

REGULAR MEETING
OF
CACHUMA OPERATION AND MAINTENANCE BOARD
AND
CACHUMA CONSERVATION RELEASE BOARD
at Cachuma Operation and Maintenance Board Office
3301 Laurel Canyon Road
Santa Barbara, CA 93105

CACHUMA OPERATION AND MAINTENANCE BOARD

Monday February 26, 2007

Approximate Start Time

3:00 P.M.

AGENDA

1. COMB CALL TO ORDER, ROLL CALL. (COMB Board of Directors.) *(1 minute)*.
2. [CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL TO DISCUSS PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (a). ONE CASE: CRAWFORD-HALL V COMB, SUPERIOR COURT OF CALIFORNIA, COUNTY OF SANTA BARBARA, CASE NO. 1171135. *(15 minutes)*]
3. 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)*
4. CONSENT AGENDA. (For Board Action by Vote on One Motion Unless Member Requests Separate Consideration.) *(2 minutes)*
 - a. Minutes
 - January 22, 2007 Regular Board Meeting,
 - b. Investment of Funds
 - Financial Reports
 - Investment Reports
 - c. Payment of Claims
5. REPORTS FROM THE MANAGER. (For information.) *(10 minutes)*
 - a. Water Storage
 - b. Water Production & Use, SWP Accounting
 - c. Operations Report
 - d. **Verbal Report** - Cachuma Reservoir Current Conditions
 - e. 2006 Surcharge Account
 - f. **Verbal Report** - Conference Reports from December 2006 – February 2007
6. CAPITAL IMPROVEMENT PROJECTS UPATE. (For information.) *(5 minutes)*
 - a. **Verbal Report** - Lauro Debris Basin Project
 - b. **Verbal Report** - 2nd Pipeline Project

7. LAURO DAM SAFETY OF DAMS REPAYMENT AGREEMENT.
 - a. Proposed COMB Resolution No. 453 to Approve Allocation Agreement with SYR Water Conservation District, ID No. 1 (For Board action.) (8 minutes)
 - b. Status of Member Units' Ratification of Lauro Dam SOD Repayment Agreement and Approval of Allocation Agreement (For information.) (2 minutes)
8. UPDATE ON INTEGRATED REGIONAL WATER MANAGEMENT PLAN AND SWRCB DECISION ON PROPOSITION 50 ROUND 2 FUNDING. (For information.) (10 minutes)
9. MEETING SCHEDULE.
 - March 26, 2007 following CCRB at 2:15 P.M., COMB Office
 - Availability of Board Packages on CCRB-COMB Website www.ccrb-comb.org
10. COMB ADJOURNMENT.

NOTICE TO PUBLIC

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

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

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

MINUTES OF A REGULAR MEETING
of the
CACHUMA OPERATION & MAINTENANCE BOARD
held at the
Cachuma Operation & Maintenance Board Office
3301 Laurel Canyon Road, Santa Barbara, CA
Monday, January 22, 2007

1. Call to Order, Roll Call

The meeting was called to order at 3:37 p.m. by President Chuck Evans, who chaired the meeting. Those in attendance were:

Directors present:

Chuck Evans	Goleta Water District
Lee Bettencourt	SYR Water Conservation Dist., ID#1
Das Williams	City of Santa Barbara
Jan Abel	Montecito Water District
Robert Lieberknecht	Carpinteria Valley Water District

Others present:

Kate Rees	Chris Dahlstrom
Chip Wullbrandt	Steve Mack
Bill Hair	Gary Kvistad (via phone)
David McDermott	Tim Robinson
Janet Gingras	Richard Shaikewitz
Sam Frye	Charles Hamilton
Michelle Ouellette (via phone)	
Greg Wilkinson (via phone)	

2. [Closed Session]: Conference with Legal Counsel to Discuss Pending Litigation pursuant to Government Code Section 54956.9 (a). One Case: Crawford-Hall V COMB, Superior Court of California, County of Santa Barbara, Case No. 1171135.

The Board went into closed session at 3:38 p.m. Closed session ended at 4:52 p.m. There was nothing to report out of closed session.

3. Public Comment

There were no comments from the public.

4. Consent Agenda

- a. **Minutes:**
December 18, 2006 Regular Board Meeting
- b. **Investment Funds**
Financial Report
Investment Report
- c. **Payment of Claims**

Director Williams moved to approve the Consent Agenda, seconded by Director Abel. Motion carried, 7/0/0.

5. **Resolution No. 451 Commemorating Robert Dunlap's Thirty Years of Service**

Director Williams moved to approve Resolution No. 451 commemorating Robert Dunlap's thirty years of service with Cachuma Operation & Maintenance Board, seconded by Director Abel. A roll call vote was taken, passed 7/0/0.

Director Evans presented the resolution to Robert and all congratulated and thanked Robert for his long term service and dedication to COMB.

6. **Reports from the Manager**

- a. **Water Storage**
The monthly report was included in the Board packet
- b. **Water Production & Use, SWP Accounting**
The two monthly reports were included in the Board packet
- c. **Operations Report**
The December 2006 report on operations from Brett Gray was included in the Board packet.
- d. **Cachuma Reservoir Current Conditions**

Date 01/22/2007

Lake elevation	743.28 feet
Storage	168.534 acre feet
Rain (for the month to date)	0.06 inches
Rain YTD (for the season to date)	1.27 inches
Fish Release-Hilton Creek	11.3 acre feet per day
Month to Date Fish Release	250.9 acre feet
Month to Date Spill	0.00 acre feet

Ms. Rees reported that the Lauro Dam SOD project has been completed, with the exception of a small amount of work yet to be finished on the hydraulic works in the tunnel. The cost to date is \$5,971,850 with a projected total cost of \$6.8 million.

7. State Water Resources Control Board Annual Fees

Ms. Rees reported that the State Water Resources Control Board's (SWRCB) bill for water user fees for FY 2006-2007 had been delayed this year. COMB received the bill from the County Water Agency in late December and payment was due January 7, 2007, a date prior to the January Board meeting. Therefore, COMB President, Chuck Evans, authorized the payment of the fee, and the recommendation for the Board was to ratify that action. The payment amount was \$21,474, which was unchanged from FY 2005-2006.

Ms. Rees also reported that many protests had been filed by water agencies in California on the constitutionality and the method used in charging the fees. An appeal was filed and recently upheld by the court. The SWRCB was ordered to refund charges to those who filed a protest, and reevaluate the method they used to calculate the fees. At this time a new method of recalculating the fee has not been developed. COMB did not file a protest, so is not eligible for a refund. However, any new calculation will be applied to all agencies required to pay the fee, so COMB may realize a reduction next year.

Director Abel moved to ratify the action to pay the SWRCB Water User Fees for the Cachuma Project for FY 2006-2007 in the amount of \$21,474, seconded by Director Bettencourt, passed 7/0/0.

8. COMB Water Accounting

Janet Gingras highlighted the 1997-2005 Melded Rate calculation. The final formula used was discussed with the Board at a previous meeting and the result of that formula was the attached spreadsheet that reflected overpayments and underpayments made by the Member Units. The debit or credit reconciliation will be made in the April 2007 bill for the second period water rate payments.

Ms. Rees highlighted the *Cachuma Project Water Ordering and Reporting Guidelines for the Cachuma Operation and Maintenance Board*. The guidelines were developed by the Cachuma managers to facilitate consistency and efficiency in carrying out the water accounting for Cachuma water orders and deliveries from year to year.

9. Mid-Year FY 2006-07 Budget Status Report

Ms Rees presented a mid-year 2006-2007 Budget status report. Included in the board packet was a summary spread sheet showing the approved tasks, the budgeted amounts, and the amount expended through December 31, 2006 for each item. She highlighted the near completion of the COMB office buildings improvements and grounds repair work, and the completion of rehabilitation of about 40% of the structures along the Goleta reach of SCC by the COMB crew. Previously, structure rehabilitation work has been subcontracted out, so this is a major accomplishment by the COMB crew.

10. Proposed Agreement with SYR Water Conservation District, ID No. 1 Regarding Lauro Dam Safety of Dams Repayment Agreement

Included in the board packet was correspondence between ID#1 counsel, Gary Kvistad, and COMB counsel William Hair, concerning ID#1 not being held liable for COMB's repayment obligations with respect to the Lauro Dam SOD Repayment Contract. Also included was a proposed Indemnification Agreement prepared by Mr. Kvistad, clarifying ID#1's exemption from liability under the Lauro SOD Contract.

In addition, Mr. Kvistad was of the opinion that in order to comply with COMB's Amended Joint Powers Agreement (JPA), each Member Unit Board needed to ratify, by resolution, COMB's approval of the Lauro SOD Contract because the repayment amount was likely to exceed \$1 million. Mr. Hair did not think this was necessary, however after discussion with Mr. Kvistad, Mr. Hair agreed that some form of an agreement, by resolution, among the five Member Units ratifying COMB's approval of the SOD Contract and memorializing the fact that ID #1 would not be responsible for any of the costs in connection with the Lauro Dam SOD contract would satisfy the requirements of the JPA.

President Evans felt that the Member Unit managers and attorneys needed time to review the proposed Indemnification Agreement.

Director Williams moved to refer the proposed Indemnification Agreement to the Member Unit Managers and Attorneys for discussion and bring the Agreement back to the Board at the February Board meeting, seconded by Director Lieberknecht. Mr. Hair stated that one of the requirements for approval of the Lauro SOD Agreement was to promptly file an action in Superior Court to validate the Contract. In order to facilitate the filing of the contract in Superior Court, the Board requested that Mr. Hair draft a resolution for the Member Units to use to ratify the Lauro SOD contract. Director Williams amended his motion to reflect the bifurcation of this matter into its two constituent's parts, forwarding the request for ratification by resolution to the Member Units, and the payment issue to the Member Unit managers & attorneys for review and discussion, seconded by Director Lieberknecht, 6/1/0, Director Bettencourt voting no.

11. Conference Reports

- a. ACWA Fall Conference, December 6-8, 2007, Anaheim, CA
- b. Reclamation's Water Users Conference, January 17-19, 2007, Visalia, CA

Director Abel recommended, in the interest of time, deferring the Conference Reports till the February 26, 2007 meeting, all were in agreement.

12. Integrated Regional Water Management Plan

This was fully discussed during the CCRB Board meeting, item #8, so there was nothing further to add.

13. Letter From ID No. 1 Regarding COMB's Legal Counsel

Included in the board packet was a letter to the COMB and CCRB Board of Directors from Harlan Burchardi, ID#1's Board President, and a response letter from COMB General Counsel, William Hair. Comments were made by President Evans and Director Williams, and Mr. Hair apologized for responding to the letter from Mr. Burchardi prior to Board approval of such a letter.

14. Schedule of Regular Board Meeting Dates and Board Packet Information Deadlines for 2007

Included in the board packet was the schedule of the Board meeting dates for 2007.

15. Meeting Schedule

February 26, 2007, is the next regular COMB Board meeting following the 2:15 P.M. CCRB Board meeting, at the COMB office.

The next Joint Special CCRB/COMB meeting will be held February 5, 2007 at 2:15 P.M. at the COMB office.

