

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, August 22, 2011

1. Call to Order, Roll Call

The meeting was called to order at 2:01 p.m. by President Lauren Hanson who chaired the meeting. Those in attendance were:

Directors present:

Lauren Hanson	Goleta Water District
Bob Lieberknecht	Carpinteria Valley Water District
Doug Morgan	Montecito Water District
Dennis Beebe	SYR Water Conservation District, ID No. 1
Dale Francisco	City of Santa Barbara

Others present:

Bruce Mowry	Tony Trembley
Jim Colton	Adelle Capponi
John McInnes	Charles Hamilton
Harlan Burchardi	Bill Ferguson
Ruth Snodgrass	Phil Walker
Tom Mosby	Pete Lapidis
Ward Godier	

2. Public Comment

Phil Walker made comments about financing maintenance in the Tecolote Tunnel and the water intrusion in tunnel.

3. Consent Agenda

- a. **Minutes:**
July 25, 2011 Regular Board Meeting and July 27, 2011 Special Board Meeting
- b. **Investment Funds**
Investment Report
Payment of Claims

Director Francisco moved to approve the Consent Agenda as presented, seconded by Director Lieberknecht, passed 7/0/0.

The Board Next Considered Item 5

5. Report From Board Administrative Committee

a. COMB Draft Response to the Santa Barbara County Grand Jury Report: “Local Government Post Employment Benefits in Santa Barbara County”

General Manager Bruce Mowry reported that the Grand Jury issued a report regarding outstanding obligations for post employment benefits of the various local entities. COMB must respond to each applicable finding and recommendation in this report prior to September 13, 2011. The Board Administrative Committee and General Counsel have reviewed the draft response. The draft response included in the board packet reflects all suggested revisions.

Director Morgan moved to approve the submission of the draft response to the Santa Barbara County Grand Jury Report entitled: “*Local Government Post Employment Benefits in Santa Barbara County – Complicated and Costly*”, seconded by Director Francisco.

Discussion: Director Beebe requested that the response to Recommendation 2a be changed to read, “The recommendation may be implemented in the future.” The maker of the motion and the maker of the second agreed to this change.

The motion was passed with the requested change, 7/0/0.

b. Projected Cash Flows and Project Funding COMB FY 2012 and 2013 Budget

General Manager Bruce Mowry reported that the City of Santa Barbara would be able to financially assist COMB with two construction projects by advancing their FY 2011-12 gross annual budget assessment. By doing this, COMB could use these funds to construct the projects and subsequently request reimbursement from the grant funding agencies. However at this time the City is only able to advance their remaining net quarterly assessments to COMB. In order to assist COMB, Montecito Water District will be considering at their August 23, 2011 Board meeting accelerating their annual net budget assessments. COMB will incur a nominal interest expense affiliated with the pre-payment of these funds, which is in the current budget line item for interest expense.

The City has requested that COMB pass a Resolution to approve the advancement of the remaining net quarterly budget assessments. Montecito Water District requested an agreement with COMB which they will consider August 23, 2011 at their Board meeting.

Director Morgan moved to Approve Resolution No. 539 for the advancement of the remaining net quarterly budget assessments from the City of Santa Barbara for fiscal year 2012, seconded by Director Francisco.

The motion was passed by a roll call vote:

Ayes: Hanson, Lieberknecht, Francisco, Morgan

Nays: None

Abstain: Beebe

Absent: None

A sample agreement for the City was included in the board packet that would be used for an agreement with Montecito Water District (MWD). Montecito Water District requested that the COMB President of the Board sign the agreement and that they would be including in their board packet as Exhibit A the Interest Schedule and Pre-Payment of COMB Annual Net Assessments prepared for MWD.

Director Morgan moved to authorize the President of the Board to sign an agreement with Montecito Water District for advancement of their remaining net quarterly budget assessments for fiscal year 2012 in substantially the same form as the sample presented in the board packet, seconded by Director Hanson, passed 6/0/1, Director Beebe abstained.

6. Consider Dissolution of Operating Committee

General Manager Bruce Mowry reported that the Operating Committee has made significant contributions to COMB. The Member Unit General Managers have felt they were somewhat limited while serving on this Committee and have been unable to freely communicate with other General Managers on the Committee so as not to violate the Brown Act. Good communication systems are now in place and the requirement of a committee established by the Board is no longer necessary. The General Manager of COMB will continue to have frequent meetings to work closely with the Member Unit Managers.

