any of the fish projects. ID No. 1's representative has participated in all discussions and decisions by both CCRB and COMB, and is as fully informed as the other member unit Directors. The 2001 Fish MOU provides for joint funding and cooperation between CCRB and ID No. 1 in carrying out the fisheries monitoring program and tributary projects, but it does not require independent project approval by CCRB and ID No. 1, nor does it envision that either agency should have veto power. It also has no language that restricts COMB from implementing fish projects in the Santa Ynez River.

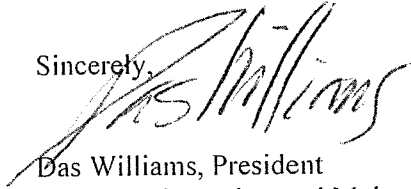
In closing, COMB's implementation of fish projects in the Santa Ynez River watershed has not affected ID No. 1's downstream water rights. More importantly, these projects have no nexus to the COMB bond or the 2nd Pipeline Project, for which ID No. 1 is not responsible. The 2nd Pipeline project is extremely important to the health of the South Coast Conduit (SCC) and to the south coast agencies funding it. ID No. 1 has repeatedly stated it will support whatever the south coast member units wish to do with respect to the SCC work, and that it would approve the COMB bond and the project with the proper indemnification. Everyone has worked very hard to assure that indemnification is in place to protect the ID No. 1 Board and its customers. It is, therefore, unconscionable that ID No. 1 would withhold its approval of a project vital to the south coast cities and communities and use its veto power for political gain. Especially in light of the fact that "the straw that broke the camel's back" was non-existent.

Given the inaccuracies presented to the ID No. 1 Board, upon which the District's decision was based, and the fact that COMB has no authorizations or approvals to withdraw regarding the Meadowlark Project or the Quiota ownership and maintenance agreement, at the COMB Board meeting I asked that ID No. 1 retract its letter. Mr. Bettencourt refused indicating that the proposed Meadowlark project had little or nothing to do with ID No. 1's demand that COMB be precluded from

carrying out any and all work in the Santa Ynez River downstream from Bradbury Dam. Rather ID No. 1 is attempting to use by its veto power over the 2nd Pipeline Project to force COMB to do what they want.

This matter remains unresolved, but COMB again requests that that ID No. 1 retract its motion and approve the COMB bond resolution.

Sincerely,



Das Williams, President
Cachuma Operation and Maintenance Board

cc: William Hair, COMB General Counsel, Nordman, Cormany, Hair and Compton
COMB Board of Directors
Member Unit Managers and Attorneys



February 11, 2010

Das Williams, President
Douglas Morgan, Director
Lauren Hanson, Director
Bob Lieberknecht, Director

Cachuma Operations and Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105

TRUSTEES:

DIVISION 1
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Matthew Loudon

MANAGER/SECRETARY
Chris Dahlstrom

BROWNSTEIN HYATT
FARBER SCHRECK, LLP
General Counsel

Re: COMB Bond and COMB Activities in the Santa Ynez River

Dear President and Directors,

The Board of Trustees for the Santa Ynez River Water Conservation District, Improvement District No. 1, ("ID No.1") considered the Nordman Cormany Hair & Compton ("NCHC") December 21, 2009 Memorandum. The NCHC analysis concluded that the Cachuma Operations and Maintenance Board ("COMB") is the proper agency to implement the fish passage projects and by doing so is not undertaking "a matter involving the water rights of a party." We have asked our legal counsel, Brownstein Hyatt Farber Schreck, LLP, to evaluate the NCHC memorandum and prepare a responsive analysis. A copy of their memorandum is attached for your review and consideration.

We believe that the COMB Board should reconsider its prior position on whether to implement fish passage or other projects related to the National Marine Fisheries Service 2000 Biological Opinion for the Protection of Steelhead. As more fully discussed in the attached memorandum, the NCHC analysis is incomplete and based on an incorrect understanding of the underlying facts, which lead NCHC to an incorrect conclusion. ID No. 1 is of the opinion that COMB does not have the power to undertake fish passage projects and, even if it does, that such projects require the unanimous approval of the COMB Board of Directors since they involve the water rights of the Cachuma Member Units.

ID No. 1 is puzzled by the other Cachuma Member Units' desire to start implementing fish passage projects through COMB rather than continuing to carryout the fish related activities through the joint arrangement between Cachuma Conservation and Release Board ("CCRB") and ID No. 1 pursuant to the 2001 Memorandum of Understanding ("2001 MOU"). Rather than continuing to debate whether COMB has the authority or should implement fish passage projects, ID No. 1 recommends simply returning to the historical arrangement between ID No. 1 and CCRB for carrying out fish related activities and adhering to the established protocol for administering, funding and supporting those activities. In doing so, COMB will avoid becoming

unnecessarily involved in these activities and can continue to focus on more pressing matters facing the other COMB member agencies regarding facilities on the South Coast such as the COMB Bond for and construction of the Second Barrel Project.

In order to assure that the fish related activities do not overlap into COMB at sometime in the future, ID No. 1 requests that COMB amend its joint powers agreement to either define fish related activities to involve the water rights of the parties or add fish related activities to the list of those matters which require unanimous consent. By agreeing to this simple amendment, we can all avoid the continued unnecessary expenditure of public money on something that should not have been made an issue in the first place. The Member Units can then return to working cooperatively pursuant to the 2001 MOU to implement the fish passage projects and undertake other activities to protect our water rights and supplies for the benefit of our customers.

ID No. 1 hopes that we can resolve this matter quickly so that we can return to addressing more important matters facing our respective agencies.

