

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

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

---

**Monday, July 27, 2009**

*Approximate Start Time*  
**3:00 p.m.**

**AGENDA**

1. **COMB CALL TO ORDER, ROLL CALL** (COMB Board of Directors.) *(1 minute)*.
2. **PUBLIC COMMENT** (Public may address the Board on any subject matter not on the agenda and within the Board's jurisdiction. See "Notice to the Public" below.) *(5 minutes)*
3. **CLOSED SESSION: CONFERENCE WITH COUNSEL PURSUANT TO GOVERNEMENT CODE SECTION 54956.0 (b) CONCERNING THE RISK OF LITIGATION DUE TO THE POSSIBLE FAILURE TO AWARD A CONTRACT TO THE APPARENT LOW BIDDER. ONE MATTER.** *(15 minutes)*
4. **RECONSIDER, IF NECESSARY, AWARD OF CONTRACT TO CONSTRUCT EL JARO CREEK CROSS CREEK RANCH FISH PASSAGE PROJECT** *(15 minutes)*
5. **CONSENT AGENDA** (For Board action by vote on one motion unless member requests separate consideration.) *(2 minutes)*
  - a. Minutes
    - June 22, 2009 Regular Board Meeting
  - b. Investment of Funds
    - Financial Reports
    - Investment Reports
  - c. Payment of Claims
6. **ANNUAL REORGANIZATION OF CACHUMA OPERATION & MAINTENANCE BOARD** *(10 minutes)*
  - a. Election of President
  - b. Election of Vice-President
  - c. Appointment of ACWA/JPIA Representative and Alternate

- d. Appointment of General Counsel through December 31, 2009
- e. Appointment of Secretary, Treasurer and Auditor-Controller
- f. Appointment of Assistant Secretary

7. **PROPOSED ANNUAL RESOLUTIONS** (5 minutes)

- a. Resolution No. 487 Adopting an Annual Statement of Investment Policy
- b. Resolution No. 488 Establishing a Supplemental Account Agreement for Telephone Transfers
- c. Resolution No. 489 Authorizing Signatories for Revolving Fund Account at Santa Barbara Bank and Trust
- d. Resolution No. 490 Authorizing Investment of Monies in the Local Agency Investment Fund
- e. Resolution No. 491 Establishing a Check Signing Policy for General Fund Account for Payment of Claims
- f. Resolution No. 492 Authorizing Signatories for General Fund Account at Santa Barbara Bank & Trust
- g. Resolution No. 493 Establishing a Check Signing Policy for Cachuma Project Trust Fund and Master Contract Renewal Fund Accounts for Payment of Claims
- h. Resolution No. 494 Authorizing Signatories for Trust Fund and Renewal Fund Accounts at Santa Barbara Bank and Trust
- i. Resolution No. 495 Establishing Time and Place for Board Meetings

8. **APPOINTMENT OF OUTSIDE AUDITOR TO PREPARE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2009 AND THE INDEPENDENT AUDITOR'S REPORT** (5 minutes)

9. **REPORTS FROM THE MANAGER** (5 minutes)

- a. Cachuma Water Reports
- b. Operations Report
- c. COMB Operating Committee Meeting, July 1, 2009
- d. Quagga Mussel Inspection Report – County of Santa Barbara
- e. 2008 Surcharge Accounting
- f. **Verbal Report** - Cachuma Reservoir Current Conditions
- g. **Verbal Report** - City of Santa Barbara TV Inside Santa Barbara CCRB/COMB Overview (See CCRB Item 8d)

10. **COMB CAPITAL IMPROVEMENT PROGRAM** (30 minutes)

- a. CIP Bond
  - 1) Revised Schedule
  - 2) Letter from CVWD Requesting Acceptance of Proposed Cost Distribution Methodology for Bond Debt Service Repayment
  - 3) Recommendation to Carry Out Cachuma Project Cost of Services/Cost Benefit Analysis
  - 4) **Verbal Report** – Status of Indemnification Agreement with ID No. 1
- b. SCC/Upper Reach Reliability Project
  - 1) Prequalified Contractors
  - 2) Project Status Report

- c. Mission Creek Pipeline and Fish Passage Project
    - 1) Project Status Report
  - d. **Verbal Report** – SCC Laterals Rehabilitation Project
  - e. **Verbal Report** – COMB Office Building Project
11. **PROPOSITION 50 and PROPOSITION 84 ACTIVITIES** *(5 minutes)*
12. **DIRECTORS' REQUEST FOR AGENDA ITEMS FOR NEXT MEETING** *(5 minutes)*
13. **MEETING SCHEDULE**
- Reschedule August 24, 2009 Regular Board Meeting to August 31, 2009 to follow CCRB at 2:15 P.M., COMB Office
  - Board Packages Available on COMB Website  
[www.cachuma-board.org](http://www.cachuma-board.org)
14. **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.]

**CACHUMA OPERATION AND MAINTENANCE BOARD  
MEMORANDUM**

DATE: July 27, 2009  
TO: BOARD OF DIRECTORS  
FROM: Kate Rees, General Manager  
RE: **Contractor for El Jaro Creek Cross Creek Ranch Fish Passage Enhancement Project**

**RECOMMENDATION:**

1. That the Board hears any evidence on the protests filed regarding selection of a contractor for the El Jaro Creek Cross Creek Ranch Fish Passage Enhancement Project.
2. That the Board consider any irregularities in the bid submittals, and if it chooses to do so, exercise its discretion in waiving any irregularities that it deems immaterial.
3. That the Board reconsider, if necessary, the award of the construction contract for the El Jaro Creek Cross Creek Ranch Fish Passage Enhancement Project and exercise its discretion in making a determination of which bid to accept.

**DISCUSSION:**

Four bids were received on June 12, 2009 from the following contractors: Lapidus Construction, Specialty Construction, Schock Contracting, and Pat Molnar General Engineering. At the June 22, 2009 Board meeting, staff recommended and the Board approved selection of Lapidus Construction, Inc. as contractor for the Cross Creek Ranch Fish Passage Project. Schock, as the low bidder, submitted a protest letter regarding the bid selection. Lapidus Construction also filed a protest letter stating that Schock's bid was non-responsive. The protest letters from these two contractors are attached for your consideration.

The bid amounts from each contractor were:

- |                               |           |
|-------------------------------|-----------|
| 1. Lapidus Construction, Inc. | \$423,947 |
| 2. Schock Contracting Corp.   | \$369,900 |

Because the project needs to be constructed this year and will take about two to three months to complete, and because completion of the project must occur before the rainy season begins, there is not sufficient time to start the bid process over again as a way of resolving the protests. We believe both contractors are qualified to construct the project based on the statements of experience that were submitted with the bids, and on staff's personal knowledge of other fish passage projects each company has constructed.

Respectfully submitted,

  
Kate Rees  
General Manager

Attachments

kr.comb/admin/board memos/072709\_Cross Creek Ranch bids

ITEM # 4  
PAGE 1

**Peter Lapidus Construction Inc.**  
1975 Cravens Lane  
Carpinteria, CA 93013  
Phone: (805) 745-1447  
Fax: (805) 745-5957  
Cellular: (805) 331-8711  
E-Mail [phclapidus@verizon.net](mailto:phclapidus@verizon.net)

RECEIVED

JUL 1 2009

CACHUMA COM BOARD

**Bid Protest Letter For Comb Cross Creek Project**

7/1/09

**Attention: Kate Rees**  
Cachuma Conservation Release Board  
3301 Laurel Cyn. RD.  
Santa Barbara, CA 93105-2017

Dear Kate Rees,

Thanks for the opportunity to bid on the Cross Creek job. We are a local contractor that targets this exact type of fish enhancement job as our primary work when available. We have reviewed the bid documents from Shock Contracting provided to us by Tim Robinson and have come to this conclusion.

PLC, Inc., as the lowest responsive bidder who was informed by Comb that they were awarded the Cross Creek Project by the COMB board on 6/22/09, we are extremely disappointed in how this bid process is being handled. Shock Contracting was the apparent low bidder on the Comb Creek project however upon review of their proposal they are clearly non responsive and thus not the best choice or an option for this project. During the course of the last week we were expecting to receive the contract document based on the board's decision to award to PLC inc. Based on this expectation, we declined several job opportunities with conflicting schedules to the Cross Creek job. Once we were notified of the bid protest & subsequent retraction of award, it was too late to respond to the other jobs. Thus, our business will suffer greatly by this retraction of award to PLC, Inc. and subsequent award to a non responsive bidder.

It is clearly not our intention to burn any bridges or point any fingers by filing this bid protest. This is not our normal mode of operation. We feel we have been put in this position by the actions of others. Last year, when we bid on this job previously, we were recommended for the job by Comb staff. However, it was never awarded. At the time, I suggested the job could be modified to its present state at a substantial savings & get a better product which is where we are today. I clearly understand the scope of work required to perform this job. This knowledge is what our bid is based on. As anybody who has ever hired out work and taken the

ITEM # 4  
PAGE 2

cheapest price knows, this usually comes with some consequences. When I see prices that are half of what the engineers estimate is, for core portions of the most important work, I would be seriously worried. This is a very sensitive job with very tight constraints on all fronts. The County of Santa Barbara bid out a very similar job this last summer and took the low bid. What they received was a mediocre job due to the fact that the contractor had zero experience creating a stabile creek bed that resembled a natural stream & did not have the money in the bid to spend the time required. Fish and game was very upset with the project. The enhancement of Fish habitat is something we believe in wholeheartedly and it is not just another project. It is a cause for us. Please review our reasoning for this bid protest.

Sincerely *Peter Lapidus*

Peter Lapidus, President  
Peter Lapidus Const. Inc.

Shock contracting was non responsive on the Cross Creek Bid for the following reasons:

#1 Shock Contracting clearly did not demonstrate through the submission of their experience statement that they have 5 years experience of performing fish passage & creek restoration work of the magnitude and scope on the Cross Creek job. Shock Contracting did not provide the information that was requested and required in the license & experience statement. Only two projects were listed that appear to remotely have anything to do with Steelhead and riparian restoration. Of those two projects listed, one was subcontracted to Allen Larsen and does not list an owner, date of completion, project year, and contact information as required. On the second project, Allen Larsen is listed as the client or owner. It does not say. No contact information is provided. Although Shock Contracting did provide numerous other job references, they appear to have no relevance to this project. I do not see how Comb could have verified the experience based on this lack of information and apparent lack of experience in the first place as much or all of the work was not performed by Shock by their own admission in the statements submitted. Of the projects submitted, I am familiar with the fish ladder they listed that was improperly constructed by Allen Larsen and had an illegal disposal of excess concrete on the bank of the creek. This does not appear to be a good list of experience conforming to the bid documents. If Shock planned to use Allen Larsen as sub for this project, he was not listed, which means if he is the one with the experience in fish passage work, Shock has zero experience listed for this job.

ITEM # 4  
PAGE 3

**#2 Failure to adhere to the bid document requirement that the plans shall be returned with the bid at the time the bid is turned in. Failure to turn in the plans constitutes a breach of bid protocol making the bidder non responsive. The plans not being turned in opens up the possibility that the plans used by the bidder were deficient and the bid may not be based on a full set of accurate plans. Had the plans been submitted per the specifications the agency could have confirmed that the bid was based on the correct plan & number of sheets.**

**#3 The bid documents clearly stated that the bid did not have to be awarded to the lowest bidder even though this was the intent as long as the bid was responsive and of fair value. It was further explained at the job walk that low bid was not the deciding factor in bid selection. The bid was supposed to be awarded based on experience on comparable jobs & value expressed in the bid.**

**#4 On 6/23/09 we were informed we had been awarded the Cross Creek job. We requested our bond documents be returned to us to start the bond process. Based on this notice of award we turned down several job opportunities that had conflicting schedules with the Cross Creek job. On 6/26/09, we are notified of a bid protest by the apparent low bidder. On 6/29/09 at 5:31 pm, we are notified that by a special board decision the board has changed their minds and will award to the low bidder.**

**#5 We respectfully requested minutes for the board meeting related to this award and protest. We were provided bid documents from the low bidder but have not received the board minutes. We still require the board minutes to evaluate our Bid protest options.**

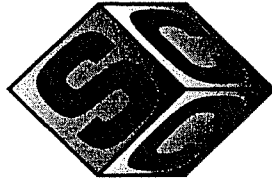
|   |   |                |
|---|---|----------------|
| Franklin Elementary School Playground<br>Carl Mayrose (805) 963-4331<br>Completed August 2005 | Santa Barbara School District<br>720 Santa Barbara Street<br>Santa Barbara, CA 93101          | \$70,000.00    |
| El Estero Wastewater Treatment Plant<br>Cathy Taylor (805) 564-5370<br>Completed January 2006 | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                             | \$350,000.00   |
| Campanil Pump Station<br>Tim Gaasch (805) 897-2502<br>Complete: March 2007                    | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                             | \$305,601.00   |
| ADA Upgrades at La Colina Jr. High<br>Carl Mayrose (805) 963-4331<br>Completed Feb. 2005      | Santa Barbara School Districts<br>720 Santa Barbara Street<br>Santa Barbara, CA 93101         | \$210,000.00   |
| UCSB Storke Tower Sewer<br>Bob Muhr (805) 893-3356<br>Completed November 2004                 | UCSB<br>Facilities Management, Building 439<br>Santa Barbara, CA 93106                        | \$45,250.00    |
| Glenn Annie Slope Repair<br>Completed October 2004  | County of Santa Barbara<br>123 E. Anapamu Street<br>Santa Barbara, CA 93101                   | \$22,448.00    |
| SB High School Girls Locker Room<br>Carl Mayrose (805) 963-4331<br>Completed September 2005   | Santa Barbara School Districts<br>720 Santa Barbara Street<br>Santa Barbara, CA 93101         | \$2,000,000.00 |
| San Marcos Field Restroom Renovation<br>Carl Mayrose (805) 963-4331<br>Completed Sept. 2004   | Santa Barbara School Districts<br>720 Santa Barbara Street<br>Santa Barbara, CA 93101         | \$225,000.00   |
| Franklin Elementary School Restroom<br>David Weniger (805) 963-4331<br>Completed Sept. 2004   | Santa Barbara School Districts<br>720 Santa Barbara Street<br>Santa Barbara, CA 93101         | \$112,000.00   |
| UCSB Chilled Water<br>Bob Muhr (805) 893-3356<br>Completed Sept. 2004                         | UCSB<br>Facilities Management, Building 439<br>Santa Barbara, CA 93106                        | \$205,000.00   |
| Fish Ladder<br>2004   | CA Larson Co.<br>271 Placer Drive<br>Goleta, CA 93117   | \$30,000.00    |
| Santa Barbara Courthouse Geothermal<br>Loop Field<br>Robert Ooley (805) 568-3085<br>2004      | County of Santa Barbara<br>Courthouse Annex<br>1100 Anacapa Street<br>Santa Barbara, CA 93101 | \$430,000.00   |
| Roosevelt Playfield Renovation<br>David Weniger (805) 963-4331<br>2004                        | Santa Barbara School Districts<br>720 Santa Barbara Street<br>Santa Barbara, CA 93101         | \$105,000.00   |
| Harbor Breakwater Maint. Grouting<br>John Flynn (805) 564-5375                                | City of Santa Barbara<br>P.O. Box 1990  | \$58,000.00    |



|   |   |              |
|---|---|--------------|
| Mammoth Lakes Water Main<br>John Pederson (760) 934-2596<br>1999                | Town of Mammoth Lakes<br>P.O. Box 597<br>Mammoth Lakes, CA 93546                              | \$160,000.00 |
| Tallant Road Pump Station<br>Andre Wickstrom (805) 564-5496                     | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                             | \$75,000.00  |
| Barker Pass Pump Station<br>Tom Mosby (805) 969-2271<br>1999                    | Montecito Water District<br>P.O. Box 5037<br>Montecito, CA 93150-5037                         | \$20,000.00  |
| El Capitan Pipe Line Valve<br>Replacement Project<br>John Feeney (916) 653-4510 | Dept. of Parks and Recreation<br>P.O. Box 942896<br>Sacramento, CA 94296                      | \$85,000.00  |
| Marina 4 Utilities<br>David Myerson (805) 564-5527<br>1999                      | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                             | \$60,000.00  |
| Stearns Wharf Fire Work<br>Judd Conley (805) 897-1974<br>1998/99                | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                             | \$40,000.00  |
| Marina 1 Harbor Repairs<br>Judd Conley (805) 897-1974<br>1998                   | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                             | \$200,000.00 |
| Rebuild Slip Finger<br>Judd Conley (805) 897-1974<br>1998                       | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                             | \$10,000.00  |
| Dechlorination System<br>Daniel Gallagher (619) 246-8638<br>1997                | Victor Valley Wastewater<br>Reclamation Authority<br>20111 Shay Road<br>Victorville, CA 92394 | \$120,000.00 |
| Stearns Wharf BFP Project<br>Judd Conley (805) 897-1974<br>1997                 | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                             | \$90,000.00  |
| Paso Robles W.W.T.P.<br>City of Paso Robles<br>1997                             | City of Paso Robles<br>1000 Spring Street<br>Paso Robles, CA 93446                            | \$65,000.00  |
| Pump Stations<br>Jon Peebles (805) 564-5445<br>1996                             | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                             | \$120,000.00 |

|   |  |              |
|---|--|--------------|
| 2003  | Santa Barbara, CA 93102  |              |
| Port Hueneme Pier<br>Denis Murrin (805) 986-6500<br>2003                              | City of Port Hueneme<br>250 North Ventura Road<br>Port Hueneme, CA 93041                 | \$170,000.00 |
| Kinevan Road Storm Damage Repair<br>John Parsons (805) 681-5685<br>2003               | County of Santa Barbara<br>123 E. Anapamu Street<br>Santa Barbara, CA 93101              | \$165,000.00 |
| Twitchell Outlet Gate Corrosion Prevention<br>Cathleen Garnand (805) 568-3561<br>2003 | Santa Barbara County Water Resources<br>123 E. Anapamu Street<br>Santa Barbara, CA 93101 | \$75,000.00  |
| Cachuma Lake Water Plant<br>France Veillette (805) 568-2473<br>2003                   | Santa Barbara County Parks<br>610 Mission Canyon Road<br>Santa Barbara, CA 93105         | \$110,000.00 |
| Stearns Wharf pile driving 2003<br>Judd Conley (805) 897-1974<br>2002                 | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                        | \$130,000.00 |
| Goleta Pier Pile Replacement<br>France Veillette (805) 568-2473                       | Santa Barbara County Parks<br>610 Mission Canyon Road<br>Santa Barbara, CA 93105         | \$80,000.00  |
| Santa Barbara Harbor Launch Ramp<br>Tim Gaasch (805) 897-2502<br>2002                 | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                        | \$700,000.00 |
| Montecito Creek Clean out<br>Michael Giuliano (805) 549-3359<br>2001                  | Caltrans<br>50 Higuera Street<br>San Luis Obispo, CA 93401                               | \$50,000.00  |
| Montecito Creek Check Structure<br>Jon Frye (805) 568-3440<br>2001                    | County of Santa Barbara<br>123 E. Anapamu Street<br>Santa Barbara, CA 93101              | \$180,000.00 |
| Stearns Wharf Pile Driving<br>Dave Myerson (805) 564-5527<br>2001                     | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                        | \$160,000.00 |
| Ventura Pier Repairs<br>Rick Raives (805) 654-7887<br>2001                            | City of Ventura<br>P.O. Box 99<br>Ventura, CA  | \$100,000.00 |
| Berm Removal Project<br>Rick Mello (805) 546-0433<br>2000                             | Oxnard School District<br>1055 South "C" Street<br>Oxnard, CA 93030                      | \$325,000.00 |
| Linda Road Pump Station<br>Roger Rodefeld<br>2000                                     | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                        | \$40,000.00  |
| Cabrillo Ball Field<br>Jeff Cope (805) 564-5418                                       | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                        | \$40,000.00  |

|   |   |                |
|---|---|----------------|
| Santa Barbara High School Access<br>To Eddie Mathews Field<br>Complete: August 2007               | Santa Barbara School Districts<br>720 Santa Barbara Street<br>Santa Barbara, CA 93101 | \$442,000.00   |
| Mason Pedestrian Bridge<br>Complete: September 2007   | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                     | \$385,000.00   |
| ADA Upgrades at La Colina and Goleta<br>Valley Junior High School<br>Complete: July 2007          | Santa Barbara School Districts<br>720 Santa Barbara Street<br>Santa Barbara, CA 93101 | \$1,275,000.00 |
| Parking Lot Upgrades at Santa Barbara<br>Academy<br>Complete: September 2006                      | Santa Barbara School Districts<br>720 Santa Barbara Street<br>Santa Barbara, CA 93101 | \$160,000.00   |
| Mission Canyon Road Water Main Project<br>Roger Rodefeld<br>Complete: August 2007                 | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                     | 274,000.00     |
| Stearns Wharf Travelift Repair<br>Judd Conley (805) 897-1974<br>Completed: March 2006             | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                     | \$110,000.00   |
| Stearns Wharf Pile Driving 2006<br>Judd Conley (805) 897-1974<br>Completed: April 2006            | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                     | \$177,000.00   |
| Culvert Debris Removal and Repair<br>Completed: January 2006                                      | County of Santa Barbara<br>123 E. Anapamu Street<br>Santa Barbara, CA 93101           | \$50,640.00    |
| ADA Upgrades at Monroe Elementary<br>David Weniger (805) 963-4331<br>Complete: July 2007          | Santa Barbara School Districts<br>720 Santa Barbara Street<br>Santa Barbara, CA 93101 | \$360,000.00   |
| Summer Crossing<br>Completed: June 2006   | County of Santa Barbara<br>123 E. Anapamu Street<br>Santa Barbara, CA 93101           | \$30,000.00    |
| San Marcos HS Pressure Reducing Station<br>Carl Mayrose (805) 963-4331<br>Completed August 2005   | Santa Barbara School Districts<br>720 Santa Barbara Street<br>Santa Barbara, CA 93101 | \$30,000.00    |
| Locker Rooms Shower Water Tank<br>Ray Kirchmaier (805) 686-3572<br>Completed September 2005       | Santa Ynez Valley Union High School<br>2975 E. Highway 246<br>Santa Ynez, CA 93460    | \$78,000.00    |
| SB High School Kitchen<br>Carl Mayrose (805) 963-4331<br>Completed: March 2006                    | Santa Barbara School Districts<br>720 Santa Barbara Street<br>Santa Barbara, CA 93101 | \$300,000.00   |
| Carrillo Recreation Center Courtyard<br>Roger Rodefeld (805) 564-5450<br>Completed September 2005 | City of Santa Barbara<br>P.O. Box 1990<br>Santa Barbara, CA 93102                     | \$83,000.00    |



SCHOCK CONTRACTING CORP.  
GENERAL ENGINEERING  
LICENSE #691211

July 8, 2009

JUL 09 2009

CACHUMA O&M BOARD

Das Williams, President  
Board of Directors  
Cachuma Operations and Maintenance Board  
3301 Laurel Canyon Road  
Santa Barbara, CA 93105

Re: Cachuma Operations and Maintenance Board-El Jaro/Creek Cross  
Creek Ranch Fish Passage Enhancement-Bid Protest

Dear Das Williams:

As you may be aware a protest against the award of the above referenced project to Schock Contracting Corporation due to lack of experience has been filed. The position of SCC is that the bid protest has no merit and should be rejected. Therefore, allowing the award of the project to SCC without further delay.

By virtue of COMB inviting a select group of contractors because of known skills and past performance the issue of contractor acceptability has been settled prior to the project bidding. An unqualified contractor would never have the opportunity to submit a bid. COMB staff has repeatedly stated that both the first and second bidders have the necessary skills and experience to perform this project.

The specifications address the issue of bidder qualifications in section A2.10 titled "Qualifications of Bidders" and states that "Each bidder shall be skilled and regularly engaged in the general class or type of work called for under the contract." and that "Each bidder shall also have not less than five (5) years experience in the magnitude and character of work bid." In order to determine the acceptability of a contractor the Board must determine the "magnitude and character" of the work to be performed under this contract and the "magnitude and character" of the work previously performed by potential contractors as evidenced by the experience statement submitted with the bid.

ITEM # 4

PAGE 9

The "magnitude and character" of the work to be performed for the Cross Creek project is relatively simple. The majority of the work includes excavation, placement of rock in the creek, mobilization and dewatering. As evidenced by the experience statement submitted with the bid, SCC has performed multiple projects dating back to 2001 containing almost the exact items of work to be performed at Cross Creek. Another important aspect relating to contractor experience is the ability of the contractor to demonstrate that they have the capacity to handle the unique aspects of performing public works type construction projects in terms of prevailing wage, bonding, insurance requirements, submittals and environmental concerns among others. The ability of SCC to handle all issues relating to public works construction is well established. The experience statement submitted with the bid includes years of experience with many different government agencies on a wide variety of public works construction projects ranging in cost up to two million dollars.