Director Beebe moved that the Operating Committee established by the Board is no longer required and the dissolution of this Committee would become effective immediately and the General Manager is encouraged to maintain an informal means of communication with agency managers to insure all substantive activities and projects are thoroughly discussed and vetted prior to board consideration, seconded by Director Hanson.

The motion was passed by a roll call vote:

Ayes: Hanson, Lieberknecht, Morgan, Francisco, Beebe

Nays: None

Abstain: None

Absent: None

7. Bid Review and Awarding the Construction Contract for the Fish Passage Improvement on Crossing 2, Quiota Creek Project

General Manager Bruce Mowry reported that four bids had been received on August 16th, however a bid protest was submitted by the apparent second low bidder Schock Constructing Corp. concerning the apparent low bidder's bid package from Peter Lapidus Construction, Inc. (PLC). Anthony Trembley, General Counsel has reviewed the allegations in the bid protest and summarized them for the Board and concluded, "We do not find any irregularities that would provide PLC with a

competitive advantage. The errors pointed out by Schock do not affect the amount of the bid or give PLC an advantage or benefit not allowed to other bidders. Even with the discrepancies, PLC has confirmed in their attached letter that they stand behind their bid. Thus, we see no reason to deny this contract to PLC”.

Peter Lapidus, (PLC) spoke on this item.

Director Francisco moved, that based on this record and the explanation by General Counsel, the Board: (1) finds that the irregularities in the PLC bid are minor and do not affect the price of the bid, or give PLC an advantage or benefit not allowed to other bidders; (2) waives the bid irregularities and overrules the bid protest of Schock Constructing Corp.; and (3) awards the construction contract as defined in the project “Fish Passage Improvements on Crossing 2, Quiota Creek” Contract Documents to the lowest responsive bidder Peter Lapidus Construction, Inc. for the amount of \$424,623.00; and (4) authorizes COMB General Manager to sign and execute the contract documents inclusive of Addendums No. 1 and No. 2 and after submittal of all required documents from Peter Lapidus Construction, Inc., seconded by Director Lieberknecht and Director Morgan.

The motion was passed by a roll call vote:

Ayes: Hanson, Lieberknecht, Morgan, Francisco

Nays: None

Abstain: Beebe

Absent: None

The Board Next Considered Item 10

10. Discussion on Topics of Interest with the County

General Manager Bruce Mowry reported that he had met with Terri Maus-Nisich and Tom Fayram of the County. They all agreed that they should meet on a quarterly schedule and that COMB and the County should develop a list of issues and at the next meeting in September they would discuss the top three. The COMB Operating Committee discussed this topic and presented the three issues as follows:

- Water Quality with Lake use – body contact, kayaks, two stroke engines, recreational use
- Mussel prevention program and action of remediation if mussels are introduced
- Excess revenue from recreational use on the Lake and how to track the accounting of this use

The Board requested that another issue be added to the list, the maintenance of the roadways and bridges and right of entry along Quiota Creek.

The Board Next Considered Item 9

9. Modified SCC Upper Reach Reliability Project

a. Update for Modified Upper Reach Reliability Project

General Manager Bruce Mowry reported that the consultant has submitted draft documents for 65% review and comments with the anticipated bidding

period to occur in November 2011. There were three alternatives suggested and all included upgrades to flow meters, air vac valves, and blow off structures in the upper reach. The preferred Modified alternative would reconstruct the South Portal structure in the original location with splitting flow into the old 48 inch pipeline and new 48 inch pipeline. Intertie old and new pipelines at a location past the Glen Annie Turn Out structure to give higher reliability and flexibility, including operational options to feed Goleta West.

Mr. Mowry will bring to the Board for approval the final project design before going out to bid, he anticipates being able to award the contract in December.

b. Construction Management Services of the Upper Reliability Project to be performed by COMB Staff

General Manager Bruce Mowry reported that the Upper Reach Reliability Project will require construction management services to properly administer and inspect the work detailed in the Contract Documents being prepared. Since COMB has two engineers on staff with construction management experience he has discussed the option of performing a significant amount of this work with staff. Staff welcomes the opportunity for the experience with the added benefit of saving COMB the cost of out-side services. COMB staff would be supplemented by periodic special inspections as required.