16. COMB Adjournment

There being no further business, the meeting was adjourned at 5:38 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Chuck Evans, President

sec.comb/boardminutes/01.22.07COMB Minutes.doc

Approved _____

Unapproved _____ ✓

ITEM # 4a

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comb2
Balance Sheet
 As of January 31, 2007

Jan 31, 07

ASSETS

Current Assets

Checking/Savings

1050 · GENERAL FUND	8,901.21
1100 · REVOLVING FUND	7,614.36
TRUST FUNDS	
1220 · RENEWAL FUND	5,303.45
1210 · WARREN ACT TRUST FUND	38,103.35

Total TRUST FUNDS	43,406.80
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Total Checking/Savings	59,922.37
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Other Current Assets

1010 · PETTY CASH	400.00
1200 · LAIF	1,187,589.55
1300 · DUE FROM CCRB	47,621.54
1302 · ASSESSMENTS RECEIVABLE-CARP	86,414.16
1303 · SOD Act Assessments Receivable	49,902.00
1400 · PREPAID INSURANCE	11,696.72
1401 · W/C INSURANCE DEPOSIT	3,906.00

Total Other Current Assets	1,387,529.97
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Total Current Assets	1,447,452.34
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Fixed Assets

1500 · VEHICLES	241,943.65
1505 · OFFICE FURN & EQUIPMENT	102,547.22
1510 · TRAILERS	97,803.34
1515 · FIELD EQUIPMENT	305,473.34
1525 · PAVING	22,350.00
1550 · ACCUMULATED DEPRECIATION	-527,362.02

Total Fixed Assets	242,755.53
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Other Assets

1910 · LT SOD Act Assess Receivable	6,423,143.07
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Total Other Assets	6,423,143.07
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TOTAL ASSETS	8,113,350.94
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LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2200 · ACCOUNTS PAYABLE	53,802.25
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Total Accounts Payable	53,802.25
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Other Current Liabilities

2550 · VACATION/SICK	61,815.80
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2561 · BRADBURY DAM SOD ACT	49,902.00
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2562 · SWRCB-WATER RIGHTS FEE	0.76
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2590 · DEFERRED REVENUE	43,406.80
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Payroll-DepPrm Admin	20.00
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Payroll-DepPrm Ops	9.24
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Total Other Current Liabilities	155,154.60
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Total Current Liabilities	208,956.85
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Long Term Liabilities

2603 · LT SOD Act Liability - Lauro	660,000.00
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2600 · Lease Obligation Payable	29,810.84
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2601 · Note Payable SBB&T	86,414.16
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2602 · SOD Act Liability-Long Term	5,763,143.07
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Total Long Term Liabilities	6,539,368.07
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Total Liabilities	6,748,324.92
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comb2
Balance Sheet
As of January 31, 2007

	Jan 31, 07
Equity	
3000 · Opening Bal Equity	0.95
3901 · Retained Earnings	785,863.52
Net Income	579,161.55
Total Equity	1,365,026.02
TOTAL LIABILITIES & EQUITY	<u>8,113,350.94</u>

comb2
Profit & Loss Budget vs. Actual
 July 2006 through January 2007

12:53 PM
 02/20/07
 Accrual Basis

	Jul '06 - Jan 07	Budget	\$ Over Budget	% of Budget
Income				
3000 REVENUE				
3001 · O&M Budget	1,613,821.00			
3003 · Assessment Revenue-Carp	1,938.66			
3010 · Interest Income	30,858.56			
3020 · Misc Income	0.00			
Total 3000 REVENUE	1,646,618.22			
Total Income	1,646,618.22			
Gross Profit	1,646,618.22			
Expense				
4000 · Reconciliation Discrepancies	-0.50			
Void	0.00			
3100 LABOR				
3150 · Health & Workers Comp	74,494.02	141,391.00	-66,896.98	52.7%
3155 · PERS	38,784.08	69,869.00	-31,084.92	55.5%
3160 · Payroll Comp FICA Ops	16,705.85	30,449.70	-13,743.85	54.9%
3165 · Payroll Comp MCARE Ops	3,965.64	7,121.30	-3,155.66	55.7%
3100 LABOR - Other	0.00	456,501.00	-456,501.00	0.0%
Total 3100 LABOR	377,868.65	705,332.00	-327,463.35	53.6%
3200 VEH & EQUIPMENT				
3201 · Vehicle/Equip Mtce	14,311.52	30,000.00	-15,688.48	47.7%
3202 · Fixed Capital	2,490.82	50,000.00	-47,509.18	5.0%
3203 · Equipment Rental	10,964.29	23,000.00	-12,035.71	47.7%
3204 · Miscellaneous	5,859.01	15,000.00	-9,140.99	39.1%
Total 3200 VEH & EQUIPMENT	33,625.64	118,000.00	-84,374.36	28.5%
3300 · CONTRACT LABOR				

12:56 PM

02/20/07

Accrual Basis

comb2
Profit & Loss Budget vs. Actual
 July 2006 through January 2007

	Jul '06 - Jan 07	Budget	TOTAL	\$ Over Budget	% of Budget
3301 · Conduit, Meter, Valve & Misc	1,631.37	10,000.00		-8,368.63	16.3%
3302 · Buildings & Roads	13,307.52	15,000.00		-1,692.48	88.7%
3303 · Reservoirs	23,544.27	50,000.00		-26,455.73	47.1%
3304 · Engineering, Misc Services	4,743.63	20,000.00		-15,256.37	23.7%
Total 3300 · CONTRACT LABOR	43,226.79	95,000.00		-51,773.21	45.5%
3400 · MATERIALS & SUPPLIES					
3401 · Conduit, Meter, Valve & Misc	6,063.91	20,000.00		-13,936.09	30.3%
3402 · Buildings & Roads	7,714.53	20,000.00		-12,285.47	38.6%
3403 · Reservoirs	788.68	10,000.00		-9,211.32	7.9%
Total 3400 · MATERIALS & SUPPLIES	14,567.12	50,000.00		-35,432.88	29.1%
3500 · OTHER EXPENSES					
3501 · Utilities	2,024.47	6,300.00		-4,275.53	32.1%
3502 · Uniforms	2,546.21	6,500.00		-3,953.79	39.2%
3503 · Communications	14,793.20	18,190.00		-3,396.80	81.3%
3504 · USA & Other Services	1,529.64	4,000.00		-2,470.36	38.2%
3505 · Miscellaneous	2,716.60	6,000.00		-3,283.40	45.3%
3506 · Training	1,225.37	7,000.00		-5,774.63	17.5%
Total 3500 · OTHER EXPENSES	24,835.49	47,990.00		-23,154.51	51.8%
4999 · GENERAL & ADMINISTRATIVE					
5000 · Director Fees	540.19	856.00		-315.81	63.1%
5001 · Director Mileage	6,656.00	9,984.00		-3,328.00	66.7%
5000 · Director Fees - Other					
Total 5000 · Director Fees	7,196.19	10,840.00		-3,643.81	66.4%
5100 · Legal	34,227.01	72,000.00		-37,772.99	47.5%
5101-1 · Audit	9,175.00	20,000.00		-10,825.00	45.9%
5150 · Unemployment Tax	0.00	6,500.00		-6,500.00	0.0%
5200 · Liability Insurance	32,759.00	38,000.00		-5,241.00	86.2%
5201 · Health & Workers Comp	32,885.83	47,399.00		-14,513.17	69.4%
5250 · PERS	16,352.63	28,632.00		-12,279.37	57.1%
5260 · Comp FICA Admin	6,122.05	12,156.05		-6,034.00	50.4%
5265 · Comp MCARE Admin	1,589.63	2,842.95		-1,253.32	55.9%
5300 · Manager Salary	23,827.04	42,993.00		-19,165.96	55.4%
5301 · Administrative Manager	44,391.45	77,615.00		-33,223.55	57.2%
5306 · Administrative Assistant	29,677.20	51,441.00		-21,763.80	57.7%
5310 · Postage/Office Exp	2,939.54	9,000.00		-6,060.46	32.7%
5311 · Office Equip/Leases	2,852.97	5,750.00		-2,897.03	49.6%

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02/20/07

Accrual Basis

comb2
Profit & Loss Budget vs. Actual
 July 2006 through January 2007

	Jul '06 - Jan 07	Budget	\$ Over Budget	% of Budget
5312 · Misc Admin Expenses	8,749.51	10,000.00	-1,250.49	87.5%
5313 · Communications	7,502.81	5,000.00	2,502.81	150.1%
5314 · Utilities	3,751.47	5,300.00	-1,548.53	70.8%
5315 · Membership Dues	4,950.85	6,150.00	-1,199.15	80.5%
5316 · Admin Fixed Assets	3,115.37	7,000.00	-3,884.63	44.5%
5320 · Admin Facilitator Consultant	24,543.75	27,700.00	-3,156.25	88.6%
5325 · Emp Training/Subscriptions	1,327.67	4,500.00	-3,172.33	29.5%
5330 · Admin Travel/Conferences	4,100.68	5,000.00	-899.32	82.0%
5331 · Public Information	77.19	2,000.00	-1,922.81	3.9%
5332 · Transportation	144.06	1,200.00	-1,055.94	12.0%
Total 4999 · GENERAL & ADMINISTRATIVE	302,258.90	499,019.00	-196,760.10	60.6%
5510 · Integrated Reg. Water Mgt Plan	5,000.00	10,000.00	-5,000.00	50.0%
6000 · SPECIAL PROJECTS				
6062 · SCADA	8,046.76	60,000.00	-51,953.24	13.4%
6090-1 · COMB Bldg/Grounds Repair	44,635.80	50,000.00	-5,364.20	89.3%
6092 · SCC Improv Plan & Design	31,398.19	300,000.00	-268,601.81	10.5%
6095 · SCC Valve & Cntrl Sta Rehab	34,021.42	600,000.00	-565,978.58	5.7%
6096 · SCC Structure Rehabilitation	54,775.92	400,000.00	-345,224.08	13.7%
6097 · GIS and Mapping	16,768.03	100,000.00	-83,231.97	16.8%
Total 6000 · SPECIAL PROJECTS	189,646.12	1,510,000.00	-1,320,353.88	12.6%
6400 · STORM DAMAGE				
6401 · Storm Damage 2005	6,856.00	100,000.00	-93,144.00	6.9%
Total 6400 · STORM DAMAGE	6,856.00	100,000.00	-93,144.00	6.9%
7000 · LEGAL & LITIGATION				
7002 · Spec Counsel-FMP-BO EIS/R	67,771.96	100,000.00	-32,228.04	67.8%
Total 7000 · LEGAL & LITIGATION	67,771.96	100,000.00	-32,228.04	67.8%
7006 · INTEREST EXPENSE	1,800.87			
PAYROLL				
Gross	-0.56			
Gross-CCRB	0.19			
Total PAYROLL	-0.37			
Total Expense	1,067,456.67	3,235,341.00	-2,167,884.33	33.0%
Net Income	579,161.55	-3,235,341.00	3,814,502.55	-17.9%

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OFFICE OF THE TREASURER

SACRAMENTO

Local Agency Investment Fund
 PO Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001
 www.treasurer.ca.gov/pmia-laif

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FFR 1 0 2007

CACHUMA O&M BOARD



January, 2007 Statement

CACHUMA OPERATION AND MAINTENANCE BOARD

Attn: GENERAL MANAGER

3301 LAUREL CANYON ROAD

SANTA BARBARA CA 93105-2017

Account Number : 70-42-001

Transactions

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
01-10-2007	01-09-2007	RW	1104153	KATHLEEN REES	- 210,000.00
01-12-2007	01-11-2007	QRD	1105728	SYSTEM	13,891.11
01-26-2007	01-25-2007	RD	1108448	KATHLEEN REES	95,000.00

Account Summary

Total Deposit :	108,891.11	Beginning Balance :	1,288,698.44
Total Withdrawal :	- 210,000.00	Ending Balance :	1,187,589.55

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, 2007, 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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P.O. BOX 1098
NORTHRIDGE, CA 91328-1098

RECEIVED

FEB 06 2007

CACHUMA OPERATION AND MAINTENANCE BOARD

This Statement Covers

From: 01/01/07
Through: 01/31/07

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

106289

Need assistance?
To reach us anytime,
call 1-800-788-7000
or visit us at wamu.com



Your Guaranteed Great Rate Money Market Detail Information

CACHUMA OPERATION AND MAINTENANCE BOARD

Account Number: 871-849343-4
Washington Mutual Bank, FA

Renting? You may be vulnerable to loss of your personal property in case of fire, theft and some natural disasters without Renters Insurance. Just visit the Washington Mutual Insurance Services, Inc.'s web site at www.wamuins.com or call 1-866-720-3213 and protect yourself from covered losses today.