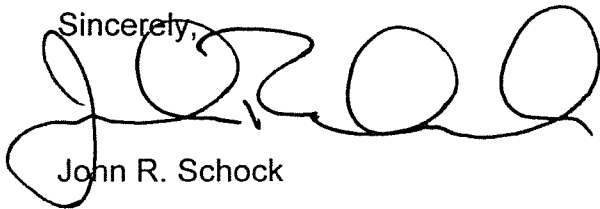
Schock Contracting Corporation's bid is in full compliance with the specifications as submitted, however the specification requires that the board go beyond what was submitted with the bid to determine the acceptability of a contractor. The specifications make it clear that "To determine the degree of responsibility to be credited to the bidder, the board will weigh evidence of the bidder's trustworthiness, as well as bidder's quality..." There is no way to determine "trustworthiness" or "quality" without some kind of personal knowledge of the contractor. COMB staff has made it clear that as a result of the performance on previous COMB fish passage projects that SCC is fully capable in all aspects to perform this project. The specifications require the Board to use this information in forming their opinion.

If the Board has determined that the best and most efficient method of letting contracts is through a sealed bid type process you must hold up the integrity of the process by awarding the contract to the lowest responsible bidder. One of the best aspects of the sealed bid process is putting the contract out to bid and letting the contractors independently determine the best way to perform the work. The contractor that figures out the best, most efficient method of performing the project will have the lowest price. It is a system of bidding that has many advantages to all parties involved. However, if you award the contract to a contractor other than the low responsible bidder the whole concept of what you are trying to accomplish by having a sealed bid process is destroyed.

I respectfully request that the board reaffirm the award to Schock Contracting Corporation and direct COMB Staff to issue a notice of award as soon as possible. As stated in the specifications "The Board and the Contractor recognize that time is of the essence of the Agreement and that the Board will suffer financial loss if the Work is not completed within the time specified." As such I request that the Board not delay this decision until the next meeting on July 27, 2009, rather immediately make the decision in order to allow time for preparation of construction.

In closing, I would like to express the continued desire of Schock Contracting Corporation to participate in this project. If you have any questions or would like any additional information please feel free to contact me.

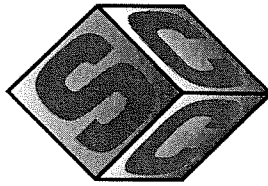
Sincerely,

A handwritten signature in black ink, appearing to read "JRS", with a long horizontal flourish extending to the right.

John R. Schock

CC:  
Bob Lieberknecht, COMB-Board of Directors, Vice President  
Matt Loudon, COMB-Board of Directors, Director  
Jan Abel, COMB-Board of Directors, Director  
Lauren Hanson, COMB-Board of Directors, Director  
Kate Rees, COMB-General Manager

ITEM # 4  
PAGE 11



SCHOCK CONTRACTING CORP.  
GENERAL ENGINEERING  
LICENSE #691211

July 6, 2009

RECEIVED

JUL 07 2009

CACHUMA O&M BOARD

Kate Rees, General Manager  
COMB  
3301 Laurel Canyon Road  
Santa Barbara, CA 93105

Re: Cachuma Operation and Maintenance Board-El Jaro Creek/Cross Creek  
Ranch Fish Passage Enhancement Project-Bid Protest

Dear Kate:

Per our telephone conversation and an email dated July 2, 2009 I understand that a protest against the award of the above referenced project has been filed due to lack of experience of Schock Contracting Corporation. After reviewing the contract documents it is obvious that the protest has no merit and should be immediately rejected. As such SCC remains contractually obligated to proceed with furnishing all the necessary documents and is awaiting notice of award.

By virtue of COMB inviting a select group of contractors with specifically known skills and past performance, the issue of contractor acceptability has been settled before the project went out to bid. In addition the specifications state "Each bidder shall possess a valid Contractor's License issued by the Contractor's State License Board at the time his/her bid is submitted... Each bidder shall also have not less than five (5) years experience in the magnitude and character of the work bid." SCC submitted evidence of project experience of like magnitude and character over a 10 year period and a variety of other public works projects ranging in price up to two million dollars. COMB staff repeatedly stated that both the first and second bidders are qualified to perform this project. There is absolutely nothing in the specifications that would allow for disqualification of SCC's bid based on lack of experience. It is somewhat ironic that the bidder protesting displayed less experience than SCC.

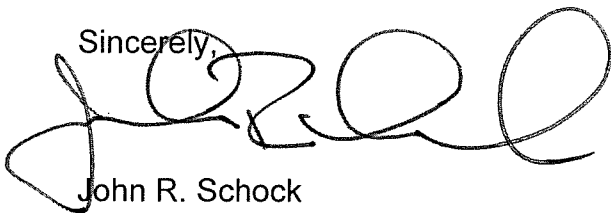
**SCANNED**  
7/7/09 2 pgs

ITEM # 4  
PAGE 12  
**E-MAILED**  
7/7/09  
TO: COMB-KR

The specifications state, "The Board and the Contractor recognize that time is of the essence of this Agreement and that the Board will suffer financial loss if the Work is not completed within the time specified herein..." As such I request that COMB issue notice of award to SCC without delay to allow for the necessary preparation in order to begin construction in time to meet the project deadline. If you are not willing or able to issue a notice of award immediately I request a meeting with you and your legal council at the first available opportunity.

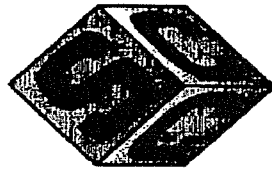
If you have any questions or would like any additional information please call me at (805) 681-9796.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Schock". The signature is fluid and cursive, with a large initial "J" and "S".

John R. Schock





SCHOCK CONTRACTING CORP.  
GENERAL ENGINEERING  
LICENSE #691211

June 25, 2009

Mr. William Hair  
Nordman Cormany Hair & Compton LLP  
1000 Town Center Drive  
Sixth Floor  
Oxnard, CA 93036

Re: Cachuma Operation and Maintenance Board-El Jaro Creek/Cross Creek Ranch  
Fish Passage Enhancement Project

Dear Mr. Hair:

I am in receipt of your letter dated June 24, 2009 regarding the above referenced project. It is clear from the specifications that COMB has the right to reject any bid. My argument is that the board was not privy to important information while making their decision that would have certainly changed the outcome of the vote to reject Schock Contracting Corporation's bid. Although the board is acting within the law by rejecting SCC's bid the use of public funds, never the less, requires strict scrutiny. With such a large sum of money at stake I ask that the board reconsider their decision in light of additional information that I can and will provide.

It is my understanding that COMB staff considered both the first and second bidders to have furnished satisfactory evidence that they are qualified to perform this project and that the technical ability of either contractor is not in question. The apparent reason for rejecting SCC's bid was excessive change orders on the last project SCC performed for COMB at Quito Creek Fish Passage Project. I can provide undisputable documentation that all the change orders associated with the project were the result of incomplete plans and changes directed by COMB after the project was bid and are not changes initiated by SCC. For example, the plans and specifications specifically stated the project required 450 cubic yards of excavation and was bid accordingly. The actual project required 1,695 cubic yards of excavation. Many of the other items of work had similar discrepancies. Another example is that SCC was ordered to work twelve hours a day six day a week. The additional cost of overtime work was \$21,210.00. No contractor can absorb the magnitude of changes SCC was faced with on this project without additional compensation.

**FAXED**  
JUN 25 2009  
By 805-988-7775



Item # 4  
Page # 14

2:20PM

The bottom line is that if COMB is interested in eliminating changes and cost overruns proper plans and specifications must be provided to contractors prior to the bid. Pushing the responsibility of cost overruns and changes on to a contractor that has no control over the design or specifications and then penalizing the contractor for following orders is not the way for the board to solve the problem. In my biased opinion SCC performed the Quito Creek project extraordinarily well and went above and beyond what would normally be expected to provide a fantastic project in what otherwise could have been a disaster and huge embarrassment for COMB.

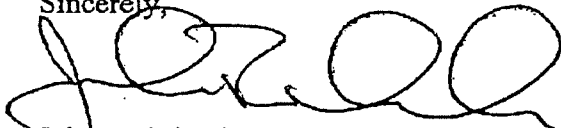
The board voted to pay over fifty thousand dollars more to the second lowest bidder to perform the exact same work that SCC, the lowest bidder, was willing to perform. Based on the information the board had at the time of the vote it is an understandable decision. However, to make an informed decision on rejecting the lowest contractor's bid, based primarily on a previous contract, more information is needed regarding the previous contract. Too much money is at stake to make this decision without considering all the information. At a time when there is a financial crisis at all levels of government decisions such as this must be given extra attention.

Assuming, the plans and specifications for Cross Creek Fish Passage project are complete and accurate there will be no change orders on the project. However, if the plans and specification are changed and major items of work are added cost overruns will occur regardless of the contractor performing the work. In all likelihood, if the board continues on its current course of action, and rejects SCC's bid at the completion of this project they will have absolutely nothing to show for spending an extra \$54,047.00

Schock Contracting Corporation continues to be very interested in performing the Cross Creek Project for COMB. As evidenced by the bid there is no doubt in my mind that SCC can give COMB the best project for the least amount of money. Again, I ask that you, as general counsel to COMB, encourage the Board to delay any further action on proceeding with this project until they can at least review my position and potentially save a significant amount of money.

If you have any questions or would like any additional information please call me at (805) 681-9796.

Sincerely,



John R. Schcok

WILLIAM H. HAIR  
 ROBERT L. COMPTON  
 MARC L. O'HARNEY  
 RONALD H. GILL  
 LARRY L. HINES  
 KENNETH M. HIGH, JR.  
 MICHAEL O. O'BRIEN  
 RANDALL H. GEORGE  
 PAUL W. KURZEKA  
 ANTHONY H. TREMBLEY  
 JONATHAN RASBER LIGHT  
 WILLIAM E. WINFIELD  
 CHRISTOPHER K. NITABAKI  
 SCOTT D. SAMSKY  
 GLENN J. DICKINSON  
 NANCY MILLER  
 JOEL MARK  
 DIANE L. BECKER  
 MARIA L. CAPRITTO  
 NANCY KIERSTYN SCHREINER  
 KAREN L. GABLER  
 MEGHAN B. CLARK  
 MELISSA H. BAYER  
 CURTIS A. GRAHAM  
 BROOK J. CARROLL  
 SYLVIA SOTO  
 ANGELA V. LOPEZ  
 JOHNSA M. BEST  
 CHRISTOPHER J. KUNKE  
 MELISSA C. STREET  
 BRIAN D. HEFELFINGBA  
 GANNON E. JOHNSON  
 PETER B. BROMAGHIM

LAW OFFICES OF

## NORDMAN CORMANY HAIR & COMPTON LLP

1000 TOWN CENTER DRIVE  
 SIXTH FLOOR  
 OXNARD, CALIFORNIA 93036-1132  
 (805) 485-1000

8<sup>TH</sup> FLOOR FAX (805) 988-83875<sup>TH</sup> FLOOR FAX (805) 988-8397

WEBSITE: WWW.NCHC.COM

BEN E. NORDMAN  
 (1913 - 1995)

RALPH L. CORMANY  
 (1921 - 2002)

LOUIS A. CAPPADONA  
 PHILIP C. DRESCHER  
 DAVID L. CUNNINGHAM  
 (OF COUNSEL)

10133 VENTURA BOULEVARD  
 PENTHOUSE A  
 ENCINO, CALIFORNIA 91436  
 (818) 988-8000  
 FAX (818) 789-0947

WRITER'S DIRECT DIAL  
 (805) 368-6347

WRITER'S DIRECT FAX  
 (805) 868-7747

WRITER'S EMAIL ADDRESS  
 WHAIR@NCHC.COM

June 24, 2009

Ms. Nicole Kraus  
 Schock Contracting Corporation  
 P.O. Box 61505  
 Santa Barbara, CA 93160

**Re: Cachuma Operation and Maintenance Board/El Jaro Creek  
 Cross Creek Ranch Fish Passage Enhancement Project**

Dear Ms. Kraus:

I have been asked, as general counsel to COMB, to respond to your letter of June 23, 2009 protesting the award of the captioned contract. As is clear from the notice inviting sealed bids, COMB reserved the right to reject any and all bids and after serious consideration, the Board determined that the second lowest bid was the bid that should be accepted based on that bidder's extensive experience in fish passage construction projects locally, their reputation, and their dedication to detail throughout the bidding process.

As is provided, in part, in Section A2.10: "It is the intention of the Board to award a contract to a bidder who furnishes satisfactory evidence that he/she has the requisite experience and ability, and that he/she has sufficient capital, facilities, and plant to enable him/her to prosecute the work successfully and properly, and to complete it within the time named in the contract. To determine the degree of responsibility to be credited to the bidder, the Board will weigh evidence of the bidder's trustworthiness, as well as bidder's quality, fitness, capacity and experience, including whether bidder has performed satisfactorily other contracts of like nature, magnitude and comparable difficulty and comparable rates of progress. If in the opinion of the Board, a bidder is determined not to be 'responsible', its bid will not be considered for award of the contract."

Item # 4  
 Page # 16

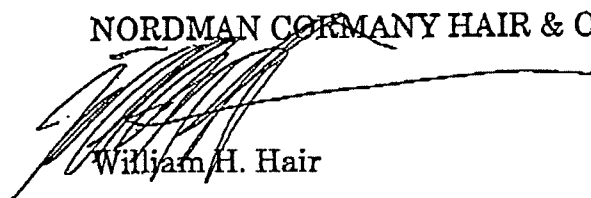
Ms. Nicole Kraus  
June 24, 2009  
Page 2

The Board at its meeting on June 22, 2009 made such a consideration in determining the award of the contract.

As a result of the foregoing, I must advise COMB to reject your protest.

Very truly yours,

NORDMAN CORMANY HAIR & COMPTON LLP



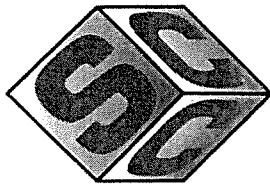
William H. Hair

WHH:la

cc: Cachuma Operation and Maintenance Board  
Att: Kate Rees, General Manager

12727\001\LTR\10418453.DOC

|        |    |
|--------|----|
| Item # | 4  |
| Page # | 17 |



SCHOCK CONTRACTING CORP.  
GENERAL ENGINEERING  
LICENSE #691211

RECEIVED

June 23, 2009

JUN 23 2009

CACHUMA O&M BOARD

Attention: Kate Rees  
Cachuma Conservation Release Board  
3301 Laurel Canyon Road  
Santa Barbara, CA 93105-2017

Dear Kate Rees,

As the lowest responsive bidder Schock Contracting Corporation here by protests the award of the above referenced project to any contractor other than Schock Contracting Corporation. We respectfully request that you delay any further action regarding the award of the project until several pertinent issues can be reviewed.

Sincerely,

Nicole Kraus

0 # 34  
20 # 18

FAXED  
JUN 23 2009  
By 569-5825

W. E. BOAM

**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 22, 2009**

---

**1. Call to Order, Roll Call**

The meeting was called to order at 3:11 p.m. by President Williams who chaired the meeting. Those in attendance were:

**Directors present:**

|                  |                                   |
|------------------|-----------------------------------|
| Das Williams     | City of Santa Barbara             |
| Bob Lieberknecht | Carpinteria Valley Water District |
| Jan Abel         | Montecito Water District          |
| Lauren Hanson    | Goleta Water District             |
| Lee Bettencourt  | SYR Conservation Dist ID#1        |

**Others present:**

|                  |                 |
|------------------|-----------------|
| Kate Rees        | William Hair    |
| Eric Ford        | Alex Keuper     |
| Janet Gingras    | Detlev Peikert  |
| Gary Kvistad     | Fran Farina     |
| Charles Hamilton | Glen Hille      |
| Matt Bloise      | Chris Dahlstrom |
| Tim Robinson     |                 |

**2. Public Comment**

There were no comments from the public.

**3. Consent Agenda**

- a. **Minutes:**  
May 18, 2009 Regular Board Meeting
- b. **Investment Funds**  
Financial Reports, April 2009 and May 2009  
Investment Report
- c. **Payment of Claims**

Director Hanson requested a change to the May 18, 2009 minutes, Item 11 (b). She requested that the sentence should read... out in front of other (recreation

– delete) agencies with regard to the County’s Quagga program, and that he would be interested in seeing a risk analysis (adding) that evaluates the danger of allowing outside boats (adding) versus the benefits of allowing them into the lake.

Director Hanson moved to approve the consent agenda with the changes to the minutes, seconded by Director Abel, passed 7/0/0.

#### 4. Reports From the Manager

**a. Cachuma Water Reports**

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

**b. Operations Report**

Ms. Rees highlighted the May Operations Report that was included in the board packet. Most of the activities conducted in May were related to post Jesusita Fire efforts.

**c. MWD Purchase of CVWD Cachuma Carryover Water**

A letter from MWD was included in the board packet advising COMB that MWD had purchased 600 acre-feet of CVWD’s Cachuma carryover water.

**d. COMB Operating Committee Meeting April 1, 2009**

The agenda and minutes from the COMB Operating Committee meeting held on June 3, 2009 were included in the board packet.

**e. Meeting with Reclamation at ACWA Spring Conference, May 20-22, 2009, Sacramento**

Ms. Rees reported that she had met with Reclamation during the ACWA Spring Conference in May. Her discussions addressed the prevention of Quagga Mussels in Lake Cachuma and requested that Reclamation find non-reimbursable funds to assist the County with the ongoing cost of the inspection program. Reclamation agreed to look into this. She also reported on sessions she attended relevant to COMB interests.

**f. 2008 Surcharge Accounting**

The 2008 Surcharge Summary was included in the board packet. In addition to surcharge water available, about 4,782 acre feet have been used through June 2009 from Project yield to meet downstream target flows for steelhead.

**g. Cachuma Reservoir Current Conditions**

**Date 06/22/2009**

|                                   |                            |
|-----------------------------------|----------------------------|
| Lake Elevation                    | 740.34 feet                |
| Storage                           | 159,443 acre feet          |
| Rain (for the month to date)      | .15 inches                 |
| Rain YTD (for the season to date) | 7.54 inches                |
| Fish Release-Hilton/Outlet Works  | 12 to 24 acre feet per day |
| Month to Date Fish Release        | 703 acre feet              |

Month to Date Spill                      0 acre feet  
Year to Date Spill                      0 acre feet

**5. COMB Capital Improvement Program**

**a. COMB Office Building Project**

**1) Presentation of Concept Drawings and Preliminary Budget Estimate from Peikert Group, Architects**

Detlev (Detty) Peikert of Peikert Group, Architects presented the conceptual drawings for the proposed new COMB office building to the Board. Mr. Peikert explained that as the firm approached this project they made every effort to understand the COMB organization, consider the natural setting of the area, design with sustainability in mind, and of most importance, develop a practical and economical design. Their approach was to design a simple, economical building that would house all staff and meet all the necessary functions of both COMB and CCRB. He described the details of the conceptual drawings using a PowerPoint presentation, and said that he is working with a couple of contractors to provide a good preliminary estimate for construction of the project.

**2) Reply Letter to ID No. 1**

Included in the board packet was a letter from ID #1's President, Harlan Burchardi, concerning the proposed new COMB office building. Also included was a reply to that letter from COMB's President, Das Williams, and a copy of a draft Indemnification Agreement between ID #1, COMB, and the South Coast Member Units. The legal documents for the COMB Bond state that South Coast Member Units shall be solely responsible for repayment of the bond. The Indemnification Agreement is not necessary, but would give ID#1 additional assurance that it would not be responsible for repayment of any portion of the bond. ID#1 will consider the draft Indemnification Agreement and the COMB POS.

Goleta Water District's (GWD) legal counsel, Fran Farina, expressed her concern with the draft Indemnification Agreement relative to ID#1 paying for a portion of the proposed COMB office building. She referred to a separate agreement (noted in Mr. William's letter) to be negotiated with ID#1 on the sharing of the cost for a new office building. Counsel Hair explained that the Indemnification Agreement was meant only to address the COMB bond repayment responsibilities, and was not linked to any separate agreement with ID#1 for cost sharing of the office building. The Board requested that Ms. Farina discuss her issues with Counsel Hair.

**b. SCC/Upper Reach Reliability Project**

**1) Receipt of Pre-Qualifications from Contractors**

Ms. Rees reported that a notice requesting pre-qualifications from interested contractors for construction of the 2<sup>nd</sup> Pipeline Project was advertised in late May 2009. Eleven contractors submitted their qualifications for the project; a list of those contractors was included in the board packet. These firms will be ranked per COMB's Prequalification Policy and the five top-ranked



contractors will be requested to bid on the project. It is anticipated that a contract will be awarded by October 2009.

**2) Recommendation for Construction Management Services**

Ms. Rees reported that three engineering firms were pre-selected to submit bids for construction management services for the 2<sup>nd</sup> Pipeline Project. All of the contractors submitted responsive bids, and all have appropriate experience to successfully complete the project. After review by staff and outside engineers, staff recommended that AECOM be hired to provide construction management services for this project.

Director Lieberknecht moved that AECOM be selected to provide construction management services for the South Coast Conduit Upper Reliability Project, seconded by Director Williams, passed 6/0/1, Director Bettencourt abstained.

**3) Authorization to Sign Right-Of-Way Agreements, Accept the Easement Deeds, and Authorize Payments into Escrow for Gessert-Brown and University Exchange Corporation**

Ms. Rees reported that COMB's real estate consultant Hamner-Jewell and COMB staff have been in negotiations with the two landowners in the Glen Annie watershed that will be affected by the construction of the 2<sup>nd</sup> Pipeline Project. She reported that the negotiations have been completed, and a mutually agreed upon price had been accepted by each of the landowners, contingent upon approval by the COMB Board. At the April 27<sup>th</sup> Board meeting, the Board authorized the General Manager to offer financial compensation to the landowners. Ms. Rees requested that the Board approve the negotiated compensation to purchase temporary construction and permanent right-of-way easements to complete the process.

Director Hanson moved to authorize the General Manager to sign the Right-of-Way Agreements, accept the Easement Deeds, and authorize payments into escrow for Gessert-Brown and University Exchange Corporation, seconded by Director Lieberknecht, passed 6/0/1, Director Bettencourt abstained.

**c. CIP Bond**

**1) Revised Schedule**

Included in the board packet was the revised schedule for the various Member Unit meetings regarding the bond issuance process. Ms. Rees requested that everyone check the dates for their respective meetings and contact Janet Gingras with any changes.

Director Abel requested that the schedule be revised to clearly state the specific actions required from the individual Member Unit Boards during each scheduled meeting. Staff agreed to do so.

**2) Informational Briefing on Proposed Cost Distribution Methodology for Bond Debt Service Repayment and Proposed Cost of Services Analysis**

Ms. Rees reported that at the May 18, 2009 Board meeting, President Williams, at the request of Carpinteria Valley Water District, agreed that the COMB Board should receive information and consider a different bond repayment cost distribution than the historic Cachuma entitlement percentages. At the June 3, 2009 COMB Operating Committee meeting this was discussed. Ms. Rees reported that the other General Managers did not think COMB should consider adjusting the cost repayment percentages of the bond in isolation. They recommended that if the COMB Board was interested in evaluating this issue, a comprehensive cost of services analysis should be done for the entire conveyance system, and that an experienced consultant should be hired to carry out this analysis.

Ms. Rees agreed with the recommendation of the Operating Committee; however she expressed concern that this type of analysis could be lengthy and would likely hold up the bond issuance. To avoid delay, staff proposed that an additional provision be included in COMB's Official Statement and the Joint Participating Agreements as drafted by bond counsel, Doug Brown, which would allow a change to the cost repayment distribution at a later time, if the Member Units decided it was appropriate. The Board was in agreement that including this statement was appropriate.

The Board also directed staff to provide an estimated cost to do a full cost benefit analysis in September after the bond was issued. Ms. Rees indicated that input would be needed from the Member Unit Managers to develop an appropriate scope of work to provide to qualified consultants in order to get a good cost estimate.

#### **6. Proposed Final COMB Budget for Fiscal Year 2009-2010**

Ms. Rees reported that there had been no changes to the draft FY 2009-2010 Budget presented at the May Board meeting. The COLA decreased from 2.5% to 2.4% and the budget now includes the approved salary increase for the General Manager.

Director Abel indicated that the Montecito Water District Board had several questions regarding the COMB budget, which she would provide to Ms. Rees and Ms. Gingras for follow-up.

Director Lieberknecht moved to approve the proposed COMB Budget for Fiscal Year 2009-2010 in the amount of \$3,365,727, seconded by Director Hanson, passed 7/0/0.