Sincerely,



Harlan J. Burchardi

President, Santa Ynez River Water Conservation District, Improvement District No.1

Cc: Board of Trustees, SYRWCD, ID No. 1
Bill Rosen, President Goleta Water District
Richard Shaikewitz, President Montecito Water District
Fred Lemere, President Carpinteria Valley Water District
Chris Dahlstrom, General Manager, SYRWCD, ID No.1
Kate Rees, General Manager COMB
Gary M. Kvistad, Brownstein Hyatt Farber Schreck, LLP

Memorandum

DATE: February 11, 2010

TO: Board of Trustees
Chris Dahlstrom, General Manager
Santa Ynez River Water Conservation District, Improvement District No. 1

FROM: Gary M. Kvistad and Jill H. Smith

RE: Cachuma Operations and Maintenance Board Implementation of Fish Projects

The Cachuma Operations and Maintenance Board ("COMB") recently constructed the 2009 El Jaro Creek (Cross Creek Ranch) fish passage project at the request of the Cachuma Conservation and Release Board ("CCRB"). Until that point, CCRB and the Santa Ynez River Water Conservation District, Improvement District No. 1, ("ID No. 1") had been jointly responsible for carrying out all activities related to compliance with the September 2000 National Marine Fisheries Service Biological Opinion for protection of the steelhead fishery downstream of Bradbury Dam ("BO"). When approval of the above project was brought to the COMB Board for approval, the COMB Board Members approved COMB's construction of this project over the objection of ID No. 1's representative. Subsequently, at the request of ID No. 1, COMB directed its general counsel, Nordman Cormandy Hair & Compton ("NCHC"), to prepare an opinion whether COMB had authority to carryout such steelhead fishery restoration projects ("Fish Projects"). Our analysis of the NCHC's memorandum is summarized in this letter.

NCHC concluded that COMB is the proper agency to implement Fish Projects and that COMB contracting for construction of such projects does not involve the water rights of any member of COMB such that it would require the unanimous approval of COMB's Board Members in accordance with the amended JPA. We disagree with NCHC's reasoning which lacks support for many of their conclusions. In order to properly address the question posed to NCHC, it is necessary to look: at the contracts between the United States Department of Interior Bureau of Reclamation ("Bureau") and COMB; the COMB Joint Powers Agreement ("JPA"); the State Board orders related to the Cachuma Project; the memorandums of understanding that have been entered into to support the implementation of the BO; the Santa Ynez River Technical Advisory Committee Lower Santa Ynez River Fish Management Plan (FMP); the EIR/EIS for the BO; and, the activities of COMB, CCRB and ID No. 1 related to compliance with the BO.

I. The Contracts between the Bureau and COMB

NCHC states that the operational requirements of the BO are not specifically identified in the following two contracts: 1) Contract No. 14-06-200-5222R the Transfer of the Operations and Maintenance of the Cachuma Transferred Project Works dated March 1, 2003 ("Transfer Agreement"); and, 2) Contract No. 175r-1802R between the United States and Santa Barbara County Water Agency Providing for Water Service From the Project ("Master Contract"). On that basis alone, they conclude that there is nothing that precludes COMB from performing all of the obligations of the United States related to Cachuma Project operations, including the operational requirements of the BO.

First, the operational requirements of the BO are not within the scope of the Transfer Agreement, which is very limited as it only authorizes COMB to operate and maintain the Cachuma "Transferred Project Works" on behalf of the Bureau. Section 1(c) of the Transfer Agreement provides a very detailed definition of the "Transferred Project Works", which means those facilities appurtenances and property described in Exhibit A consisting of the Tecolote Tunnel and the South Coast Conduit System; related in-line control facilities, turnouts, and measuring devices; equalizing reservoirs, associated water level control devices, and water level recording instruments and appurtenant structures; except as otherwise provided within the Water Improvement Agreement No. 1-07-20-X0200 entitled "Cooperative Agreement for Additions and Alterations to the South Coast Conduit, Carpinteria Section," dated June 26 1981, as amended April 16 2002. In essence, these are the facilities necessary to transport water from the Cachuma Project to the South Coast Member Agencies, they do not involve any other aspect of the Cachuma Project. As support for their opinion, NCHC references section 8(a) of the Transfer Agreement which provides that the Contractor (COMB) shall, when operating and maintaining the Transferred Project Works or any part thereof, perform all valid obligations of the United States pertaining to the transportation, storage and delivery of water from, through, or by such Transferred Project Works. This provision is not a broad grant of authority for COMB to perform any act related to the Cachuma Project but is very limited to performing all obligations with respect to the Transferred Project Works." It does not provide COMB any authority to perform any activities related to other portions of the Cachuma Project or activities related to Fish Projects. The Transfer Agreement is strictly limited to the Transferred Project Works.

The Master Contract is an agreement between the Bureau and the County of Santa Barbara ("County"), COMB is not a party to it. The Master Contract establishes the obligations of the Bureau to supply water to the County and the County's right to receive water from the Bureau (the County has corresponding agreements with each of the Cachuma Member Units to receive water from the Cachuma Project). NCHC references Section 2, Term of Contract – Right to use Water, of the Master Contract to support their conclusion. However, this section provides no such support as it only establishes the term in which the County (and the Member Units) has the right to receive water from the Bureau. NCHC provides no other analysis of the Master Contract to support their conclusion.

II. The COMB JPA

The Joint Exercise of Powers Act provides that a joint powers agreement shall state the purpose of the agreement or the power to be exercised. (Cal. Govt Code §§6500 *et seq.*) The agreement shall provide for the method by which the purpose will be accomplished or the manner in which the power will be exercised. (Cal. Govt. Code § 6503.) In order to determine if COMB has the authority to implement the requirements under the BO, the JPA must be reviewed to determine if the purpose and powers of COMB encompass such activities. The NCHC analysis failed to consider whether COMB even had the authority to under take Fish Projects for the Member Units or otherwise.

Section 1.1 of the JPA states that COMB's purpose is as follows:

...[T]o provide for the rights to, the facilities of, and the operation, maintenance and use of the United States, Department of the Interior, Bureau of Reclamation project known as the Cachuma Project, including storage, treatment, transport and appurtenant facilities, and all necessary tangible and intangible property and rights. This Agreement is made for the purpose of providing authority for the financing of "costs" for the capture, development, treatment, storage, transport and delivery of water as provided in and pursuant to the Marks-Roos Local Bond Pooling Act of 1985, or otherwise. Each party's obligation hereunder is expressly limited only to

the appropriation and contribution of such funds as may be assessed pursuant to this Agreement or as the parties hereto may agree.

