

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

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

Monday, September 28, 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. CONSENT AGENDA** (For Board action by vote on one motion unless member requests separate consideration.) *(2 minutes)*
 - a. Minutes
 - August 31, 2009 Regular Board Meeting
 - September 21, 2009 Special Board Meeting with CVWD
 - b. Investment of Funds
 - Financial Reports
 - Investment Reports
 - c. Payment of Claims
- 4. REPORT FROM THE AUDITOR FOR FISCAL YEAR 2008-2009:
RECOMMENDATION TO ACCEPT THE AUDIT** *(20 minutes)*
- 5. REPORTS FROM THE MANAGER** *(10 minutes)*
 - a. Cachuma Water Reports
 - b. Operations Report
 - c. Quagga Mussel Inspection Report – County of Santa Barbara 2008 Surcharge Accounting
 - d. 2007 Surcharge Accounting
 - e. **Verbal Report** - Jesusita Fire Activities
 - f. **Verbal Report** - Cachuma Reservoir Current Conditions

6. **COMB CAPITAL IMPROVEMENT PROGRAM** *(10 minutes)*
 - a. CIP Bond
 - 1) Revised Schedule
 - 2) Status of Member Units' Approval of COMB Bond Issuance
 - b. SCC/Upper Reach Reliability Project
 - 1) Receipt of Construction Bids
 - 2) Project Status Report
 - c. Mission Creek Pipeline and Fish Passage Project
 - 1) Project Status Report
7. **CONSIDER RESOLUTION NO. 496 TO ADDRESS CVWD'S EQUITY ISSUES** *(20 minutes)*
8. **CONSIDER APPROVAL OF COMB CHANGE WORK ORDER POLICY** *(10 minutes)*
 - a. If needed, Consider Approval of Change Order for El Jaro Creek Cross Creek Ranch Fish Passage Project
9. **CONSIDER APPROVAL OF MOU BETWEEN COMB, CCRB, AND SYR WATER CONSERVATION DISTRICT, ID1 FOR FUNDING AND CONSTRUCTION OF EL JARO CREEK CROSS CREEK RANCH FISH PASSAGE PROJECT** *(2 minutes)* *(See CCRB Item #7)*
10. **VERBAL REPORT - QUAGGA MUSSEL AD HOC COMMITTEE REPORT** *(5 minutes)*
11. **PROPOSITION 50 AND PROPOSITION 84 ACTIVITIES** *(5 minutes)*
12. **DIRECTORS' REQUEST FOR AGENDA ITEMS FOR NEXT MEETING** *(2 minutes)*
13. **INSIDE SANTA BARBARA VIDEO – OVERVIEW OF CCRB AND COMB** *(12 minutes)*
14. **MEETING SCHEDULE**
 - October 26, 2009 to follow CCRB at 2:15 P.M., COMB Office
 - Board Packages Available on COMB Website
www.cachuma-board.org
15. **COMB ADJOURNMENT**

NOTICE TO PUBLIC

Public Comment: Any member of the public may address the Board on any subject within the jurisdiction of the Board that is not scheduled for a public hearing before the Board. The total time for this item will be limited by the President of the

Board. If you wish to address the Board under this item, please complete and deliver to the Secretary of the Board before the meeting is convened, a "Request to Speak" forms including a description of the subject you wish to address.

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

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

MINUTES OF A REGULAR MEETING
Of the
CACHUMA OPERATION & MAINTENANCE BOARD
Held at the
Cachuma Operation & Maintenance Board Office
3301 Laurel Canyon Road, Santa Barbara, CA
Monday, August 31, 2009

1. Call to Order, Roll Call

The meeting was called to order at 3:22 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
Bill Ferguson	Gary Kvistad
Mark Reinhardt	Emily Hutton
Tom Mosby	Chip Wullbrandt
Charles Hamilton	Chris Dahlstrom
David McDermott	Fran Farina
Matt Blouse	Phil Walker

2. Public Comment

Phil Walker talked about plans and methods for drawing down Lauro Reservoir in case of a seismic event.

3. *Closed Session was moved to the end of the meeting following Item #14.*

4. Consent Agenda

a. Minutes:

July 27, 2009 Regular Board Meeting, June 28, 2009 and August 3, 2009
Special Board Meetings

b. Investment Funds

Financial Reports
Investment Report

c. Payment of Claims

Director Abel moved to approve the consent agenda as presented, seconded by Director Hanson.