#### **7. Consider FY 2008-09 Budget Adjustment for Erosion Control Measures and Fence Replacement at Lauro Reservoir Due to the Jesusita Fire**

Ms. Rees reported that during the Jesusita Fire, approximately 36.8 acres within the fence line around Lauro Reservoir completely burned. She provided preliminary cost estimates for the items and activities that need to be addressed for recovery of the burned area. In order to move forward with the recovery activities, Ms. Rees requested a budget adjustment in the amount of \$375,000. Because some anticipated

project work for FY 2009 had not been completed, funds are available to be transferred from two capital project accounts into a Jesusita Fire account. Staff has applied for financial assistance from the California Disaster Assistance Act Program for tree removal and to the National Resource Conservation Service for erosion control measures. The Bureau of Reclamation has also been contacted to see if it has any funds available to replace the damaged fencing around Lauro Reservoir.

Director Lieberknecht moved to reallocate current fiscal year budgeted funds in the amount of \$375,000 to carry out erosion control measures, dead tree removal, and replacement of fencing around Lauro Reservoir caused by the Jesusita Fire, seconded by Director Williams, passed 6/0/1, Director Bettencourt abstained.

#### **8. Recommended Contractor for El Jaro Creek Cross Creek Ranch Fish Passage Project**

Ms. Rees highlighted the memo that was included in the board packet. Four bids were received from contractors bidding on the project. Staff recommended hiring Lapidus Construction, Inc. due to their extensive experience in fish passage construction projects locally. Even though Lapidus submitted a somewhat higher bid, staff was of the opinion that Lapidus had been the most responsive bidder, particularly by reducing their bid by about \$100,000 from the bid submitted last year for the same project.

Director Bettencourt expressed his concern about staff not recommending the lowest bidder for the project. He also objected to having COMB contract for a fish passage project that should be with CCRB. Ms. Rees explained that CCRB does not have liability insurance so COMB needs to be the agency to contract for construction of the fish passage projects. Mr. Bettencourt was of the opinion that COMB and CCRB should have an agreement for COMB to run the project instead of CCRB.

Director Abel moved to approve the selection of Lapidus Construction, Inc. as the contractor for construction of the El Jaro Creek Cross Creek Ranch Fish Passage Enhancement Project, seconded by Director Hanson, passed 6/1/0, Director Bettencourt voted no.

#### **9. Quagga Mussel Issues**

##### **a. County Parks Department Long Term Funding Plan**

Included in the board packet was a letter from Dan Hernandez, County Parks Department outlining County Parks plan for long term funding of the Cachuma Lake Quagga Mussel Program. This fiscal plan was required by COMB to be submitted prior to sending the one time contribution of \$60,000 towards the Quagga Mussel Inspection and Prevention Program. Ms. Rees reported that the check had been sent to County Parks.

##### **b. Quagga Mussel Ad Hoc Committee Appointments**

President Williams appointed Director Hanson and staff to the Quagga Mussel Ad Hoc Committee.

#### **10. Proposition 84 Activities**

This was deferred to the July meeting.

**11. Directors' Request for Agenda Items for Next Meeting**

There were no requests except to include the South Coast Conduit cost benefit analysis estimate for the September 2009 Board meeting.

**12. Meeting Schedule**

The next regular Board meeting will be held July 27, 2009 following the 2:15 p.m. CCRB regular Board meeting, at the COMB office.

The Agendas and Board Packets are available on the COMB website, [www.cachuma-board.org](http://www.cachuma-board.org)

**13. COMB Adjournment**

There being no further business, the meeting was adjourned at 5:34 p.m.

Respectfully submitted,

\_\_\_\_\_  
Kate Rees, Secretary of the Board

**APPROVED:**

\_\_\_\_\_  
Das Williams, President

Approved \_\_\_\_\_  
Unapproved \_\_\_\_\_ ✓

comb2  
**Balance Sheet**  
 As of June 30, 2009

|                                      | <u>Jun 30, 09</u>          |
|--------------------------------------|----------------------------|
| <b>ASSETS</b>                        |                            |
| Current Assets                       |                            |
| Checking/Savings                     |                            |
| 1050 · GENERAL FUND                  | 503,746.25                 |
| 1100 · REVOLVING FUND                | 33,750.76                  |
| TRUST FUNDS                          |                            |
| 1210 · WARREN ACT TRUST FUND         | 184,493.95                 |
| 1220 · RENEWAL FUND                  | 5,004.41                   |
| Total TRUST FUNDS                    | <u>189,498.36</u>          |
| Total Checking/Savings               | 726,995.37                 |
| Other Current Assets                 |                            |
| 1010 · PETTY CASH                    | 400.00                     |
| 1200 · LAIF                          | 429,674.63                 |
| 1300 · DUE FROM CCRB                 | 53,237.15                  |
| 1303 · Bradbury SOD Act Assmnts Rec  | 59,192.00                  |
| 1304 · Lauro Dam SOD Assesmnt Rec    | 10,213.00                  |
| 1400 · PREPAID INSURANCE             | 13,456.72                  |
| 1401 · W/C INSURANCE DEPOSIT         | 3,906.00                   |
| Total Other Current Assets           | <u>570,079.50</u>          |
| Total Current Assets                 | 1,297,074.87               |
| Fixed Assets                         |                            |
| 1500 · VEHICLES                      | 338,973.52                 |
| 1505 · OFFICE FURN & EQUIPMENT       | 219,801.66                 |
| 1510 · TRAILERS                      | 97,803.34                  |
| 1515 · FIELD EQUIPMENT               | 366,549.49                 |
| 1525 · PAVING                        | 22,350.00                  |
| 1550 · ACCUMULATED DEPRECIATION      | -768,209.21                |
| Total Fixed Assets                   | <u>277,268.80</u>          |
| Other Assets                         |                            |
| 1910 · LT SOD Act Assess Receivable  | 6,667,777.07               |
| Total Other Assets                   | <u>6,667,777.07</u>        |
| <b>TOTAL ASSETS</b>                  | <b><u>8,242,120.74</u></b> |
| <b>LIABILITIES &amp; EQUITY</b>      |                            |
| Liabilities                          |                            |
| Current Liabilities                  |                            |
| Accounts Payable                     |                            |
| 2200 · ACCOUNTS PAYABLE              | 231,112.25                 |
| Total Accounts Payable               | 231,112.25                 |
| Other Current Liabilities            |                            |
| 2550 · VACATION/SICK                 | 73,628.67                  |
| 2561 · BRADBURY DAM SOD ACT          | 59,192.30                  |
| 2563 · LAURO DAM SOD ACT             | 19,950.00                  |
| 2590 · DEFERRED REVENUE              | 189,498.36                 |
| Payroll-CCRB DepPrm                  | 18.48                      |
| Payroll-DepPrm Ops                   | 18.48                      |
| Total Other Current Liabilities      | <u>342,306.29</u>          |
| Total Current Liabilities            | 573,418.54                 |
| Long Term Liabilities                |                            |
| 2602 · LT SOD Act Liability-Bradbury | 5,686,239.07               |
| 2603 · LT SOD Act Liability - Lauro  | 971,801.00                 |
| Total Long Term Liabilities          | <u>6,658,040.07</u>        |
| Total Liabilities                    | 7,231,458.61               |
| Equity                               |                            |
| 3000 · Opening Bal Equity            | 0.95                       |

12:30 PM  
07/22/09  
Accrual Basis

comb2  
**Balance Sheet**  
As of June 30, 2009

|                                       | <u>Jun 30, 09</u>                 |
|---------------------------------------|-----------------------------------|
| 3901 - Retained Earnings              | 1,813,319.79                      |
| Net Income                            | <u>-802,658.61</u>                |
| Total Equity                          | <u>1,010,662.13</u>               |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b><u><u>8,242,120.74</u></u></b> |

12:31 PM  
07/22/09  
Accrual Basis

**comb2**  
**Profit & Loss Budget vs. Actual**  
July 2008 through June 2009

|                                       | TOTAL               | Budget              | \$ Over Budget    | % of Budget    |
|---------------------------------------|---------------------|---------------------|-------------------|----------------|
|                                       | Jul '08 - Jun 09    |                     |                   |                |
| <b>Income</b>                         |                     |                     |                   |                |
| 3000 REVENUE                          |                     |                     |                   |                |
| 3001 · O&M Budget (Qtrly Assessments) | 3,508,414.00        | 3,508,414.00        | 0.00              | 100.0%         |
| 3010 · Interest Income                | 37,539.14           |                     |                   |                |
| 3020 · Misc Income                    | 31,181.48           |                     |                   |                |
| 3080 · SOD Act Interest Payment Rec   | 127,553.00          |                     |                   |                |
| <b>Total 3000 REVENUE</b>             | <u>3,704,687.62</u> | <u>3,508,414.00</u> | <u>196,273.62</u> | <u>105.59%</u> |
| <b>Total Income</b>                   | <u>3,704,687.62</u> | <u>3,508,414.00</u> | <u>196,273.62</u> | <u>105.59%</u> |
| <b>Gross Profit</b>                   | 3,704,687.62        | 3,508,414.00        | 196,273.62        | 105.59%        |
| <b>Expense</b>                        |                     |                     |                   |                |
| 4000 · Reconciliation Discrepancies   | 0.11                |                     |                   |                |
| 3100 LABOR                            |                     |                     |                   |                |
| 3101-A · Ops Supervisor               | 133,180.32          |                     |                   |                |
| 3101-H · Holiday Leave                | 13,693.83           |                     |                   |                |
| 3101-J · Jury Duty                    | 528.73              |                     |                   |                |
| 3101-S · Sick Leave                   | 23,113.91           |                     |                   |                |
| 3101-V · Vacation Leave               | 28,575.27           |                     |                   |                |
| 3102 · Meter Reading                  | 4,001.90            |                     |                   |                |
| 3103 · SCC Ops                        | 226,316.90          |                     |                   |                |
| 3104 · Veh & Equip Mtce               | 3,568.85            |                     |                   |                |
| 3105 · SCADA                          | 5,168.03            |                     |                   |                |
| 3106 · Rodent Bait                    | 3,147.53            |                     |                   |                |
| 3107 · NORTH PORTAL                   |                     |                     |                   |                |
| Total 3107-1 · NP INTAKE TOWER        | 1,711.05            |                     |                   |                |
| Total 3107-2 · NP CONTROL STATION     | 1,377.22            |                     |                   |                |
| <b>Total 3107 · NORTH PORTAL</b>      | <u>3,088.27</u>     |                     |                   |                |
| 3108 · GLEN ANNE                      |                     |                     |                   |                |
| Total 3108-1 · GA SOUTH PORTAL        | 12,650.47           |                     |                   |                |
| Total 3108-2 · GA RESERVOIR           | 2,193.51            |                     |                   |                |
| Total 3108-3 · GA PUMP STATION        | 609.68              |                     |                   |                |
| Total 3108-4 · GA TURNOUT             | 986.40              |                     |                   |                |
| <b>Total 3108 · GLEN ANNE</b>         | <u>16,440.06</u>    |                     |                   |                |

ITEM # 56  
PAGE 3

12:31 PM  
07/22/09  
Accrual Basis

**comb2**  
**Profit & Loss Budget vs. Actual**  
**July 2008 through June 2009**

|                                | TOTAL            |        |                |             |
|--------------------------------|------------------|--------|----------------|-------------|
|                                | Jul '08 - Jun 09 | Budget | \$ Over Budget | % of Budget |
| 3109 · CORONA DEL MAR          |                  |        |                |             |
| Total 3109-1 · TURNOUT         | 378.50           |        |                |             |
| Total 3109 · CORONA DEL MAR    | 378.50           |        |                |             |
| 3110 · LAURO                   |                  |        |                |             |
| Total 3110-1 · YARD            | 28,848.54        |        |                |             |
| Total 3110-2 · CONTROL STATION | 431.99           |        |                |             |
| Total 3110-3 · RESERVOIR       | 4,280.89         |        |                |             |
| Total 3110-4 · DEBRIS BASINS   | 5,356.77         |        |                |             |
| Total 3110 · LAURO             | 38,918.19        |        |                |             |
| 3111 · OFFICE                  |                  |        |                |             |
| Total 3111-2 · IMPLANTS        | 96.45            |        |                |             |
| Total 3111-3 · MAIN OFFICE     | 2,668.45         |        |                |             |
| Total 3111-4 · SHOPS           | 450.10           |        |                |             |
| Total 3111 · OFFICE            | 3,215.00         |        |                |             |
| 3112 · SHEFFIELD               |                  |        |                |             |
| Total 3112-1 · CONTROL STATION | 757.01           |        |                |             |
| Total 3112-2 · TUNNEL          | 429.23           |        |                |             |
| Total 3112 · SHEFFIELD         | 1,186.24         |        |                |             |
| 3113 · ORTEGA                  |                  |        |                |             |
| Total 3113-1 · CONTROL STATION | 5,170.16         |        |                |             |
| Total 3113-2 · RESERVOIR       | 8,936.45         |        |                |             |
| Total 3113 · ORTEGA            | 14,106.61        |        |                |             |
| 3114 · BOUNDARY METER          |                  |        |                |             |
| Total 3114-1 · VAULT           | 96.45            |        |                |             |
| Total 3114 · BOUNDARY METER    | 96.45            |        |                |             |
| 3115 · CARPINTERIA             |                  |        |                |             |
| Total 3115-1 · CONTROL STATION | 795.90           |        |                |             |
| Total 3115-2 · RESERVOIR       | 1,045.90         |        |                |             |

ITEM # 56  
PAGE 4



**comb2**  
**Profit & Loss Budget vs. Actual**  
**July 2008 through June 2009**

|                                     | TOTAL            |            |                |             |
|-------------------------------------|------------------|------------|----------------|-------------|
|                                     | Jul '08 - Jun 09 | Budget     | \$ Over Budget | % of Budget |
| Total 3115 · CARPINTERIA            | 1,841.80         |            |                |             |
| 3116 · GOLETA REACH                 |                  |            |                |             |
| Total 3116-1 · STRUCTURES           | 16,043.30        |            |                |             |
| Total 3116-2 · LATERAL METERS       | 2,306.88         |            |                |             |
| Total 3116-3 · VALVES               | 4,916.32         |            |                |             |
| Total 3116-4 · CONDUIT              | 8,001.91         |            |                |             |
| Total 3116 · GOLETA REACH           | 31,268.41        |            |                |             |
| 3117 · CARPINTERIA REACH            |                  |            |                |             |
| Total 3117-1 · STRUCTURES           | 2,425.25         |            |                |             |
| Total 3117-2 · LATERAL METERS       | 4,093.65         |            |                |             |
| Total 3117-3 · VALVES               | 1,259.80         |            |                |             |
| Total 3117-4 · CONDUIT              | 7,695.75         |            |                |             |
| Total 3117 · CARPINTERIA REACH      | 15,474.45        |            |                |             |
| 3135 · Hoi/Vac/Sk                   | -9,560.58        |            |                |             |
| 3150 · Health & Workers Comp        | 154,726.64       |            |                |             |
| 3155 · PERS                         | 82,910.99        |            |                |             |
| 3160 · Payroll Comp FICA Ops        | 38,271.22        |            |                |             |
| 3165 · Payroll Comp MCARE Ops       | 9,025.12         |            |                |             |
| 3100 LABOR - Other                  | 0.00             | 854,201.00 | -854,201.00    | 0.0%        |
| Total 3100 LABOR                    | 842,682.64       | 854,201.00 | -11,518.36     | 98.65%      |
| 3200 VEH & EQUIPMENT                |                  |            |                |             |
| 3201 · Vehicle/Equip Mtce           | 42,276.15        | 38,000.00  | 4,276.15       | 111.25%     |
| 3202 · Fixed Capital                | 2,054.05         | 48,000.00  | -45,945.95     | 4.28%       |
| 3203 · Equipment Rental             | 2,148.68         | 10,000.00  | -7,851.32      | 21.49%      |
| 3204 · Miscellaneous                | 18,140.18        | 18,000.00  | 140.18         | 100.78%     |
| Total 3200 VEH & EQUIPMENT          | 64,619.06        | 114,000.00 | -49,380.94     | 56.68%      |
| 3300 · CONTRACT LABOR               |                  |            |                |             |
| 3301 · Conduit, Meter, Valve & Misc | 10,491.01        | 12,000.00  | -1,508.99      | 87.43%      |
| 3302 · Buildings & Roads            | 44,886.97        | 16,000.00  | 28,886.97      | 280.54%     |
| 3303 · Reservoirs                   | 53,296.74        | 52,000.00  | 1,296.74       | 102.49%     |

**comb2**  
**Profit & Loss Budget vs. Actual**  
**July 2008 through June 2009**

|  | Jul '08 - Jun 09 | Budget     | \$ Over Budget | % of Budget |
|--|------------------|------------|----------------|-------------|
| <b>TOTAL</b>                               |                  |            |                |             |
| 3304 · Engineering, Misc Services          | 23,553.38        | 26,000.00  | -2,446.62      | 90.59%      |
| Total 3300 · CONTRACT LABOR                | 132,228.10       | 106,000.00 | 26,228.10      | 124.74%     |
| <b>3400 · MATERIALS &amp; SUPPLIES</b>     |                  |            |                |             |
| 3401 · Conduit, Meter, Valve & Misc        | 22,400.58        | 25,000.00  | -2,599.42      | 89.6%       |
| 3402 · Buildings & Roads                   | 23,324.99        | 25,000.00  | -1,675.01      | 93.3%       |
| 3403 · Reservoirs                          | 2,746.50         | 10,000.00  | -7,253.50      | 27.47%      |
| Total 3400 · MATERIALS & SUPPLIES          | 48,472.07        | 60,000.00  | -11,527.93     | 80.79%      |
| <b>3500 · OTHER EXPENSES</b>               |                  |            |                |             |
| 3501 · Utilities                           | 4,488.68         | 6,500.00   | -2,011.32      | 69.06%      |
| 3502 · Uniforms                            | 6,814.80         | 6,500.00   | 314.80         | 104.84%     |
| 3503 · Communications                      | 17,871.23        | 20,000.00  | -2,128.77      | 89.36%      |
| 3504 · USA & Other Services                | 2,142.40         | 4,000.00   | -1,857.60      | 53.56%      |
| 3505 · Miscellaneous                       | 8,822.44         | 8,000.00   | 822.44         | 110.28%     |
| 3506 · Training                            | 6,849.97         | 8,000.00   | -1,150.03      | 85.63%      |
| Total 3500 · OTHER EXPENSES                | 46,989.52        | 53,000.00  | -6,010.48      | 88.66%      |
| <b>4999 · GENERAL &amp; ADMINISTRATIVE</b> |                  |            |                |             |
| 5000 · Director Fees                       |                  |            |                |             |
| 5001 · Director Mileage                    | 862.69           |            |                |             |
| 5000 · Director Fees - Other               | 9,728.00         | 12,000.00  | -2,272.00      | 81.07%      |
| Total 5000 · Director Fees                 | 10,590.69        | 12,000.00  | -1,409.31      | 88.26%      |
| 5100 · Legal                               | 77,991.64        | 63,000.00  | 14,991.64      | 123.8%      |
| 5101-1 · Audit                             | 10,879.00        | 12,000.00  | -1,121.00      | 90.66%      |
| 5150 · Unemployment Tax                    | 0.00             | 7,088.00   | -7,088.00      | 0.0%        |
| 5200 · Liability Insurance                 | 34,041.00        | 48,000.00  | -13,959.00     | 70.92%      |
| 5201 · Health & Workers Comp               | 61,381.22        | 64,240.00  | -2,858.78      | 95.55%      |
| 5250 · PERS                                | 34,206.86        | 33,965.00  | 241.86         | 100.71%     |
| 5260 · Company FICA Admin                  | 12,919.02        | 13,000.00  | -80.98         | 99.38%      |
| 5265 · Company MCARE Admin                 | 3,190.97         | 3,662.00   | -471.03        | 87.14%      |
| 5300 · Manager Salary                      | 48,802.63        | 50,300.00  | -1,497.37      | 97.02%      |
| 5301 · Administrative Manager              | 93,943.46        | 93,943.00  | 0.46           | 100.0%      |
| 5306 · Administrative Assistant            | 56,476.09        | 55,265.00  | 1,211.09       | 102.19%     |
| 5310 · Postage/Office Exp                  | 8,852.63         | 10,000.00  | -1,147.37      | 88.53%      |

ITEM # 5b  
PAGE 6

**comb2**  
**Profit & Loss Budget vs. Actual**  
July 2008 through June 2009

|  | Jul '08 - Jun 09    | Budget              | \$ Over Budget     | % of Budget   |
|--|---------------------|---------------------|--------------------|---------------|
| <b>TOTAL</b>                                     |                     |                     |                    |               |
| 5311 · Office Equip/Leases                       | 5,226.71            | 6,200.00            | -973.29            | 84.3%         |
| 5312 · Misc Admin Expenses                       | 6,988.29            | 12,000.00           | -5,011.71          | 58.24%        |
| 5313 · Communications                            | 3,466.56            | 5,200.00            | -1,733.44          | 66.67%        |
| 5314 · Utilities                                 | 6,478.48            | 6,000.00            | 478.48             | 107.98%       |
| 5315 · Membership Dues                           | 6,040.50            | 6,850.00            | -809.50            | 88.18%        |
| 5316 · Admin Fixed Assets                        | -873.99             | 7,000.00            | -7,873.99          | -12.49%       |
| 5318 · Computer Consultant                       | 14,307.02           | 8,000.00            | 6,307.02           | 178.84%       |
| 5319 · Parity Study                              | 0.00                | 20,000.00           | -20,000.00         | 0.0%          |
| 5325 · Emp Training/Subscriptions                | 545.17              | 4,500.00            | -3,954.83          | 12.12%        |
| 5330 · Admin Travel/Conferences                  | 5,923.18            | 5,000.00            | 923.18             | 118.46%       |
| 5331 · Public Information                        | 5,980.52            | 8,000.00            | -2,019.48          | 74.76%        |
| 5332 · Transportation                            | 512.96              | 1,000.00            | -487.04            | 51.3%         |
| 5350 · Admin Vac/Sk                              | 4,685.54            |                     |                    |               |
| <b>Total 4999 · GENERAL &amp; ADMINISTRATIVE</b> | <b>512,556.15</b>   | <b>556,213.00</b>   | <b>-43,656.85</b>  | <b>92.15%</b> |
| 5510 · Integrated Reg. Water Mgt Plan            | 12,203.18           | 70,000.00           | -57,796.82         | 17.43%        |
| <b>6000 · SPECIAL PROJECTS</b>                   |                     |                     |                    |               |
| 6062 · SCADA                                     | 31,957.89           | 50,000.00           | -18,042.11         | 63.92%        |
| 6090-1 · COMB Bldg/Grounds Repair                | 33,191.73           | 75,000.00           | -41,808.27         | 44.26%        |
| 6092 · SCC Improv Plan & Design                  | 1,058,801.32        | 1,000,000.00        | 58,801.32          | 105.88%       |
| 6092-1 · SCC Improv Plan & Design-UF             | 0.00                |                     |                    |               |
| 6095 · SCC Valve & Cntrl Sta Rehab               | 152,607.46          | 450,000.00          | -297,392.54        | 33.91%        |
| 6095-1 · Lauro Debris Basin Rehab                | 1,144,345.25        | 1,125,400.65        | 18,944.60          | 101.68%       |
| 6095-2 · Lauro Debris Basin - UF                 | 0.00                |                     |                    |               |
| 6096 · SCC Structure Rehabilitation              | 92,969.07           | 350,000.00          | -257,030.93        | 26.56%        |
| 6096-1 · SCC Structure Rehab - UF                | 0.00                |                     |                    |               |
| 6097 · GIS and Mapping                           | 9,148.47            | 50,000.00           | -40,851.53         | 18.3%         |
| 6098 · Quagga Mussel Research                    | 0.00                | 20,000.00           | -20,000.00         | 0.0%          |
| 6098-1 · Quagga Mussel                           | 60,000.00           | 60,000.00           | 0.00               | 100.0%        |
| 6099 · Hydrology Work                            | 58,811.04           | 60,000.00           | -1,188.96          | 98.02%        |
| <b>Total 6000 · SPECIAL PROJECTS</b>             | <b>2,641,832.23</b> | <b>3,240,400.65</b> | <b>-598,568.42</b> | <b>81.53%</b> |
| 6400 · STORM DAMAGE                              |                     |                     |                    |               |
| 6402 · Zaca Fire Damage                          | -11,345.34          | 32,430.19           | -43,775.53         | -34.98%       |

12:31 PM  
 07/22/09  
 Accrual Basis

**comb2**  
**Profit & Loss Budget vs. Actual**  
 July 2008 through June 2009

|                             | TOTAL            |               |                |             |
|-----------------------------|------------------|---------------|----------------|-------------|
|                             | Jul '08 - Jun 09 | Budget        | \$ Over Budget | % of Budget |
| 6403 - Jesusita Fire Damage | 6,128.84         |               |                |             |
| Total 6400 - STORM DAMAGE   | -5,216.50        | 32,430.19     | -37,646.69     | -16.09%     |
| 7005 - DEPRECIATION         | 83,426.67        |               |                |             |
| 7006 - INTEREST EXPENSE     | 127,553.00       |               |                |             |
| PAYROLL                     |                  |               |                |             |
| Gross                       | 0.00             |               |                |             |
| Gross-CCRB                  | 0.00             |               |                |             |
| Total PAYROLL               | 0.00             |               |                |             |
| Total Expense               | 4,507,346.23     | 5,086,244.84  | -578,898.61    | 88.62%      |
| Net Income                  | -802,658.61      | -1,577,830.84 | 775,172.23     | 50.87%      |

ITEM # 56  
 PAGE 8

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

[www.treasurer.ca.gov/pmia-laif](http://www.treasurer.ca.gov/pmia-laif)  
July 20, 2009

CACHUMA OPERATION AND MAINTENANCE BOARD

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

PMIA Average Monthly Yields

Account Number:

Transactions  
Tran Type Definitions

June 2009 Statement

| Effective Date | Transaction Date | Tran Type | Tran Confirm Number | Authorized Caller | Amount      |
|----------------|------------------|-----------|---------------------|-------------------|-------------|
| 6/5/2009       | 6/5/2009         | RW        | 1225974             | KATHLEEN REES     | -175,000.00 |
| 6/10/2009      | 6/9/2009         | RW        | 1226251             | KATHLEEN REES     | -60,000.00  |

Account Summary

|                   |             |                    |            |
|-------------------|-------------|--------------------|------------|
| Total Deposit:    | 0.00        | Beginning Balance: | 664,674.63 |
| Total Withdrawal: | -235,000.00 | Ending Balance:    | 429,674.63 |

**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 June, 2009, 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 # 56  
PAGE 9

**SANTA BARBARA  
BANK & TRUST**

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

5805  
Cachuma Operation & Maintenance Board  
Master Contract Renewal Fund  
3301 Laurel Canyon Rd  
Santa Barbara CA 93105-2017

**Banking Statement**

Statement Period: 06/01/2009 to 06/30/2009

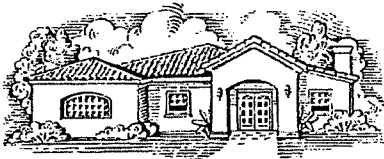
Customer Number: Page 1

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

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

www.sbbt.com

**Flexible Real Estate  
Financing Options**



We offer home financing programs to fit any need...whether it's your first home, or you're moving up, or remodeling what you have. If you're thinking of buying or refinancing to take cash out to pay off other loans, lines and more, call now to apply or find out more on our website!