Your Account at a Glance

Beginning Balance	\$5,298.30	Interest Earned	\$5.15
Checks Paid	\$0.00	Annual Percentage Yield Earned	1.15%
Other Withdrawals	\$0.00	YTD Interest Paid	\$5.15
Deposits	+\$5.15	YTD Interest Withheld	\$0.00
Ending Balance	\$5,303.45		

Date	Description	Withdrawals (-)	Deposits (+)
01/31	Interest Payment		\$5.15

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

The above statement of investment activity for the month of January, 2007, complies with legal requirements for investment policy of government agencies, AB 1073. I hereby certify that it constitutes a complete and accurate summary of all Washington Mutual Bank investments of this agency for the period indicated.

Secretary

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P.O. BOX 1098
NORTHRIDGE, CA 91328-1098

MEMO

FEB 06 2007

CACHUMA OPERATION BOARD

This Statement Covers

From: 01/01/07
Through: 01/31/07

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

106290

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Your Account at a Glance

Beginning Balance	\$29,183.08	Interest Earned	\$62.27
Checks Paid	\$0.00	Annual Percentage Yield Earned	2.12%
Other Withdrawals	\$0.00	YTD Interest Paid	\$62.27
Deposits	+\$8,920.27	YTD Interest Withheld	\$0.00
Ending Balance	\$38,103.35		

Date	Description	Withdrawals (-)	Deposits (+)
01/11	Customer Deposit		\$8,858.00
01/31	Interest Payment		\$62.27

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, 2007, complies with legal requirements for investment policy of government agencies, AB 1073. I hereby certify that it constitutes a complete and accurate summary of all Washington Mutual Bank investments of this agency for the period indicated.

Secretary

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1:00 PM
02/20/07
Accrual Basis

comb2
Payment of Claims
As of January 31, 2007

Date	Num	Name	Memo	Split	Amount
1050 · GENERAL FUND					
1/10/2007	15709	A-OK Mower Shops, Inc.	Gas cans	2200 · ACC...	-115.08
1/10/2007	15710	Acorn Landscape Manage...	Monthly mtce	2200 · ACC...	-246.65
1/10/2007	15711	ACWA Services Corp. (AS...	Cov period 1/1-2/1/07	2200 · ACC...	-9,818.09
1/10/2007	15712	ACWA Services Corporati...	Jan EAP	2200 · ACC...	-47.46
1/10/2007	15713	Aqua-Flo Supply	Liquid filled pressure gauge	2200 · ACC...	-59.26
1/10/2007	15714	AT&T	Dec 27, 2006 statement	2200 · ACC...	-169.46
1/10/2007	15715	Bedrock Building Supplies		2200 · ACC...	-88.36
1/10/2007	15716	Boyle Engineering Corp.		2200 · ACC...	-2,686.24
1/10/2007	15717	Buena Tool Co.	Socket adapter/oil air tool/wrench ...	2200 · ACC...	-38.97
1/10/2007	15718	Butera's	Grease for backhoe	2200 · ACC...	-98.91
1/10/2007	15719	Central Valley Project Wat...	2007 Member Dues	2200 · ACC...	-750.00
1/10/2007	15720	Channel City Lumber		2200 · ACC...	-64.01
1/10/2007	15721	CIO Solutions, Inc.		2200 · ACC...	-23,582.64
1/10/2007	15722	City of SB-Refuse		2200 · ACC...	-155.74
1/10/2007	15723	Coastal Copy	Monthly mtce KM5035 11/4-12/3/06	2200 · ACC...	-137.77
1/10/2007	15724	Coastline Equipment Co.	Pump PO#8688	2200 · ACC...	-763.95
1/10/2007	15725	COMB - Revolving Fund	Jan 12 & 26, 2007 payrolls/taxes	2200 · ACC...	-103,637.88
1/10/2007	15726	Cox Communications	Business Internet 12/18/06-1/17/07	2200 · ACC...	-199.00
1/10/2007	15727	Culligan Water	RO system Jan	2200 · ACC...	-20.95
1/10/2007	15728	D & J Trucking Co., Inc.	Hauling charges for posi-trak	2200 · ACC...	-396.00
1/10/2007	15729	Draganchuk Alarm Systems	Alarm/lease-monitoring Jan-Mar 2...	2200 · ACC...	-82.50
1/10/2007	15730	ECHO Communications	Answering service	2200 · ACC...	-63.60
1/10/2007	15731	Famcon Pipe & Supply		2200 · ACC...	-3,627.88
1/10/2007	15732	FGL Environmental		2200 · ACC...	-544.00
1/10/2007	15733	Fleet Fueling	Fuel/fuel cards	2200 · ACC...	-1,102.49
1/10/2007	15734	Flowers & Associates, Inc.	Nov chrgs Lauro Res Debris Basi...	2200 · ACC...	-847.50
1/10/2007	15735	GE Capital	Copier lease Billing ID#90133603...	2200 · ACC...	-427.77
1/10/2007	15736	Gempler's	Mounting bracket for rain gauge P...	2200 · ACC...	-15.45
1/10/2007	15737	Grainger		2200 · ACC...	-1,753.21
1/10/2007	15738	Graybar Electric Company...	Network cable connectors	2200 · ACC...	-182.29
1/10/2007	15739	Home Depot Credit Services		2200 · ACC...	-111.49
1/10/2007	15740	Interactive Planning and M...	Facilitator services 11/4-12/31/06	2200 · ACC...	-6,682.50
1/10/2007	15741	J&C Services		2200 · ACC...	-750.00
1/10/2007	15742	Lash Construction, Inc.		2200 · ACC...	-1,480.46
1/10/2007	15743	MarBorg Industries		2200 · ACC...	-163.04
1/10/2007	15744	McCormix Corp.		2200 · ACC...	-298.37
1/10/2007	15745	McMaster-Carr Supply Co.	First aid supplies PO#8684	2200 · ACC...	-330.99
1/10/2007	15746	MGB Industrial Supply	Flex hoses/fittings/couplers	2200 · ACC...	-77.15
1/10/2007	15747	Mid-State Concrete	Catch basin/top riser/traffic grate ...	2200 · ACC...	-1,693.83
1/10/2007	15748	Milpas Rental	Rental-vibra plate	2200 · ACC...	-58.77
1/10/2007	15749	Nextel Communications	Cellular 11/19-12/18/06	2200 · ACC...	-318.14
1/10/2007	15750	Northern Safety Co. Inc.		2200 · ACC...	-320.82
1/10/2007	15751	Orchard Supply Hardware		2200 · ACC...	-834.18
1/10/2007	15752	Paychex, Inc.	12/15,29/06 payrolls/taxes	2200 · ACC...	-206.92
1/10/2007	15753	Permacolor, Inc.	Blind flanges	2200 · ACC...	-385.00
1/10/2007	15754	PG&E		2200 · ACC...	-98.33
1/10/2007	15755	Pitney Bowes Global Fina...	Postage meter lease 1/10-4/10/07	2200 · ACC...	-442.86
1/10/2007	15756	Platinum Plus For Business		2200 · ACC...	-3,567.79
1/10/2007	15757	Praxair Distribution		2200 · ACC...	-1,113.99
1/10/2007	15758	Quinn Company	Labor-posi-trak repair	2200 · ACC...	-783.24
1/10/2007	15759	Republic Elevator	Scheduled mtce	2200 · ACC...	-220.69
1/10/2007	15760	Reserve Account	Postage refill	2200 · ACC...	-400.00
1/10/2007	15761	Sansum-SBMFC Occupati...		2200 · ACC...	-592.00
1/10/2007	15762	SB Home Improvement C...	Lumber	2200 · ACC...	-31.38
1/10/2007	15763	Southern California Edison		2200 · ACC...	-1,117.81
1/10/2007	15764	Specialty Tool, LTD		2200 · ACC...	-472.34
1/10/2007	15765	Staples Credit Plan	Ofc supplies	2200 · ACC...	-686.97
1/10/2007	15766	State Board of Equalization	Water Rights Fee 7/1/06-6/30/07	2200 · ACC...	-21,474.24
1/10/2007	15768	State Compensation Insur...	Payroll report-Dec 2006	2200 · ACC...	-4,442.05
1/10/2007	15769	The Gas Company	Gas-main office	2200 · ACC...	-21.33
1/10/2007	15770	Underground Service Alert	49 new tickets	2200 · ACC...	-78.40

comb2
Payment of Claims
As of January 31, 2007

Date	Num	Name	Memo	Split	Amount
1/10/2007	15771	Verizon California		2200 · ACC...	-344.98
1/10/2007	15772	Verizon Wireless	Cellular	2200 · ACC...	-183.68
1/12/2007	15773	ACWA Services Corp. (AS...	Cov period 2/1-3/1/07	2200 · ACC...	-9,821.29
1/12/2007	15774	Best, Best & Krieger, LLP	Crawford-Hall CEQA Dec 2006	2200 · ACC...	-1,575.30
1/15/2007	15775	Caterpillar Financial Servi...	Backhoe lease Contract #001-025...	2200 · ACC...	-1,294.06
1/15/2007	15776	Nordman, Cormany, Hair ...	Gen Counsel Dec services	2200 · ACC...	-3,314.17
1/16/2007	15777	C. Charles Evans	12/18 Reg mtg	2200 · ACC...	-132.45
1/16/2007	15778	Das Williams	12/18 Reg mtg	2200 · ACC...	-131.69
1/16/2007	15779	Jan Abel	12/18 Reg mtg	2200 · ACC...	-136.90
1/16/2007	15780	Matt Loudon	12/18 Reg mtg	2200 · ACC...	-153.24
1/22/2007	15781	McMaster-Carr Supply Co.	First aid supplies PO#8681	2200 · ACC...	-172.59
1/22/2007	15782	Shawn O'Callahan	Reimb-enrollment fee-water treat...	2200 · ACC...	-78.00
1/22/2007	15783	UPS	Lending library returns-Ops	2200 · ACC...	-27.49
1/22/2007	15784	Verizon California	SCADA	2200 · ACC...	-516.99
1/24/2007	15785	COMB-Petty Cash	Replenish petty cash	2200 · ACC...	-267.54
1/25/2007	15786	Platinum Plus For Business		2200 · ACC...	-8,446.32
1/25/2007	15787	Cedant Web Hosting	Web host/Parked domain Reg#24...	2200 · ACC...	-39.88
1/25/2007	15788	Coastal Copy	Monthly mtce KM5035 12/4/06-1/...	2200 · ACC...	-80.62
1/25/2007	15789	Cox Communications	Business Internet 1/18-2/17/07	2200 · ACC...	-199.00
1/25/2007	15790	The Gas Company	Gas-main office	2200 · ACC...	-60.48
Total 1050 · GENERAL FUND					-227,954.86
TOTAL					-227,954.86