Section 3.1 of the JPA provides that COMB has the following powers:

The Cachuma Operation and Maintenance Board shall have the power generally to perform all acts necessary and convenient to the purposes of the parties, including, without limitation, any and all acts necessary to carry out fully, on behalf of each of the parties hereto, the provisions of those agreements of the parties referred to herein as the "Contract for the Transfer of the Operation and Maintenance of Cachuma Project" Contract No. 14-06-200-5222R (Transfer Agreement); the "Contract Concerning the Transfer of Operation and Maintenance of the Cachuma Project Works"; all renewals of Contracts No. 175r-1802, 175r-1802R and 175r-1802IR, all other agreements made, and to be made, between the United States, the Cachuma Project member units and all other agencies; and all steps required by such contracts, Federal Reclamation law, and the laws of the State of California to exercise the right of renewal(s).

The purpose of the JPA coupled with section 3.1, above, limit COMB's authority to act with respect to the Transfer Agreement, the Master Contract and other contracts with the Bureau. This section authorizes COMB to perform all acts required of the Cachuma Member Units related to specified provisions of these agreements. However, as mentioned above, the Transfer Agreement provision is strictly limited to the Transferred Project Works. On the other hand, Section 27 of the Master Contract prescribes that the Member Units are to undertake certain activities related to the Cachuma Project, including "restoration of any riparian and other habitat of the Santa Ynez River and its watershed which has been adversely affected by the project". Under section 3.1 of the JPA it appears that COMB would have the power to undertake those responsibilities of the Member Units but for the description of the Master Contract. Unlike the Transfer Agreement or other contracts listed in section 3.1 of the JPA, COMB's authority related to the Master Contract is limited by the words "all renewals of" Contracts No. 175r-1802, 175r-1802R and 175r-1802IR. Consequently, COMB is only authorized to act for the Member Units with respect to renewals of the Master Contract.

III. The BO Involves the Water Rights of the Parties

The southern steelhead were designated as an endangered species in 1997. The Bureau subsequently initiated consultation with NMFS regarding the effect of the continuing Cachuma Project operations on steelhead and its critical habitat on the lower Santa Ynez River below Bradbury Dam. The result was a Biological Assessment ("BA") which described downstream water rights releases for steelhead and numerous fish passage and habitat conservation measures for tributaries and the mainstream. In 2000, NMFS issued the BO which was based on the BA and included specific reasonable and prudent measures and as well numerous projects involving water rights releases for fish, habitat enhancements and fish passage projects aimed at protecting steelhead. Reclamation and the Member Units then prepared the 2000 Fish Management Plan ("FMP") to implement the provisions of the BO. Consequently, the BO and MP

are directly related to the Bureau's operation of the Cachuma Project and the Member Unit's water rights¹ in the project.

The BA and BO are further and directly related to the Member Units water rights in the Cachuma Project. In 1994, the Bureau and the Member Units, among others, entered into a Memorandum of Understanding ("1994 MOU") for the collection of data, preparation of studies and the release of water from the Cachuma Project for fish. The State Board incorporated these requirements in its Water Rights Order 94-5. In turn, these studies formed the basis development of the BA and BO and were included in the FMP. As a result, these various requirements are directly related to the Member Units' water rights in the Cachuma Project and will directly impact the pending hearings before the State Board on the Cachuma water rights permits.

In their discussion, NCHC concedes that the flow releases required by the BO undoubtedly have an impact on water supply and that these requirements may be incorporated and even increased when the State Board makes its decision on the Cachuma water rights permits. They also admit that the State Board hearings do involve all of the Member Units' water rights. NCHC then reaches the erroneous conclusion that the construction of Fish Projects has no impact on a Member Unit's right to receive its allocable share of Cachuma Project water. If the flow releases have an impact on the requirements to be imposed by the State Board on the Cachuma permits, then the BO certainly involves water rights. Correspondingly, if the BO involves those water rights, the other projects in the BO also relate to water rights.

The NCHC analysis advances a restrictive view of Fish Projects as if they were being carried out in isolation, which is not the case. The various Fish Projects and other requirements of the BA and BO were negotiated and developed as an integrated approach to protecting steelhead and clearly interrelated to one another². The Fish Projects and flow releases are part and parcel with each other and cannot be separated as if one existed without the other. If the Fish Projects are not implemented by the Member Units there is little doubt that their water rights will be directly affected as a result of non-compliance with the BO and at the hearings before the State Board regarding the Cachuma water rights permits. Consequently, it is patently clear that the BO and each of the projects in the BO involve, either directly or indirectly, the Member Units' water rights. If that were not true, there would be no reason for the Member Units to invest significant time and public funds to construct Fish Projects. The only reason the Fish Projects are being carried out by the Member Units is to protect their respective water rights which are at risk of being adversely impacted by non-compliance with the BO.

IV. 1996 and 2001 MOUs for Implementation of the BO

The 1996 Memorandum of Understanding for Cooperation in Research and Fish Maintenance ("1996 MOU") was entered into by CCRB and ID No. 1, among other parties, for the maintenance of fish below the Bradbury Dam and to carry out the necessary studies with respect to any Santa Ynez River fishery. The studies were to assist the parties to the 1996 MOU in working towards a long term agreement about the fishery below the Bradbury Dam. The parties subsequently entered into the 2001 Memorandum of Understanding to Support Implementation of the National Marine Fisheries Service Biological Opinion ("2001 MOU") to implement the BO and the FMP,

¹ Although the Bureau holds the legal title to the water rights in the Cachuma Project, the Member Units hold the beneficial interest in those water rights to use of the water. As such, NCHC correctly concluded that the Member Units' right to use the water for beneficial purposes is a water right.