Director Bettencourt requested that Chip Wullbrandt respond to his statement in the minutes of July 27th, page 2. "In contrast, Mr. Wullbrandt pointed out that COMB certified the EIR on the Fish Management Plan and Biological Opinion, which says that COMB would implement the fish projects", Mr. Wullbrandt said that statement is correct.

Motion passed 7/0/0.

5. Standing Committee Appointments for FY 2009-10

The following appointments for the standing committees were made by President Williams for the FY 2009-10.

a. Capital Improvements

Director Abel, Director Williams, and alternate Director Hanson

b. Finance

Director Hanson, Director Williams, and alternate Director Lieberknecht

c. Legal Affairs

Director Abel, Director Williams, alternate Director Loudon

d. Operations

Director Lieberknecht, Director Hanson, alternate Director Abel

e. Management & Public Relations

Director Lieberknecht, Director Loudon, and alternate Director Williams

6. Ad Hoc Committees

a. Board Legal Search Committee

The Board determined that there was no need for a special ad hoc Legal Search Committee, as there is an existing Legal Affairs committee that would be able to carry out a search for a new General Counsel, should Mr. Hair retire at the end of the year.

a. General Managers CIP Review Committee

Ms. Rees recommended that President Williams invite two of the Member Unit General Managers to form an ad hoc committee to participate in reviewing the 2nd Pipeline Project construction process, and on an as needed basis for future COMB Capital Improvement Projects. President Williams appointed Tom Mosby and Rebecca Bjork as the General Managers CIP Review Committee. Both agreed to be on the committee.

7. Reports From the Manager

a. Cachuma Water Reports

The monthly water reports were included in the Board packet.

b. Operations Report

The Operations Report was included in the board packet. Ms. Rees had one correction to a date, the subpoena documents were provided to the defense on August 14 not August 17, 2009.

c. COMB Operating Committee Meeting, August 5, 2009

The minutes from the August 5, 2009 meeting were included in the board packet along with a memo from that meeting on the cost for the Benefit Analysis Scope of Work. President Williams requested that a copy of the memo with the list of components in the analysis be distributed to all of the Directors on the Board at CVWD.

d. Ortega Reservoir Leak

Ms. Rees reported that a dive inspection had been carried out in the reservoir on August 19th. There is no change to the rate at which the reservoir is leaking.

e. Jesusita Fire Activities

Ms. Rees reported that the tree removal of the burned trees will be done, erosion control measures will be installed around Lauro Reservoir, and new fencing will be installed. She also reported that the County of Santa Barbara will be doing some hydromulching in the Lauro watershed as part of their county wide hydromulching program.

f. La Brea Fire – USFS Mars Martin Water Scooper from Lake Cachuma

Ms. Rees included in the board packet information on the Martin Mars Operating Plan USDA Forest Service used during the La Brea fire. The plan included a Quagga/Zebra mussel prevention plan for the aircraft using water from various lakes, including Lake Cachuma. Director Hanson requested additional information on this plan that was not in the board packet.

g. City of Santa Barbara TV Inside Santa Barbara COMB Overview

Included in the board packet was the link to the video that aired on Inside Santa Barbara during August about COMB.

h. 2008 Surcharge Accounting

Ms. Rees included the 2008 surcharge water table in the board packet.

i. Cachuma Reservoir Current Conditions

Date 08/31/2009

Lake Elevation	735.71 feet
Storage	147,438 acre feet
Rain (for the month to date)	0.03 inches
Rain YTD (for the season to date)	7.57 inches
Fish Release-Hilton/Outlet Works	23.5/16 acre feet per day
Month to Date Fish Release	1097 acre feet

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

8. Establishment of COMB Change Work Order Policy

Ms. Rees discussed the need for COMB to have a change order policy primarily for capital improvement projects, and recommended that the Board authorize the development of a change order policy. She included a preliminary draft policy in the board packet. Director Abel gave Ms. Rees some suggested changes from MWD for staff to consider. President Williams requested that any suggested changes be given to Ms. Rees in a timely manner. Director Bettencourt suggested that a not to exceed amount be written into the policy in conjunction with the 10% excess the General Manager would be authorized to approve. Ms. Rees said she would work with the COMB Operating Committee on revisions to the draft policy.

9. COMB Capital Improvement Program

a. CIP Bond

1) Revised Schedule

Included in the board packet was a revised bond approval schedule for the Member Units and COMB. Ms. Rees reviewed the schedule with the Directors. There were two dates added to the schedule – September 1, 2009 MWD informational workshop, and tentatively September 23, 2009 CVWD/COMB Joint Board meeting.