CACHUMA OPERATION AND MAINTENANCE BOARD
WATER STORAGE REPORT

MONTH: **JANUARY 2007**

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	351.00 Feet
Water in Storage	116.44 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	545.60 Feet
Water in Storage	521.65 Acre Feet

ORTEGA RESERVOIR

Capacity at 460' elevation:	OUT OF SERVICE	65 Acre Feet
Capacity at outlet at elevation 440':		0 Acre Feet
Stage of Reservoir Elevation		0.00 Feet
Water in Storage		0.00 Acre Feet

CARPINTERIA RESERVOIR

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

TOTAL STORAGE IN RESERVOIRS

Change in Storage	44.71 Acre Feet
-------------------	-----------------

CACHUMA RESERVOIR

Capacity at 750' elevation:	188,030 Acre Feet
Capacity at sill of tunnel 660' elevation:	26,109 Acre Feet

Stage of Reservoir Elevation	743.1 Feet
Water in Storage	168,036 AF
Area	2,784
Evaporation	335.0 AF
Inflow	266.1 AF
Downstream Release WR8918	0 AF
Fish Release	352.3 AF
Spill/Seismic Release	0 AF
State Project Water	0 AF
Change in Storage	-2,603 AF
Tecolote Diversion	2,483.6 AF

Rainfall: Month: 1.30 Season: 3.25 Percent of Normal: 325%

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06-07 ENTITLEMENT

**CACHUMA OPERATION AND MAINTENANCE BOARD
WATER PRODUCTION AND WATER USE REPORT
FOR THE MONTH OF JANUARY 2007 AND THE WATER YEAR TO DATE**

(All in rounded Acre Feet)

				MONTH TOTAL			YTD TOTAL
WATER PRODUCTION:							
Cachuma Lake (Tec. Diversion)				2,484			9,534
Tecolote Tunnel Infiltration				176			681
Glen Anne Reservoir				0			0
Cachuma Lake (County Park)				3			15
State Water Diversion Credit				0			206
Gibraltar Diversion Credit				0			0
Bishop Ranch Diversion				0			0
Meter Reads				2,672			9,363
So. Coast Storage gain/(loss)				45			(68)
Total Production				2,663			10,230
Total Deliveries				2,717			9,501
Unaccounted-for				(55)			729
% Unaccounted-for				-2.05%			7.13%
WATER USE:							
	GWD	SB CITY	MWD	CVWD	SYRWCD	TOTAL	
					I.D. #1		
M&I	1,030	804	308	119	3	2,264	
Agricultural	258	0	35	115	0	408	
TOTAL FOR MONTH	1,288	804	343	234	3	2,673	
Same Mo/prev. yr	708	528	174	165	4	1,580	
M&I Yr to date	3,633	2,557	1,117	466	14	7,787	
Ag. Yr to date	966	0	155	451	0	1,572	
TOTAL YTD	4,599	2,557	1,272	917	14	9,360	
USAGE % YTD	32.6%	17.6%	37.3%	20.1%	0.6%	23.9%	
Previous Year/YTD	3,426	1,673	980	884	17	6,980	
Evaporation	4	12	0	3	0	19	
Evaporation, YTD	57	100	6	25	0	188	
Entitlement	9,322	8,277	2,651	2,813	2,651	25,714	
Carryover	4,884	6,790	715	1,836	0	14,225	
Carryover Balances Spilled YTD	0	0	0	0	0	0	
Surplus^^	0	0	0	0	0	0	
State Water Exchange^	94	64	64	42	(264)	0	
Transfers*/Adjustment***	0	0	0	0	0	0	
Passthrough H2O**	0	(24)	0	0	0	(24)	
TOTAL AVAILABLE	14,300	15,107	3,430	4,691	2,387	39,915	
REMAINING BALANCE	9,644	12,450	2,152	3,749	2,373	30,367	

** City relinquished 6 AF per "Passthrough" agrmt for January 2007 (No Passthrough during spill conditions).

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 0 AF; (Ratheon 0 AF).

^ Per SWP Exchange Agrmt GWD received 0 AF; MWD received 0;

City of SB received 0 AF; and CVWD received 0 AF from ID#1 in January 2007.

PERCENT OF WATER YEAR ELAPSED:

33.3%

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

MONTH	DELVRD TO LAKE	Delvd CVWD		Delvd MWD		Delvd S.B.		Delvd GWD		Delvd LCMWC		Delvd RSYS		Delvd MLC		
		Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	
2006																
Bal. Frwd		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
January	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
February	111	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	
April		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	
June	60	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
July	121	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
August	111	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
September	150	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
October	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
November	106	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	
Total	759	0	0	0	0	0	0	0	0	704	0	799	55	0	55	0

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

MONTH	DELVRD TO LAKE	Delvd CVWD		Delvd MWD		Delvd S.B.		Delvd GWD		Delvd LCMWC		Delvd RSYS		Delvd MLC	
		Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC	Delvd to Lake	Delvd to SC
2007															
Bal. Frwd		0	0	0	0	0	0	0	0	0	0	0	0	0	0
January	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February		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
April		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
June		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
August		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
October		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
December		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Operations Report – January 2007

Cachuma Project water usage for the month of January 2007 was 2,672 acre-feet, compared with 1,675 acre-feet for the same period in 2006. Cachuma Project water use for the 12 months ending 31 January 2007 was 26,228 acre-feet, compared with 28,244 acre-feet for the 12 months ending 31 January 2006.

The average flow from Lake Cachuma into the Tecolote Tunnel was 80 acre-feet per day. Lake elevation was 744.04 feet at the beginning of the month and 743.10 feet at the end. Recorded rainfall at Bradbury Dam was 1.30 inches for the month and 3.25 inches for the rainfall season, which commenced on July 1, 2006.

Santa Barbara wheeled 347 acre-feet of Gibraltar water through Lauro Reservoir during the month. 0 acre-feet of State Water Project water was wheeled through Cachuma Project facilities and delivered to South Coast Member Units during the month.

Structure rehabilitation continued this month with the rehabilitation of 9 lateral and two blow-off structures. These facilities were completed during two scheduled shutdowns on the upper reach of the SCC. The structures rehabbed were lateral structure 3, 9, 10, 11, 12, 14, 15, 16, and 17, and blow-off 23+97 and 30+61. Only four out of the 84 structures on the upper reach will require future shutdowns for rehabilitation. Three of these facilities will require several weeks of work due to the high level of maintenance required. One of these structures is scheduled this year and two in the next year. Miscellaneous work is still required on many of these structures. Miscellaneous work includes painting the hatches, ladder replacement, confined space signs, structure numbers, riser piping, and discharge piping. Much of this work is scheduled for completion this summer.

Exercising, evaluation, and setting of the limits and torque limiters were conducted on the three slide-gates at the Corona Del Mar Turnout. This was the first opportunity to operate these new slide-gates that were installed summer of 2006. All the limits and torque setting were set, all the slide-gates were operated and exercised. Two of the slide-gates operated satisfactorily but one of the slide-gates had problems operating under full head condition. This issue will be evaluated and corrective action will be taken.

Staff assisted Montecito Water District in the reconfiguration of Ortega Control Station to deliver water through a different route due to a MWD main break. This was an emergency operation that was conducted at the request of MWD staff. The main break was repaired and the system returned to normal operations.

Miscellaneous work completed this month includes:

- Testing and acceptance of the new hydraulic valve actuator for the Lauro Dam 36-inch Outlet Works butterfly valve.
- Checked sites after rain and cleaned required culverts.
- Work continued on the COMB GIS system.
- Troubleshoot electrical problem on mobile crane.

- Relocate phone system to main office building.

Routine operation and maintenance activities conducted during the month included:

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



Brett Gray
Operations Supervisor

CACHUMA RESERVOIR

DISPOSITION OF 2006 SURCHARGE WATER "FISH ACCOUNT" (UNOFFICIAL)

DATE	DESCRIPTION	AMOUNT (acre feet)	SURCHARGE BALANCE (acre feet)
5/31/2006	End of Spill Surcharge	9,200	9,200
6/30/2006	June Fish Release	605	8,595
7/31/2006	July " "	620	7,975
8/31/2006	August " "	613	7,362
9/30/2006	September " "	596	6,766
10/31/2006	October " "	409	6,357
11/30/2006	November " "	354	6,003
12/31/2006	December " "	360	5,643
1/31/2007	January " "	352	5,291
2/28/2007	February " " projected	328	4,963 projected
3/31/2007	March " "	400	4,563
4/30/2007	April " "	400	4,163
	TOTAL		9,200

kr\comb\cachuma 2006 surcharge account 022807

ITEM # 5e

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RESOLUTION NO. 453

RESOLUTION OF THE CACHUMA OPERATION AND MAINTENANCE BOARD REGARDING REPAYMENT OF THAT CERTAIN CONTRACT FOR THE REPAYMENT OF FUNDS EXPENDED FOR THE FEDERALLY PERFORMED SAFETY OF DAMS ACT MODIFICATION PROGRAM AT LAURO DAM AND RESERVOIR

(CONTRACT NO. 05-WC-20-2923)

WHEREAS, Cachuma Operation and Maintenance Board ("COMB") has entered into a contract with the United States of America obligating COMB to repay to the United States of America a percentage of the funds expended by the United States of America in carrying out certain modifications to the Lauro Dam and Reservoir under the Federal Safety of Dams Act; and

WHEREAS, the Lauro Dam and Reservoir is operated and maintained for the benefit of the four south coast member units, Goleta Water District, City of Santa Barbara, Montecito Water District and Carpinteria Valley Water District; and

WHEREAS, Article IV, section 4.2 of the 1996 Amended And Restated Agreement For The Establishment Of A Board Of Control To Operate And Maintain The Cachuma Project - Operation and Maintenance Board as further amended September 2003, ("JPA") provides; and

"4.2 Cachuma Project Costs. Parties shall divide and pay the administrative costs, the storage and operation and maintenance costs, conveyance and operation and maintenance costs, including the payment of any loan or obligations incurred by the Cachuma Operation and Maintenance Board pursuant to the provisions of Article I, section 1.3(h) iv) and section 1.3(i) according to the use of the facilities and the participation in the benefit of the annual yield of the Cachuma Project. Such costs shall be assessed to the parties upon a schedule approved by the Cachuma Operation and Maintenance Board; and

WHEREAS, member unit Santa Ynez River Water Conservation District, Improvement District No. 1 ("ID #1"), receives no benefit from the operation of the Lauro Dam and Reservoir; and

WHEREAS, the member units of COMB have determined that ID #1 should not be obligated to pay any part of the obligations under said contract; and

WHEREAS, this resolution is not intended to be an amendment to the JPA.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Cachuma Operation & Maintenance Board:

1. That the obligations incurred by COMB under Contract No. 05-WC-20-2923 between COMB and the United States of America shall be borne and paid by the four south coast member units: Goleta Water District, City of Santa Barbara, Montecito Water District

and Carpinteria Valley Water District pursuant to the provisions of Article IV, section 4.2 of the JPA as quoted above.

2. That ID #1 shall not be obligated to pay any part of the obligations under Contract No. 05-WC-20-2923.

3. The COMB Board President is authorized to enter into and execute the attached Allocation Agreement regarding the agreed upon allocation of the obligations under Contract No. 05-WC-2923.

PASSED, APPROVED AND ADOPTED this 26th day of February 2007.