² NCHC agrees that the flow releases and the steelhead enhancement projects were all negotiated as part of the BA and BO.

and to provide for the governance and funding of activities arising thereunder. NCHC failed to consider or analyze either of the important MOUs in forming their opinion.

The 2001 MOU expressly states that the administrative and monitoring support for the 2001 MOU shall be provided by CCRB and ID No.1 (Section 5). The term "administrative and monitoring support" includes project/construction management for physical projects carried out under the 2001 MOU. The 2001 MOU further provides that the parties intend to have the arrangements in the 2001 MOU operate as the primary forum for resolution of issues related to maintaining the fishery below Bradbury Dam (Section 12). As a result, the 2001 MOU clearly provides that CCRB and ID No. 1 are the agencies to implement the Fish Projects below the Bradbury Dam. COMB was not a party to either MOU. Further while CCRB and ID No. 1 have the authority to hire consultants and contractors to perform the work arising under the 2001 MOU, neither has the right to assign their obligations to another agency, such as COMB³.

In 2004, COMB certified the EIR for the BO and FMP⁴. The EIR indicated that the FMP/BO projects would be carried out by either the Bureau, COMB, CCRB and/or ID No. 1. If the parties to the 2001 MOU had wanted COMB to be involved in implementation of the Fish Projects, the parties to the MOU would have amended it. No such amendment ever occurred. Rather, the 2001 MOU still provides the institutional framework for implementation of the BO, with CCRB and ID No. 1 designated to provide administrative and monitoring support.

V. Custom and Usage

NCHC suggests that the parties' custom and usage should be looked at to interpret whether Fish Projects involve the water rights of any party such that unanimous consent would be required. Course of dealing, usage of trade, or course of performance may be used to explain or supplement the terms of a contract – even if the parties fully intend the written contract to constitute a final expression of their agreement. (Cal Civil Procedure §1856(c).) NCHC states that it has not been the custom or practice of COMB members to raise any question suggesting that the Fish Projects might have any impact on the parties' water rights. This statement is incorrect. ID No. 1 raised just such an objection when the other four COMB directors (representing the other member agencies) voted to have COMB construct the Cross Creek Ranch/El Jaro Creek fish project.

In addition, it is incorrect that COMB has previously entered into construction contracts for various fish passage enhancement projects and has overseen the construction of these projects in the past without obtaining the unanimous approval by the COMB Board. There have been six fish projects completed to date⁵, all of which were constructed by CCRB and ID No. 1, except the Cross Creek Ranch/El Jaro Creek fish project. One project out of six does not constitute "custom and usage" to support the NCHC conclusion. Rather, the parties' custom and usage shows that CCRB and ID No. 1 have been responsible for the fish projects - not COMB. As such, the parties' custom and usage is consistent with the terms of the 2001 MOU.

³ As discussed above, the COMB JPA does not provide it with the power to undertake Fish Projects.

⁴ See separate discussion concerning COMB's certification of the EIR in section VI, below.

⁵ See November 23, 2009 Memorandum from Ms. Rees to the COMB Board of Directors describing the status of the Fish Projects

VI. Environmental Impact Report/Environmental Impact Statement (EIR/EIS)

NCHC states that the EIR/EIS for the FMP/BO provides that COMB and the Bureau are responsible for implementing the Fish Projects specified by the FMP/BO. However, they are not the only agencies identified in the EIR/EIS that may fund and implement the FMP/BO projects. The EIR for the FMP/BO identifies the Bureau, COMB, CCRB and/or ID No. 1 as agencies that may fund and implement FMP/BO projects. According to the EIR, the determination on which agencies or combination of agencies will fund or implement an action is to be based in part on the funding sources and location of the project. The only agreement between the parties for funding and implementing the FMP/BO projects is the 2001 MOU. As such, the parties are bound by the 2001 MOU until modified.

NCHC then goes on to conclude that because the resolution certifying the EIR/EIS was unanimously approved by the COMB Board⁶ such certification amounts to approval of the projects stated in the EIR/EIS and satisfies the JPA requirement for unanimous approval in accordance with Section 1.3(h)(ii). NCHC is mistaken in their understanding of the scope of the COMB resolution certifying the EIR/EIS for the BO/FMP. Contrary to their statement, COMB's certification of the EIR for the FMP/BO does not constitute approval of each of the projects in the FMP/BO. Certification is limited to just that – certification of the EIR, nothing more, nothing less. Public Resources Code Guidelines § 15090 (emphasis added) provides:

- (a) *Prior to approving the project the lead agency shall certify that:*
- (1) The final EIR has been completed in compliance with CEQA
 - (2) The final EIR was presented to the decision-making body of the lead agency, and that the decision-making body reviewed and considered the information contained in the final EIR prior to approving the project; and
 - (3) The final EIR reflects the lead agency's independent judgment and analysis.

As stated in Public Resources Code §15090 an agency must certify the EIR prior to approving the project which, in this instance was the FMP/BO. On November 22, 2004, in Resolution 416 ("Resolution"), COMB certified the program and project specific EIR for the FMP/BO and for certain specific projects that had been developed in sufficient detail to conduct an environmental review⁷. The only "project" approved in the EIR was the FMP and BO⁸. A review of the COMB EIR and the Resolution reveals that no there were no approvals of any specific projects identified in the FMP and BO. Even for the specific projects certified in the EIR, certification does not amount to approval of those specific projects. The project approvals are separate and distinct and require separate approval⁹. As such, even if COMB had the authority to implement the FMP/BO projects, which it does not, its Board would have to unanimously approve each one specified in the FMP/BO since they involve water rights of the Member Units.

⁶ COMB was chosen by the Member Units to undertake and certify the EIR for the FMP/BO, as a matter of convenience, since it was the only agency that comprised all five Cachuma Member Units.

⁷ The environmental review for the other projects was to be performed on a project-by-project basis and tiered off the program EIR/EIR for the Bo and FMP.

