

**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, June 26, 2006**

1. Call to Order, Roll Call

The meeting was called to order at 3:57 p.m. by President Matt Loudon, who chaired the meeting. Those in attendance were:

Directors present:

Matt Loudon	SYR Water Conservation Dist., ID#1
Harry DeWitt	Goleta Water District
Jan Abel	Montecito Water District
June Van Wingerden	Carpinteria Valley Water District
Das Williams	City of Santa Barbara

Others present:

Kate Rees	Brett Gray
William Hair	Steve Mack
Chris Dahlstrom	Gary Kvistad
Chip Wullbrandt	Janet Gingras
Kevin Walsh	Charles Hamilton

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 3:59 p.m. and came out of closed session at 4:05 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
May 22, 2006 Regular Board Meeting
- b. Investment of Funds

Financial Report
Investment Report

c. Payment of Claims

Director Williams moved to approve the Consent Agenda, seconded by Director Abel. Motion carried, 4/0/3, Directors DeWitt and Van Wingerden abstained.

5. Cachuma Reservoir Current Conditions

Reservoir Current Conditions:

Date 06/26/2006

Lake elevation	752.35 feet
Storage	195,273 acre feet
Rain (for the month to date)	0.00 inches
Rain YTD (for the season to date)	24.52 inches
Fish Release-Hilton Creek	19.6 acre feet per day
Month to Date Fish Release	525.8 acre feet
Month to Date Spill	0.00 acre feet

6. Acknowledgement of Renewal of Agreement Between CCRB and the Santa Ynez River Water Conservation District, I.D. No. 1 for Coordination in State Water Resources Control Board Hearing Matters.

The COMB Board of Directors acknowledged the original Agreement between CCRB and ID No. 1, and has continued to do so annually. Ms Rees recommended that the COMB Board also acknowledge this extension of the Agreement to June 30, 2007.

Director Williams moved to acknowledge the Agreement between CCRB and the Santa Ynez River Water Conservation District, I.D. No.1 for Coordination in State Water Resources Control Board Hearing matters, seconded by Director Abel, passed 7/0/0.

Director Loudon asked Ms Rees why COMB formally acknowledges the agreement annually. She will look into the matter and report back at the next Board meeting.

7. Status of Lauro Dam Seismic Safety Modifications Project

Ms Rees updated the Board on the progress of the project. Two construction progress reports prepared by Reclamation were included in the Board packet. The new material being added to the dam face continues to progress on schedule. The project is scheduled to be completed by December 2006. Due to design changes to a hydraulic power unit assembly, Ms Rees reported that there would be cost increases of approximately \$88,000 for the new design work. The major earth moving work will be completed by the end of July. Reclamation will work with the City of Santa Barbara regarding its request to slurry seal San Roque Road.

8. Integrated Regional Water Management Plan Development

This was thoroughly discussed during the CCRB Board meeting; there was nothing further to add.

9. Reclamation's Cachuma Operational Guidelines Meeting, May 23, 2006.

Ms Rees reported on Reclamation's annual Cachuma Operational Guidelines meeting. The agenda for the meeting was included in the board packet. The Operational Guidelines provide coordination protocols for various types of water releases from Bradbury Dam. In the last few years, updates have been necessary to coordinate fishery releases and surcharge operations. This year, as a result of an interim agreement with the County of Santa Barbara, the reservoir was fully surcharge to 753 feet. This change was included in the revised guidelines.

Water accounting issues concerning spill and surplus water were discussed. Reclamation was asked to consider defining spill and surplus water differently than the current definition. Member Unit Managers will be working with Reclamation to develop an updated definition.

Another issue discussed this year was the need to develop ramp down protocols after a spill, particularly for a late season storm as occurred this year. Normal storm operations initiated after a late season storm resulted in a rapid ramp down, which caused fish stranding and 12 mortalities. Reclamation and the Member Units are developing protocols to prevent fish stranding from happening in the future.

10. Long-Term Cost Comparison of Cachuma Melded Water Rates for Orders vs. Deliveries.

Ms Rees summarized the request from Director Williams during the April 24, 2006 Board meeting. He requested that an analysis be done of the Cachuma melded rate payment calculations over time for Irrigation and M&I water for each Member Unit, comparing the payment for water ordered to what would have been charged for actual water deliveries. The analysis was included in the board packet. Underpayments and overpayments were shown for each Member Unit during a five-year period from 2001-2005.