AYES:

NAYES:

ABSENT/ABSTAIN:

President of the Board

ATTEST:

Secretary

ALLOCATION AGREEMENT

This Allocation Agreement (“Agreement”) is entered into this 26th day of February, 2007, in the County of Santa Barbara, by and between the Cachuma Operation and Maintenance Board, a joint powers authority (COMB), Goleta Water District, City of Santa Barbara, Montecito Water District, Carpinteria Valley Water District and the Santa Ynez River Water Conservation District, Improvement District No. 1 (“ID#1”), with reference to the following facts and intentions:

A. COMB has entered into Contract No. 05-WC-20-2923 with the United States of America obligating COMB to repay to the United States of America a percentage of the funds expended by the United States of America in carrying out certain modifications to the Lauro Dam and Reservoir (“Lauro Dam Project”) under the Federal Safety of Dams Act (“Contract No. 05-WC-2923”);

B. The 1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project – Cachuma Operations and Maintenance Board (“JPA”) provides that the member agencies shall divide and pay the operations and maintenance costs according to their proportionate use of and benefit from the facilities

C. Lauro Dam and Reservoir is operated and maintained for the benefit of the four south coast members of COMB: Goleta Water District, City of Santa Barbara, Montecito Water District and Carpinteria Valley Water District (“South Coast Members”);

D. ID#1 receives no benefit from Contract No. 05-WC-2923 or from the operation of the Lauro Dam and Reservoir; and

E. COMB and its members agencies have determined that the South Coast Members shall be solely responsible for COMB’s obligations under Contract No. 05-WC-2923.

NOW, THEREFORE, the parties agree as follows:

1. Contract No. 05-WC-2923. COMB and the South Coast members agree that the South Coast Members shall be solely responsible and pay for all of COMB’s obligations, debts and liabilities related to Contract No. 05-WC-2923 and that ID#1 shall not have any such responsibility or obligation.

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

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

4. Counterparts. This Agreement may be executed in several counterparts, each of which will be deemed an original but all of which will constitute one and the same instrument.

However, in making proof hereof, it will be necessary to produce only one copy hereof signed by the party to be charged.

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

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

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

CITY OF SANTA BARBARA:

President

President

ATTEST:

ATTEST:

Secretary

Secretary

GOLETA WATER DISTRICT:

MONTECITO WATER DISTRICT:

President

President

ATTEST:

ATTEST:

Secretary

Secretary

CARPINTERIA VALLEY WATER DISTRICT:

President

ATTEST:

Secretary

CACHUMA OPERATION AND MAINTENANCE BOARD:

President

ATTEST:

Secretary

**Santa Barbara Countywide
Integrated Regional Water Management Plan
Cooperating Partners Meeting
Final Minutes**

**December 19, 2006
2:00 pm – 5:00 pm**

**Meeting Location:
Central Coast Water Authority (CCWA), Board Room
255 Industrial Way, Buellton**

Attendees

Cooperating Partners

Robert Almy, Santa Barbara County Water Agency; Joe Barget, Vandenberg Village CSD; Charles Blair, Vandenberg Village CSD/Mosquito Vector Management District, SB County; Rachel Couch, Santa Barbara County; Eric Erland, City of Lompoc; Bill Ferguson, City of Santa Barbara Water Resources Division (telephone); Len Fleckenstein, Santa Barbara County Water Agency; Dale Lipp, City of Carpinteria Public Works (telephone); Autumn McKee, City of Santa Barbara Creeks Division; Warren Morgan, GSWC; Misty Williams, Goleta Water District; Kate Rees, CCRB and COMB; Matt Roberts, City of Carpinteria Parks Department (telephone); Steve Tanner, Pueblo Water Resources; Brad Vidro, City of Solvang; Bruce Wales, Santa Ynez RWCD

Others Present

Kathy Caldwell, CH2M HILL (telephone); Shruti Chandra, Santa Barbara County Water Agency/Dudek; Lorraine Woodman, CH2M HILL

Proceedings

The meeting was called to order at 2:11 by Rob Almy.

Public Comments for Items not on the Agenda

None.

Approval of 11-30-06 Meeting Minutes

The minutes were approved; Kate Rees abstained.

General Update on Progress

Rob Almy—There was a good turnout at last stakeholder's meetings; the public provided positive input into the process. The IRWMP team has been working on the document -

particularly issues and challenges, integration, and project matrices. Additionally, they have been continuing to have discussions with State regarding the IRWMP. DWR's Tracie Billington said that an objective addressing infrastructure would be viewed favorably and should relate to how infrastructure is viewed in the State Water Plan. The team also is looking at other integrated plans that ranked highly and arriving at an approach that is effective and acceptable to the State agencies. The IRWMP team spent several hours with Lynn Rodriguez, with Ventura County, asking her about process and substance regarding Ventura's IRWMP. Another meeting may be held with San Luis Obispo and Ventura counties to share thoughts – it is especially important to talk to SLO because of Prop 84 because the State will likely allocate Prop 84 funds to the entire Central Coast Region as a whole, rather than separately to individual counties. Rob met with the SLO Manager of Environmental Affairs Section of the Public Works Department to discuss the IRWMP. Monterey is also having discussions with SLO. SB will need to talk to Monterey, Santa Cruz, etc. because of Prop 84.

Kate Rees--many regions are just beginning their IRWMPs. Now all of the Association of California Water Agencies is involved and aware of the process. This is a good message to take back to the Cooperating Partners' Boards. Other agencies are struggling with how to define regions. The State is looking to develop integrated plans including other resources, such as energy and land use. There will be less oversight by the State for individual projects – local agencies are to figure out how to best use funding.

Integration Update

Bill Ferguson, Kate Rees, and Rob Almy are working on an integration write up. It eventually will become a section of plan where we talk about our history of integrated planning where we share common resources. Santa Barbara has a strong history of integrated systems and agreements. Cooperating Partners are to provide comments to Shruti by next Wednesday. The discussion will be emailed after this meeting. The Santa Maria adjudication will be included in the discussion of integration. The integration discussion will be included in multiple places in the text.

Approval of Regional Priorities

The IRWMP will recognize that short-term objectives also can be long-term objectives. The Cooperating Partners approved making changes to groundwater recharge and quality priorities, to be edited by Bruce Wales and added to the draft plan.

Review "Key Water Issues and Challenges"

Input is needed from the Cooperating Partners. We need to make sure that the Santa Maria adjudication is described well. This should be provided to CH2M HILL by next Friday at noon. Use comment inserts to flag comments from other people. Bruce and Bill can see how their work is translated. The Partners should put X's to identify whether issues are being addressed or not and add discussions in the Notes column where appropriate; conflicts should be discussed with Bill and Bruce. Bruce and Bill to put X's where they can, but they need help from wastewater people and Bill Brennan regarding SWP water. The County will look at them after Bill and Bruce have added their input. Rob Almy will talk to Teresa Reyburn about her comment – "what is the source of nitrate contamination?"

Charles Blair – *Arundo donax* can cause multiple problems, including flooding. Need to work with Dave Chang to hit spots now. Maybe the work will get done faster than the plan is implemented, but it should be in the plan.

Charles Blair – The IRWMP needs input from Vector Control regarding projects in the Goleta Slough – don't want to interfere with their efforts. The integration discussion should be expanded to include other agencies' concerns.

Water quality issues should be quantified in the text as much as possible. ID #1 has a well that they can't use because nitrate levels are too high – use statistics to help people understand the magnitude of the issue.

Project Evaluation

Rob Almy – Projects are not being ranked now, only sorted into two groups. The Cooperating Partners need to make sure that dots are placed correctly in the matrix. Projects were sorted using nine sets of priorities. A few agencies' projects dominated the rankings when doing it this way. A suggested method is to first sort by watershed, then score – the State supports watershed planning – this approach is defensible. Projects that are South Coast-oriented may rank highly, but they don't compete against projects in other areas and don't force a comparison of the importance of projects in the South Coast with those in the North.

Bill Ferguson – we should also consider population served in addition to watershed – this definitely should matter for grant applications.

Rob Almy – the first bucket of projects should capture the projects that will be sent to the State. It would be good to gather information regarding population served – maybe dollars per capita.

Bruce Wales – dissents because high population areas produce impacts in low population areas – there is no relationship between dollars people send to the State and the dollars they get back. Water goes to the South Coast, but the impacts occur in the Santa Ynez Valley, which has a low population.

Rob Almy – it would be good to collect data without passing judgment. Information regarding population served doesn't need to be included in the plan. We don't need to settle on ranking criteria for grant proposals now.

Rob Almy – We will move forward with the watershed concept, then come up with reasonable number of projects in each watershed. This will identify the higher priority projects in each watershed.

Rob Almy – CH2M HILL should add the San Antonio Creek watershed to the matrices and say that there are no projects in this watershed at this time. Only two entities are located there – Los Alamos CSD and VAFB. The San Antonio Creek Consolidated Resource Management Plan is in effect – no projects are included in the IRWMP because issues are being addressed through this other mechanism. No public agencies are involved – the landowners are choosing to use another mechanism.

The master list of projects will be sent to the Cooperating Partners, who will modify them and send them to Mike Maxwell. Call the County if needed to clarify an items in the matrices. Changes are due Friday.

Upcoming Meetings

The project list and grouping will be shown to participants at the Stakeholder Workshops held on January 3 in Santa Barbara at the County Employee's University and on January 4 in Lompoc at the County Administration Building, 4th District Supervisor's Meeting Room. Both workshops are scheduled from 5-7 PM.

The January 17 Cooperating Partners Meeting will be held from 9-12, probably at the Goleta Sanitary District.

Adjourn

The meeting was adjourned at 4:42 by Rob Almy.

**Santa Barbara Countywide
Integrated Regional Water Management Plan
Cooperating Partners Meeting
Final Minutes
January 17, 2007
9:00 am – 12:00 noon**

Location: Goleta Sanitary District's Board Room, One William Moffett Place

Attendees

Cooperating Partners

Robert Almy, Santa Barbara County Water Agency; Joe Barget, Vandenberg Village CSD; Jeff Dameron, La Cumbre Mutual Water District; Bill Ferguson, City of Santa Barbara Water Resources Division; Brett Gray, COMB; Bob McDonald, CVWD; Kenneth Learned, Mosquito and Vector Control District of Santa Barbara County; Gary McFarland, GWD; Autumn McKee, City of Santa Barbara Creeks Division; Mary Martone, SYRWCD, ID #1; Warren Morgan, GSWC; Lars Nilsson, City of Carpinteria (telephone); Teresa Reyburn, City of Santa Maria; Bob Roebuck, Montecito Water District; Bruce Wales, Santa Ynez RWCD (telephone); Kathleen Werner, Goleta Sanitary District

Others Present

Kathy Caldwell, CH2M HILL (telephone); Shruti Chandra, Santa Barbara County Water Agency/Dudek; Lorraine Woodman, CH2M HILL

Proceedings

The meeting was called to order at 9:17 by Shruti Chandra.

No public comments for items not on agenda were received.

The minutes of the 12-19-06 Cooperating Partners meeting were approved.

Comments on the Preliminary Draft IRWMP are due on January 26, using the comment form provided. Word files will be provided for substantive revisions.

New Project Information forms are due on January 26th as well.

Comments by Lynn Rodriguez, Watershed Alliance of Ventura County

The Ventura IRWMP included participants such as NGOs who didn't necessarily contribute funds. In this way, the Santa Barbara structure for project proponents is set up differently.

It is very important to maintain a strong relationship with DWR and SWRCB. Ventura was active in statewide meetings and met with local regulatory agencies – including the Corps of Engineers, U.S. Fish and Wildlife Service, and Department of Fish and Game.