⁸ NCHC agrees that the COMB Board adopted and certified the final EIR for the FMP/BO and certain specific projects but only approved one project - the FMP/BO.

⁹ This is consistent with COMB actions in certifying the EIR for the BO and FMP and then separately approving the project – FMP/BO.

VII. Conclusion

In summary, we disagree with NCHC's conclusions and the reasoning used to support those conclusions. It is inappropriate for COMB to contract and oversee the construction of the fish passage projects absent an amendment to its JPA and unanimous approval of the COMB Board since the Fish Projects involve the water rights of the Member Units. Rather, such projects should be carried out by CCRB and ID No.1 as provided in the 2001 MOU.

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: February 22, 2010
TO: Board of Directors
FROM: Kate Rees, General Manager
RE: APPROVAL OF FUNDING FOR SCC UPPER REACH RELIABILITY PROJECT

RECOMMENDATION:

1. Approve COMB Resolution No. 497 authorizing COMB to proceed with the issuance of \$11M in bonds to finance the construction of the SCC Upper Reach Reliability Project. All bond proceeds and obligations will be for the benefit of COMB, the City of Santa Barbara (City) and the Goleta Water District (GWD).
2. Approve, in substantially the same form, the Montecito Water District (MWD) Contribution Agreement whereby MWD commits to self-funding up to 13.1% of the total costs for the SCC Upper Reach Reliability Project.
3. Approve the Indemnification Agreement for the COMB bond whereby MWD, Carpinteria Valley Water District (CVWD), and Santa Ynez River Water Conservation District, ID No. 1 (ID No. 1) will not be held responsible or obligated in any way for the COMB bond contractual obligations.
4. Authorize the sale of the bonds, but not until after construction bids are received and an award of contract is approved by COMB and the Member Units.

DISCUSSION:

This item was considered at the January 25, 2010 Board meeting but was deferred to the February 22, 2010 meeting as a result of the Santa Ynez River Water Conservation District, ID No. 1 withholding its approval of the COMB bond at its January 19, 2010 meeting. Per the COMB Joint Powers Agreement, any obligation or project undertaken by COMB for over \$1,000,000 requires a unanimous vote of the COMB Board and must also be ratified by each of the Member Unit Boards (see Agenda Item #7).

There have been many revisions to the bond documents and related agreements, however, consensus was reached among all agencies, and changes to the legal bond documents and agreements were approved as to form, with the understanding that all documents would be brought before those Member Unit Boards that needed to reexamine the documents for approval of COMB's bond issue. Since that time all documents in the form attached have been

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reviewed and approved by all Member Unit agencies. *(Please refer to the January 25, 2010 Board package for all documents under consideration for approval).*

The changes to the previous documents reflect more of a change in the approach to the approvals for funding and construction of the Second Pipeline Project. Notably, the approvals will occur in two phases. Phase one is for all Member Units to approve COMB's issuance of bonds in the amount of \$11M and the Bond Indemnification Agreement, and for the COMB Board to approve the Preliminary Official Statement, Joint Participation Agreements with GWD and the City, all related bond documents, the MWD Contribution Agreement, and the Bond Indemnification Agreement. The COMB Board will also authorize the sale of the bonds, but not until after bids are received and the lowest bid is determined to be responsive and acceptable. This approval and authorization has been rescheduled for the February 22, 2010 COMB Board meeting.

Staff is recommending to wait to rebid the project until after the financial documents are approved and the bond issuance authorized. Once the new bids are received, if the lowest qualified bid is determined to be responsive and acceptable, Phase 2 will be for COMB to approve a second resolution to approve the Second Pipeline Project, approve award the contract to the apparent low bidder, execute MWD's Contribution Agreement in final form, and approve a Project Indemnification Agreement with ID No.1. COMB's approval of the second resolution is tentatively scheduled for April 27, 2010. Because the construction contract will be more than \$1,000,000, award of the contract must also be approved by all Member Units prior to COMB's approval or ratified after COMB's approval. Phase 2 approvals will be rescheduled for Board meetings during April 2010. Sale of the bonds for the 2nd Pipeline Project will occur after COMB and all Member Units have approved the lowest bid and the construction contract. It is anticipated that the bonds will be sold in May 2010. A Notice to Proceed will be issued as soon as the bond proceeds and MWD's cash contribution are received by COMB.

Joint Participation Agreements (JPA)

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

MWD Contribution Agreement

There were only minor revisions made to this agreement and the revisions did not change the intent or contractual obligations of MWD regarding self-funding its share of the Second Pipeline Project. The MWD Contribution Agreement is to be approved in substantially the same form by the COMB and MWD Boards at this time. The execution of the Contribution Agreement will occur following COMB's and the Member Units' approval the project and award of the lowest qualified bid by the COMB Board at the COMB April 27th Board meeting (date is tentative). MWD must also authorize execution of the Contribution Agreement.

Indemnification Agreement(s)

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

\$11M COMB Bond. This new indemnification agreement will replace three separate indemnification agreements for MWD, CVWD and ID No.1.

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

COMB Resolution 497

The COMB resolution authorizes COMB to proceed with the issuance of bonds for the Second Pipeline Project. However, they will not be sold until the following conditions have been met:

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

Approval Documents

The documents to be considered for approval today are attached and consist of the following:

COMB's Resolution 497 approving the issuance of bonds for \$11M.

Preliminary Official Statement and all related legal bond documents.

Joint Participation Agreements with GWD and the City.

MWD Contribution Agreement, in substantially the same form, whereby MWD commits to self funding its proportionate share of the Second Pipeline construction costs.

Bond Indemnification Agreement indemnifying MWD, CVWD and ID No.1 from any financial contractual obligation associated with the issuance of the 2010A Revenue Bonds for the Second Pipeline Project.

Respectfully submitted,


 Kate Rees
 General Manager

RESOLUTION NO. 497

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14. This resolution shall take effect immediately.