2) Recommendation to Remove COMB Office Building from Bond Projects and Approval of Indemnification Agreement with ID No. 1

Ms. Rees reported that at the August 3, 2009 COMB Special Board meeting the Board considered removing the COMB Office Building from the project list in order to resolve the issues over the Indemnification Agreement with ID #1. Although the Board had decided to leave the office building on the list and try to work out the differences with the indemnification Agreement, Ms. Rees reported that both ID#1 and GWD approved the Indemnification Agreement contingent on the office building being removed from the project list. Therefore, she requested that the COMB Board agree to this condition so that the SCC capital improvement projects would not be jeopardized.

Director Abel moved to remove the COMB Office Building from the list of projects to be funded by the proposed COMB Bond, replace it with the South Coast Conduit In-Line Valve Installation Project and the Lauro Reservoir, Barker Pass, and Sheffield Tunnel Vent Rehabilitation Project, and approve a revised “2009 Project” list for the proposed COMB 2009 Revenue Bond, seconded by Director Hanson, passed 5/0/2, Director Williams abstained.

Ms. Rees further recommended that the Board approve the August 26, 2009 version of the Indemnification Agreement.

Director Bettencourt moved to approve the August 26, 2009 version of the Indemnification Agreement, seconded by Director Abel, passed 7/0/0.

Director Abel requested clarification on the process the Member Units would follow. Ms. Rees explained that each Member Unit would need to approve the Indemnification Agreement as a separate party.

Director Bettencourt reported that the ID #1 Board has authorized him to sign the agreement as it was presented today.

Fran Farina, GWD Counsel indicated that there was an inconsistency between Exhibit B of the Joint Participation Agreement with the title "Substitute Projects" and the staff memo which stated that there were no "Substitute Projects". Ms. Rees responded that "Substitute Projects" should be removed from Exhibit B and indicated it was just an oversight while preparing the document.

3) Status of Member Units Approval of COMB Bond Issuance

Ms. Rees reported that CVWD met on August 26, 2009 to consider all of the legal documents pertaining to the bond issuance. They voted against approving the bond documents but indicated they would reconsider that decision if the COMB Board would consider their proposed repayment method. None of the other Member Unit's had yet considered the approval of the bond issuance.

b. SCC/Upper Reach Reliability Project

1) Project Status Report

A status report for the SCC/Upper Reach Reliability Project was included in the board packet. Ms. Rees reported that there was a meeting and a site visit with ten contractors for the 2nd Pipeline Project. The bids for the project are due on September 10, 2009. The contractors are aware that the funding has not been approved as of yet.

c. Mission Creek Pipeline and Fish Passage Project

1) Project Status Report

A status report for the Mission Creek Pipeline and Fish Passage Project was included in the board packet.

10. Consider Approval of MOU Between COMB and CCRB for Funding and Construction of Fish Passage and Habitat Improvement Projects

Director Williams reported that the MOU had been tabled during the CCRB meeting. There was no further discussion.

Director Abel moved to table the approval to the September meeting of the MOU between COMB and CCRB for funding and construction of Fish Passage and Habitat Improvement Projects, seconded by Director Hanson, passed 7/0/0.

11. Proposition 50 and Proposition 84 Activities

Ms. Rees reported that some Prop 50 money has been received. The Prop 84 region acceptance process is under way, and it is expected that Santa Barbara County will be accepted as a region. Ms. Rees included some information on the project selection process for Prop 84 in the board packet.

Director Williams expressed concern about losing the Prop 50 funding for the 2nd Pipeline Project in the event that the COMB bond was not approved by all the individual Member Unit agencies, as well as the ramifications of the 2nd Pipeline project not being constructed.

12. Directors' Request for Agenda Items for the Next Meeting

Director Williams requested that a joint special board meeting be scheduled between CVWD and COMB Boards to discuss the difference of opinion on the cost sharing of the COMB bond.

Director Hanson requested that an item be added to the agenda for a report from the Quagga Mussel Ad Hoc Committee.

13. Staff Appreciation Lunch – Beachside, September 24, 2009 at 1:00 P.M.

Ms. Rees invited the Directors to the staff appreciation lunch on September 24, 2009.

14. Meeting Schedule

A Joint Special Board meeting between CVWD and COMB was tentatively scheduled for September 23, 2009 at 2:00 p.m. at the CVWD district office. September 21, 2009 would be an alternate date.