The SWRCB staff was very supportive and reviewed Ventura’s list of projects, goals, and objectives.

They developed a matrix of 152 projects showing how they met objectives, etc. and which projects met regional needs. Whether a project was selected for the grant application had much to do with what was ready to proceed or underway.

They did not do a formal evaluation/prioritization of projects. Those who represented interests in each group decided which projects should be the highest priority.

The County of Ventura will administer the grant and may use a consultant to help. The Project Director will be Sue Hughes. A committee of project proponents in the region will help drive the program.

The Santa Barbara IRWMP needs to talk about who will administer the program. The State won’t reimburse for overhead; there is a question regarding whether it can be considered part of the match.

Ventura is doing a survey and collecting information to be kept in a central database. This is addressed in one of the IRWMP appendices and reflects their regional needs.

Lynn believed that Ventura was successful because they have had an inclusive and flexible process. They dropped projects that the State wouldn’t fund based on the State’s review of their project list. Their plan showed respect for diverse interests, accountability, and was implementation focused.

At first, the State Board adopted funded plans, and DWR funded those without adopted plans. Lynn isn’t clear if there is difference in which agency is assigned to an IRWMP region. It could possibly be based on types of projects.

Urban Water Management Plans (UWMPs) have to be deemed complete/adopted before an agreement can be executed. If needed, the State will move the UWMPs to the top of the list for review. Boards need to adopt revisions. Groundwater management plans must be in place if there is a groundwater management component to a project for which grant funding is being sought. This does not apply to adjudicated basins.

Project Evaluation

The Cooperating Partners are seriously considering comments made by Channelkeeper regarding the approach to ranking projects (e.g., there is overlap between objectives, priorities, and strategies that result in double counting and boosting the scores of certain types of projects). For now, we are only trying to sort projects into two buckets; the approach may be modified or a different approach chosen when it is time to apply for grant applications. The public will have a chance to formally review projects and the ranking system during the review period for the Draft IRWMP

Shruti will post tables showing project rankings on the web site.

All successful applicants had at least a 100 percent grant match. Some had more than that. Tracie Billington will be questioned about matching funds—how much is needed and whether this needs to be in the IRWMP. It is important to schedule a discussion in April regarding ranking criteria and matching funds.

Tracie Billington also needs to be asked whether the State will allow administrative costs.

For the IRWMP, the agencies need to think about how they could finance and maintain the projects. The IRWMP probably will have a generic discussion of different funding types for different types of projects. The Cooperating Partners are to provide this text.

Review of Preliminary Draft IRWMP

Cooperating Partners should try to avoid conflicting comments by coordinating internally— one set of comments should be submitted from each agency.

Comments to Lorraine Woodman and cc'd to Shruti Chandra; CH2M HILL will compile the comments into a single matrix and with the County, will review them for issues that require further discussion.

The Preliminary Draft IRWMP was sent to some stakeholders, and their comments will be considered.

Coordination with DWR/SWRCB

Corinne Huckaby and Natalia Deardorff will be at the next Cooperating Partners meeting on February 1st. They have been sent the Preliminary Draft IRWMP, along with Tracie Billington.

The Public Draft IRWMP, projects, and project rankings need to be discussed with the State. The Cooperating Partners may wish to attend this meeting, which is yet to be scheduled.

The Corps of Engineers and Department of Fish and Game has been invited to the IRWMP meetings.

The meeting was adjourned at 11:50.

**Santa Barbara Countywide
Integrated Regional Water Management Plan
Cooperating Partners Meeting**

**February 1, 2007
9:00 am – 12:00 noon**

Meeting Location:

Santa Barbara County (North County) Public Works Building
620 W. Foster Road, Santa Maria (directions below)

Conference call phone: 866 222 0917 and participant code 861785

Agenda

- 9:00 Welcome and Introductions
- Special introduction of Natalia Deardorff, DWR and
Corinne Huckaby, CCRWQCB
- 9:10 Public comments for items not on agenda
- 9:15 Approval of 1-17-07 meeting minutes
- 9:20 General update on progress
- Overview of Meeting with Tracie Billington, DWR - 1/30
 - Review of DWR Prop 50/84 Workshop - 1/31
 - Governance
 - Compliance with UWMP Act and Groundwater Water Management Plan requirement
- 10:10 Overview of Comments on Preliminary Draft IRWMP
- 11:10 Q/A with Natalia and Corinne
- 11:45 Review of Schedule (final internal review draft sent out 2/16)
- 11:50 Closing Remarks
- 12:00 Adjourn

Kate Rees

From: Susan Hughes [Susan.Hughes@ventura.org]
Sent: Monday, January 29, 2007 6:22 AM
To: Susan Hughes
Subject: Update on Prop 50 and Prop 84 funding



DWR scoping
meeting1-23-07_1.p.

WCVC Members -

There has been a lot information circulating since the State Water Resources Control Board (SWRCB) meeting on January 18th when the initial round of Step 2 IRWMP Implementation Grant funding was approved by the Board. Dee and I thought it might be helpful to fill you in on the details.

As you know, WCVC's Implementation Grant was one of seven \$25 million grants awarded by the State, and one of three approved for management by the SWRCB. During the SWRCB hearing, proponents of the grant applicants that scored high in the Step 2 process but were not awarded grants (specifically the Santa Ana Watershed Project Authority, Salinas Valley, and Mojave Dessert) appealed to the Board to award the remaining Prop 50 funds to their projects rather than go through another round of applications. SWRCB staff and Department of Water Resources (DWR) staff acknowledged the good work done by these groups but recommended the State Board consider that many other groups in the state were working under Prop 50 IRWMP Planning grants that the State had awarded in an effort to ready plans to compete for the second round of Prop 50 Implementation grants. Those groups were not represented at the hearing to express their opinions. In the end, the SWRCB voted to support staff's recommendation to approve the three Implementation Grants (including WCVC's) and to schedule an agenda item for their next board meeting to consider expanding the list of Step 2 grant recipients rather than hold a second round of applications. The Board justified this decision by suggesting that Prop 84 would allow for other projects to compete for funding in the near future.

The following week on January 23rd, DWR held the first of two scoping meetings on bond funding in Sacramento for Propositions 50, 84 and 1E. The concept of expanding the first round of Prop 50 grants to additional Step 2 submittals, rather than hold a second round of grant applications, was a subject of discussion at this meeting as well. DWR staff and SWRCB staff appear to be leaning in this direction now. (Please see the attached observations from Daniel Cozad, who attended the January 23rd scoping meeting. These comments were widely circulated by the Association of California Water Agencies.) For additional information, DWR's press release announcing its decision to re-examine the remaining grant applications is available at the attached link <http://www.publicaffairs.water.ca.gov/newsreleases/2007/011907grants.cfm>

A second scoping meeting is scheduled to be held in Alhambra on January 31st. Our entire project team for WCVC will be attending this scoping meeting to ascertain the process for pursuing Prop 84 IRWM grants and to advocate for future WCVC projects. Your participation is welcome. Details on the meeting follow:

DWR Scoping Meeting on Prop 50, Prop 84 and Prop 1E Wednesday, January 31, 2007 10 am LA County Public Works Alhambra Room 900 South Fremont Avenue Alhambra, CA 91803

We will provide a full briefing on the scoping meeting at our regularly scheduled WCVC meeting on Thursday, February 8th, at 9:30 AM, at the County Government Center. An agenda for that meeting will be sent under separate email.

DWR Scoping Meeting - Jan 23, 2007

Observations

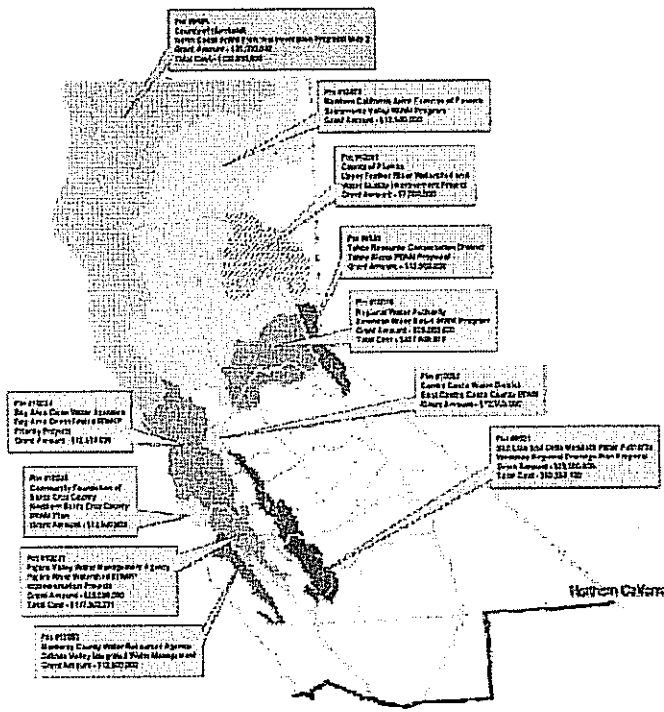
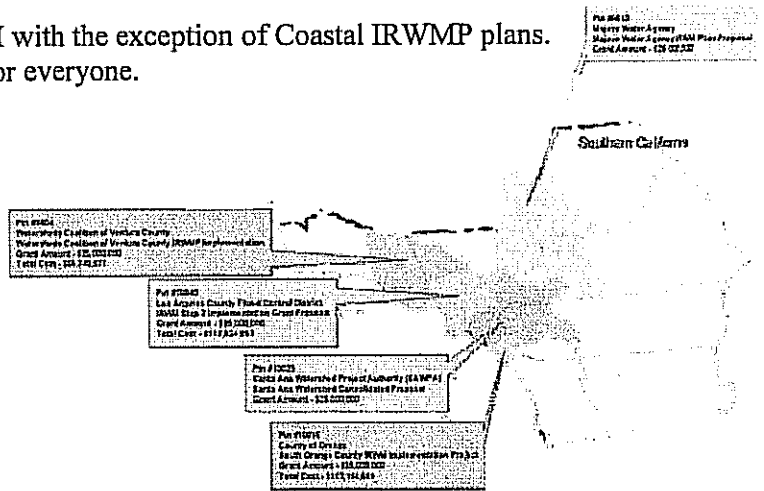
DWR and the State Board proposing to advance funding from Prop 50, previously proposed for Round II, into funding the remaining Round I step II proposals. This would leave \$64 M remaining.

State Board would like to reserve their \$30M for Coastal Integrated Planning efforts DWR proposes to roll their \$30M into a consolidated program for funding Prop 84, Prop 1E Flood/Stormwater, and remaining Prop 50 funding.

This would effectively eliminate Round II with the exception of Coastal IRWMP plans. DWR admitted that this is a win or lose for everyone.

The winners are:

- South**
 Santa Ana Watershed Project Authority (\$25 million)
 Mojave Water Agency (\$25 million)



- North** (reduced because of the legislative limits of funds (60% max))
 Bay Area Clean Water Agencies (\$12.5 million)
 Tahoe Resource Conservation District (\$12.5 million)
 Contra Costa WD (\$12.5 million)
 Monterey CWRA (\$12.5 million)
 Northern California JEP (\$12.5 million)
 CF Santa Cruz County (\$12.5 million)
 Plumas County (\$7 million)

The losers are:
 Agencies and Regions that were planning on Round II, Prop 50 Chapter 8 funding that can not tailor their request to a coastal application. Vocal examples were CABY, San Diego, Santa Barbara, San Joaquin and others.