Reclamation has requested that in future, COMB reconcile the amount of irrigation water ordered vs. the amount of irrigation water delivered. The Member Units need to decide if any financial adjustments should be made for overpayment and underpayment at the end of the water year. Staff recommended that from 2005 onward, reconciliation should be done. Staff was seeking direction regarding reconciliation of past Cachuma water accounting.

Director Abel moved to reconcile the amount of irrigation water ordered with the amount delivered for 2005 Water Year and future years, seconded by Director Williams, passed 7/0/0.

Under a recommendation from Counsel Bill Hair, the Board agreed to discuss the issue of the past water accounting adjustments with their individual Boards and bring that information back to the COMB Board at the July 24th meeting.

11. Environmental Consultant Selection Process for Pipeline Project on South Coast Conduit.

Ms Rees reported there had been recent discussions with the Member Unit managers regarding the selection of an environmental consultant for the pipeline project on the South Coast Conduit. Four consultants had been selected to submit proposals, consisting of CH2M HILL, Padre Associates, SAIC, and URS, based on input from the Cachuma managers. Director Abel questioned why Padre Associates was included since the Board had previously determined not to consider them as a viable candidate. The deadline for submission of proposals will be mid-July 2006. Once the proposals are received, they will be reviewed by a committee of Member Unit managers or their designated engineering staff, and the recommended proposal will be brought to the COMB Board of Directors for review and approval.

12. Proposed Fiscal Year 2006-2007 COMB Budget

It was recommended by staff that the Board approve the proposed COMB budget for Fiscal Year 2006-2007 in the amount of \$3,777.642.

Ms Rees reported there were no changes from the draft budget presented to the Board for preliminary review on May 22, 2006. However, the Lauro Debris Basin Rehabilitation Project had not been resolved which was at a cost of \$550,000 per year for two years. Evaluation of the comparative benefits of the project and cost sharing along standard entitlement percentages were discussed with the COMB Finance Committee and the Member Unit Managers and Attorneys, but a unanimous recommendation was not reached. Director Evans, Goleta Water District (GWD) was of the opinion that the Cachuma entitlement cost allocation formula for this project was not appropriate and should be calculated differently because it was a water quality project and of less benefit to GWD than the other south coast Member Units. Alternate Director DeWitt (GWD) conveyed the direction he was given by Director Evans which was not to approve the final COMB budget with the inclusion of the Lauro Debris Basin project. Director Williams strongly disagreed with GWD's suggestions of either postponing the project for a year or calculating the allocation using a different formula. Director Abel stated that Montecito would not pay more than its standard entitlement allocation for this project. Director Williams was also against changing the standard formula for cost allocation of any COMB project. Because the Board was at an impasse, Counsel Hair suggested it should consider the budget without this project. President Loudon recommended approval of the budget without the Lauro Debris Basin project and requested that it be brought back to the Board for full discussion and consideration in the next few months.

Director Williams moved to approve the FY 2006-2007 COMB Budget without the Lauro Debris Basin Project providing that GWD was willing to negotiate the cost allocation issue. He further directed that discussion on the project take place prior to

the September Board meeting, and that staff return with recommendations on payment options for the project. Seconded by Director Van Wingerden, passed 7/0/0.

13. Reschedule July 6, 2006 Joint Special COMB/CCRB Meeting

The next Joint Special COMB/CCRB Meeting was scheduled for July 17, 2006 at 2:00-5:00 p.m. during the CCRB meeting. COMB Board concurred with this decision.

14. Meeting Schedule

June 29, 2006 Staff Appreciation Lunch, at 11:30 a.m., Cold Springs Tavern, 2:00 p.m. Lake Cachuma Boat Tour
July 24, 2006 Regular Board Meeting following CCRB at 2:00 p.m., COMB Office

15. COMB Adjournment

There being no further business, the meeting was adjourned at 5:24 p.m.

Respectfully submitted,

Secretary of the Board

APPROVED:

Chair