The next regular Board meeting will be held September 28, 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

3. Closed Session: Conference with Legal Counsel – Existing Litigation, Subdivision (a) of Section 54956.9 Said Cristina Garcia De Sabayon vs. COMB, ET ALL.

The Board went into closed session at 5:12 p.m. and came out of closed session at 5:13 p.m. There was nothing to report out of closed session.

15. COMB Adjournment

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

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Das Williams, President

Approved _____
Unapproved _____ ✓

**MINUTES OF A JOINT SPECIAL MEETING
of
CARPINTERIA VALLEY WATER DISTRICT
and
CACHUMA OPERATION & MAINTENANCE BOARD
held at the
1301 Santa Ynez Avenue
Carpinteria, CA
Monday, September 21, 2009**

1. Call to Order, Roll Call

The CVWD meeting was called to order at 4:03 p.m. by President Lemere, who chaired the meeting.

The COMB meeting was called to order at 4:03 p.m. by President Williams, who chaired the meeting. Those in attendance were:

CVWD Directors present:

Fred Lemere
Robert Lieberknecht
Matt Roberts
June Van Wingerden

COMB Directors Present:

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

Others present

Kate Rees	Charles Hamilton
Janet Gingras	Normal Rosales
Robert Dunlap	Alex Keuper
Rebecca Bjork	Bill Ferguson
Matt Naftaly	Glen Hille
Bob Roebuck	Ben Preston

2. Public Comment

There were no comments from the public.

3. COMB Bond Issues

a. COMB's Proposed 2009 Revenue Bond Issue to fund capital improvement projects

COMB General Manager Kate Rees presented an overview of the proposed COMB 2009 Revenue Bond Issue to fund capital improvements projects. Comments were made by CVWD General Manager Charles Hamilton and Glen Hille of AECOM pertaining to the proposed projects. Comments were also made by Bob Roebuck of Montecito and Matt Naftaly of the County Water Agency.

b. CVWD's equity concerns related to cost sharing of debt service for proposed COMB bond issue

CVWD President Lemere briefly introduced this agenda item for discussion. Director Williams commented about his commitment to address CVWD's concerns and discussion by several Directors and staff followed about various conceptual ideas under consideration. Mr. Hamilton then suggested that Cachuma member agency staff had recently arrived at a consensus about three proposals for consideration by COMB to address CVWD's equity concerns. They focus on prioritization of the proposed COMB CIP projects; participation by non-COMB members in sharing the Cachuma Projects costs; and a strategy to address peak demands.

4. Possible future actions by COMB and/or VWD to address CVWD's equity concerns

Following discussion, it was generally agreed by consensus of all Directors present that COMB would consider the following at its next Board meeting on September 28, 2009, to address the equity issues raised by CVWD: 1) preparation of a current prioritized list of Bond projects with a commitment to do the Montecito/Carpinteria reach projects on a parity with the Second Pipeline Project and the Mission Creek Project; 2) a process to be facilitated/coordinated by COMB to bring La Cumbre, Raytheon and Morehart into the paying Cachuma community; 3) a strategy to lead to an agreement among the MU's to govern water deliveries during peak demands with a "surcharge" to be paid by agencies that don't follow the program.

5. The next COMB regular Board meeting will be held September 28, 2009 following the 2:15 p.m. CCRB Board meeting.
6. There being no further business, the CVWD meeting was adjourned at 5:51 p.m.

There being no further business, the COMB meeting was adjourned at 5:51 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Das Williams, President

sec.comb/boardminutes/08.03.09COMB Minutes.doc

Approved _____

Unapproved _____ ✓

ITEM # 3a

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Balance Sheet
 As of August 31, 2009