Additionally because of the legislative limits on grant percentages no more than 60% can go to Northern California, **most all future coastal applications will have to fund Southern California plans.**

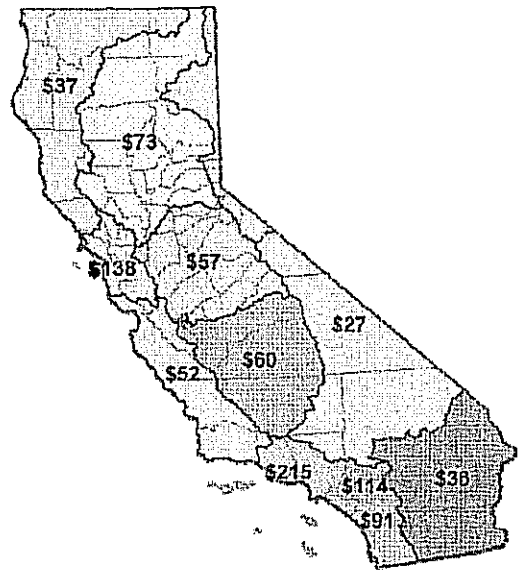
Implications:

Unless your region has a strong compliant and perfected plan covering the new areas ie "84 ready" focus on the Prop 84 process and funding. Follow closely the DWR Scoping and Guideline process. Their goals are to

- Raise the bar on IRWMP
- Improve governance as a critical component of the new process
- Improve and review region coverage and stakeholder participation
- Develop different models of competition based on Performance rather than direct competition, because there may not be competitors in some regions.

DWR is looking at a staged process to start post prop 84 work beginning with meetings in each region and working closely with every planning region within each funding area shown at right.

- Will need to prepared and scope of work for a compliant plan in order to qualify for a planning grant.
- You will need an approved compliant and adopted Plan to qualify for implementation grants. DWR will work with regions to assist in each of these steps.



The optimistic schedule is shown below:

- Jan 07 – Scoping Meetings January 23 and 31st
- Feb-Mar 07 – Funding Area Meetings
- Feb-Apr 07 – DWR working with regions
- June 07 – Release Draft Guidelines and PSPs
- July 07 – Public Comment Period
- Sept 07 – Final Guidelines and PSPs

Other Changes from the Prop 50 Chapter 8 Process

Prop 84 also calls for consideration of 24 resource management strategies in the B160 State Water Plan.

Required Resource Management Strategies

1. Agricultural lands stewardship
2. Agricultural water use efficiency
3. Conjunctive management and groundwater storage

4. Conveyance
5. Desalination
6. Drinking water treatment and distribution
7. Economic incentives (Loans, Grants, and Water Pricing)
8. Ecosystem restoration
9. Floodplain management
10. Groundwater remediation/Aquifer remediation
11. Matching water quality to water use
12. Pollution prevention
13. Precipitation enhancement
14. Recharge areas protection
15. Recycled municipal water
16. Surface storage-CALFED
17. Surface storage-regional/local
18. System reoperation
19. Urban land use management
20. Urban runoff management
21. Urban water use efficiency
22. Water-dependent recreation
23. Watershed management
24. Water transfers

Others

25. Crop idling for water transfers
26. Irrigated land retirement
27. Dewvaporation or atmospheric pressure desalination
28. Rainfed agriculture
29. Fog collection
30. Waterbag transport/storage technology

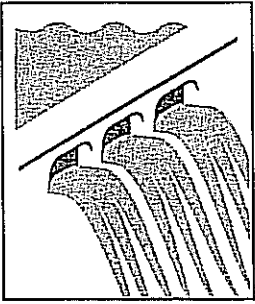
Shown Below are the State Water Management Objectives or benefits that the consideration may be based on, your goals and priorities.

State Water Management Objectives

- Provide Water Supply Benefit
- Improve Drought Preparedness
- Improve Water Quality
- Operational Flex & Efficient
- Reduce Flood Impacts
- Environmental Benefits
- Energy Benefits
- Recreational Opportunities
- Reduce GW Overdraft

The following shows the program preferences for plans and applications

- Integrate water management program & projects
- Integrate water management with land use planning
- Resolve significant water-related conflicts within or between regions
- Attain one or more CALFED Objective
- Address Statewide Priorities
- Address critical water supply or water quality needs for disadvantaged communities



CACHUMA
CONSERVATION
RELEASE BOARD

Carpinteria Valley
Water District

City of Santa Barbara

Goleta Water District

Montecito Water District

February 8, 2007

VIA E-MAIL and REGULAR MAIL

Mr. Lester Snow, Director
California Department of Water Resources
P.O. Box 942836
1416 9th Street
Sacramento CA 95814

Mr. Thomas Howard, Acting Executive Director
State Water Resources Control Board
1001 "I" Street
Sacramento CA 95814

Re: Integrated Regional Water Management Grant Program Guidelines

Dear Messrs. Snow and Howard:

As a Cooperating Partner of the Santa Barbara Countywide Integrated Regional Water Management Plan (IRWMP), Cachuma Conservation Release Board (CCRB) would like to urge the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) to protect the integrity of the Proposition 50 grant process and adhere to the established Integrated Regional Water Management Grant Program Guidelines (Guidelines) issued November 2004 by DWR and the SWRCB. In those Guidelines, two funding cycles were established, each with open competition for the IRWMP Implementation Grants funds from Chapter 8 of Proposition 50.

As President of CCRB, I would like to submit the following comments of significant concern regarding the DWR and SWRCB recent evaluation of funding additional Round 1 proposals using funds designated for Round 2 of the Proposition 50 Implementation Grants process:

- The citizens of Santa Barbara County voted for Proposition 50 for the opportunity, as a South Coast competitor, to access approximately \$200 million in planning and implementation grant funding in an open and fair process.
- To take away funding designated for Round 2 in order to satisfy special interests, while other regions are working diligently to apply for the second round of funding, is inequitable and biased.

3301 LAUREL
CANYON ROAD
SANTA BARBARA
CALIFORNIA
93105 - 2017

TEL 805 569-1391
FAX 805 569-5825
www.ccrb-comb.org

- Moving funds to Step 2 Round 1 changes the terms of engagement mid-stream in the current Proposition 50 application process, forcing CCRB to compete with additional players (delineated for the Proposition 84 process), and for less money within a larger competitive area.
- What DWR and SWRCB is proposing would limit CCRB to only being eligible to apply for Prop 84 grant funds and compete for these funds with agencies that have already received funding from Prop 50.

With regard to the State's consideration of altering grant program guidelines, mid-stream in a two-round process, please take into account the following concerns:

- The investment(s) made to satisfy the existing guidelines for Proposition 50 cannot be ignored. The Cooperating Partners of the Santa Barbara Countywide IRWMP have, to date, collectively invested more than \$250,000 to produce an IRWMP, and that effort has demanded significant staff time of approximately 40 people from 29 different agencies within the County, over the past nine months.
- In addition, the boards and councils of these 29 agencies have reviewed and adopted a Memorandum of Understanding to coordinate under the current Proposition 50 guidelines.
- The demanding coordination effort made by the 29 participating agencies within Santa Barbara County in order to produce an IRWMP and integrate our projects is unprecedented. If this effort results only in a loss of opportunity due to a change in the rules, it is likely that we, as a region, may not accomplish this level of coordination again in the near future.
- We recognize that there is no guarantee that IRWMP efforts will result in successful implementation grant funding. However, it is only fair to ask participants to accept that risk if there is an open and competitive process. There is no fairness in the State's proposal to remove the open competition for Round 2 funding and move it to a revised and limited process when there are regions currently working in good faith to compete for it.

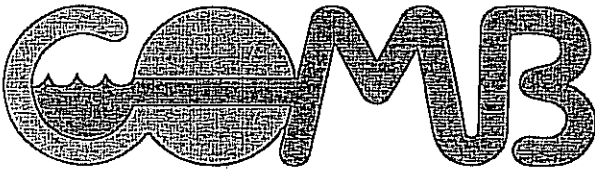
CCRB, therefore, strongly urges DWR and the SWRCB to maintain the Proposition 50 Chapter 8 Round 2 funding process, as is, consistent with the will of the voters. At the very least, any and all funds remaining after additional proposed awards are allotted should be strictly reserved for the agencies and regions that have been diligently preparing IRWM Plans for Round 2 funding.

Sincerely,



Jan Abel, President
Cachuma Conservation Release Board

cc: Santa Barbara Countywide IRWMP Cooperating Partners



CACHUMA OPERATION AND MAINTENANCE BOARD

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

February 8, 2007

VIA E-MAIL and REGULAR MAIL

Mr. Lester Snow, Director
California Department of Water Resources
P.O. Box 942836
1416 9th Street
Sacramento CA 95814

Mr. Thomas Howard, Acting Executive Director
State Water Resources Control Board
1001 "I" Street
Sacramento CA 95814

Re: Integrated Regional Water Management Grant Program Guidelines

Dear Messrs. Snow and Howard:

As a Cooperating Partner of the Santa Barbara Countywide Integrated Regional Water Management Plan (IRWMP), Cachuma Operation & Maintenance Board (COMB) would like to urge the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) to protect the integrity of the Proposition 50 grant process and adhere to the established Integrated Regional Water Management Grant Program Guidelines (Guidelines) issued November 2004 by DWR and the SWRCB. In those Guidelines, two funding cycles were established, each with open competition for the IRWMP Implementation Grants funds from Chapter 8 of Proposition 50.

As President of COMB, I would like to submit the following comments of significant concern regarding the DWR and SWRCB recent evaluation of funding additional Round 1 proposals using funds designated for Round 2 of the Proposition 50 Implementation Grants process:

- The citizens of Santa Barbara County voted for Proposition 50 for the opportunity, as a South Coast competitor, to access approximately \$200 million in planning and implementation grant funding in an open and fair process.
- To take away funding designated for Round 2 in order to satisfy special interests, while other regions are working diligently to apply for the second round of funding, is inequitable and biased.
- Moving funds to Step 2 Round 1 changes the terms of engagement mid-stream in the current Proposition 50 application process, forcing COMB to compete with additional

*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*

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players (delineated for the Proposition 84 process), and for less money within a larger competitive area.

- What DWR and SWRCB is proposing would limit COMB to only being eligible to apply for Prop 84 grant funds and compete for these funds with agencies that have already received funding from Prop 50.

With regard to the State's consideration of altering grant program guidelines, mid-stream in a two-round process, please take into account the following concerns:

- The investment(s) made to satisfy the *existing* guidelines for Proposition 50 cannot be ignored. The Cooperating Partners of the Santa Barbara Countywide IRWMP have, to date, collectively invested more than \$250,000 to produce an IRWMP, and that effort has demanded significant staff time of approximately 40 people from 29 different agencies within the County, over the past nine months.
- In addition, the boards and councils of these 29 agencies have reviewed and adopted a Memorandum of Understanding to coordinate under the current Proposition 50 guidelines.
- The demanding coordination effort made by the 29 participating agencies within Santa Barbara County in order to produce an IRWMP and integrate our projects is unprecedented. If this effort results only in a loss of opportunity due to a change in the rules, it is likely that we, as a region, may not accomplish this level of coordination again in the near future.
- We recognize that there is no guarantee that IRWMP efforts will result in successful implementation grant funding. However, it is only fair to ask participants to accept that risk if there is an open and competitive process. There is no fairness in the State's proposal to remove the open competition for Round 2 funding and move it to a revised and limited process when there are regions currently working in good faith to compete for it.