**Business Money Market**

**Checking Summary**

Cachuma Operation & Maintenance Board

Master Contract Renewal Fund

Account Number 102335072  
Interest Paid YTD 1.59

**Deposit Account Recap**

Beginning Balance as of June 1, 2009 4,998.34 ✓  
2 Deposits (Plus) 16.07  
1 Withdrawals (Minus) 10.00  
Ending Balance as of June 30, 2009 5,004.41

Service Charge 10.00  
Interest Paid 1.07

*Handwritten: 42170609*

**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 June, 2009, complies with legal requirements for investment policy of government agencies, AB 1073. I hereby certify that it constitutes a complete and accurate summary of all Santa Barbara Bank & Trust investments of this agency for the period indicated.

*Kathleen Rees*  
Secretary

ITEM # 56  
PAGE 10

**SANTA BARBARA  
BANK & TRUST**

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

5806  
Cachuma Operation & Maintenance Board  
Cachuma Project Trust Fund  
3301 Laurel Canyon Rd  
Santa Barbara CA 93105-2017

**Banking Statement**

Statement Period: 06/01/2009 to 06/30/2009

Customer Number: Page 1

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

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

www.sbbt.com

**Flexible Real Estate  
Financing Options**



We offer home financing programs to fit any need...whether it's your first home, or you're moving up, or remodeling what you have. If you're thinking of buying or refinancing to take cash out to pay off other loans, lines and more, call now to apply or find out more on our website!



**Public Capital Tiered MMDA**

**Checking Summary**

Cachuma Operation & Maintenance Board

Cachuma Project Trust Fund

Account Number 102335080  
Interest Paid YTD 477.75

**Deposit Account Recap**

Beginning Balance as of June 1, 2009 184,380.26 ✓  
1 Deposits (Plus) 113.69  
Ending Balance as of June 30, 2009 184,493.95  
Interest Paid 113.69

*HR 1/28/09*

**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 June, 2009, complies with legal requirements for investment policy of government agencies, AB 1073. I hereby certify that it constitutes a complete and accurate summary of all Santa Barbara Bank & Trust investments of this agency for the period indicated.

Secretary

ITEM # 56  
PAGE 11

1:18 PM  
07/01/09  
Accrual Basis

comb2  
**Payment of Claims**  
As of June 30, 2009

| Date                       | Num   | Name                          | Memo                                    | Split         | Amount      |
|----------------------------|-------|-------------------------------|---|---------------|-------------|
| <b>1050 · GENERAL FUND</b> |       |                               |   |               |             |
| 6/3/2009                   | 18095 | H&H Roofing, Inc.             |   | 2200 · ACC... | -15,912.68  |
| 6/3/2009                   | 18096 | Idris Hepp Painting           | Lauro/Ortega-painting-balance du...     | 2200 · ACC... | -9,178.00   |
| 6/3/2009                   | 18097 | Vista Ford of Oxnard          | CCRB-2009 Ford F-150 XL PO#8...         | 2200 · ACC... | -24,958.17  |
| 6/8/2009                   | 18098 | Business Card                 |   | 2200 · ACC... | -2,591.25   |
| 6/8/2009                   | 18099 | COMB-Petty Cash               | Replenish petty cash                    | 2200 · ACC... | -266.88     |
| 6/8/2009                   | 18100 | COMB - Revolving Fund         | Jun 12 & 26 payroll/taxes               | 2200 · ACC... | -187,586.41 |
| 6/8/2009                   | 18101 | Robert Dunlap                 | Reimb-steel toe boots                   | 2200 · ACC... | -171.27     |
| 6/8/2009                   | 18102 | Susannah Pitman               | Reimb-manual for class                  | 2200 · ACC... | -52.55      |
| 6/9/2009                   | 18103 | Santa Barbara County Par...   | Quagga mussel inspection contrib...     | 2200 · ACC... | -60,000.00  |
| 6/10/2009                  | 18104 | A-OK Mower Shops, Inc.        | Cut off saw repair                      | 2200 · ACC... | -129.70     |
| 6/10/2009                  | 18105 | Acorn Landscape Manage...     |   | 2200 · ACC... | -1,293.17   |
| 6/10/2009                  | 18106 | AECOM USA Inc.                |   | 2200 · ACC... | -36,634.38  |
| 6/10/2009                  | 18107 | AGRX                          | Alecto/simazine-TBrown                  | 2200 · ACC... | -157.65     |
| 6/10/2009                  | 18108 | American Van Equipment,...    | Tool box for new CCRB truck-PO...       | 2200 · ACC... | -481.46     |
| 6/10/2009                  | 18109 | Aqua-Flo Supply               | Straw wattle                            | 2200 · ACC... | -378.45     |
| 6/10/2009                  | 18110 | Aqua Truck Inc.               | Ortega Reservoir                        | 2200 · ACC... | -247.50     |
| 6/10/2009                  | 18111 | AT&T                          | May statement                           | 2200 · ACC... | -328.20     |
| 6/10/2009                  | 18112 | BEC Electric Contractors      |   | 2200 · ACC... | -10,629.55  |
| 6/10/2009                  | 18113 | Bedrock Building Supplies     | Mortar/float/rags                       | 2200 · ACC... | -43.99      |
| 6/10/2009                  | 18114 | CIO Solutions, Inc.           |   | 2200 · ACC... | -3,199.86   |
| 6/10/2009                  | 18115 | City of Santa-Barbara         | Refuse/recycle 4/29-5/28/09             | 2200 · ACC... | -167.00     |
| 6/10/2009                  | 18116 | Coastal Copy, LP              | Lease/mtce agmt KM-C4035 4/9-...        | 2200 · ACC... | -363.82     |
| 6/10/2009                  | 18117 | Cox Communications            | Business internet 5/18-6/17/09          | 2200 · ACC... | -195.00     |
| 6/10/2009                  | 18118 | CSK Auto, Inc.                |   | 2200 · ACC... | -205.48     |
| 6/10/2009                  | 18119 | Culligan Water                | RO system Jun                           | 2200 · ACC... | -24.95      |
| 6/10/2009                  | 18120 | Das Williams                  | May mtg fees                            | 2200 · ACC... | -397.68     |
| 6/10/2009                  | 18121 | Dell Marketing L.P.           | BackUPS                                 | 2200 · ACC... | -144.47     |
| 6/10/2009                  | 18122 | ECHO Communications           | Answering service                       | 2200 · ACC... | -65.60      |
| 6/10/2009                  | 18123 | Famcon Pipe & Supply          |   | 2200 · ACC... | -2,850.34   |
| 6/10/2009                  | 18124 | Fed Ex Kinko's, Inc.          | Copies-Cross Crk Rangh Project          | 2200 · ACC... | -156.60     |
| 6/10/2009                  | 18125 | Fleet Services                | Fuel                                    | 2200 · ACC... | -2,085.30   |
| 6/10/2009                  | 18126 | Flowers & Associates, Inc.    |   | 2200 · ACC... | -26,203.40  |
| 6/10/2009                  | 18127 | GE Capital                    | Copier lease Billing ID#90133933...     | 2200 · ACC... | -499.16     |
| 6/10/2009                  | 18128 | Home Depot Credit Services    |   | 2200 · ACC... | -158.91     |
| 6/10/2009                  | 18129 | Hydrex Pest Control Co.       | Ant/pest control                        | 2200 · ACC... | -80.00      |
| 6/10/2009                  | 18130 | J&C Services                  | Ofc cleaning 4/17, 24 & 5/1, 15         | 2200 · ACC... | -500.00     |
| 6/10/2009                  | 18131 | James Drain                   | May mtg fees                            | 2200 · ACC... | -143.56     |
| 6/10/2009                  | 18132 | Jan Abel                      | May mtg fees                            | 2200 · ACC... | -278.00     |
| 6/10/2009                  | 18133 | Lauren W. Hanson              | May mtg fees                            | 2200 · ACC... | -267.00     |
| 6/10/2009                  | 18134 | MarBorg Industries            | Liner for roll off-Jesusita Fire debris | 2200 · ACC... | -50.00      |
| 6/10/2009                  | 18135 | McCormix Corp.                | Diesel fuel                             | 2200 · ACC... | -121.19     |
| 6/10/2009                  | 18136 | Milpas Rental                 | Chipper rental-CDF Lauro Res            | 2200 · ACC... | -190.01     |
| 6/10/2009                  | 18137 | Nextel Communications         | Cellular                                | 2200 · ACC... | -675.30     |
| 6/10/2009                  | 18138 | Nordman, Cormany, Hair ...    |   | 2200 · ACC... | -4,972.50   |
| 6/10/2009                  | 18139 | Ocean Glass & Screen          |   | 2200 · ACC... | -889.10     |
| 6/10/2009                  | 18140 | PAPA                          | PAPA Seminar-FB/DN Santa Mari...        | 2200 · ACC... | -140.00     |
| 6/10/2009                  | 18141 | Paradigm System Solution...   | Laptops/memory PO#8876                  | 2200 · ACC... | -7,967.40   |
| 6/10/2009                  | 18142 | Psychex, Inc.                 | 5/15, 29 payrolls/taxes                 | 2200 · ACC... | -264.90     |
| 6/10/2009                  | 18143 | PG&E                          |   | 2200 · ACC... | -134.16     |
| 6/10/2009                  | 18144 | Praxair Distribution, Inc     | Cylinder rental                         | 2200 · ACC... | -40.37      |
| 6/10/2009                  | 18145 | Prudential Overall Supply     |   | 2200 · ACC... | -278.52     |
| 6/10/2009                  | 18146 | Quinn Rental Services         | Generator/pump/hose rental-Orte...      | 2200 · ACC... | -508.40     |
| 6/10/2009                  | 18147 | Republic Elevator Co.         | Scheduled mtce                          | 2200 · ACC... | -247.26     |
| 6/10/2009                  | 18148 | SB Tire & Service Center      | Tire/mount/balance                      | 2200 · ACC... | -204.09     |
| 6/10/2009                  | 18149 | Science Applications Inter... |   | 2200 · ACC... | -29,058.19  |
| 6/10/2009                  | 18150 | Southern California Edison    | Main ofc/outlying stations              | 2200 · ACC... | -1,038.26   |
| 6/10/2009                  | 18151 | Staples Credit Plan           | Office supplies                         | 2200 · ACC... | -624.44     |
| 6/10/2009                  | 18152 | State Compensation Insur...   | Payroll Report May 09                   | 2200 · ACC... | -4,992.71   |
| 6/10/2009                  | 18153 | Tennis Club of Santa Barb...  | Permit to Enter-SCC Mission Cree...     | 2200 · ACC... | -3,775.00   |
| 6/10/2009                  | 18154 | The Gas Company               | Main ofc                                | 2200 · ACC... | -11.38      |
| 6/10/2009                  | 18155 | Tierra Contracting, Inc.      | Coyote Creek repair-City of SB co...    | 2200 · ACC... | -7,450.00   |



1:18 PM  
07/01/09  
Accrual Basis

comb2  
**Payment of Claims**  
As of June 30, 2009

| Date                      | Num   | Name                        | Memo                                 | Split         | Amount             |
|---------------------------|-------|-----------------------------|--------------------------------------|---------------|--------------------|
| 6/10/2009                 | 18156 | Verizon California          |                                      | 2200 · ACC... | -455.64            |
| 6/10/2009                 | 18157 | Verizon Wireless            | Cellular                             | 2200 · ACC... | -189.05            |
| 6/10/2009                 | 18158 | CIO Solutions, Inc.         | Serial adapter-SV                    | 2200 · ACC... | -35.89             |
| 6/10/2009                 | 18159 | Quinn Power Systems         |                                      | 2200 · ACC... | -1,816.72          |
| 6/12/2009                 | 18160 | Cushman Contracting Corp.   | Lauro Debris Basin Project           | 2200 · ACC... | -20,000.00         |
| 6/12/2009                 | 18161 | Department of Fish and G... | Streambed Alt fee-Crossing 7 & 8...  | 2200 · ACC... | -4,000.00          |
| 6/12/2009                 | 18162 | Regional Water Quality C... | App'l fee-Crossing 7 & 8-Quiota Crk  | 2200 · ACC... | -640.00            |
| 6/15/2009                 | 18163 | MarBorg Industries          |                                      | 2200 · ACC... | -328.62            |
| 6/15/2009                 | 18164 | Peikert Group Architects    | Design/planning/present drawings...  | 2200 · ACC... | -10,735.00         |
| 6/15/2009                 | 18165 | Premiere Global Services    | Conf. calls May                      | 2200 · ACC... | -36.46             |
| 6/15/2009                 | 18166 | Santa Barbara City College  | Enrollment-JSmith #K00164408         | 2200 · ACC... | -60.00             |
| 6/15/2009                 | 18167 | Southern California Edison  |                                      | 2200 · ACC... | -50.84             |
| 6/15/2009                 | 18168 | The MedCenter, Inc.         | JS treatment 12/08                   | 2200 · ACC... | -131.00            |
| 6/15/2009                 | 18169 | Verizon California          | SCADA                                | 2200 · ACC... | -521.69            |
| 6/19/2009                 | 18170 | Idris Hepp Painting         | Glen Anne painting PO#08-09-26       | 2200 · ACC... | -6,200.00          |
| 6/25/2009                 | 18171 | Channel Coast Corporation   |                                      | 2200 · ACC... | -13,852.08         |
| 6/25/2009                 | 18172 | Coastal Copy, LP            | Staples for 4035 copier              | 2200 · ACC... | -70.69             |
| 6/25/2009                 | 18173 | J&C Services                | Ofc cleaning 5/22, 29 & 6/5, 12      | 2200 · ACC... | -500.00            |
| 6/25/2009                 | 18174 | Kitson Landscape Manage...  | Glen Anne pipeline-weed abatem...    | 2200 · ACC... | -3,372.50          |
| 6/25/2009                 | 18175 | The Gas Company             | Main ofc                             | 2200 · ACC... | -9.66              |
| 6/29/2009                 | 18176 | William Alcala              |                                      | 2200 · ACC... | -75.00             |
| 6/30/2009                 | 18177 | Cox Communications          | Business internet 6/18-7/17/09       | 2200 · ACC... | -195.00            |
| 6/30/2009                 | 18178 | Department of Public Health | Grade 3 Dist. Cert. Renewal fee-D... | 2200 · ACC... | -220.00            |
| 6/30/2009                 | 18179 | Business Card               |                                      | 2200 · ACC... | -901.68            |
| Total 1050 · GENERAL FUND |       |                             |                                      |               | -517,058.09        |
| <b>TOTAL</b>              |       |                             |                                      |               | <b>-517,058.09</b> |

# CACHUMA OPERATION AND MAINTENANCE BOARD

## MEMORANDUM

DATE: July 27, 2009  
TO: Members of the Board of Directors  
FROM: Kate Rees, General Manager  
RE: **Annual Reorganization of the Board**

### Recommendation:

1. Elect a Board President
2. Elect a Board Vice President
3. Appoint an ACWA/JPIA Representative and Alternate
4. Appoint a General Counsel
5. Appoint a Secretary of the Board, Treasurer and Auditor-Controller
6. Appoint an Assistant Secretary of the Board

### Discussion:

At the July 27, 2009 regular meeting, the Board must conduct as an item of business the annual election of new officers and appointment of executives to serve the Board.

1. Nominations for President
2. Nominations for Vice President

*It is recommended that the Board take nominations for President and Vice President and elect two of its members to fill these positions. It is further recommended that the officers elected assume their responsibilities as of the adjournment of the July 27, 2009 Board meeting.*

3. Appointment of ACWA/JPIA Representative and Alternate

The appointment of the agency's ACWA/JPIA Representative and Alternate is also to be made at this time. Presently Director Lieberknecht of Carpinteria Valley Water District serves as the COMB ACWA/JPIA Representative and the General Manager serves as the Alternate. *It is recommended that these appointments be affirmed by the Board for another year.*

4. Appointment of General Counsel

The firm of Nordman, Cormany, Hair & Compton, with William H. Hair now serving as primary counsel, was retained as General Counsel at the February 22, 1999 Board meeting. A letter agreement dated May 4, 2000 formalized the continuance of the firm's retention and was signed by the President of the Board on May 22, 2000. Retention of the firm is for an unspecified time period. In the opinion of your General Manager, the firm's performance to date has continued to be very satisfactory. However, Mr. Hair has indicated his intention to retire at the end of the

calendar year. *It is, therefore, recommended that the Board affirm that the appointment of Nordman, Cormany, Hair and Compton as General Counsel shall continue through December 31, 2009. But that the Board also carry out a search for a new General Counsel prior to December 2009 that will consider Nordman, Cormany, Hair and Compton as well as other law firms with applicable experience suited to COMB's legal needs.*

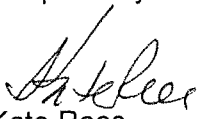
5. Appointment of Secretary of the Board, Treasurer and Auditor-Controller

The appointment of Secretary of the Board, Treasurer and Auditor-Controller must also be considered. *It is recommended that the Board affirm that the General Manager is to continue to serve as Secretary of the Board, as has been the custom to date. It is also recommended that the Board affirm that the General Manager is designated to continue to serve as Treasurer and Auditor-Controller, as authorized by the Board at its regular meeting of September 16, 1996.*

6. Appointment of Assistant Secretary of the Board

The appointment of Assistant Secretary of the Board should also be considered. *It is recommended that the Board affirm that the Administrative Manager is to continue to serve as Assistant Secretary of the Board, in the event that the General Manager is absent*

Respectfully submitted,

  
Kate Rees  
General Manager

KR.COMB/board memos/072709\_COMB annual reorg.mmo

ITEM # 6  
PAGE 2

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: July 27, 2009  
TO: Members of the Board of Directors  
FROM: Kate Rees, General Manager  
RE: **Resolutions Nos. 487 - 495**

**Recommendation:**

It is recommended that the Board of Directors adopt Resolutions Nos. 487 through 495 as a group, by a roll call vote.

**Discussion:**

In July of each year, the Board holds its annual organizational meeting. As a result of any changes in the Board of Directors or in Officers of the Board, several resolutions are presented for your consideration, to reaffirm a check signing policy for established COMB bank accounts, to authorize signatories on those accounts, and to establish the time and place of Board meetings. **These are basically housekeeping items** required and accomplished by means of this set of resolutions. The resolutions are identical to those presented to the Board last year, and supercede those resolutions where noted.

Respectfully submitted.



Kate Rees  
General Manager

**RESOLUTION NO. 487**

**A RESOLUTION OF THE CACHUMA OPERATION AND  
MAINTENANCE BOARD ADOPTING AN ANNUAL STATEMENT  
OF INVESTMENT POLICY**

**WHEREAS**, the Board of Directors has heretofore established a General Fund from which monies may be expended for general operating purposes, and

**WHEREAS**, the Board of Directors, has in addition, established reserve funds designated as "General Reserve" from which monies may be expended for specific and operating purposes, and

**WHEREAS**, the Cachuma Operation and Maintenance Board has on hand in the General Fund from time to time monies which are surplus to the Board's immediate operating needs, and

**WHEREAS**, it has been determined to be in the public interest to invest such surplus and inactive monies in a manner which insures a maximum return consistent with safety on such investments while maintaining the integrity of such surplus and inactive funds, and

**WHEREAS**, the Board of Directors has heretofore designated depositories, and may from time to time hereafter designate additional such depositories to have custody of Cachuma Operation and Maintenance Board funds, and

**WHEREAS**, such designated depositories must provide security for such Board funds as may be deposited with them, as provided by statute, and

**WHEREAS**, the Secretary has rendered an Annual Statement of Investment Policy to the Board pursuant to Section 5346(a) of the Government Code

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Cachuma Operation and Maintenance Board as follows:

The Secretary's Annual Statement of Investment Policy dated July 27, 2009 attached hereto as Exhibit A, is hereby approved and adopted.

**PASSED, APPROVED AND ADOPTED** this 27<sup>th</sup> day of July 2009, by the following roll call vote:

**AYES:**  
**NAYES:**  
**ABSENT/ABSTAIN:**

\_\_\_\_\_  
President of the Board

ATTEST: \_\_\_\_\_  
Secretary

ITEM # 7a  
PAGE 1

**TO:** Board of Directors  
**FROM:** Kathleen A. Rees, Secretary  
**DATE:** July 27, 2009  
**RE:** **SECRETARY'S ANNUAL STATEMENT OF INVESTMENT POLICY**

---

The following is my annual statement of investment policy rendered pursuant to Section 53646(a) of the Government Code:

1. Investment of sinking fund or surplus money of Cachuma Operation & Maintenance Board (*Board*) shall be made in securities in which the Board is legally empowered to invest such funds in accordance with Section 53601 of the Government Code, taking into consideration the probable income as well as the probable safety of said funds, exercising the judgment and care under the circumstances prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of said funds.
2. As far as possible, all money shall be deposited for safekeeping in state or national banks or state or federal savings and loan associations or may be invested as provided in Section 53635 of the Government Code.
3. Money may be invested in the Local Agency Investment Fund in accordance with Section 16429.1 of the Government Code.
4. No investments shall be made in financial futures or financial option contracts which are otherwise allowed pursuant to Section 53601.1 of the Government Code.
5. All interest earned shall be credited to the General Fund.
6. Accounts shall be established and maintained in Board accounting records to record surplus and inactive funds at all times in accordance with the State Controller's chart of accounts as authorized by Section 53891 of the Government Code.
7. Reserve Fund account balances shall be maintained separately and shall reflect at all times the balance in each reserve fund in a manner consistent with generally accepted accounting practices.
8. Depositories having custody of Board funds shall be directed to forward copies of all correspondence concerning Board funds to the Secretary of the Board.
9. Verification that monies have been on deposit at all times and collateralized in amounts equal to or in excess of funds designated by the Board of Directors as reserve funds shall be made in the annual audit of records.
10. After review and prior authorization by the Board of Directors, the Secretary should be delegated the authority and responsibility to invest or to reinvest funds of the Board or to sell or exchange securities so purchased in accordance with Section 53607 of the Government Code.
11. The Board should from time to time determine which reserve funds are surplus and which are inactive.
12. The Secretary shall render a monthly report to the Board in accordance with Section 53646(b) of the Government Code.