Aug 31, 09

ASSETS		
Current Assets		
Checking/Savings		
1050 · GENERAL FUND		225,793.45
1100 · REVOLVING FUND		63,289.35
TRUST FUNDS		
1210 · WARREN ACT TRUST FUND		88,959.39
1220 · RENEWAL FUND		5,018.50
Total TRUST FUNDS		93,977.89
Total Checking/Savings		383,060.69
Other Current Assets		
1010 · PETTY CASH		400.00
1200 · LAIF		1,056,991.01
1300 · DUE FROM CCRB		51,096.07
1303 · Bradbury SOD Act Assmnts Rec		59,192.00
1304 · Lauro Dam SOD Assesmnt Rec		18,299.00
1305 · ACCRUED INTEREST RECEIVAB...		2,316.38
1400 · PREPAID INSURANCE		13,456.72
1401 · W/C INSURANCE DEPOSIT		6,529.00
Total Other Current Assets		1,208,280.18
Total Current Assets		1,591,340.87
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		277,268.80
Other Assets		
1910 · LT Bradbury SOD Act Assess Rec		5,686,239.07
1920 · LT Lauro SOD Act Assess Rec		959,743.00
Total Other Assets		6,645,982.07
TOTAL ASSETS		8,514,591.74
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2200 · ACCOUNTS PAYABLE		100,703.49
Total Accounts Payable		100,703.49
Other Current Liabilities		
2550 · VACATION/SICK		73,628.67
2561 · BRADBURY DAM SOD ACT		59,192.30
2563 · LAURO DAM SOD ACT		18,299.00
2590 · DEFERRED REVENUE		93,977.89
Payroll-DepPrm Admin		45.00
Payroll-CCRB DepPrm		4.62
Payroll-DepPrm Ops		4.62
Total Other Current Liabilities		245,152.10
Total Current Liabilities		345,855.59
Long Term Liabilities		
2602 · LT SOD Act Liability-Bradbury		5,686,239.07
2603 · LT SOD Act Liability - Lauro		959,743.00
Total Long Term Liabilities		6,645,982.07

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09/22/09
Accrual Basis

comb2
Balance Sheet
As of August 31, 2009

	<u>Aug 31, 09</u>
Total Liabilities	6,991,837.66
Equity	
3000 · Opening Bal Equity	0.95
3901 · Retained Earnings	1,013,062.66
Net Income	509,690.47
Total Equity	<u>1,522,754.08</u>
TOTAL LIABILITIES & EQUITY	<u><u>8,514,591.74</u></u>

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09/22/09
Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July through August 2009

	TOTAL	Budget	\$ Over Budget	% of Budget
	Jul - Aug 09			
Income				
3000 REVENUE				
3001 · O&M Budget (Qtrly Assessments)	841,431.75			
3010 · Interest Income	2,365.17			
3020 · Misc Income	15.00			
Total 3000 REVENUE	<u>843,811.92</u>			
Total Income	<u>843,811.92</u>			
Gross Profit	<u>843,811.92</u>			
Expense				
3100 LABOR				
3101-H · Holiday Leave	1,433.18			
3101-S · Sick Leave	3,572.97			
3101-V · Vacation Leave	3,332.78			
3102 · Meter Reading	1,021.19			
3103 · SCC Ops	46,482.83			
3104 · Veh & Equip Mtce	740.13			
3105 · SCADA	938.25			
3106 · Rodent Bait	1,044.68			
3107 · NORTH PORTAL				
Total 3107-1 · NP INTAKE TOWER	531.55			
Total 3107 · NORTH PORTAL	<u>531.55</u>			
3110 · LAURO				
Total 3110-1 · YARD	3,127.81			
Total 3110-2 · CONTROL STATION	29.20			
Total 3110-3 · RESERVOIR	257.80			
Total 3110-4 · DEBRIS BASINS	98.76			
Total 3110 · LAURO	<u>3,513.57</u>			
3111 · OFFICE				
Total 3111-1 · CREW OFFICE	125.70			
Total 3111-3 · MAIN OFFICE	32.72			
Total 3111 · OFFICE	<u>158.42</u>			
3113 · ORTEGA				
Total 3113-1 · CONTROL STATION	345.68			

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Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July through August 2009