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

AYES:

NAYS:

ABSENT/ABSTAIN:

President of the Board

(SEAL)

ATTEST:

Secretary of the Board

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: February 22, 2010
TO: Members of the Board
FROM: Kate Rees, General Manager
RE: **PROPOSED AMENDMENTS TO COMB JOINT POWERS AGREEMENT**

RECOMMENDATIONS:

None at this time. For information only.

DISCUSSION:

At the request of two COMB Directors at the January 25, 2010 Board meeting and in two letters from ID No. 1, three amendments to the 1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project – Cachuma Operation and Maintenance Board (COMB JPA) were requested for considered at the February 22nd meeting. Counsel Hair has prepared the following draft amendments for the Board's information (attached).

- 1) Amend JPA to modify unanimous approval provision for COMB obligations in excess of \$1,000,000
- 2) Amend JPA to either define fish related activities as water rights related or require a unanimous approval for COMB to undertake fish projects or fish related activities in the Lower Santa Ynez River
- 3) Amend JPA to allow withdrawal of the Santa Ynez River Water Conservation District, ID No. 1 from COMB by mutual agreement

Any amendment to the COMB JPA must be approved and executed by all parties to the Agreement. COMB is not a party so any action regarding approval of the proposed amendments must be taken by the COMB Member Units.

Respectfully submitted,



Kate Rees
General Manager

Attachments

**2010 AMENDMENT TO THE 1996 AMENDED AND
RESTATED AGREEMENT FOR THE ESTABLISHMENT
OF A BOARD OF CONTROL TO OPERATE AND MAINTAIN
THE CACHUMA PROJECT—CACHUMA OPERATION AND
MAINTENANCE BOARD**

This Amendment to the 1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project—Cachuma Operation and Maintenance Board (COMB) is made effective _____, 2010 by and between the Carpinteria Valley Water District, the Goleta Water District, the Montecito Water District, the City of Santa Barbara, and the Santa Ynez River Water Conservation District, Improvement District Number One (ID No. 1) (COMB Member Units) to modify the unanimous consent provision for COMB obligations over \$1,000,000.

R E C I T A L S

A. The parties to this Agreement are the parties to the 1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project—Cachuma Operation and Maintenance Board (COMB JPA)

B. The parties desire to amend certain provisions of the COMB JPA as provided in Article IV, Section 4.7, to facilitate the undertaking and funding of capital improvement projects when paid for by only certain COMB Member Units.

AGREEMENT

Section 1.3 (h) of Article 1 is amended to read as follows:

(h) the unanimous consent of the representatives of all of the parties shall be required for the Cachuma Operation and Maintenance Board to take action on the following matters:

- i) Approval of a Cachuma Project Master Contract Amendment, Renewal or Extension;
- ii) A matter involving the water rights of any party;
- iii) Acceptance of Operation and Maintenance of Bradbury Dam and the Outlet Works, from the United States.

[ADD NEW PROVISION TO THIS SECTION]

the unanimous consent of the representatives of only those parties who have agreed to be responsible for funding any capital improvement project over \$1,000,000 shall be required for the project to be undertaken by COMB. The non-funding COMB Member Units shall be fully indemnified by COMB and the funding parties.

This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same instrument.

In all other respects, the Agreement shall remain in full force and effect as adopted.

[Signature Blocks for all parties]

**2010 AMENDMENT TO THE 1996 AMENDED AND
RESTATED AGREEMENT FOR THE ESTABLISHMENT
OF A BOARD OF CONTROL TO OPERATE AND MAINTAIN
THE CACHUMA PROJECT—CACHUMA OPERATION AND
MAINTENANCE BOARD**

This Amendment to the 1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project—Cachuma Operation and Maintenance Board (COMB) is made effective _____, 2010 by and between the Carpinteria Valley Water District, the Goleta Water District, the Montecito Water District, the City of Santa Barbara, and the Santa Ynez River Water Conservation District, Improvement District Number One (ID No. 1) (COMB Member Units) to require a unanimous consent for COMB to carry out fisheries activities on the Lower Santa Ynez River.

R E C I T A L S

A. The parties to this Agreement are the parties to the 1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project—Cachuma Operation and Maintenance Board (COMB JPA).

B. The parties desire to amend certain provisions of the COMB JPA as provided in Article IV, Section 4.7 to limit the operation of fisheries projects by the Cachuma Operation and Maintenance Board.

AGREEMENT

Section 1.3 (h) of Article 1 is amended to read as follows:

(h) the unanimous consent of the representatives of all of the parties shall be required for the Cachuma Operation and Maintenance Board to take action on the following matters:

- i) Approval of a Cachuma Project Master Contract Amendment, Renewal or Extension;
- ii) A matter involving the water rights of any party, which by definition includes any fish related activity in the Lower Santa Ynez River;
- iii) [OR] The undertaking of any and all fisheries improvement projects or fish related activities in the Lower Santa Ynez River.

- iv) Acceptance of Operation and Maintenance of Bradbury Dam and the Outlet Works, from the United States;

[ADD NEW PROVISION TO THIS SECTION]

the unanimous consent of the representatives of only those parties who have agreed to be responsible for funding any capital improvement project over \$1,000,000 shall be required for the project to be undertaken by COMB. The non-funding COMB Member Units shall be fully indemnified by COMB and the funding parties.

This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same instrument.

In all other respects, the Agreement shall remain in full force and effect as adopted.

[Signature Blocks for all parties]

**2010 AMENDMENT TO THE 1996 AMENDED
AND RESTATED AGREEMENT FOR THE
ESTABLISHMENT OF A BOARD OF CONTROL
TO OPERATE AND MAINTAIN THE CACHUMA PROJECT—
CACHUMA OPERATION AND MAINTENANCE BOARD**

This Amendment to the 1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project—Cachuma Operation and Maintenance Board (COMB) is made effective _____, 2010 by and between the Carpinteria Valley Water District, the Goleta Water District, the Montecito Water District, the City of Santa Barbara, and the Santa Ynez River Water Conservation District, Improvement District Number One (ID No. 1) (COMB Member Units) to effectuate the withdrawal of ID No. 1 from COMB.