**RESOLUTION NO. 488**

**A RESOLUTION OF THE CACHUMA OPERATION AND MAINTENANCE BOARD (CUSTOMER) ESTABLISHING A SUPPLEMENTAL ACCOUNT AGREEMENT FOR TELEPHONE TRANSFERS**

The undersigned Customer further agrees with Santa Barbara Bank and Trust (*Bank*) in connection with its Agreement for Checking Account No. 3102-563 (*General Fund*) and Account No. 3102-555 (*Revolving Fund*), hereinafter referred to as the "checking accounts", that the Bank may honor telephone instructions to transfer funds to and from the State Treasurer's Local Agency Investment Fund, sub-account No. 70-42-001, maintained at the Bank of America Sacramento Branch No. 148 to and from Customer's above listed local accounts when such instructions are given by the person, or one of the persons, authorized below to make such transfers.

In consideration of the Bank accepting telephone instructions to transfer, the Bank may require such identification of the person giving such instructions as it may deem necessary and sufficient and the undersigned Customer will indemnify and hold harmless the Bank from all loss or damage resulting from such instructions, including incorrect identification.

Any one of the following persons is authorized to make telephone transfers to and from the Checking Accounts(s):

- 1. \_\_\_\_\_  
President, Board of Directors
- 2. \_\_\_\_\_  
Vice-President, Board of Directors
- 3. \_\_\_\_\_  
General Manager/Secretary

The Bank is authorized to accept and rely upon the telephone instructions of the above persons, and each of them, unless and until the undersigned Customer shall deliver to the Bank at the Branch where the Checking accounts are located a specific written instruction revoking the authority of such person(s) to make such telephone instruction, and the Bank has a reasonable opportunity to comply (*which shall be at least one banking business day*) with the written revocation of authority.

This resolution supersedes Resolution No. 481 dated February 23, 2009, and all resolutions preceding it pertaining to said Agreement.

**PASSED, APPROVED AND ADOPTED** this 27th day of July 2009, by the Cachuma Operation and Maintenance Board by the following roll call vote:

**AYES:**  
**NAYS:**  
**ABSENT/ABSTAIN:**

\_\_\_\_\_  
President of the Board

ATTEST:  
  
\_\_\_\_\_  
Secretary

ITEM # 7b  
PAGE 1

**RESOLUTION NO. 489**

**A RESOLUTION OF THE CACHUMA OPERATION AND  
MAINTENANCE BOARD AUTHORIZING SIGNATORIES  
FOR REVOLVING FUND ACCOUNT AT SANTA BARBARA  
BANK AND TRUST**

**WHEREAS**, the Cachuma Operation and Maintenance Board maintains a separate checking account at Santa Barbara Bank and Trust for the payment of payroll and related items herein called the Revolving Fund, and

**WHEREAS**, the checks issued on the Revolving Fund require one authorized signature before the checks are honored by the Bank.

**NOW, THEREFORE BE IT RESOLVED** by the Board of Directors of the Cachuma Operation and Maintenance Board that the following persons are authorized signatories on said account:

\_\_\_\_\_  
President of the Board of Directors

\_\_\_\_\_  
Vice-President of the Board of Directors

\_\_\_\_\_  
General Manager/Secretary

This resolution supersedes Resolution No. 482 dated February 23, 2009 and all resolutions preceding it pertaining to authorized signatories for said account.

**PASSED, APPROVED, AND ADOPTED** this 27th day of July 2009, by the following vote:

**AYES:**

**NAYES:**

**ABSENT/ABSTAIN:**

\_\_\_\_\_  
President of the Board

ATTEST:

\_\_\_\_\_  
Secretary

ITEM # 7c  
PAGE 1



RESOLUTION NO. 490

RESOLUTION OF THE BOARD OF DIRECTORS OF CACHUMA OPERATION AND MAINTENANCE BOARD AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

RECITALS

A. Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

B. The Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein is in the best interests of the Cachuma Operation and Maintenance Board (COMB).

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the deposit and withdrawal of COMB monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following COMB officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund.

Table with 3 columns: (NAME), (TITLE), SIGNATURE. Row 1: Kathleen A. Rees, Gen.Mgr./Secretary, SIGNATURE. Row 2: (NAME), Vice President, (TITLE), SIGNATURE. Row 3: (NAME), President, (TITLE), SIGNATURE.

PASSED AND ADOPTED, by the Board of Directors of COMB, County of Santa Barbara State of California on July 27, 2009, by the following vote:

AYES:
NAYES:
ABSENT/ABSTAIN:

APPROVED:

[SEAL]

President of the Board

ATTEST:

Secretary of the Board

**RESOLUTION NO. 491**

**A RESOLUTION OF THE CACHUMA OPERATION AND  
MAINTENANCE BOARD ESTABLISHING A POLICY FOR  
SIGNING CHECKS DRAWN ON THE GENERAL FUND  
ACCOUNT FOR THE PAYMENT OF CLAIMS**

**WHEREAS**, the Cachuma Operation and Maintenance Board maintains a separate checking account at Santa Barbara Bank and Trust for the payment of bills and claims presented to the Board herein called the General Fund, and

**WHEREAS**, the checks issued on the General Fund require two (2) authorized signatures before the checks are honored by the Bank; and

**WHEREAS**, the Board of Directors reviews and approves the payment of claims for all checks issued on the General Fund at the Board's monthly meeting,

**NOW, THEREFORE BE IT RESOLVED** by the Board of Directors of the Cachuma Operation and Maintenance Board that the following policy be adopted:

All checks issued from the General Fund will require two (2) signatures of the following: General Manager, Administrative Manager and any member of the Board of Directors.

This resolution supersedes Resolution No. 469 dated July 28, 2008, and all resolutions preceding it pertaining to establishing policy for staff to sign checks for payment of claims.

**PASSED, APPROVED AND ADOPTED** this 27th day of July 2009, by the following vote:

**AYES:**

**NAYES:**

**ABSENT/ABSTAIN:**

\_\_\_\_\_  
President of the Board

ATTEST:

\_\_\_\_\_  
Secretary

ITEM # 7e  
PAGE 1

**RESOLUTION NO. 492**

**A RESOLUTION OF THE CACHUMA OPERATION AND MAINTENANCE BOARD AUTHORIZING SIGNATORIES FOR GENERAL FUND ACCOUNT AT SANTA BARBARA BANK AND TRUST**

**WHEREAS**, the Cachuma Operation and Maintenance Board maintains a separate checking account at Santa Barbara Bank and Trust for the payment of bills and claims presented to the Board herein called the General Fund, and

**WHEREAS**, the checks issued on the General Fund require two (2) authorized signatures before the checks are honored by the bank, and

**WHEREAS**, the Board of Directors reviews and approves the payment of claims for all checks issued on the General Fund at the Board's monthly meeting.

**NOW, THEREFORE BE IT RESOLVED** by the Board of Directors of the Cachuma Operation and Maintenance Board that the following persons are authorized signatories on said account subject to those conditions as specified in Resolution No. 484 adopted by this Board on February 23, 2009

\_\_\_\_\_  
President of the Board

\_\_\_\_\_  
Vice-President of the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
General Manager/Secretary

\_\_\_\_\_  
Administrative Manager

**PASSED, APPROVED AND ADOPTED** this 27<sup>th</sup> day of July 2009, by the following vote:

**AYES:**

**NAYES:**

**ABSENT/ABSTAIN:**

\_\_\_\_\_  
President of the Board

ATTEST:

\_\_\_\_\_  
Secretary

ITEM # 74  
PAGE 1

**RESOLUTION NO. 493**

**A RESOLUTION OF THE CACHUMA OPERATION AND MAINTENANCE BOARD ESTABLISHING A POLICY FOR SIGNING CHECKS DRAWN ON THE CACHUMA PROJECT TRUST FUND AND THE CACHUMA MASTER CONTRACT RENEWAL FUND ACCOUNTS FOR THE PAYMENT OF CLAIMS**

**WHEREAS**, the Cachuma Operation and Maintenance Board has established separate money market accounts at Santa Barbara Bank and Trust for the payment of bills and claims presented to the Board herein called the Cachuma Project Trust Fund and the Cachuma Master Contract Renewal Fund Account (Renewal Fund), and

**WHEREAS**, the checks issued on the either money market account require two (2) authorized signatures before the checks are honored by the Bank; and

**WHEREAS**, the Board of Directors reviews and approves the payment of claims for all checks issued on the Cachuma Project Trust Fund and Renewal Fund accounts at the Board's monthly meeting,

**NOW, THEREFORE BE IT RESOLVED** by the Board of Directors of the Cachuma Operation and Maintenance Board that the following policy be adopted:

All checks issued from the Cachuma Project Trust Fund and Renewal Fund accounts will require two (2) signatures of the following: General Manager, Administrative Manager and any member of the Board of Directors.

This Resolution supersedes Resolution No. 479 dated February 23, 2009 and all resolutions preceding it pertaining to establishing policy for signing checks drawn on the Cachuma Project Trust Fund and Renewal Fund accounts.

**PASSED, APPROVED AND ADOPTED** this 27<sup>th</sup> day of July 2009, by the following vote:

**AYES:**  
**NAYES:**  
**ABSENT/ABSTAIN:**

\_\_\_\_\_  
President of the Board

ATTEST:

\_\_\_\_\_  
Secretary

ITEM # 79  
PAGE 1

**RESOLUTION NO. 494**

**A RESOLUTION OF THE CACHUMA OPERATION AND MAINTENANCE BOARD AUTHORIZING SIGNATORIES FOR THE CACHUMA PROJECT TRUST FUND AND THE CACHUMA MASTER CONTRACT RENEWAL FUND ACCOUNTS AT SANTA BARBARA BANK AND TRUST**

**WHEREAS**, the Cachuma Operation and Maintenance Board (COMB) by Resolution No. 249 of January 27, 1997 assumed responsibility for managing the Cachuma Project Trust Fund and the Cachuma Master Contract Renewal Fund (Renewal Fund), and

**WHEREAS**, COMB has identified Santa Barbara Bank and Trust as the most favorable institution with which to establish these accounts; and

**WHEREAS**, the checks issued on the Renewal Fund and Cachuma Project Trust Fund require two (2) authorized signatures before the checks are honored by the Bank; and

**WHEREAS**, the Board of Directors reviews and approves the payment of claims for all checks issued on the Renewal Fund and Cachuma Project Trust Fund accounts at the Board's monthly meeting,

**NOW, THEREFORE BE IT RESOLVED** by the Board of Directors of the Cachuma Operation and Maintenance Board that the following persons are authorized signatories on said account subject to those conditions as specified in Resolution No. 493 adopted by this Board on July 27, 2009.

\_\_\_\_\_  
President of the Board

\_\_\_\_\_  
Vice-President of the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
General Manager/Secretary

\_\_\_\_\_  
Administrative Manager

**PASSED, APPROVED AND ADOPTED** this 27<sup>th</sup> day of July 2009, by the following vote:

**AYES:**  
**NAYES:**  
**ABSENT/ABSTAIN:**

\_\_\_\_\_  
President of the Board

ATTEST:

\_\_\_\_\_  
Secretary

**RESOLUTION NO. 495**

**A RESOLUTION OF THE CACHUMA OPERATION AND  
MAINTENANCE BOARD ESTABLISHING THE TIME AND  
PLACE OF BOARD MEETINGS**

**BE IT RESOLVED** that the Cachuma Operation and Maintenance Board maintains offices and mailing address at 3301 Laurel Canyon Road, Santa Barbara, CA 93105-2017.

**BE IT FURTHER RESOLVED** that the regular meetings of this Board shall be held each fourth Monday of the month, immediately following the Cachuma Conservation Release Board meeting, which starts at 2:15 p.m., at the above address.

**BE IT FURTHER RESOLVED** that special meetings of the Cachuma Operation and Maintenance Board may be called at any time by the presiding officer or by a majority of the Directors, in accordance with all provisions of the Government Code section 54956.

**BE IT FURTHER RESOLVED** that this Resolution supersedes Resolution No. 473 dated July 28, 2008 and all resolutions preceding it pertaining to establishing a time and place for COMB Board of Directors' meetings.

**PASSED, APPROVED AND ADOPTED** by the Board of Directors of Cachuma Operation and Maintenance Board, State of California, on the 27<sup>th</sup> day of July 2009, by the following roll call vote:

**AYES:**

**NAYES:**

**ABSENT/ABSTAIN:**

\_\_\_\_\_  
President of the Board

ATTEST:

\_\_\_\_\_  
Secretary

ITEM # 71  
PAGE 1

**CACHUMA OPERATION AND MAINTENANCE BOARD**

**MEMORANDUM**

DATE: July 27, 2009  
TO: Members of the Board of Directors  
FROM: Kate Rees, General Manager  
RE: **Appointment of auditor to Prepare Financial Statements and Independent Auditor's Report for FYE June 30, 2009.**

**RECOMMENDATION:**

It is recommended that COMB engage Bartlett Pringle Wolf, LLP to perform the FYE 6/30/2009 audits for both COMB and CCRB.

**DISCUSSION:**

For the fiscal year ending June 30, 2008, the Board approved Bartlett Pringle Wolf, LLP for the continued performance of our annual audit. Staff is extremely pleased with their resultant work product and prompt completion of the audit.

For the June 30, 2009 fiscal year audit, Bartlett Pringle Wolf, LLP submitted a competitive proposal of \$12,000 for the COMB audit and \$11,500 for the CCRB audit. For the consideration of consistency and continuity, there seems to be no compelling reason to engage a new firm at this time. Therefore, we are recommending appointing Bartlett Pringle Wolf, LLP to serve as the outside auditor for FY ending June 30, 2009.

Respectfully submitted,



Kate Rees  
General Manager

KR.COMB/board memos/072709\_auditor.mmo

ITEM # 8  
PAGE 1





CACHUMA OPERATION AND MAINTENANCE BOARD  
WATER STORAGE REPORT

MONTH: **June 2009**

**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                  | 348.00 Feet     |
| Water in Storage                              | 94.74 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                  | 545.40 Feet      |
| Water in Storage                              | 517.74 Acre Feet |

**ORTEGA RESERVOIR**

|                                       |                 |
|---------------------------------------|-----------------|
| Capacity at 460' elevation:           | 65 Acre Feet    |
| Capacity at outlet at elevation 440': | 0 Acre Feet     |
| Stage of Reservoir Elevation          | 447.20 Feet     |
| Water in Storage                      | 20.16 Acre Feet |

**CARPINTERIA RESERVOIR**

|                                    |                 |
|------------------------------------|-----------------|
| Capacity at 384' elevation:        | 45 Acre Feet    |
| Capacity at outlet elevation 362': | 0 Acre Feet     |
| Stage of Reservoir Elevation       | 375.30 Feet     |
| Water in Storage                   | 24.15 Acre Feet |

**TOTAL STORAGE IN RESERVOIRS**

|                   |                  |
|-------------------|------------------|
| Change in Storage | -47.49 Acre Feet |
|-------------------|------------------|

**CACHUMA RESERVOIR\***

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

|                              |            |
|------------------------------|------------|
| Stage of Reservoir Elevation | 739.9 Feet |
| Water in Storage             | 158,271 AF |
| Area                         | 2,650      |
| Evaporation                  | 1,473.7 AF |
| Inflow                       | 500.6 AF   |
| Downstream Release WR8918    | 0 AF       |
| Fish Release                 | 727.6 AF   |
| <b>Spill/Seismic Release</b> | 0 AF       |
| State Project Water          | 460.2 AF   |
| Change in Storage            | -4,016 AF  |
| Tecolote Diversion           | 2,515.9 AF |

**Rainfall: Month: 0.16 Season: 13.55 Percent of Normal: 66%**

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

ITEM # 9a  
PAGE 2

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 Evap/Spill |          | Delvd S.B.  |          | Delvd GWD  |          | Delvd LCMWC  |          | Delvd RSYS |          | Delvd MLC |          |
|--------------|----------------|------------|----------|-------------|----------|------------------|----------|-------------|----------|------------|----------|--------------|----------|------------|----------|-----------|----------|
|              |                | to Lake    | to SC    | to Lake     | to SC    | to Lake          | to SC    | to Lake     | to SC    | to Lake    | to SC    | to Lake      | to SC    | to Lake    | to SC    | to Lake   | to SC    |
| 2008         |                |            |          |             |          |                  |          |             |          |            |          |              |          |            |          |           |          |
| Bal. Frwd    |                | 0          | 0        | 0           | 0        | 0                | 0        | 0           | 0        | 0          | 0        | 0            | 0        | 0          | 0        | 0         | 0        |
| January      | 39             | 0          | 0        | 39          | 0        | 48               | 0        | 125         | 0        | 0          | 0        | 0            | 0        | 0          | 0        | 0         | 0        |
| February     | 0              | 0          | 0        | 0           | 0        | 0                | 48       | 0           | 0        | 0          | 0        | 0            | 0        | 0          | 0        | 0         | 0        |
| March        | 0              | 0          | 0        | 0           | 0        | 0                | 0        | 0           | 0        | 0          | 0        | 0            | 0        | 0          | 0        | 0         | 0        |
| April        | 0              | 0          | 0        | 0           | 0        | 0                | 0        | 0           | 0        | 0          | 0        | 0            | 0        | 0          | 0        | 0         | 0        |
| May          | 0              | 0          | 0        | 0           | 0        | 0                | 0        | 0           | 0        | 0          | 0        | 0            | 0        | 0          | 0        | 0         | 0        |
| June         | 716            | 0          | 0        | 253         | 0        | 0                | 0        | 253         | 0        | 379        | 0        | 84           | 0        | 0          | 0        | 0         | 0        |
| July         | 627            | 0          | 0        | 218         | 0        | 0                | 0        | 218         | 0        | 327        | 0        | 73           | 0        | 0          | 0        | 0         | 0        |
| August       | 994            | 0          | 0        | 885         | 0        | 323              | 0        | 562         | 0        | 0          | 0        | 99           | 0        | 10         | 0        | 0         | 0        |
| September    | 988            | 100        | 0        | 647         | 416      | 0                | 0        | 554         | 0        | 0          | 0        | 241          | 0        | 0          | 0        | 0         | 0        |
| October      | 87             | 0          | 0        | 0           | 0        | 0                | 0        | 416         | 0        | 0          | 0        | 87           | 0        | 0          | 0        | 0         | 0        |
| November     | 153.6          | 0          | 0        | 0           | 0        | 0                | 0        | 0           | 0        | 0          | 0        | 153.6        | 0        | 0          | 0        | 0         | 0        |
| December     | 89             | 17         | 0        | 17          | 0        | 0                | 0        | 17          | 0        | 17         | 0        | 38           | 0        | 0          | 0        | 0         | 0        |
| <b>Total</b> | <b>3693.6</b>  | <b>117</b> | <b>0</b> | <b>2059</b> | <b>0</b> | <b>48</b>        | <b>0</b> | <b>2145</b> | <b>0</b> | <b>723</b> | <b>0</b> | <b>775.6</b> | <b>0</b> | <b>19</b>  | <b>0</b> | <b>19</b> | <b>0</b> |

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 Evap/Spill |          | Delvd S.B. |          | Delvd GWD  |          | Delvd LCMWC |          | Delvd RSYS |          | Delvd MLC |          |
|--------------|----------------|------------|----------|------------|----------|------------------|----------|------------|----------|------------|----------|-------------|----------|------------|----------|-----------|----------|
|              |                | to Lake    | to SC    | to Lake    | to SC    | to Lake          | to SC    | to Lake    | to SC    | to Lake    | to SC    | to Lake     | to SC    | to Lake    | to SC    | to Lake   | to SC    |
| 2009         |                |            |          |            |          |                  |          |            |          |            |          |             |          |            |          |           |          |
| Bal. Frwd    |                | 0          | 0        | 0          | 0        | 0                | 0        | 0          | 0        | 0          | 0        | 0           | 0        | 0          | 0        | 0         | 0        |
| January      | 143            | 0          | 0        | 0          | 0        | 0                | 0        | 0          | 0        | 5          | 0        | 138         | 0        | 0          | 0        | 0         | 0        |
| February     | 122            | 0          | 0        | 0          | 0        | 0                | 0        | 0          | 0        | 64         | 0        | 58          | 0        | 0          | 0        | 0         | 0        |
| March        | 166            | 0          | 0        | 0          | 0        | 0                | 0        | 0          | 0        | 129        | 0        | 37          | 0        | 0          | 0        | 0         | 0        |
| April        | 332            | 0          | 0        | 0          | 0        | 0                | 0        | 0          | 0        | 287        | 0        | 45          | 0        | 0          | 0        | 0         | 0        |
| May          | 715            | 0          | 0        | 400        | 0        | 0                | 0        | 400        | 0        | 220        | 0        | 95          | 0        | 0          | 0        | 0         | 0        |
| June         | 460            | 0          | 0        | 363        | 0        | 0                | 0        | 363        | 0        | 0          | 0        | 97          | 0        | 0          | 0        | 0         | 0        |
| July         | 0              | 0          | 0        | 0          | 0        | 0                | 0        | 0          | 0        | 0          | 0        | 0           | 0        | 0          | 0        | 0         | 0        |
| August       | 0              | 0          | 0        | 0          | 0        | 0                | 0        | 0          | 0        | 0          | 0        | 0           | 0        | 0          | 0        | 0         | 0        |
| September    | 0              | 0          | 0        | 0          | 0        | 0                | 0        | 0          | 0        | 0          | 0        | 0           | 0        | 0          | 0        | 0         | 0        |
| October      | 0              | 0          | 0        | 0          | 0        | 0                | 0        | 0          | 0        | 0          | 0        | 0           | 0        | 0          | 0        | 0         | 0        |
| November     | 0              | 0          | 0        | 0          | 0        | 0                | 0        | 0          | 0        | 0          | 0        | 0           | 0        | 0          | 0        | 0         | 0        |
| December     | 0              | 0          | 0        | 0          | 0        | 0                | 0        | 0          | 0        | 0          | 0        | 0           | 0        | 0          | 0        | 0         | 0        |
| <b>Total</b> | <b>1938</b>    | <b>0</b>   | <b>0</b> | <b>763</b> | <b>0</b> | <b>0</b>         | <b>0</b> | <b>763</b> | <b>0</b> | <b>705</b> | <b>0</b> | <b>470</b>  | <b>0</b> | <b>0</b>   | <b>0</b> | <b>0</b>  | <b>0</b> |

## Operations Report – June 2009

Cachuma Project water usage for the month of June 2009 was 1,990 acre-feet, compared with 2,288 acre-feet for the same period in 2008. Cachuma Project water use for the 12 months ending June 30, 2009 was 22,523 acre-feet, compared with 28,762 acre-feet for the 12 months ending June 30, 2008.

The average flow from Lake Cachuma into the Tecolote Tunnel was 84 acre-feet per day. Lake elevation was 741.36 feet at the beginning of the month and 739.90 feet at the end. Recorded rainfall at Lauro Dam was .4 inches for the month and 12.72 inches for the rainfall season, which commenced on September 1, 2008.

Santa Barbara wheeled 411 acre-feet of Gibraltar water through Lauro Reservoir during the month. 460 acre-feet of State Water Project water was wheeled through Cachuma Project facilities and delivered to South Coast Member Units during the month.

Conditions at Ortega Reservoir have remained consistent over the month. Weekly monitoring of drain flow and site conditions continued. COMB received a subpoena on June 12, 2009 requesting a massive amount of very specific information regarding Ortega and Carpinteria Reservoirs. The meticulous data collection effort has involved all COMB operations staff and is nearing completion to comply with the August 14, 2009 extended deadline.

Other activities conducted this month include:

- A mechanical flow meter in the Lower Reach of the SCC at the Lambert Road crossing was recalibrated and rebuilt to provide a higher degree of metering accuracy for Montecito and Carpinteria Water Districts.
- A meter audit was conducted of the Boundary Meter Totalizer in the Lower Reach of the SCC. Results show that the Boundary Meter is reading both east and west flow accurately at Net Full, and will continue to be audited for the next 6 months to monitor accuracy.
- 1000 ft of the Lauro Reservoir perimeter fence was replaced along San Roque Road at the main access gate. This first phase of replacement was implemented to repair damages occurring to that section of the fence before the Jesusita Fire.
- Monitoring of excavation activity around the South Coast Conduit continued at the Caltrans Hwy 192 drainage project west of Mission Canyon Rd.
- Progress continued on the 2<sup>nd</sup> Pipeline and Mission Creek projects. A complete status of the projects is included in the July 27, 2009 Board Packet.