TOTAL

	Jul - Aug 09	Budget	\$ Over Budget	% of Budget
Total 3113-2 · RESERVOIR	704.45			
Total 3113 · ORTEGA	1,050.13			
3115 · CARPINTERIA				
Total 3115-1 · CONTROL STATION	460.87			
Total 3115-2 · RESERVOIR	123.48			
Total 3115 · CARPINTERIA	584.35			
3116 · GOLETA REACH				
Total 3116-1 · STRUCTURES	256.59			
Total 3116-2 · LATERAL METERS	32.92			
Total 3116 · GOLETA REACH	289.51			
3117 · CARPINTERIA REACH				
Total 3117-1 · STRUCTURES	251.40			
Total 3117-2 · LATERAL METERS	65.84			
Total 3117 · CARPINTERIA REACH	317.24			
3150 · Health & Workers Comp	27,650.53			
3155 · PERS	10,223.48			
3160 · Payroll Comp FICA Ops	4,470.99			
3165 · Payroll Comp MCARE Ops	1,045.64			
3100 LABOR - Other	0.00			
Total 3100 LABOR	108,401.42	886,401.00	-886,401.00	0.0%
3200 VEH & EQUIPMENT				
Total 3200 VEH & EQUIPMENT	886,401.00	886,401.00	-777,999.58	12.23%
3201 · Vehicle/Equip Mtce	2,644.55	40,000.00	-37,355.45	6.61%
3202 · Fixed Capital	1,251.19	40,000.00	-38,748.81	3.13%
3203 · Equipment Rental	82.08	5,000.00	-4,917.92	1.64%
3204 · Miscellaneous	554.56	15,000.00	-14,445.44	3.7%
Total 3200 VEH & EQUIPMENT	4,532.38	100,000.00	-95,467.62	4.53%
3300 · CONTRACT LABOR				
Total 3300 · CONTRACT LABOR	3,174.70	100,000.00	-96,825.30	3.18%
3301 · Conduit, Meter, Valve & Misc	1,744.55	12,000.00	-10,255.45	14.54%
3302 · Buildings & Roads	-649.85	16,000.00	-16,649.85	-4.06%
3303 · Reservoirs	2,080.00	52,000.00	-49,920.00	4.0%
3304 · Engineering, Misc Services	0.00	20,000.00	-20,000.00	0.0%
3400 · MATERIALS & SUPPLIES				
Total 3400 · MATERIALS & SUPPLIES	45.37	25,000.00	-24,954.63	0.18%
3401 · Conduit, Meter, Valve & Misc	45.37	25,000.00	-24,954.63	0.18%

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09/22/09
Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July through August 2009

TOTAL

	Jul - Aug 09	Budget	\$ Over Budget	% of Budget
3402 · Buildings & Roads	1,190.63	25,000.00	-23,809.37	4.76%
3403 · Reservoirs	553.93	10,000.00	-9,446.07	5.54%
Total 3400 · MATERIALS & SUPPLIES	1,789.93	60,000.00	-58,210.07	2.98%
3500 · OTHER EXPENSES				
3501 · Utilities	626.12	6,500.00	-5,873.88	9.63%
3502 · Uniforms	206.49	6,500.00	-6,293.51	3.18%
3503 · Communications	2,783.86	20,000.00	-17,216.14	13.92%
3504 · USA & Other Services	459.50	4,000.00	-3,540.50	11.49%
3505 · Miscellaneous	2,394.75	8,000.00	-5,605.25	29.93%
3506 · Training	0.00	8,000.00	-8,000.00	0.0%
Total 3500 · OTHER EXPENSES	6,470.72	53,000.00	-46,529.28	12.21%
4999 · GENERAL & ADMINISTRATIVE				
5000 · Director Fees				
5001 · Director Mileage	203.43			
5000 · Director Fees - Other	1,920.00	12,000.00	-10,080.00	16.0%
Total 5000 · Director Fees	2,123.43	12,000.00	-9,876.57	17.7%
5100 · Legal	18,787.50	63,000.00	-44,212.50	29.82%
5101-1 · Audit	12,000.00	12,000.00	0.00	100.0%
5150 · Unemployment Tax	0.00	7,567.00	-7,567.00	0.0%
5200 · Liability Insurance	31,629.00	40,000.00	-8,371.00	79.07%
5201 · Health & Workers Comp	15,041.52	72,310.00	-57,268.48	20.8%
5250 · PERS	6,010.08	39,760.00	-33,749.92	15.12%
5260 · Company FICA Admin	2,371.96	17,581.00	-15,209.04	13.49%
5265 · Company MCARE Admin	554.72	1,739.00	-1,184.28	31.9%
5300 · Manager Salary	10,923.04	73,000.00	-62,076.96	14.96%
5301 · Administrative Manager	14,799.68	96,198.00	-81,398.32	15.39%
5306 · Administrative Assistant	9,141.76	59,421.00	-50,279.24	15.39%
5310 · Postage/Office Exp	1,691.77	9,000.00	-7,308.23	18.8%
5311 · Office Equip/Leases	1,144.27	6,200.00	-5,055.73	18.46%
5312 · Misc Admin Expenses	631.53	12,000.00	-11,368.47	5.26%
5313 · Communications	801.45	6,000.00	-5,198.55	13.36%
5314 · Utilities	1,468.77	6,000.00	-4,531.23	24.48%
5315 · Membership Dues	374.00	6,050.00	-5,676.00	6.18%
5316 · Admin Fixed Assets	0.00	5,000.00	-5,000.00	0.0%
5318 · Computer Consultant	4,426.77	10,000.00	-5,573.23	44.27%
5325 · Emp Training/Subscriptions	275.00	4,500.00	-4,225.00	6.11%