Director Morgan moved to approve COMB's staff to perform the Construction Management Services on the Upper Reach Reliability Project with assistance from outside sources for material testing, labor compliance and other services as necessary, seconded by Director Lieberknecht. After discussion of several concerns of the Board, Director Morgan requested that Mr. Mowry discuss this again at the next COMB General Managers meeting and COMB Board Operation Committee meeting before Board consideration.

The Board Next Considered Item 8

8. [Closed Session]: Conference with legal Counsel – Anticipated Litigation Initiation of Litigation Pursuant to Government Code Section 54956.9 (c) One case

Tony Trembley, General Counsel announced the closed session.

The Board went in to closed session at 4:23 p.m.

General Counsel Tony Trembley reported that the Board came out of closed session at 5:11 p.m. and there was no action to report.

The Board Next Considered Item 11

11. Fisheries Division Activities

a. Lower Santa Ynez River Fisheries Report

Included in the board packet was the monthly Lower Santa Ynez River Fisheries Report.

b. 2009 Annual Monitoring Report

The Directors requested that the Board Fisheries Committee meet and review the 2009 Monitoring Report.

12. Operations Division Activities

a. Operations Report

The July Operations Report was included in the board packet.

b. Pipeline Maintenance Program – Lower Reach

General Manager Bruce Mowry reported that as a part of the Board's regular pipeline maintenance program, several air vacuum valves in the Lower Reach have been identified for immediate replacement. The work will be completed by the use of COMB staff, Member Unit staff when available and outside contractors as needed. The structures will be individually listed in priority and work will progress until completed over the next several years. Staff recommends that the Board authorize an expenditure of funds necessary to begin this work.

Director Francisco moved to authorize the General Manager to reallocate \$205,000 from the 6101 Pipeline Repair account for this Pipeline Maintenance Program work, seconded by Director Lieberknecht, passed 6/0/1, Director Beebe abstained.

13. Reports From the Manager

a. Cachuma Water Reports

The monthly water reports were included in the board packet.

b. Cachuma Reservoir Current Conditions

The daily operations report for Lake Cachuma through August 17, 2011 was included in the board packet.

c. Operating Committee Draft Minutes, August 3, 2011

The draft minutes of the Operating Committee of August 3, 2011 were included in the board packet.

d. Lake Cachuma Quagga Survey

The Cachuma Lake Quagga Survey for July was included in the board packet. No mussels were detected in July 2011.

e. Draft Outline of COMB's Policies and Procedures

The Draft outline of COMB's Policies and Procedures was included in the board packet, General Manager Bruce Mowry requested the Directors to submit to him any suggestions they might have and have the Board Administrative Committee review the Policies and Procedures.

f. ACWA Committee Appointment Nominations for the 2012-2013 Term

Included in the board packet was a request from ACWA for committee nominations for the 2012-2013 term. If anyone would want to nominate a candidate they need to respond by September 30, 2011.

The Board Next Considered Item 4

4. Committee Appointments for FY 2011-12

a. Administrative

Laruen Hanson is Chair, Doug Morgan, member and Bob Lieberknecht, alternate member.

b. Operations Division

Bob Lieberknecht is Chair, Lauren Hanson, member and Dale Francisco, alternate member.

c. Fisheries Division

Lauren Hanson is Chair, Dennis Beebe, member and Dale Francisco, alternate member.

d. Public Outreach

Bob Lieberknecht is Chair, Doug Morgan, member and Dennis Beebe, alternate member.

The Board Next Considered Item 14

14. Directors' Request for Agenda Items for Next Meeting

There were no additional requests for agenda items for the next meeting.

15. Meeting Schedule

- The next regular Board meeting will be held September 26, 2011 at 2:00 P.M.
- The Agendas and Board Packets are available on the COMB website, www.cachuma-board.org

16. COMB Adjournment

There being no further business, the meeting was adjourned at 5:53 p.m.

Respectfully submitted,


Bruce Mowry, Secretary of the Board

APPROVED:


Lauren Hanson, President of the Board