Routine operation and maintenance activities conducted during the month included:

- Sampled water at North Portal Intake Tower
- Monitored conduit right-of-way and responded to Dig Alert reports
- Read piezometers and underdrains at Glen Anne, Lauro and Ortega Dams
- Read meters, conducted monthly dam inspections, and flushed venturi meters

DRAFT Minutes of the  
**Operating Committee**  
of  
Cachuma Operation & Maintenance Board  
3301 Laurel Canyon Road, Santa Barbara, CA

**Wednesday, July 1, 2009**

---

**1. Call to Order**

Rebecca Bjork called the meeting to order at 9:04 a.m.

**Managers Present**

Rebecca Bjork  
Tom Mosby (via phone)  
Eric Ford  
Kate Rees

**Others Present**

Bill Hair (via phone)  
Ruth Snodgrass

**2. Public Comment**

There were no comments from the public.

**3. Approval of Minutes, June 3, 2009**

Eric Ford moved to approve the minutes for the April 1, 2009 meeting, seconded by Tom Mosby, passed 3/0/2, Chris Dahlstrom and Charles Hamilton were absent.

**4. General Manager's Report**

**a. Status of Spill/Surcharge/Exchange Accounting**

A letter will be sent from the South Coast Member Unit General Managers in response to a letter received from Best Best & Krieger on behalf of ID#1. This letter indicated a marked change in ID#1's position from the conceptual agreement reached by all the Member Unit managers. Tom Mosby will compose and send a response letter on behalf of the South Coast General Managers, disagreeing with the ID#1's stated position in the letter.

**5. COMB Capital Improvement Program**

**a. CIP Bond Schedule**

Ms. Rees reported that Janet Gingras is working on another revised schedule which will include clarifying language requested by Jan Abel regarding the specific approval steps the Member Units need to take in approving their Joint Participation

ITEM # 9c  
PAGE 1

agreements for the COMB Bond issuance. Ms. Rees asked Bill Hair if Member Unit approval of their Joint Participation Agreement was sufficient to meet the COMB JPA's ratification requirement. Mr. Hair indicated that it was acceptable to him, but advised staff to ask bond counsel, Doug Brown. He indicated that ID#1 would still need to ratify the COMB Board's action.

**b. Draft Joint Participation Agreements and COMB's POS**

Ms. Rees verified the dates and the approval/ratification process that each agency would be including on their respective agendas for their individual Board meetings.

**c. Draft Indemnification Agreement for ID #1 for COMB Bond Issuance**

Ms. Rees indicated that an Indemnification Agreement has been drafted to give ID#1 added assurance that it will not be responsible for any part of the bond repayment. It is currently between COMB, ID#1 and the South Coast Member Units.

**6. COMB Operations**

**a. SCC Metering of Lower Reach**

Mr. Mosby reported that MWD is waiting for a response from CVWD and COMB concerning his suggestion of using the Ortega South Flow meter as the billing meter for CVWD's Cachuma water use. Ms. Rees indicated either the Ortega South Flow meter or the Boundary meter were acceptable to COMB, but that MWD and CVWD needed to agree on which meter should be used.

**b. Ortega Reservoir Leak**

Mr. Mosby reported that progress is being made through the legal process. Ms. Rees reported that COMB received a subpoena for documents pertaining to Ortega Reservoir from legal counsel for Cushman Contracting. The reservoir is still leaking at approximately the same rate.

**c. Jesusita Fire Activities**

Ms. Rees reported on meetings with various agencies regarding damage and rehabilitation work being carried out as a result of the Jesusita Fire. COMB will be hydroseeding around Lauro Reservoir for erosion control, the damage to the core shed is being handled through COMB's insurance carrier, an arborist preparing a report on the damaged and destroyed trees around the Lauro Reservoir, and COMB has received an estimate for replacing the damaged security fencing around the reservoir. Ms. Rees also reported that COMB has applied to CDAA for disaster funding and that Reclamation has been approached to see if non-reimbursable funds are available to replace the security fencing

**7. Cachuma Issues**

**a. USGS Stream Gauges**

Ms. Rees explained that the USGS stream gauges being used to collect flow and water quality data for the mandatory long term fisheries monitoring program are currently part of the County Water Agency/Flood Control stream gauge program. This was originally done as a cost saving to CCRB. The County is trying to cut costs, and plan to take some of these gauges out of their program. Tom Fayram has also

indicated that he would prefer for CCRB to have its own separate program in future. Ms. Rees would rather add the fisheries stream gauge program to Reclamation's existing program because collection of the data it is part of the Cachuma Biological Opinion monitoring requirements. Preliminary discussions with Reclamation regarding this change were promising. If this shift occurs, the stream gauge program would be billed to the Member Units through their Cachuma water rates. The managers thought this was a good idea.

**b. Scheduling of Cachuma Project Cost Benefit Analysis**

Ms. Rees reported that the COMB Board agreed to consider hiring a consultant to do the analysis. Ms. Rees needs from the Member Unit managers a comprehensive list of all the components that they think should be included in the analysis in order to develop a scope of work and get a cost estimate to present to the Board at the September Board meeting. Ms. Bjork indicated a need to differentiate between fixed capital costs related to capacity, and variable costs related to water delivery. The City of Santa Barbara, Goleta Water District, and Montecito Water District are of the opinion that a comprehensive system-wide analysis needs to be undertaken - not just an adjustment of the bond repayment percentages, as suggested by Carpinteria Valley Water District.

**c. Proposition 84 Activities**

Ms. Rees reported that under Prop 84, IRWM regions must be accepted by DWR in order to apply for grant funding from Prop 84. Santa Barbara County submitted a region acceptance application to DWR, and Ms. Rees participated in an interview with DWR as one of the representatives for Santa Barbara County. She indicated the interview went well, and summarized the questions raised by DWR.

**8. Items for Next Meeting Agenda**

- a. SCC Metering of Lower Reach
- b. COMB Bond Issuance
- c. Proposed Cachuma Project Cost Benefit Analysis
- d. Status of Spill/Surcharge/Exchange Accounting
- e. COMB Staff Reorganization Discussion

**9. Date of Next Meeting:**

The next Operating Committee will meet August 5, 2009 at 8:30 a.m. at the COMB office.

**10. Adjournment**

The meeting was adjourned at 10:18 a.m.

Approved \_\_\_\_\_

Unapproved \_\_\_\_\_ ✓

ITEM # 9c

PAGE 3

# Invasive mussels imperil western water system

By FELICIA FONSECA  
ASSOCIATED PRESS

**LAKE MEAD NATIONAL RECREATION AREA, Nev.** — Two years after an invasive mussel was first discovered at Lake Mead, the population has firmly established itself and gone on a breeding binge, with numbers soaring into the trillions.

Despite efforts to stop their spread, scientists say it's only a matter of time before quagga mussels appear throughout the West's vast system of reservoirs and aqueducts, raising operation and maintenance costs by

untold millions. Water agencies and wildlife managers in California, Arizona, Nevada and Utah have put in place aggressive measures to try to prevent their spread, including mandatory decontamination or quarantine of boats traveling from infested areas or chlorinating some water inlets to try to kill off the mussels.

But as their counterparts in the northeast and Great Lakes region have found, eradicating the mussels is virtually impossible. The thumb-sized mollusks attach to almost anything and can clog drains and pipes, freeze

up cooling systems, kill off native species and render power boats inoperable.

"Over time, maybe not this decade or the next, I would think eventually they'll be almost around the country," said Amy Benson, fishery biologist with the U.S. Geological Survey in Florida.

Quagga mussels, and their close cousin, zebra mussels, were introduced to the Great Lakes in the ballast of ships from eastern Europe and the Ukraine in the 1980s. Since their arrival at Lake Mead in 2007, their numbers have multiplied

exponentially.

Populations of the mussels still are expanding in the East into the quagga drills, and there's no sign the growth is slowing, said Tom Nalepa, a research biologist with the National Oceanic and Atmospheric Administration in Michigan. But he said the population can't expand forever.

"The populations are going to stabilize at some point, and they're going to become adjusted to the system or the system is adjusted to them, but we're not at that point yet," Dr. Nalepa said. "We're still trying to figure out what the ultimate consequences are going to be."

In the West, the mussels have colonized the lower Colorado River that 27 million people rely on to irrigate crops, produce drinking water and operate businesses.

Lake Mead is just one of a string of huge reservoirs on the Colorado that store and divert water into aqueducts and pipelines feeding parts of California, Arizona and Nevada. Sharp shells now litter the lake's beaches, and boats docked in marinas can't leave without being decontaminated for fear a mussel might hitch a ride to another waterway.

The warmer weather in the West has allowed the quagga mussels to reproduce much more quickly than in the East. One adult female quagga can release up to a million eggs in a single year, and their microscopic larvae

float freely downstream.

Water managers say the best way to prevent their spread is making sure boats traveling from one waterway to another are mussel-free. Lake Powell requires mandatory boat inspections, and California has trained dogs to sniff out the mussels at inspection points. Boats also can be quarantined at the California border if a single mussel is spotted on them.

"They can be prevented, and this is what people have to get into their heads," said Wen Baldwin, a National Park Service volunteer who confirmed the quagga mussels at Lake Mead. "Unfortunately there are some people who say, 'they are going to get here no matter what.' Maybe they will, but every year you hold them off, you're dollars ahead."

The Metropolitan Water District of Southern California expects to spend between \$10 million and \$15 million a year to address quagga mussel infestations in its 242-mile Colorado River aqueduct and reservoirs. The agency delivers water to 19 million people in Los Angeles and surrounding areas.

Ric DeLeon, the district's quagga mussel control coordinator, told U.S. lawmakers last year that the price tag for controlling the invasive species and their impact on business, the power industry, water companies and communities in the East is in the billions, and likely will soar in the West. The increased costs are likely to

drive up utility rates for consumers as systems are upgraded, divers spend more hours scraping mussels and researchers try to figure out just how the mussels behave and the impact they're making.

"Who is going to pay for that?" Mr. Baldwin said. "It ain't going to be Santa Claus; it's going to be the consumer."

At Hoover Dam, mussels first colonized intake towers and other structures. What started off as one or two mussels every square foot has increased to 56,000 mussels in the same space, said Leonard Willett, the lower Colorado River mussel coordinator for the U.S. Bureau of Reclamation.

The mussels also are in pipes that cool generators, compressors and transformers, which could disrupt operations.

One of the infestation's side effects has been that the mussels can affect water quality and clarity. That's a major concern at Lake Tahoe on the border of California and Nevada.

Some 6,300 boats have been inspected at the lake known for its pristine waters from May 1 to July 8. Of those, 470 were decontaminated, and 10 found to have mussels never were launched. Jeff Cowen, a spokesman for the Tahoe Regional Planning Agency, said an infestation of mussels at the lake would mean an economic loss of \$22 million a year.

## GOT A NEWS TIP?

Give us a call on our  
**NEWS HOT LINE!**  
**805-564-5273**  
or send us an Email at  
[news@newspress.com](mailto:news@newspress.com)

Read news first in the  
**SANTA BARBARA NEWS-PRESS**





**Kate Rees**

---

**From:** David Nageotte  
**Sent:** Monday, June 29, 2009 7:14 AM  
**To:** Kate Rees; Robert Dunlap  
**Subject:** FW: June Cachuma Quagga Survey  
**Attachments:** Cachuma Quagga Survey Package 2009.06.12.pdf

This is the June Quagga report for your FYI

*D.A. Nageotte*  
*Cachuma Operation and Maintenance Board*  
*Water Distribution Operator, Project Manager*  
805 687 4011 *Office*  
805 331 3251 *Cell*

**From:** Mason, Liz [mailto:lmason@co.santa-barbara.ca.us]  
**Sent:** Saturday, June 27, 2009 3:44 PM  
**To:** Stone, Jeff; Hernandez, Daniel; Medeiros, Mitch; Kelly, Melissa; 'Carrie Culver'; 'lwallender@co.slo.ca.us'; David Nageotte; Briggs, Terry; Hansen, Sherman  
**Subject:** June Cachuma Quagga Survey

NO Mussels.

Please see our June quagga survey package, attached.

In addition, here are some boat launch stats for June, minus 3 days of data:

|   |     |     |
|---|-----|-----|
| Total Vessels launched:                 | 613 |     |
| Returning with Boat Launch Tag:         | 498 | 81% |
| Arriving new: Inspected, washed:        | 115 | 19% |
| Vessels arriving with 4-stroke engines: | 480 | 72% |

Quarantine data will be included in the next report

Liz

.....  
Liz Mason Gaspar  
Park Naturalist, Santa Barbara County Parks  
Cachuma Lake, 2225 Hwy 154, Santa Barbara, CA 93105  
(805) 688-4515  
Work Week: Tuesday - Saturday  
[lmason@co.santa-barbara.ca.us](mailto:lmason@co.santa-barbara.ca.us)  
[www.sbpark.org](http://www.sbpark.org)

# Zebra/Quagga Surface Survey Data

(Use Pencil Only)

Waterbody Cachuma Lake Reservoir

Date 06 / 12 / 09

Location Hwy 154, Santa Barbara County, SB County Parks Dept

Crew C.Culver, M. Kelly, L. Mason

GPS 34.578333/119.956389

(Decimal Degrees, WSG 84)

Secchi Depth Various

Wave Chop 0

**# Linear Feet of:**

Boat Ramp Bottom (100ft at marina, 200ft at ramp only)

Shoreline (100ft at marina, 200ft at ramp only)

Dock (200 ft)

Concrete Structures (100 ft)

Mooring Line (200 ft)

Logs/Woody Debris (100 ft)

Anchor/Dock Cable (100 ft)  3  4  6

Other See notes

% of Dock/Marina/Boat Ramp Searched  N  A

Zebra/Quagga Mussels Present? Y / N No

Specimens Collected? Y / N No

Exact GPS Location (if isolated occurrences):

Mussel Density (# of mussels):

Method (circle one):

1

Ruler / Petri

Ruler Length (if < 12 inches) \_\_\_\_\_

Substrate Type

2

Ruler / Petri

Ruler Length (if < 12 inches) \_\_\_\_\_

Substrate Type

3

Ruler / Petri

Ruler Length (if < 12 inches) \_\_\_\_\_

Substrate Type

Corbicula Clams Present? Y / N No

Snails Present? Y / N Yes

Other Mussel/Clam Species Present? Y / N No

Specimens Collected? Y / N Yes

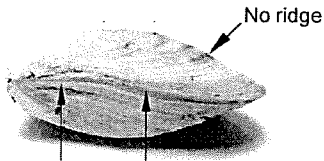
ITEM # 9d

PAGE 3

**Quagga Mussel**  
*Dreissena rostriformis bugensis*

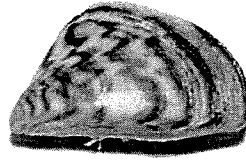


- Shell: D-shaped and triangular; thin, fragile; smooth or shallowly ridged; solid light to dark brown or dark concentric rings; paler near hinge
- Attaches to hard and soft surfaces

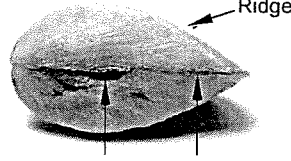


Byssal groove      No ridge  
Asymmetrical; curved midventral line; shells do not join together tightly

**Zebra Mussel**  
*Dreissena polymorpha*



- Shell: D-shaped and triangular; thin, fragile; smooth or shallowly ridged; solid light to dark brown or striped
- Attaches to hard surfaces



Byssal groove      Ridge  
Bilaterally symmetrical; join together in a midventral line

**Asian Clam**  
*Corbicula fluminea*



- Shell: fan-shaped and symmetrical; thick, hard; deep ridges; solid light to dark brown; may have a white patch near hinge
- Burrows into sand or mud; never attaches to structures
- Dead shells often found along shoreline

**Map of sampling location:**

Place empty circles (○) in areas that were surveyed but no mussels were found. Place circles with plus sign (⊕) where mussels were found, and number 1, 2, or 3 to correspond to GPS coordinates.

Please see attached documents, Quagga Inspection Map 2009.0612 and Cachuma Quagga Survey Stations 2009.06.12.

**Did weather conditions negatively affect sampling conditions?** Y / N No

**Comments** 11 sampling stations in the Cachuma Lake marina at various depth, inc. 346 feet of line, were surveyed. Surface surveys are no longer collected due to the high light levels at water surface.

See attached files of sampling station details as noted above.

ITEM # 9d  
PAGE 4

## Cachuma Lake Marina Monthly Quagga Survey: Sampling Station Details

Inspection Date: 2009.06.12

Inspection Time: 0800 - 1100

Lake Elevation: 740.93 from maximum of 753 feet

Surveyors: Carrie Culver UC Extension/Sea Grant; Melissa Kelly & Liz Mason Gaspar SB County Parks

| Station # | Location description  | Secchi Depth         | Lake Depth Feet | Anchor Depth Feet | PVC Depth Feet | Tuffy Depth Feet    | No. of Knots | Notes   | Mussels Present? |
|-----------|---|----------------------|-----------------|-------------------|----------------|---------------------|--------------|---|------------------|
| Station 1 | Boathouse, far end of E finger, on cleat @ 8' lake depth          | 3.1meter<br>72F @10' | 8'              | 15' (8)           | 13' (8)        | 13' (8)             | 3            | 1 Tuffy replaced; PVC, line, knots, cinder blocked checked.<br>Samples: 0. Organisms: Moderate rice egg cases, few jelly blobs. Algae: Low.   | No               |
| Station 2 | S logboom on N end of 1st log                                     | 2.7meter<br>72F@10'  | 30'             | 15'               | 13'            | 13'                 | 3            | 1 Tuffy replaced; PVC, line, knots, cinder blocked checked.<br>Samples: 0. Organisms: Extra low. Algae: Extra low.  | No               |
| Station 3 | Logboom platform at entrance, E side                              | 2.3meter<br>72F@10'  | 125'            | 65'               | 63'            | 1 @ 34'<br>1 @ 64'  | 4            | 2 Tuffies replaced; PVC, line, knots, cinder block checked.<br>Samples: 3 spherical cream-colored eggs, 1mm diam. Organisms: Red worms moderate at shallow end of rope, v. low at deeper end. Downloaded temp/light data from 3 loggers at 10', 20', 30'. | No               |
| Station 4 | N logboom, 14th log from S end, attached to chain on NE side, far | 3.1meter<br>74F @10' | 135'            | 65'               | 63'            | 1 @ 45';<br>1 @ 63' | 4            | 2 Tuffies replaced; PVC, line, knots, cinder blocked checked.<br>Samples: 0. Organisms: 0. Algae: Extreme low.  | No               |
| Station 5 | N logboom 3rd log from shore, attached to shore end               | 2.7meter<br>72F@10'  | 20'             | 18.5'             | 17'            | 17'                 | 5            | 1 Tuffy replaced; PVC, line, knots, cinder blocked checked.<br>Samples: 2 snails w/lateral spiral, 1 on cinder, 1 on PVC. Organisms: Few other snails. Algae: Very low.   | No               |

ITEM # 9d  
PAGE 5

| Station #                | Location description                              | Lake Depth Feet | Anchor Depth Feet | PVC Depth Feet | Tuffy Depth Feet | No. of Knots | Notes  | Mussels Present? |
|--------------------------|---|-----------------|-------------------|----------------|------------------|--------------|--|------------------|
| Station 6                | Far N dock at E end; S side; 13th slip from shore | 55'             | 42.5              | 42             | 42               | 12           | 3 Tuffies replaced; PVC, line, knots, cinder blocked checked. Samples: 0. Organisms: Fine hair-thick strings up to 5 mm long covered with tiny grains of sand on top side of PVC. Algae: Not noted..                 | No               |
| Station 6b (Formerly 6a) | 21' Line along length of slip; attaches by Stn 6  | 55'             | 0                 | NA             | 1                | 3            | 3 Tuffies replaced; line, knots checked. Samples: 0. Organisms: 0. Algae: Not noted..  | No               |
| Station 7                | Middle dock at E end                              | 55'             | 36'               | 34'            | 34'              | 9            | 1 Tuffy replaced; PVC, line, knots, cinder blocked checked. Samples: Spherical eggs as at Stn 3 but lighter color & w/small, grey nucleus. Organisms: Not noted. Algae: Not noted.                                   | No               |
| Station 8                | Middle dock at W end; slip 4                      | 20'             | 19'               | 17.5'          | 17.5'            | 6?           | 1 Tuffy replaced; PVC, line, knots, cinder blocked checked. Samples: 0. Organisms: Ample "cigar-shaped brown black" (same as rice egg cases?); moderate lateral spiral snails; few typical snails. Algae: Not noted. | No               |
| Station 9                | Washing dock; corner adjacent to tool cabinet     | 38'             | 20.5'             | 19'            | 19'              | 7            | 1 Tuffy replaced; line, knots, cinder blocked checked. Samples: 0. Organisms: moderate lateral spiral snails; 1 red worm. Algae: Not noted.  | No               |
| Station 10               | 1st wood dock N of launch ramp; E end             | 40'             | 25'               | 24'            | 24'              | 2            | 1 Tuffy replaced; PVC, line, knots, cinder blocked checked. Samples: One of black pepper specks inner PVC (Photo); another of 2 bivalves on inner cinder block. Organisms: None others noted. Algae: Not noted       | No               |



**Cachuma Lake Marina Monthly Quagga Survey Map:  
 Sampling stations and lines, docks, boat ramp, boat-  
 house, logs**

See survey and station details in files:

Cachuma Quagga Surface Survey 2009.06.12

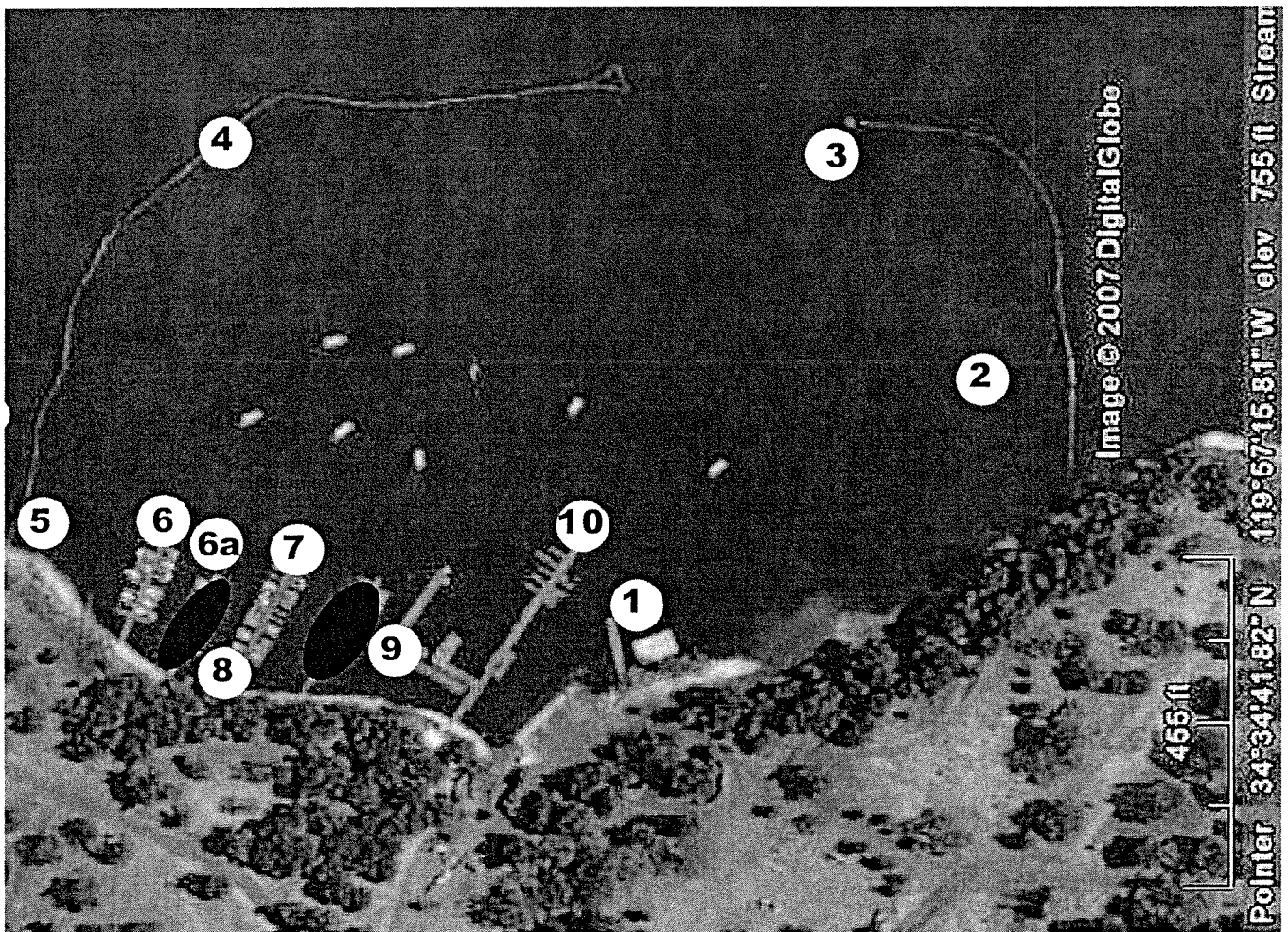
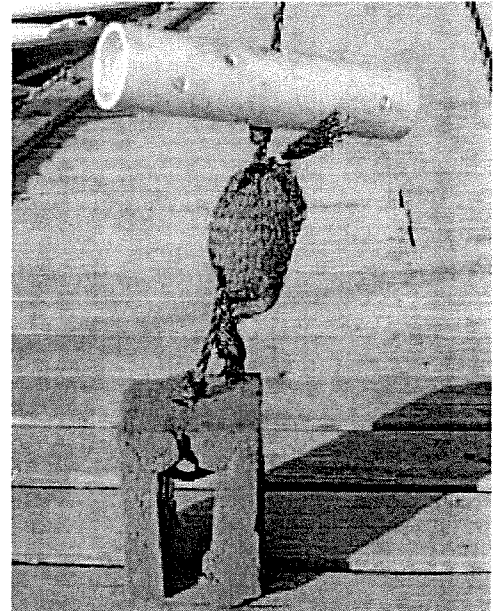
Cachuma Quagga Survey Stations 2009.06.12

Inspection Date and Time : 2009.06.12, 0800 - 1100 pst  
 Surveyors: Carrie Culver (UC Extension), Melissa Kelly, Liz Mason  
 Gaspar (SB County Parks)  
 Lake Elevation: 740.93 from maximum of 753 feet

**Summary:** NO MUSSELS FOUND; 11 Stations are in place.

○ Denotes monitoring stations or sites

**Sampling Station:** Each sampler is a 7 x 7 inch cinder block with a 10-inch PVC pipe suspended horizontally just above the cinder block. Line material is yellow plastic boating line. "Tuffies" (plastic webbing) were added to stations in August 2008. See station details for locations and depths.