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3:25 PM
09/22/09
Accrual Basis

comb2
Profit & Loss Budget vs. Actual
July through August 2009

TOTAL

	Jul - Aug 09	Budget	\$ Over Budget	% of Budget
5330 · Admin Travel/Conferences	0.00	5,000.00	-5,000.00	0.0%
5331 · Public Information	224.88	6,000.00	-5,775.12	3.75%
5332 · Transportation	112.63	1,000.00	-887.37	11.26%
Total 4999 · GENERAL & ADMINISTRATIVE	134,533.76	571,326.00	-436,792.24	23.55%
5510 · Integrated Reg. Water Mgt Plan	0.00	70,000.00	-70,000.00	0.0%
6000 · SPECIAL PROJECTS				
6062 · SCADA	9,320.00	50,000.00	-40,680.00	18.64%
6090-1 · COMB Bldg/Grounds Repair	3,477.50	50,000.00	-46,522.50	6.96%
6092 · SCC Improv Plan & Design	59,909.67	175,000.00	-115,090.33	34.23%
6096 · SCC Structure Rehabilitation	1,593.44	100,000.00	-98,406.56	1.59%
6097 · GIS and Mapping	917.89	50,000.00	-49,082.11	1.84%
Total 6000 · SPECIAL PROJECTS	75,218.50	425,000.00	-349,781.50	17.7%
6999 · Uncategorized Expense	0.00	1,100,000.00	-1,100,000.00	0.0%
PAYROLL				
Gross	0.01			
Gross-CCRB	0.03			
Total PAYROLL	0.04			
Total Expense	334,121.45	3,365,727.00	-3,031,605.55	9.93%
Net Income	509,690.47	-3,365,727.00	3,875,417.47	-15.14%

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PAGE 6

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

www.treasurer.ca.gov/pmia-laif
 September 21, 2009

CACHUMA OPERATION AND MAINTENANCE BOARD

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

PMIA Average Monthly Yields

Transactions

Tran Type Definitions

August 2009 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
8/7/2009	8/6/2009	RW	1235186	KATHLEEN REES	-110,000.00
8/27/2009	8/26/2009	RD	1237238	KATHLEEN REES	735,000.00

Account Summary

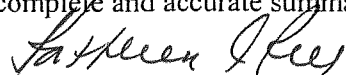
Total Deposit:	735,000.00	Beginning Balance:	431,991.01
Total Withdrawal:	-110,000.00	Ending Balance:	1,056,991.01

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 August, 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.



 Secretary

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 PAGE 7

**SANTA BARBARA
BANK & TRUST**

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

5701

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

Banking Statement

Statement Period: 08/01/2009 to 08/31/2009

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

FDIC Insurance Updates

- The temporary standard FDIC insurance coverage limit of \$250,000 per owner has been extended through 2013. On 01/01/14, the standard coverage limit will return to \$100,000.
- In addition to non-interest bearing accounts, the Temporary Liquidity Guarantee Program ("Program") includes the following low interest rate accounts at Pacific Capital Bank, N.A.; Direct Deposit Interest Checking, 50+ Interest Checking, Relationship Interest Checking, Business Interest Checking, Non-Profit Interest Checking, and Public Interest Checking. PCB has committed to keep the rate on these accounts at or below 0.50% for the Program duration, making them all eligible for unlimited FDIC insurance coverage through 12/31/09.

Business Money Market

Checking Summary

Cachuma Operation & Maintenance Board

Master Contract Renewal Fund

Account Number 102335072

Interest Paid YTD 5.68

Deposit Account Recap

Beginning Balance as of

August 1, 2009 5,016.37 ✓

1 Deposits (Plus) 2.13

Ending Balance as of

August 31, 2009 5,018.50

Interest Paid 2.13

KA 9/11/09

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 August, 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 # 36

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**SANTA BARBARA
BANK & TRUST**