COMB, therefore, strongly urges DWR and the SWRCB to maintain the Proposition 50 Chapter 8 Round 2 funding process, as is, consistent with the will of the voters. At the very least, any and all funds remaining after additional proposed awards are allotted should be strictly reserved for the agencies and regions that have been diligently preparing IRWM Plans for Round 2 funding.

Sincerely,



C. Charles Evans, President
Cachuma Operation & Maintenance Board

cc: Santa Barbara Countywide IRWMP Cooperating Partners

TRUSTEES:

DIVISION 1 – LOS OLIVOS

Harlan J. Burchard

DIVISION 2 – SOLVANG

Jeff P. Clay

DIVISION 3 – SOLVANG

Lee F. Bettencourt

DIVISION 4 – SANTA YNEZ

Harry F. Poor

TRUSTEE-AT-LARGE

Matthew Loudon

**SANTA YNEZ RIVER
WATER CONSERVATION DISTRICT**

IMPROVEMENT DISTRICT NO. 1

P.O. BOX 157 • 3622 SAGUNTO STREET
SANTA YNEZ, CALIFORNIA 93460

TEL: (805) 688-6015 • FAX: (805) 688-3078

CHRIS DAHLSTROM
Manager/Secretary

HATCH & PARENT
A Law Corporation
General Counsel

February 8, 2007

Tam M. Doduc, Chair
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

(Via Facsimile 916-341-5620)

Re: February 20, 2007 Meeting Agenda – Financial Assistance/Agenda Item 6
Consideration of Approval of Additional IRWM Implementation Grants

Dear Chair Doduc and Members of the Board:

The Santa Ynez River Water Conservation District, Improvement District No.1 (District), as a Partnering Agency in a Santa Barbara County IRWMP process, has attended presentations on the recently-announced joint proposal of the Department of Water Resources and State Water Resources Control Board to eliminate the Prop 50, Cycle 2 grant application process in favor of awarding most of the remaining Prop 50 funding to the Cycle 1 applicants that were not selected during Step 2. While we understand the reasoning behind the proposal as expressed at the recent Scoping Meetings, we must – with all due respect – object to this last minute change in the grant program implementation. Also, it was understood that the guidelines might be changed for the Cycle 2 grant program; however, it was not contemplated that Cycle 2 might be eliminated altogether.

The Partnering Agencies with Santa Barbara County have collectively spent hundreds of hours of staff time and hundreds of thousands of ratepayer dollars over the past several months in order to be ready to submit a Prop 50 grant application in Cycle 2. The District requests that you reverse your tentative decision and proceed with an open and competitive process as initially intended for allocation of the remaining Prop 50 funding.

Thank you for your consideration of this request.

Very truly yours,



Chris Dahlstrom
General Manager

cc: Lester Snow, Director, Department of Water Resources
IRWMP Partnering Agencies and Santa Barbara County

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Kate Rees

From: Dave Bolland [DaveB@acwa.com]
Sent: Wednesday, February 21, 2007 10:58 AM
Cc: Krista Clark; Steve Hall; Whitnie Henderson
Subject: SWRCB Postpones Decision on IRWMP Propo 50 Grant AwardProposal

Yesterday SWRCB held a hearing on the proposal by DWR and SWRCB to award Prop 50 grants to fund several implementation grant proposals that had scored highly in the first round.

At the request of DWR Director Lester Snow, the SWRCB postponed its decision on this proposal and rescheduled it for hearing at its March 20, 2007 Board meeting.

DWR Deputy Director Mark Cowin told the SWRCB that Director Snow has directed his staff to consider an expedited Round 2 grant solicitation.

It is unclear whether this would involve only the remaining approximately \$64 million of Prop 50 funding, only the approximately \$30 million portion that DWR would administer, or would include all of the remaining Prop 50 funding and be an alternative to the previous proposal to immediately grant the proposed awards listed above.

At yesterday's hearing SWRCB did hear testimony from over 30 individuals (both pro and con) concerning the proposal to award Prop 50 grants as follows:

Santa Ana Watershed Project Authority \$25 million Mojave Water Agency \$25 million Tahoe Resource Conservation District \$12.5 million Contra Costa WD \$12.5 million Monterey CWRA \$12.5 million Northern California JEP \$12.5 million CF Santa Cruz County \$12.5 million Plumas County \$7 million

Representing ACWA and at the direction of Executive Director Steve Hall, I gave testimony indicating that ACWA was neither supporting nor opposing this proposal, continues to fully support IRWM planning but remains concerned about the affects of this current proposal on the stability of the on-going program and water community confidence in the grant making process, and that the Board prioritize additional funding for the statewide IRWM program instead of coastal programs, as they have proposed.

David Bolland
Senior Regulatory Advocate
Association of California Water Agencies 910 K Street, Suite 100 Sacramento, CA 95814-3577
Telephone: (916) 441-4545
Fax: (916) 325-2306
e-mail: daveb@acwa.com

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STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
FEBRUARY 20, 2007

ITEM 6

SUBJECT

CONSIDERATION OF ADOPTION OF ADDITIONAL INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT FUNDING LIST

DISCUSSION

Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, was passed by California voters in November 2002. It amended the California Water Code to add, among other articles, Section 79560 et seq., authorizing the Legislature to appropriate funding for Integrated Regional Water Management (IRWM) projects. The intent of the IRWM Grant Program is to provide funding via competitive grants for projects to protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water while encouraging water management on a regional level. Approximately \$386 million is available for IRWM grants split between the State Water Resources Control Board (State Water Board) and the Department of Water Resources (DWR). Approximately \$183 million is available from the State Water Board's funding allocation.

The Water Code requires that the IRWM Program be administered jointly by the State Water Board and DWR. The State Water Board and DWR adopted the IRWM Program Guidelines in November 2004. The IRWM Guidelines established the process by which the State Water Board and DWR jointly solicit applications, evaluate proposals, and award grants.

The Step 1 Proposal Solicitation Package (PSP) for the first funding cycle of the IRWM Implementation Grants was made available in March 2005. A total of 50 proposals were submitted electronically to the State Water Board's Financial Assistance Application Submittal Tool (FAAST) system by July 14, 2005. Of the 50 applicants, 16 were invited back for Step 2, including six regions that were asked to consolidate with other applicants. The Step 2 PSP was made available in March 2006, and all 16 applicants submitted proposals by the June 28, 2006 deadline.

The 16 IRWM Step 2 Implementation proposals represented a total of approximately 175 individual projects. Approximately \$382 million in grant funding was requested for projects totaling over \$2 billion.

The State Water Board and DWR coordinated the technical review process for both the Step 1 and Step 2 proposals based on criteria outlined in the IRWM Implementation Grant PSPs. The technical reviews were performed by staff from the State Water Board, Regional Water Quality Control Boards (Regional Water Boards), DWR Headquarters, DWR Districts, Department of Fish & Game, and the California Bay-Delta Authority.

On November 13, 2006, the State Water Board and DWR posted the Draft Funding Recommendations for the IRWM Implementation Grant Program, and evaluation summaries for each proposal. On November 16, 2006, the State Water Board and DWR held an Open House and Public Meeting to discuss the Draft Funding Recommendations and to accept public comments on those recommendations. The public comment period closed on December 8, 2006. After review of the comments, staff developed the Final Funding Recommendations.

At their January 18, 2007 meeting, the State Water Board adopted the IRWM Implementation Grant Funding List and concurred with DWR's IRWM Implementation Grant Funding List. The State Water Board directed staff to work with DWR and consider funding additional Step 2 IRWM proposals. Staff from the State Water Board and DWR considered the North-South split funding requirements, the recent passage of Proposition 84, and the State Water Board's required funding of at least one Integrated Coastal Watershed Management Plan. Based upon, but not limited to these considerations, staff developed Draft Additional Funding Recommendations. Scoping meetings were held to present the recommendations and accept public comments on January 23, 2007 in Sacramento, and January 31, 2007 in Los Angeles.

The written comment period ended on February 8, 2007. After review and consideration of the written comments, State Water Board and DWR staff completed their respective Additional IRWM Implementation Grant Funding List recommendations (Exhibits A and B). These recommendations

are for the State Water Board's and DWR's consideration. At present, DWR Director, Lester Snow has not made a final determination and will make his position known at the February 20, 2007 State Water Board meeting.

State Water Board staff is proposing to use the remaining balance of the State Water Board's IRWM funds for implementation grants that are consistent with adopted Integrated Coastal Watershed Monitoring plans. The State Water Board and DWR funded nine Integrated Coastal Watershed Management grants in the planning grant phase of the IRWM program. The Integrated Coastal Watershed Management (California Water Code Section 79563.5) planning areas are coastal watersheds that influence water quality in an area of special biological significance (ASBS). The proposal would reserve funds for projects that eliminate or significantly reduce pollution in impaired waters and sensitive habitat areas, including ASBSs.

Prior to the execution of all IRWM grant agreements, individual projects will be reviewed for eligibility and consistency with applicable funding guidelines and policies including, but not limited to, the Water Recycling Funding Program Guidelines and the State Revolving Fund Loan Program Guidelines. Adherence to the California Environmental Quality Act (CEQA) will also be reviewed prior to the implementation of eligible projects. Expertise in the areas of nonpoint source pollution and ocean protection will be sought from those branches of the Division of Water Quality, when applicable. Any project determined to be ineligible may be removed from the suite of proposed projects.

POLICY ISSUES

Should the State Water Board adopt a resolution to:

1. Approve the Additional IRWM Implementation Grant Funding List (Exhibit A) and authorize staff to issue grant agreements and amendments for the implementation grants once funds are appropriated?
2. Direct staff to revise the IRWM Guidelines and use the State Water Board's remaining IRWM funds for Integrated Coastal Watershed Management Implementation Grants once funds are appropriated?

FISCAL IMPACT

The Legislature appropriated \$183 million from Proposition 50 to the State Water Board for local assistance grants. Of that amount, \$77 million is currently in the State Water Board's budget. The \$75 million in grant funds for the first IRWM Implementation Grants, approved on January 18, 2007, will be committed from the 2005-2006 and 2006-07 allocations. The \$75 million in grant funds for the additional IRWM Implementation Grants will be committed from the 2007-2008 allocation.

State Water Board Funding Appropriations	
State Fiscal Year	IRWM Appropriations
SFY 2003-04	\$26,000,000 ¹
SFY 2005-06	\$55,000,000
SFY 2006-07	\$20,000,000
SFY 2007-08	\$82,000,000 ²
Total Funding Allocation	\$183,000,000

¹ Of this amount, \$24 million is proposed for re-appropriation in SFY 2007-08

² Does not include proposed re-appropriation from SFY 2003-04

Proposition 50 – IRWM Grant Program (State Water Board Funding Allocation)	
Available Grant Funds	\$183,000,000
Encumbered IRWM Planning Grant Funds	\$2,104,046
Approved IRWM Implementation Grant Funds (January 18, 2007)	\$75,000,000
Recommended Additional IRWM Grant Funds (February 20, 2007)	\$75,000,000
Remaining Funds for Integrated Coastal Watershed Management Implementation Grants	\$30,895,954
TOTAL	\$183,000,000

REGIONAL WATER BOARD IMPACT

None

STAFF RECOMMENDATIONS

That the State Water Board:

1. Approve the Additional IRWM Implementation Grant Funding List (Exhibit A) and authorize staff to issue grant agreements and amendments for the implementation grants once funds are allocated by the legislature; and
2. Direct staff to revise the IRWM Guidelines and use the State Water Board's remaining IRWM funds for Integrated Coastal Watershed Management Implementation Grants.