R E C I T A L S

A. The parties to this Agreement are the parties to the 1996 Amended and Restated Agreement for the establishment of a Board of Control to Operate and maintain the Cachuma Project—Cachuma Operation and Maintenance Board (COMB JPA).

B. ID No. 1 has expressed a desire to withdraw from COMB and the remaining COMB Member Units have agreed to this withdrawal pursuant to the terms and conditions of this Agreement.

C. The parties desire to add a provision to the COMB JPA to facilitate the withdrawal of ID No. 1 and to insure the continuing obligation of ID No. 1 for the repayment of revenue bonds and such other continuing obligations as are provided for in this Agreement.

D. ID No. 1 is obligated for repayment of a portion of the Cachuma Operation and Maintenance Board Revenue Bonds (Member Agency Projects) Series 2004A; and is party to the following documents: Amendment No. 1 to the Joint Participation Agreement No. 1 between the Cachuma Operation and Maintenance Board and the Santa Ynez River Water Conservation District, Improvement District Number One; Amendment No. 1 to the Joint Participation Agreement No. 2 between Cachuma Operation and Maintenance Board and the Santa Ynez River Water Conservation District, Improvement District Number One and all supporting agreements including the indenture of trust for said revenue bonds.

E. ID No. 1 is obligated for repayment of a portion of the Bradbury Dam Safety of Dams Repayment Agreement between the U.S. Bureau of Reclamation and the Cachuma Operation and Maintenance Board

AGREEMENT

[ADD NEW PROVISION TO JPA]

1. ID No. 1 shall withdraw as a member of COMB on _____, 2010
2. Notwithstanding the withdrawal, ID No. 1 shall continue to be responsible for the repayment of all obligations it has under the Cachuma Operation and Maintenance Board Revenue Bonds referred to in Recital D.
3. Notwithstanding the withdrawal, ID No. 1 shall continue to be responsible for the repayment of all obligations it has under the Bradbury Dam Safety of Dams Repayment Agreement referred to in Recital E.
4. Upon the effective date of withdrawal, ID No. 1 shall have no further responsibility for any obligations or activities that may be carried out by COMB, nor will it retain any voting power with regard to COMB's obligations or activities.
5. Upon the effective date of withdrawal, COMB shall have no further responsibilities to ID No. 1 under the 1996 Agreement Regarding Cachuma Project Water Rates and Administration.
6. COMB shall continue to provide water accounting and administration services to ID No. 1 regarding water exchanges under the Santa Ynez River/State Water Project Exchange Agreement and for the Cachuma Project Renewal Fund and Warren Act Trust Fund.
7. Carpinteria Valley Water District, Goleta Water District, Montecito Water District, and the City of Santa Barbara shall continue to be members of COMB pursuant to this Agreement, as may be amended from time to time.

This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same instrument.

In all other respects, the Agreement shall remain in full force and effect as adopted.

[Signature Blocks for all parties]

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

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

RECOMMENDATIONS:

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

DISCUSSION:

The 1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project – Cachuma Operation and Maintenance Board (COMB JPA) contains a provision that requires a unanimous consent by the COMB Board and ratification by resolution by all parties to the Agreement for the issuance of bonds, notes, letters of credit or other indebtedness in excess of \$1,000,000.

On January 19, 2010, the Santa Ynez River Water Conservation District, ID No. 1 (ID No. 1) withheld approval of the COMB bond issuance for \$11.4 million to fund the construction of the 2nd Pipeline Project, unless the COMB Board agreed to amend its JPA to preclude COMB from carrying out any fish project or fish related activity in the Lower Santa Ynez River, and from any activity related to the water rights of the downstream interests. This action effectively stopped COMB from issuing the bond or constructing the 2nd Pipeline Project, even though ID No. 1 was not obligated to pay for any costs associated with the 2nd Pipeline Project.

ITEM # 10
PAGE 1

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

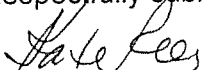
Therefore, the City of Santa Barbara is considering issuing a bond for the full amount of this project with financial participation of GWD and MWD, and contracting for its construction. GWD and MWD Boards are currently considering this proposal, but preliminary discussions at the staff level indicate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

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

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

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

Respectfully submitted,



Kate Rees
General Manager

ITEM # 10
PAGE 2

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: February 22, 2010
TO: Members of the Board of Directors
FROM: Kate Rees, General Manager
Tim Robinson, Sr. Resources Scientist
RE: **Notices Of Completion – El Jaro Creek Rancho San Julian and Quiota Creek Crossing Six Fish Passage Projects**

RECOMMENDATION:

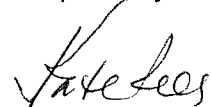
Approve Notices of Completion for the El Jaro Creek Rancho San Julian and Quiota Creek Crossing 6 Fish Passage Projects.

DISCUSSION:

In November 2009, the COMB Operating Committee and staff recommended that a Notice of Completion (NOC) be approved and filed with the County of Santa Barbara for completed steelhead fish passage projects. The Board approved an NOC for the El Jaro Creek Cross Creek Ranch Project at its December 21, 2010 meeting and it was duly filed.

The El Jaro Creek Rancho San Julian and Quiota Creek Crossing 6 Fish Passage Projects were deemed fully completed on March 13, 2009. Staff requests approval of the attached Notices of Completion for these projects.