# CACHUMA RESERVOIR

## DISPOSITION OF 2008 SURCHARGE WATER

(UNOFFICIAL)

| DATE      | DESCRIPTION      | FISH RELEASE FROM SURCHARGE (acre feet) | SURCHARGE BALANCE (acre feet) | FISH RELEASE FROM PROJECT YIELD (acre feet) |
|-----------|------------------|---|-------------------------------|---|
| 3/9/2008  | End of Spill     |   | 8,300                         |   |
| 3/31/08   | March            | 759                                     | 7,541                         |   |
| 4/30/08   | April            | 620                                     | 6,921                         |   |
| 5/31/08   | May              | 746                                     | 6,175                         |   |
| 6/30/08   | June             | 394                                     | 5,781                         |   |
| 7/31/08   | July             | 1,235                                   | 4,546                         |   |
| 8/31/08   | August           | 1,038                                   | 3,508                         |   |
| 9/30/08   | September        | 308                                     | 3,200                         | 584   |
| 10/31/08  | October          |   | 3,200                         | 737   |
| 11/30/08  | November         |   | 3,200                         | 597   |
| 12/31/08  | December         |   | 3,200                         | 310   |
| 1/31/09   | January          |   | 3,200                         | 340   |
| 2/28/09   | February         |   | 3,200                         | 329   |
| 3/31/09   | March            |   | 3,200                         | 377   |
| 4/30/2009 | April            |   | 3,200                         | 494   |
| 5/31/2009 | May              |   |                               | 1,014                                       |
| 6/30/2009 | June             |   |                               | 1,022                                       |
| *** TOTAL |                  | 5,100                                   | 3,200                         | 5,804                                       |
| 7/31/2009 | July (projected) |   |                               | 1,300                                       |
| 8/31/2009 | August           |   |                               | 1,300                                       |
| 9/30/2009 | September        |   |                               | 1,300                                       |

## Tentative Schedule (Subject to Changes)

(As of July 22, 2009)



| July |    |    |    |    |    |    | August |    |    |    |    |    |    |
|------|----|----|----|----|----|----|--------|----|----|----|----|----|----|
| S    | M  | T  | W  | T  | F  | S  | S      | M  | T  | W  | T  | F  | S  |
|      |    |    | 1  | 2  | 3  | 4  |        |    |    |    |    |    | 1  |
| 5    | 6  | 7  | 8  | 9  | 10 | 11 | 2      | 3  | 4  | 5  | 6  | 7  | 8  |
| 12   | 13 | 14 | 15 | 16 | 17 | 18 | 9      | 10 | 11 | 12 | 13 | 14 | 15 |
| 19   | 20 | 21 | 22 | 23 | 24 | 25 | 16     | 17 | 18 | 19 | 20 | 21 | 22 |
| 26   | 27 | 28 | 29 | 30 | 31 |    | 23     | 24 | 25 | 26 | 27 | 28 | 29 |
|      |    |    |    |    |    |    | 30     | 31 |    |    |    |    |    |

| September |    |    |    |    |    |    | October |    |    |    |    |    |    |
|-----------|----|----|----|----|----|----|---------|----|----|----|----|----|----|
| S         | M  | T  | W  | T  | F  | S  | S       | M  | T  | W  | T  | F  | S  |
|           |    | 1  | 2  | 3  | 4  | 5  |         |    |    |    | 1  | 2  | 3  |
| 6         | 7  | 8  | 9  | 10 | 11 | 12 | 4       | 5  | 6  | 7  | 8  | 9  | 10 |
| 13        | 14 | 15 | 16 | 17 | 18 | 19 | 11      | 12 | 13 | 14 | 15 | 16 | 17 |
| 20        | 21 | 22 | 23 | 24 | 25 | 26 | 18      | 19 | 20 | 21 | 22 | 23 | 24 |
| 27        | 28 | 29 | 30 |    |    |    | 25      | 26 | 27 | 28 | 29 | 30 | 31 |

| Date              | Activity  | Responsibility |
|-------------------|---|----------------|
| August 2009       | Legal Documents agendized for Carpinteria, Goleta, Montecito and Santa Barbara Boards/Councils (Joint Participation Agreements – M/U Appendix for POS – approved and ratified through resolution) <ul style="list-style-type: none"> <li>▪ Goleta Water District 8/11 – 7pm (Agenda Deadline 7/29)</li> <li>▪ Montecito 8/18 – 2pm (time certain) (Agenda Deadline 8/13)</li> <li>▪ City of Santa Barbara F/C meeting – 8/18 - 12pm (agenda deadline 7/18)</li> <li>▪ Santa Barbara City Council 8/18 - 2pm (Agenda Deadline 7/18)</li> <li>▪ SYRWCD ID#1 8/18 - 6:30pm (Agenda Deadline 8/11)</li> <li>▪ Carpinteria 8/26 – 4pm (Agenda Deadline 8/19)</li> <li>▪ COMB 8/31 – 3:15pm (Agenda Deadline 8/26)</li> </ul> | All            |
| Week of August 10 | Financing Documents distributed to Rating Agencies/Insurers   | FA             |
| Week of August 17 | Due diligence calls with Member Units   | All            |
| Week of August 17 | Receive Bids from Contractors   | COMB           |



| Date                 | Activity  | Responsibility       |
|----------------------|---|----------------------|
| Week of August 24    | Conference Calls/meetings with Rating Agencies        | CITI, COMB, FA, SYCR |
| Week of September 7  | Receive Ratings From Rating Agencies/Insurance Quotes | FA                   |
| Week of September 7  | Working Group finalizes POS                           | SYCR, All            |
| Week of September 14 | Print and Distribute Preliminary Office Statement     | SYCR                 |
| Week of September 21 | Pre-Price Bonds                                       | CITI, COMB, FA       |
| Week of September 21 | Price Bonds and Sign Purchase Contract                | CITI, COMB, FA       |
| Week of September 28 | Print Final Official Statement                        | SYCR                 |
| Week of October 12   | Pre-close   | All                  |
| Week of October 12   | Closing and Delivery of Funds                         | All                  |
| October 2009         | Award Contracts                                       | COMB                 |

**Responsible Parties**

|                            |      |
|----------------------------|------|
| Cachuma O&M Board          | COMB |
| Carpinteria Board          | CVWD |
| Goleta Board               | GWD  |
| Montecito Board            | MWD  |
| Santa Barbara City Council | SB   |
| Bond Counsel               | SYCR |
| Financial Advisor          | FA   |
| Underwriter                | CITI |
| Underwriter's Counsel      | TBD  |
| Trustee                    | TBD  |

## CACHUMA OPERATION AND MAINTENANCE BOARD

### MEMORANDUM

DATE: July 27, 2009  
TO: BOARD OF DIRECTORS  
FROM: Kate Rees, General Manager  
RE: **Proposed Cost Distribution Methodology for Repayment of COMB CIP Bond Debt Service**

#### RECOMMENDATION:

1. Consider Carpinteria Valley Water District's request to use a new cost sharing methodology developed by CVWD staff for repayment of the proposed COMB Bond issue.
2. Hire AECOM to develop a scope of work with input from all Cachuma Project Member Unit General Managers, and carry out a comprehensive Cost-of-Service/Cost-Benefit Analysis for all Cachuma Project facilities, for a not-to-exceed amount of \$80,000.
3. Authorize the Cost-of-Service/Cost-Benefit Analysis to begin immediately after the COMB Capital Improvement Program Bond has been issued, with a goal of completing the analysis in six months.

#### DISCUSSION:

At the June 22, 2009 Board meeting, the Board received information and considered a request from Carpinteria Valley Water District (CVWD) to use a different cost allocation for repayment of the proposed COMB bond than along historic Cachuma entitlement percentages. Counsel Hair confirmed that COMB's Joint Powers Agreement does permit COMB to change allocation of costs if it so chooses, but not the water entitlement percentages.

Based on the discussion at the June 22<sup>nd</sup> Board meeting, it was apparent that the City of Santa Barbara, Montecito Water District, and Goleta Water District were not willing to evaluate a different cost share methodology for repayment of the bond in isolation, but were willing to consider a full cost of service analysis that addresses all of the issues affecting the distribution of cost to COMB Member Agencies

Therefore, after substantial discussion, the Board agreed with the Operating Committee's and staff's recommendation and directed staff to:

(1) Include an additional provision in COMB's Official Statement and the South Coast Member Units' Joint Participation Agreements, as written by Doug Brown, COMB's Bond Counsel, which would allow a change to the repayment cost distribution at a later time, if all agreed it was appropriate to do so.

ITEM # 10a-223

PAGE 1

(2) Provide an estimated cost for a consultant experienced in cost of services/cost benefit analyses to carry out a full cost of service/cost benefit analysis. This would not occur until September, after the bond was issued, to accommodate COMB staff's workload involving the bond issuance. Depending on the cost estimate, the Board would then decide if development of the study was fiscally warranted.

Enclosed is a second letter from Mr. Hamilton dated July 6, 2009 indicating that the CVWD Board is unanimously opposed to approving COMB's bond issue documents if the historic cost sharing methodology is used for bond repayment. They have requested that COMB adopt a new cost sharing methodology developed by Mr. Hamilton for the bond repayment only (also attached) to address the use of the Cachuma Project facilities to convey all non-Project water, namely State Water Project water, and Cachuma Project water. The methodology does not address use of the Cachuma facilities for other non-project water, such as ground water or reclaimed water.

To assure CVWD that COMB recognizes the cost sharing issues are important, staff is recommending that the COMB Board make a commitment to carry out the cost of service/cost benefit analysis, which will include consideration of the bond repayment cost distribution. I have received a very preliminary scope of work from AECOM for this analysis, with a cost estimate of \$40,000 to \$50,000. However, there has been no input from COMB staff or from the Member Unit Managers. I would expect that once all components are integrated into the analysis, the cost estimate would likely double. AECOM has worked as COMB's consultant engineer for 12 years, and the firm is not employed by any of the other Member Units. AECOM knows the Cachuma Project facilities intimately through its development of the SCC Reliability Study and our Capital Improvement Program. They have technical and financial expertise to do this work, and I believe they can prepare an unbiased evaluation of the costs and benefits of all components of the system. Therefore, staff recommends that AECOM be hired to prepare comprehensive Cost-of-Service/Cost-Benefit Analysis for all Cachuma Project facilities, for a not to exceed amount of \$80,000. The following conditions would apply:

1. The scope of work would be limited to preparing a comprehensive cost of service/cost benefit analysis only. It would not commit the Member Units to any recommendations coming out of the study.
2. The work would not begin until after the COMB bond is issued.
3. A special assessment would be necessary as this work was not anticipated in the approved FY 2009-10 COMB budget. The consultant costs would be assessed to the South Coast Member Units using current entitlement percentages.

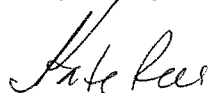
Goleta Water District - 40.42% = \$32,336  
City of Santa Barbara - 35.88% = \$28,704  
Montecito Water District - 11.50% = \$9,200  
Carpinteria Water District - 12.20% = \$9,760

Cachuma Project costs have always been assessed based on each Member Unit's entitlement of Cachuma water. All benefit from the water that flows to your District or City through the Cachuma conveyance facilities, and all benefit from the maintenance and capital improvements carried out by COMB, regardless of where in the system those improvements are made.

The projects proposed to be funded by the COMB bond are critical to COMB's ability to continue to reliably deliver Cachuma water through the SCC conveyance facilities. As you are well aware, substantial engineering design work has already been done, and a great deal of money has already been spent on the 2<sup>nd</sup> Pipeline and Mission Creek Pipeline projects. Bid packages were

sent out last week for the 2<sup>nd</sup> Pipeline Project, and the Mission Creek Pipeline Project is ready to be bid. Land access and construction easements have been purchased. There is also \$3.2 million from Prop 50 at risk if the 2<sup>nd</sup> Pipeline is not constructed. Therefore, I strongly urge the COMB Board and all of the South Coast Member Unit Boards to allow the bond issuance to go forward, and work toward a resolution on the cost sharing issues through a comprehensive analysis of the entire system.

Respectfully submitted,



Kate Rees  
General Manager

Attachments

KR.COMB\COMB AdminBoard memos\072709\_CIP bond cost sharing issuesmmo



# Carpinteria Valley Water District

1301 Santa Ynez Avenue • Carpinteria, CA 93013  
Phone (805) 684-2816 • Fax (805) 684-3170

## BOARD OF DIRECTORS

*Frederick Lemere*  
President  
*June Van Wingerden*  
Vice President  
*Robert R. Lieberknecht*  
*Matthew T. Roberts*  
*James W. Drain*

## GENERAL MANAGER

*Charles B. Hamilton*

July 6, 2009

Kate Rees  
General Manager  
Cachuma Operation & Maintenance Board  
3301 Laurel Canyon Road  
Santa Barbara, CA 93105-2017

Dear Ms. Rees,

Please be advised that the Carpinteria Valley Water District (CVWD) Board of Directors considered the matter of cost sharing for COMB's proposed 2009 \$16 million bond issue debt service at its regular Board meeting held on July 1, 2009 and requested that I send you this letter.

The Board is unanimously opposed to approving bond issue documents that commit this District to the current cost sharing methodology based on the 1950's Project yield percentages for member agencies. They formally request that the Cachuma Operation & Maintenance Board (COMB) prepare and incorporate a new cost sharing methodology in the proposed bond issue documents that specifically addresses the current varied use of the Cachuma Project facilities by member agencies related to all non-Project water as well as Project water.

The methodology proposed in the attached memo dated June 2, 2009 from me to CVWD's Rate & Budget Committee is recommended as the best and most easily implemented methodology. It would address both differing agency use of Cachuma capacity for non-Project water similar to the Bureau's Warren Act arrangement and allow the application of year-end credits and debits in much the way that the Central Coast Water Authority handles adjustments.

Sincerely,

Charles B. Hamilton  
General Manager

Cc: Board of Directors and staff  
Rebecca Bjork, Water Resources Manager, City of Santa Barbara  
Tom Mosby, General Manager, Montecito Water District  
Eric Ford, General Manager, Goleta Water District  
Chris Dahlstrom, General Manager, Santa Ynez Water Conservation District, ID#1

ITEM # 10a-243

PAGE 4

**Memo**

To: Rate & Budget Committee  
From: Charles B. Hamilton  
CC: Norma Rosales; Bob McDonald; Alex Keuper  
Date: June 2, 2009  
Re: COMB 2009 bond issue cost sharing

---

**Recommendation:**

Recommend to full Board that this District formally request of COMB that a new methodology, described below, be used by COMB to address cost sharing of the **debt service for the proposed 2009 \$16 million bond issue** by COMB. This methodology is as follows:

Each year, for the \$16 million bond issue, the amount of debt service (~\$1,100,000) based on the old Cachuma entitlement percentages (Goleta 40.42%; Santa Barbara 35.89%; Carpinteria 12.2%; Montecito 11.5%) paid by the four South coast agencies is to be adjusted by a usage based calculation. The difference of the two will result in an annual adjustment in the form of a credit or debit to the following year's debt service payment obligation.

For example, using FY 07-08 actual usage numbers (see attached Table 2) the City of Santa Barbara's cost share of **\$394,793** (using the old Cachuma entitlement percentage - 35.89% of \$1.1 million) would be adjusted based on total actual usage cost total of **\$389,056**, calculated below:

$\$1.1 \text{ million (annual debt service)} / 32,672 \text{ AF (total all agency usage)} = \$33.67/\text{AF}$   
 $\$33.67 \text{ AF} \times 11,555 \text{ AF (total Santa Barbara usage)} = \mathbf{\$389,056}$ .

Santa Barbara would then receive a credit of \$5,736 applied to the next year's debt service payment, as follows:  $\mathbf{\$394,793 - \$389,056 = \$5,736}$ .

Following this methodology for other agencies, Montecito would be debited \$26,853; Carpinteria credited for \$30,806; and Goleta credited for \$8,998. La Cumbre would contribute \$17,744.

**Background:**

- 1) Existing costs for the maintenance of the COMB facilities are fixed and based on entitlement allocations derived when the Cachuma Project was constructed in the 1950s;
- 2) There are, however, new realities of water use through Cachuma facilities, including:
  - a. New sources of water supply, most notably imported State Water;
  - b. Other agencies, not COMB members, utilize Project facilities and do not pay for system maintenance and improvements.

The following Table 1 illustrates **Cachuma and State Water allocations** for all South Coast water agencies; Table 2 illustrates **all water use** for FY 2007-08.

**Table 1: South Coast Water Agencies' Cachuma and State Water Project Allocations**

|                                   | Cachuma Allocation |               | State Water Project Table A Allocation |               | TOTAL         |               |
|-----------------------------------|--------------------|---------------|--|---------------|---------------|---------------|
|                                   | AF                 | %             | AF                                     | %             | AF            | %             |
| Goleta Water District             | 9,321              | 40.4%         | 7,000 *                                | 43.1%         | 16,321        | 41.5%         |
| City of Santa Barbara             | 8,277              | 35.9%         | 3,000                                  | 18.5%         | 11,277        | 28.7%         |
| Montecito Water District          | 2,651              | 11.5%         | 3,000                                  | 18.5%         | 5,651         | 14.4%         |
| Carpinteria Valley Water District | 2,813              | 12.2%         | 2,000                                  | 12.3%         | 4,813         | 12.2%         |
| <b>TOTAL (AF)</b>                 | <b>23,062</b>      | <b>100.0%</b> |  |               |               |               |
| La Cumbre Mutual Water Co.        |                    |               | 1,000                                  | 6.2%          | 1,000         | 2.5%          |
| Morehart Land Co.                 |                    |               | 200                                    | 1.2%          | 200           | 0.5%          |
| Raytheon Systems Company          |                    |               | 50                                     | 0.3%          | 50            | 0.1%          |
| <b>TOTAL (AF)</b>                 |                    |               | <b>16,250</b>                          | <b>100.0%</b> | <b>39,312</b> | <b>100.0%</b> |

\* Goleta Allocation = 4,500 AF + 2,500 AF 'additional' Table A water

Source: Cachuma Operations and Maintenance Board (COMB) and Central Coast Water Authority (CCWA)

2

**Table 2: South Coast Water Agencies' Cachuma and State Water Project Use for FY 2007-08**

|                                   | Cachuma Use FY 2007-08 |               | State Water Project Table A FY 2007-08 Delivered |               | TOTAL         |               |
|-----------------------------------|------------------------|---------------|--|---------------|---------------|---------------|
|                                   | AF                     | %             | AF   | %             | AF            | %             |
| Goleta Water District             | 11,328                 | 39.7%         | 1,609  | 38.9%         | 12,937        | 39.6%         |
| City of Santa Barbara             | 11,555                 | 40.5%         | 0  | 0.0%          | 11,555        | 35.4%         |
| Montecito Water District          | 2,718                  | 9.5%          | 1,835  | 44.4%         | 4,553         | 13.9%         |
| Carpinteria Valley Water District | 2,936                  | 10.3%         | 134  | 3.2%          | 3,070         | 9.4%          |
| <b>TOTAL (AF)</b>                 | <b>28,537</b>          | <b>100.0%</b> |  |               |               |               |
| La Cumbre Mutual Water Co.        |                        |               | 527  | 12.7%         | 527           | 1.6%          |
| Morehart Land Co.                 |                        |               | 30   | 0.7%          | 30            | 0.1%          |
| Raytheon Systems Company          |                        |               | 0  | 0.0%          | 0             | 0.0%          |
| <b>TOTAL (AF)</b>                 |                        |               | <b>4,135</b>                                     | <b>100.0%</b> | <b>32,672</b> | <b>100.0%</b> |

Source: Cachuma Operations and Maintenance Board (COMB) and Central Coast Water Authority (CCWA)

# COMB Preliminary Bond Budget

May 2009

|                          | Second Barrel Pipeline Project | Mission Creek Crossing | SCC South Reach Rehab Project | Right-of-Way Definition Program | Office Building | COMB          | Project Totals |
|--------------------------|--------------------------------|------------------------|-------------------------------|---------------------------------|-----------------|---------------|----------------|
| Engineering              | \$ 700,000                     | \$ 500,000             | \$ 150,000                    | \$ 250,000                      | \$ 310,000      | \$ 1,660,000  |                |
| Construction             | 6,000,000                      | 1,700,000              | 2,120,000                     | 150,000                         | 1,750,000       | 11,570,000    |                |
| Right-of-Way/Surveys     | 350,000                        | 50,000                 | -                             | 400,000                         | -               | 400,000       |                |
| Environmental Mitigation | 125,000                        | 75,000                 | -                             | 75,000                          | 230,000         | 430,000       |                |
| Construction Management  | 740,000                        | 400,000                | -                             | -                               | 300,000         | 1,440,000     |                |
| Contingency              | 1,150,000                      | 300,000                | 250,000                       | 125,000                         | 300,000         | 2,000,000     |                |
|                          | \$ 9,065,000                   | \$ 3,025,000           | \$ 2,520,000                  | \$ 1,000,000                    | \$ 2,890,000    | \$ 18,500,000 |                |

Projected Net Bond Proceeds \$ 15,300,000 Assumes 5.4% interest rate - \$1.1m annual debt service repayment (Principal and Interest)

Prop 50 Funding Proceeds \$ 3,200,000  
 \$ 18,500,000

## Annual Debt Service Repayment

|                       |         |                |
|-----------------------|---------|----------------|
| GWD                   | 40.42%  | \$444,586.91   |
| City of Santa Barbara | 35.89%  | \$394,793.18   |
| CWWD                  | 12.20%  | \$134,173.26   |
| MWD                   | 11.50%  | \$126,446.65   |
|                       | 100.00% | \$1,100,000.00 |

## Project Descriptions

- Second Barrel Pipeline Project**  
Reliability water pipeline constructed between South Portal of Tecelote Tunnel and Corona Del Mar Turnout.
- Mission Creek Pipeline Project**  
Replacement of damaged pipeline in Mission Creek along with proposed stream channel improvements.
- South Reach Rehab Project**  
Rehabilitation of South Reach airvent blowoff and lateral structures.
- Right-of-Way Definition Program**  
Delineation of South Coast Conduit to control encroachments and develop policies to protect SCC within the public right-of-way.
- COMB Office Building**  
Replace temporary aged modular offices with permanent fixed office building for COMB staff.