Respectfully submitted,



Kate Rees
General Manager

Attachments

KR.comb/admin/board memos/022210_NOCs EJ Rancho San Julian & Quiota 6.mmo

ITEM # 11
PAGE 1

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

**Cachuma Operation and Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105-2017**

**THIS SPACE RESERVED FOR RECORDER
ONLY**

(Gov. Code §27361.6)

**Exempt from recording fee pursuant to
Government Code §61032**

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is an owner/agent of the interest or estate stated below.
2. The full name of the agent is **Cachuma Operation and Maintenance Board**.
3. The full name of the owners are **County of Santa Barbara, James J Mitchell Trust, and Palmer G. Jackson Trust**.
4. The full address of the agent is 3301 Laurel Canyon Road, Santa Barbara CA 93105-2017
5. The nature of the interest or estate is: Improved fish passage for southern steelhead and stabilize the stream channel and banks within the project area.
6. A work improvement on the property herein described was completed and the Owner accepted the project as complete as authorized by the Agent's governing body (Cachuma Operation and Maintenance Board) on March 13, 2009, which is the completion date pursuant to California Civil Code Section 3086. The work completed was to assist the Bureau of Reclamation in complying with a Biological Opinion issued by the National Marine Fisheries Service pursuant to the Federal Endangered Species Act. The project improved fish passage for southern steelhead by replacing a damaged low flow crossing and temporary bridge with a 48-foot bottomless arched culvert and installing four grade control weirs that served to create pool habitat and vegetated rock slope protection. The project area was re-vegetated with native plants.
7. The name of the contractor is Schock Contracting Corp.
8. The name of the project engineer is Mike Garello, P.E., HDR FishPro.
9. The project location is approximately 5 miles south of the city of Santa Ynez on Refugio Road in Santa Barbara County (34° 33.674'N; 120° 5.19'W).

ITEM # 11
PAGE 2

Cachuma Operation and Maintenance Board

Date

Kathleen Rees, General Manager

CERTIFICATION MADE UNDER PENALTY OF PERJURY (CCP 2015.5)

I certify (or declare) under penalty or perjury under the laws of the State of California that the foregoing is true and correct:

Kathleen Rees, General Manager

Date and Place

State of California, County of _____

On _____ before me, _____
Date Here insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Place Notary Seal Above

----- **OPTIONAL** -----

Though the information below is not required by law, it may prove valuable to persons replying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

ITEM # 11
PAGE 3

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

**Cachuma Operation and Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105-2017**

**THIS SPACE RESERVED FOR RECORDER
ONLY**

(Gov. Code §27361.6)

**Exempt from recording fee pursuant to
Government Code §61032**

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is an owner/agent of the interest or estate stated below.
2. The full name of the agent is **Cachuma Operation and Maintenance Board**.
3. The full name of the owner is **Poett et al Trust**.
4. The full address of the agent is 3301 Laurel Canyon Road, Santa Barbara CA 93105-2017
5. The nature of the interest or estate is: Improved fish passage for southern steelhead.
6. A work improvement on the property herein described was completed and the Owner accepted the project as complete as authorized by the Agent's governing body (Cachuma Operation and Maintenance Board) on March 13, 2009, which is the completion date pursuant to California Civil Code Section 3086. The work completed was to assist the Bureau of Reclamation in complying with a Biological Opinion issued by the National Marine Fisheries Service pursuant to the Federal Endangered Species Act. The project improved fish passage for southern steelhead by installing a 62-foot long fish ladder to allow passage for juvenile and adult fish throughout the full range of the established fish passage flows.
7. The name of the contractor is C. A. Larsen Co..
8. The name of the project engineer is Mike Garello, P.E., HDR FishPro.
9. The project is located 7.5 miles north on Hwy 1 from the Hwy 101 intersection near Gaviota Pass (34.537N, 120.349W) in the County of Santa Barbara.

ITEM # 11
PAGE 4

Cachuma Operation and Maintenance Board

Date

Kathleen Rees, General Manager

CERTIFICATION MADE UNDER PENALTY OF PERJURY (CCP 2015.5)

I certify (or declare) under penalty or perjury under the laws of the State of California that the foregoing is true and correct:

Kathleen Rees, General Manager

Date and Place

State of California, County of _____

On _____ before me, _____
Date Here insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Place Notary Seal Above

----- **OPTIONAL** -----

Though the information below is not required by law, it may prove valuable to persons replying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

ITEM # 11
PAGE 5

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: February 22, 2010
TO: Operating Committee
FROM: Kate Rees, General Manager
Janet Gingras, Administrative Manager
RE: **COMB FY 2009-10 EXCESS BUDGET ASSESSMENTS**

RECOMMENDATION:

1. Use excess budget assessments from FY 2009-10 to fund the SCC Delivery System Cost/Benefit Analysis authorized by the COMB Board for \$80,000.
2. Refund the balance of excess budget assessments to the Cachuma Member Units.

DISCUSSION:

Attached is a worksheet which outlines the budget assessments affiliated with the original annual \$1.1 million debt service, which is currently a line item in the COMB FY 2009-10 Budget approved by the Board in June 2009. Quarterly budget assessments have been made for the entire budget, including this line item, while waiting for the final outcome of the bond issuance.

Because the 2009 CIP Project is now just the 2nd Pipeline Project, and if COMB issues a bond for the Project, the debt service repayment will be reduced to approximately \$650,000 annually and will be paid by the Goleta Water District and the City of Santa Barbara only. Quarterly assessments for that line item have resulted in a disproportional excess of money collected. Assuming assessments for all four quarters, there would be about \$248,000 available to use for other COMB work.

Staff is proposing utilizing \$80,000 of the excess assessments to complete the SCC Delivery System Cost/Benefit Analysis. In July 2009, the COMB Board authorized a special assessment of \$80,000 to carry out the Cost Benefit Analysis to evaluate and determine if the current water entitlement cost distribution for COMB capital improvement projects is equitable, or if another cost distribution formula should be used in light of changes in the use of the SCC delivery system over time, capacity issues, and other potential inequities. This was to be done after the COMB bond was issued. However, given the long delay in approving the bond, it is recommended that this analysis move forward. The Operating Committee supports this proposed use of the funds.

Although there are other potential uses for the remaining funds, at the request of the Operating Committee it is further recommended that the balance of the excess assessments be refunded to the Member Units.