ITEM #10a-243

PAGE 7





# Carpinteria Valley Water District

1301 Santa Ynez Avenue • Carpinteria, CA 93013  
Phone (805) 684-2816 • Fax (805) 684-3170

## BOARD OF DIRECTORS

*Frederick Lemere*  
President  
*June Van Wingerden*  
Vice President  
*Robert R. Lieberknecht*  
*Matthew T. Roberts*  
*James W. Drain*

## GENERAL MANAGER

*Charles B. Hamilton*

June 5, 2009

Kate Rees  
General Manager  
Cachuma Operation & Maintenance Board  
3301 Laurel Canyon Road  
Santa Barbara, CA 93105-2017

Dear Ms. Rees,

Please be advised that the Carpinteria Valley Water District Board of Directors took action at its special Board meeting held on June 2, 2009 to formally request that the Cachuma Operation & Maintenance Board (COMB) prepare a new cost sharing methodology, not based solely on the 1950's Project yield percentages, for consideration by COMB for COMB's proposed 2009 \$16 million bond issue debt service.

The CVWD Board is not specifically requesting that the cost sharing methodology outlined in the attached memo dated June 2, 2009 from me to CVWD's Rate & Budget Committee be utilized. It may however, with some possible modifications, be the best and most easily implemented methodology. Other methodologies that may emerge in this effort should certainly be considered if they capture the reality of the new and different uses of the proposed new COMB owned Project facilities.

As much as it would have been a good idea to approach the cost sharing questions for the bond issue debt service as part of a comprehensive review of cost sharing for the Cachuma Project as whole, perhaps in conjunction with acquisitions from the Bureau, I do not see an effort that large occurring in the short time frame remaining before the bond issue documents are now scheduled to go before the four south coast agency boards of approval. Perhaps what is done now for the new COMB owned projects will serve as a model for some future Cachuma Project cost sharing agreement.

I am sure you appreciate that decisions by elected boards relative to long term debt obligations require their full understanding and consent, and that it is my duty as CVWD's General Manager to ensure that CVWD's Directors are fully informed and prepared for such a decision as is going forward at COMB. I look forward to working with you to make this happen.

Sincerely,

Charles B. Hamilton  
General Manager

Cc: Board of Directors and staff  
Rebecca Bjork, Water Resources Manager, City of Santa Barbara  
Tom Mosby, General Manager, Montecito Water District  
Eric Ford, Interim General Manager, Goleta Water District  
Chris Dahlstrom, General Manager, Santa Ynez Water Conservation District, ID#1

ITEM # 10<sub>a</sub> - 243  
PAGE 8

**CACHUMA OPERATIONS AND MAINTENANCE BOARD  
SOUTH COAST CONDUIT UPPER REACH RELIABILITY PROJECT**

**July 9, 2009**

**CONTRACTORS THAT HAVE BEEN PRE-QUALIFIED TO BID THE PROJECT**

**Lash Construction-**  
721 Carpinteria Street  
Santa Barbara, CA 93013

Laurie Javne  
**Spiess Construction-**  
1110 East Clark Ave., Suite 210  
Santa Maria, CA 93455

Kristain Corona  
**E. J. Meyer Co.-**  
26999 5<sup>th</sup> Street  
Highland, CA 92346

Kevin Shigematsu  
**W.M. Lyles Co.**  
2810 Unicorn Road  
Bakersfield, CA 93308

Earl Eldridge  
**ARB Inc.**  
26000 Commercenter Drive  
Lake Forest, CA 92630

ITEM # 106  
PAGE 1  
| AECOM

| Project Status South Coast Conduit/Upper Reach Reliability Project and Mission Creek South Coast Conduit Crossing and Fish Passage Project |  |   |   |   |  |   |   |   |  |
|--|--|---|---|---|--|---|---|---|--|
| Project  | Engineering Design   | Environmental Compliance  | Land Access/Easement Acquisition  | Revegetation/Weed Abatement   | Mitigation Plans   | Bid Process                               | Construction Management Services  | Award Contract for Construction   |  |
| <b>South Coast Conduit/Upper Reach Reliability Project (2nd Barrel)</b>  | Technical Specifications Complete 7/30/09. Issued for bid 7/16/09. | Final Environmental Impact Statement/Environmental Report completed February 2009   | Permit to Enter, Right of Way Agreement and Easement Deed complete for all impacted landowners. | Revegetation plan in progress by SAIC. Weed abatement of 2nd barrel alignment will be complete 7/30/09 for 2009 growing season. | Weed Identification and Removal Manual completed March 2009. Draft Special Status Species Protection Plan complete April 2009. | Pre-Qualification distributed April 2009. | Construction Management Services awarded to AECOM/Boyle and approved by board 6/22/09 | Evaluation of contractor prequalification's completed 7/8/09 with top five contractors selected. Award contract September 2009. |  |
| <b>Mission Creek South Coast Conduit Crossing and Fish Passage Project</b>   | Technical Specifications Complete on 8/13/09.                      | Initial Study/Draft MND complete April 2009. Final MND pending USBR review. Landowner comments incorporated into Final MND. | Permit to Enter completed by all impacted landowners.   | Revegetation plan in progress by SAIC.  | Biological Resources Survey Report completed February 2009.  | Advertise for contractor September 2009   |   | Award Contract for Construction November 2009.  |  |

*\*Please see Permit Status Tabs for project permit update*

ITEM # 10 b+c

PAGE 1

## Permit Status: South Coast Conduit/Upper Reach Reliability Project (2nd Barrel)

| Agency  | Permit   | Status              | Notes  |
|---|--|---------------------|--|
| U.S. Army Corps of Engineers (USACE) Section 404 Permit | Section 404 of the Clean Water Act (CWA) permit  | Pending             | Waiting on Section 7 consultation completion with NMFS and USFWS   |
| National Marine Fisheries Service (NMFS)                | Section 7 of the Endangered Species Act Consultation   | Pending             | USACE has requested responses to NMFS questions on 20 July; will send responses this week  |
| U.S. Fish and Wildlife Service (USFWS)                  | Section 7 of the Endangered Species Act Consultation   | Pending             | Pending USACE and USBR review  |
| U.S. Bureau of Reclamation                              | MP620 permit for additions and alternations  | Pending             |  |
| State Historic Preservation Office                      | Section 106 of the National Historic Preservation Act review   | Pending             | Draft CA-SBA-1775 Testing Report completed by Applied Earthworks June 2009. Report concludes that site is not eligible for the National Register, and pipeline may be constructed through it. Currently pending review of Bureau of Reclamation (being sent on 22 July). |
| Santa Barbara Air Pollution Control District            | Authority for enforcing dust control measures  | Pending             |  |
| Santa Barbara County                                    | Finding of consistency with the General Plan under California Government Code 65402  | Pending             |  |
| Regional Water Quality Control Board (RWQCB)            | Section 401 of the CWA certification: General Permit for Storm Water Discharges Associated with Construction Activity (CWA Section 402)<br>Note: Section 402 Notice of Intent will not be submitted until just before construction | Issued<br>5/20/2009 | Water Quality Certification#34209WQ06 issued   |
| California Department of Fish and Game (CDFG)           | Streambed Alteration Agreement   | Issued<br>7/13/2009 | Notification# 1600-2009-0064-R5 issued- CDFG action period expired 7/1/2009 and agreement was issued automatically as a result of expired action period.   |

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

| Agency   | Permit  | Status         | Notes   |
|--|---|----------------|---|
| U.S. Army Corps of Engineers (USACE)<br>Section 404 Permit | Section 404 of the Clean Water Act (CWA) permit   | Pending        | Originally submitted to Sacramento office- should go to Crystal Huerta in the Ventura Office. (Per Rosie Thompson.) Will be resubmitted 7/23/09 with AECOM distribution of design specifications. |
| National Marine Fisheries Service (NMFS)                   | Section 7 of the Endangered Species Act Consultation  | Pending        | Pending USACE review.   |
| U.S. Bureau of Reclamation                                 | MP620 permit for additions and alternations   | Pending        |   |
| State Historic Preservation Office                         | Section 106 of the National Historic Preservation Act review  | Pending        | Pending USBR review.  |
| Regional Water Quality Control Board (RWQCB)               | Section 401 of the CWA certification: General Permit for Storm Water Discharges Associated with Construction Activity (CWA Section 402) | Pending        |   |
| California Department of Fish and Game (CDFG)              | Streambed Alteration Agreement  | Pending        |   |
| Caltrans   | Encroachment Permit   | Issued         |   |
| City of Santa Barbara                                      | Temporary Traffic Control Permit  | Issued 5/20/09 | Permit #: PBW 2008-01878 verbally issued over phone to Cesar Romero. City does not typically provide hard copy of permit.   |

**AGENDA**

**PROPOSITION 50  
Cooperating Partners  
Thursday, July 23, 2009  
3:00 p.m. – 4:00 p.m.**

**Location:** Central Coast Water Authority, 255 Industrial Way, Buellton, CA

**Conference Phone Number:** 805.697-5249

**Enter:** 401#

**Passcode:** 0101#

**3:00**

Welcome and Introductions  
Public Comment for Items not on the Agenda

**3:10**

Update from Project Proponents on Status of Projects  
Update on Changes to Various Projects-Guadalupe, Cuyama CSD, Casmalia CSD, CVWD

**3:40**

Questions on Issues Going Forward  
Administrative Contract Changes/Renewals

**3:55**

Next Steps  
Schedule Next Meeting

**Adjourn**

ITEM # 11

PAGE 1

## Kate Rees

---

**From:** Jane Gray [jgray@dudek.com]  
**Sent:** Tuesday, June 30, 2009 2:08 PM  
**To:** Jane Gray; R. Dennis Delzeit; Kate Rees; treyburn@ci.santa-maria.ca.us; glmcfarland@goletawater.com; CraigM@carpsan.com; jbarget@vvcasd.org; TConti@SantaBarbaraCA.gov; Wilder, Marty; ccSD@inreach.com; gorley\_robin@yahoo.com; Tom Evans; kwerner@goletasanitary.org; callen@vvcasd.org; mvanderlinden@goletawater.com; bob@cvwd.net; Brett Gray; charles@cvwd.net; Janet Gingras; Fayram, Tom; Chang, David; SRamaker@aspenerg.com; Adelle Capponi; Susannah Pitman; talvarez@santabarbaraca.gov; norma@cvwd.net; tootie@cvwd.net; diverson@goletawater.com  
**Cc:** Alison K. Evans; Kelley L. List (klist@waterboards.ca.gov); Naftaly, Matt  
**Subject:** Proposition 50 Meeting Notice-July 23, 2009 at CCWA in Buellton

Greetings Prop 50 Project Proponents,

Congratulations on your incredible perseverance and tenacity and congratulations on getting reimbursement for your efforts. Since much time has passed since the last Prop 50 meeting and because we have many things to get caught up on, and there are undoubtedly many questions to be answered, there will be a Prop 50 meeting from 3:00 p.m.-4:00 p.m. at the Central Coast Water Authority in Buellton on July 23, 2009.

Our Grant Manager, Kelley List, will be joining us via the conference line and Alison Evans from Kennedy/Jenks will be joining us in person. An agenda will be sent out in the coming weeks, but you can all put the meeting on your calendars. If you are not able to attend in person, you can call in using the conference line, which is: 805.697.5249, then enter: 401# and finally enter, 0101#.

Jane Gray

Environmental Planner

**DUDEK**

ENGINEERING + ENVIRONMENTAL

621 Chapala Street, Santa Barbara, California 93101  
T 805.963.0651 ext. 3531 F 805.963.2074 C 805.680.3320

**AGENDA**

**PROPOSITION 84  
Cooperating Partners & Stakeholders Meeting  
Thursday, July 23, 2009  
1:30 p.m. – 3:00 p.m.**

**Location:** Central Coast Water Authority, 255 Industrial Way, Buellton, CA

**Conference Phone Number:** 805.697-5249

**Enter:** 401#

**Passcode:** 0101#

**1:30**

Welcome and Introductions  
Public Comment for Items not on the Agenda

**1:40**

Overview and Outcome of the RAP Interview  
Tri-County (SLO, WCVV, Santa Barbara) Collaboration  
Los Padres, WCVV & Santa Barbara IRWM Collaboration  
Brief overview of Los Padres Programs from Katherine Worn

**2:15**

Update from the Steering Committee Meeting & Role, Responsibilities  
Prop 84 Process Schedule & Timeline  
Project Selection Process

**2:55**

Next Steps  
Schedule Next Meeting

**Adjourn**



**PROPOSITION 84 Steering Committee Meeting**  
**Thursday, July 16, 2009**  
**9:00 a.m. – 10:00 a.m.**

**Location:** 2<sup>nd</sup> Floor Conference Rm, Granada Garage 1221 Anacapa St., Santa Barbara  
**Directions:** Exit off Anacapa Street (west side of Anacapa) through the glass doors labeled "Environmental Services" & take the elevator to the 2<sup>nd</sup> floor; exit to the right and into the conference room straight ahead

**Conference Phone Number:** 805.681.5400  
**Passcode:** 284784

**AGENDA**

**9:00**

Welcome and Introductions  
Public Comment for Items not on the Agenda

**9:10**

Overview & Outcome of the RAP Interview  
Discussion of Tri-County (SLO, Ventura, Santa Barbara) Collaboration  
Brief on Meeting with Katherine Worn, Los Padres Division of the Forest Service

**9:25**

Prop 84 Process Schedule & Timeline  
Steering Committee-Roles and Responsibilities  
Discussion of the MOU

**9:40**

Overview & Discussion of Prop 84 Project Selection Process

**9:55**

Next Steps  
Schedule Next Meeting

**Adjourn**

ITEM #

11

PAGE

4

**Draft Meeting Minutes PROPOSITION 84 MEETING**  
**Thursday, June 11, 2009**  
**9:00 a.m. – 11:00 a.m.**

**Location:** Granada Garage, 2<sup>nd</sup> Floor Conference Room, 1221 Anacapa Street, Santa Barbara,  
CA 93101  
**Conference Phone Number:** 681.5400  
**Passcode:** 455139

***Attendees***

Deborah Slaughter, League of Women Voters, Santa Barbara Chapter; Jim McManus, Summerland Sanitary District; Joe Barget, Vandenberg Village Community Services District; Andrew Dudley, CCWA; Matt Naftaly, Santa Barbara County Water Agency; Tom Fayram, Santa Barbara County Water Agency; Shruti Ramaker, Casmalia Community Services District; Marti Schultz, City of Goleta; Tom Conti, City of Santa Barbara; Gary McFarland, Goleta Water District; Teresa Reyburn, City of Santa Maria; Mauricio Gomez, South Coast Habitat Restoration; Craig Murray, Carpinteria Sanitary District; Kate Rees, COMB/CCRB; Lee Moldaver, SBAS CPA GEC NC Coalition; Kathy Caldwell, CH2MHill; Tom Evans, Dudek; John Brady, Central Coast Water Authority; Hillary Hauser, Heal the Ocean; Brian Haggerty, Surfrider; Kathleen Werner, Goleta Sanitary District; Jane Gray; Dudek

***On the Conference Call***

Tully Clifford, City of Solvang; Teresa Reyburn, City of Santa Maria; Rose Hess, City of Buellton

**Proceedings**

The meeting began at 9:07 and was called to order by Matt Naftaly. There was no public comment and the meeting minutes for the May 11, 2009 meeting were approved. Mr. Naftaly turned the meeting over to Tom Fayram who spoke about leadership on Prop 84 and Kevin Walsh's absence due to family emergencies. Mr. Fayram said that the Water Agency was in contact with Kevin and that they would keep the Partners up to date on potential future leadership issues.

Mr. Naftaly then discussed the outstanding signed MOUs and payments to the County. He also announced that the County would be sending out invoices and also be sending out progress reports to give partners an overview of the process, milestones, goals in the future, and in general, a status update so that partners can report to their governing bodies. Mr. Naftaly also gave the partners a status report on the budget and contract statuses of all consultants working on Prop 84. He noted that there were still funds for Dudek and Kevin Walsh and recommended a contract extension for the services of Kathy Caldwell of CH2MHill. There was a brief discussion about extending the contract and then it was unanimously approved.

Matt Naftaly then discussed the membership of the Steering Committee and the roles and responsibilities associated with committee membership. These responsibilities include providing leadership for the group, taking an active role in guiding policy and decision-making, organizing in sub-regions and conducting outreach. It was explained that the steering committee also included NGOs. There was expressed concern that stakeholders, cooperating partners and

ITEM # 11  
PAGE 5

NGOs were not well defined in the MOU and it was requested that these terms be clearly defined. There was also concern expressed about what NGOs were and how they were organized. It was agreed that there would be follow-up on this topic. Further, there was discussion on updating the MOU.

Mr. Naftaly asked Ms. Gray to discuss the timeline for the Expedited Round of Prop 84. Ms. Caldwell also addressed this topic of expedited funding. A question was raised as to the status of Prop 84 funds and the status of Prop 50 funds. Lee Moldaver spoke about his impressions of the State's funding crisis and how they may proceed forward. A conversation then ensued regarding the amount of money available in the expedited round. Ms. Ramaker indicated that Casmalia was interested in seeking funding in the expedited round and explained the project that Casmalia CSD was interested in having funded. Ms. Ramaker also stated that the City of Lompoc was interested in the expedited round and had a project. Mr. Barget explained what the project would be. In response, many agencies began explaining their potential projects for funding. These included projects from: 1) CCWA.; 2) CCRB and potential partnership with South Coast Habitat Restoration; 3) Goleta Water District; 4) Goleta Sanitary District; 5) City of Santa Maria; 6) Summerland Sanitary District; 7) City of Goleta; 8) City of Santa Barbara; and 9) Santa Barbara County Flood Control. A large group discussion followed regarding the possibility and advisability of seeking funding under the expedited round. Mr. McFarland brought up the topic of talking with other regions in the funding area and coordinating with these entities toward potentially making an agreement and sharing the amount allocated for the region. Ms. Caldwell addressed this by stating that there had been precedent for such agreements. She also touched on the types of projects that were being targeted for Prop 84 funding and about how important the selection process was. In addition, she also mentioned that projects being proposed would need to be fully articulated and well thought through in order to be considered. She suggested that in the coming meetings that the group come to consensus on the tool or method for project selection and also suggested a mock project selection process.

Mr. Naftaly spoke about the recent meeting that members of the steering committee, consultants and the water agency had to discuss potential projects in the Rincon Creek Watershed and in collaboration efforts in the future.

Ms. Caldwell gave a brief presentation of the power point presentation that was being drafted for the interview with DWR. Mr. Naftaly announced that the RAP Interview questions from DWR would be circulated to everyone and that everyone could comment on them. It was also decided that the next meeting would be July 23, 2009 in the afternoon at CCWA in Buellton and that there would be a steering committee meeting prior to that.

The meeting was adjourned at 11:05.

FILE: PROPR4  
RAP PROCESS

Santa Barbara Region Interview  
June 19, 2009, 8:30 a.m. – 10:30 a.m.  
Department of Water Resources (DWR) Southern District Office  
770 Fairmont Avenue, Suite 102  
Glendale, CA 91203

Lead Santa Barbara Region RAP Reviewer:  
Maria Pang, DWR Headquarters, Sacramento  
mpang@water.ca.gov

FINALREVIEW\_30\_SantaBarbaraCountywide

***REGION ACCEPTANCE PROCESS (RAP) INTERVIEW QUESTIONS***

1. It is not clear who has the actual authority to vote and make decisions in the Cooperating Partners meetings. What is the relationship of the Cooperating Partners and the Memorandum of Understanding (MOU). Are decision makers required to sign the MOU?
2. It is not clear whether the governance structure described in the Region Acceptance Process document is the existing or a proposed governance structure. Please clarify. If it is a proposed structure, what is the time frame for implementation? Please clarify the interconnection among the three components of the governance structure and how the stakeholder group functions.
3. The proposed regional boundary dissects watersheds and groundwater basins. How does the Santa Barbara IRWM effort coordinate with the San Luis Obispo and Ventura County IRWM efforts on surface water and groundwater quality issues that cross region boundaries?

ITEM # 11  
PAGE 7

SANTA BARBARA REGION

1950N09/0830

MARK STUART DWR-SRO 818-500-1645 marks@water.ca.gov

Shanti Ramaker Aspen E G/ Carmelita 305-568-5453 sramaker@aspeneq.com

Matt Mattaly Santa Barbara County 805-568-3542 mmattal@cosppw.net

Kathy Caldwell CH2MHill 310 600 8215 kathy.caldwell@ch2m.com

Jane Gray Dudek 805-963-0651 jgray@dudek.com

Kate Pees CCRB/COMB 805-569-1391 krees@cachuma-board.ca.gov

on phone (

Teresa Rayburn

Angela Schneider RWQ/CRB

Tracie Billington DWR 916-651-9226 tracieb@water.ca.gov

MARIA PANG DWR-HA 916-651-9665 mpang@water.ca.gov

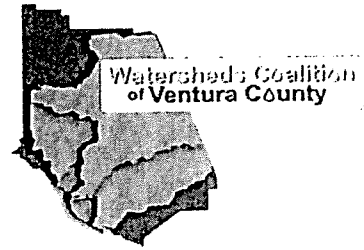
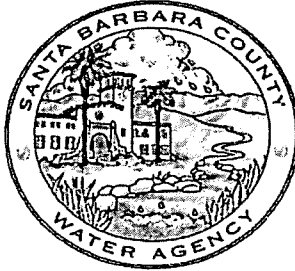
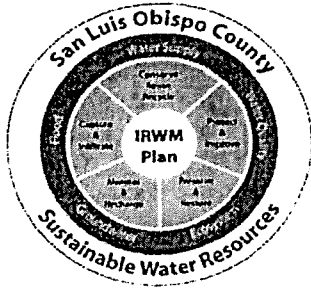
ABI ADERONMI DWR-SR 818-500-1645 aaderonm@water.ca.gov

Jennifer Wong DWR 818-500-1645 jenwong@water.ca.gov

BRIAN MONIZ DWR-SR 818-500-1645 x256 bmoniz@water.ca.gov

Bob Pierotti DWR 818 500-1645 x238 pierotti@water.ca.gov

PAUL J. LANDIS DWR 559-230-3300 plandis@water.ca.gov



June 26, 2009

Tracie L. Billington, P.E., Chief  
Financial Assistance Branch  
Department of Water Resources  
Integrated Regional Water Management Division  
P.O. Box 942836  
Sacramento, CA 94236

RE: Region Acceptance Process Follow-up  
Letter of Intent to Coordinate Across IRWM Regions

Dear Tracie:

This letter is in response to DWR's request for clarification on how our respective Regions will work together in the future with regard to management of the Cuyama Watershed located in San Luis Obispo, Santa Barbara, and Ventura Counties. In addition, the concepts addressed herein apply to the Rincon Creek Watershed which is located in Santa Barbara and Ventura Counties and with which only Santa Barbara County and Watersheds Coalition of Ventura County (WCVC) are concerned.

The Santa Barbara County, San Luis Obispo County, and WCVC IRWM Regions were each formed for the purpose of developing and implementing Integrated Regional Water Management Plans. After careful consideration of all boundary options for successful IRWM efforts, the boundaries of these three Regions are primarily delineated along county lines. The three Counties, now IRWM Regions, have been working together in this Tri-County area for a number of years to address fisheries issues, collaborate on water use efficiency projects, and resolve water quality and water rights issues. We have established and continued these collaborative efforts even though the WCVC Region lies within a different Regional Water Quality Control Board region and a different Proposition 84 funding area from the Santa Barbara and San Luis Obispo IRWM Regions.

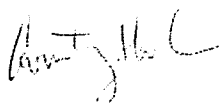
We appreciate this opportunity to provide clarification about the relationship between our three IRWM Regions as it relates to the ongoing management of the shared Watersheds. We recognize that the overall health of the Watersheds and the need for effective watershed planning are important. The Cuyama Watershed is a large Watershed that spans four counties, including small areas of Kern County, and we have been working together to ensure effective future management of the Watershed. Although Rincon Creek Watershed is much smaller, similar planning and collaborative efforts have been ongoing between Santa Barbara County and WCVC.

ITEM # 11  
PAGE 9

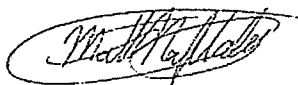
We wish to reinforce our intent to continue working together cooperatively for the best interests of the Cuyama and Rincon Watersheds by developing watershed-based goals, priorities, programs, and projects that address critical needs within the Watersheds. Additionally we will continue to meet and identify new opportunities to work together on studies, projects, and programs that will enhance the health of the Watersheds and, in the case of the Cuyama Watershed, the underlying Cuyama Groundwater Basin. We will coordinate our respective IRWM Plans to address management of our shared resources.

Thank you again for this opportunity to clarify our intent to work together. Should you have any questions, please feel free to call any of the regional representatives named below.

Sincerely,



Courtney Howard P.E.  
San Luis Obispo County  
IRWM Region  
Water Resources Engineer  
County of San Luis Obispo  
805-781-1016



Matt Naftaly, Project Manager  
Santa Barbara Countywide IRWM  
Manager, Santa Barbara County  
Water Agency  
805-568-3542



Sue Hughes, Chair  
WCVC IRWM Region  
Deputy Executive Officer  
County of Ventura  
805-654-3836