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

5702

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

Banking Statement

Statement Period: 08/01/2009 to 08/31/2009

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

FDIC Insurance Updates

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Public Capital Tiered MMDA

Checking Summary

Cachuma Operation & Maintenance Board

Cachuma Project Trust Fund

Account Number 102335080
Interest Paid YTD 628.19

Deposit Account Recap

Beginning Balance as of
August 1, 2009

to 9/1/09
88,921.62 ✓
37.77

1 Deposits (Plus)

Ending Balance as of

August 31, 2009

Interest Paid

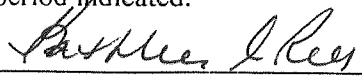
88,959.39
37.77

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

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Secretary

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11:08 AM
 09/21/09
 Accrual Basis

comb2
Payment of Claims
 As of August 31, 2009

Date	Num	Name	Memo	Split	Amount
1050 · GENERAL FUND					
8/3/2009	18271	COMB-Petty Cash	Replenish petty cash	2200 · ACC...	-145.00
8/3/2009	18272	COMB - Revolving Fund	Aug 7 & 21, Sep 4 payroll/taxes	2200 · ACC...	-146,090.15
8/3/2009	18273	Business Card		2200 · ACC...	-531.73
8/3/2009	18274	Business Card	BG	2200 · ACC...	-14.95
8/4/2009	18275	Francisco Bautista	Reimb steel toe boots	2200 · ACC...	-119.94
8/4/2009	18276	MCT Trailers	Carson SU trailer-CCRB	2200 · ACC...	-2,502.39
8/7/2009	18277	Acorn Landscape Manage...		2200 · ACC...	-1,293.17
8/7/2009	18278	ACWA Health Benefits Au...	Sep EAP	2200 · ACC...	-46.02
8/7/2009	18279	ACWA/Joint Powers Insur...	Auto & General Liability Program ...	2200 · ACC...	-41,629.00
8/7/2009	18280	Aqua-Flo Supply	Marking flags-2nd barrel	2200 · ACC...	-44.48
8/7/2009	18281	AT&T	Jul statement	2200 · ACC...	-465.73
8/7/2009	18282	CIO Solutions, LP	Support	2200 · ACC...	-1,400.00
8/7/2009	18283	City of Santa-Barbara	Refuse/recycle	2200 · ACC...	-168.20
8/7/2009	18284	Crop Production Services,...	Rodent bait	2200 · ACC...	-135.34
8/7/2009	18285	CSK Auto, Inc.	Battery	2200 · ACC...	-1.99
8/7/2009	18286	Culligan Water	RO system Aug	2200 · ACC...	-24.95
8/7/2009	18287	Das Williams	Jul mtg fees	2200 · ACC...	-132.56
8/7/2009	18288	Dell Marketing L.P.		2200 · ACC...	-1,984.85
8/7/2009	18289	Durbiano Fire Equipment, ...	Fire extinguisher	2200 · ACC...	-75.04
8/7/2009	18290	ECHO Communications	Answering service	2200 · ACC...	-62.00
8/7/2009	18291	GE Capital	Copier lease Billing ID#90133933...	2200 · ACC...	-499.16
8/7/2009	18292	Jan Abel	Jul mtg fees	2200 · ACC...	-139.00
8/7/2009	18293	Lauren W. Hanson	Jul mtg fees	2200 · ACC...	-133.50
8/7/2009	18294	Lee F. Bettencourt	Jul mtg fees	2200 · ACC...	-159.19
8/7/2009	18295	Nextel Communications	Cellular	2200 · ACC...	-604.96
8/7/2009	18296	Paychex, Inc.	7/10, 24 payrolls/taxes	2200 · ACC...	-246.60
8/7/2009	18297	Permacolor, Inc.	Spools line & coat-Tierra La Josa/...	2200 · ACC...	-776.44
8/7/2009	18298	PG&E		2200 · ACC...	-140.59
8/7/2009	18299	Praxair Distribution, Inc	Cylinder rental	2200 · ACC...	-40.37
8/7/2009	18300	Republic Elevator Co.	Scheduled mtce	2200 · ACC...	-247.26
8/7/2009	18301	Robert Lieberknecht	Jul mtg fees	2200 · ACC...	-143.56
8/7/2009	18302	Science Applications Inter...		2200 · ACC...	-2,936.73
8/7/2009	18303	SD Auto Parts	Tire valve/gauge	2200 · ACC...	-130.48
8/7/2009	18304	Sound Billing LLC	Colorado service-CCRB	2200 · ACC...	-48.01
8/7/2009	18305	Southern California Edison	Main ofc/outlying stations	2200 · ACC...	-1,642.06
8/7/2009	18306	Staples Credit Plan	Office supplies	2200 · ACC...	-871.01
8/7/2009	18307	State Compensation Ins. F...	Deposit premium due Group#266 ...	2200 · ACC...	-5,641.64
8/7/2009	18308	State Compensation Insur...	Payroll Report Jul 09	2200 · ACC...	-4,341.02
8/7/2009	18309	TechnoFlo Systems	Labor/calibrate-rebuild meter @ L...	2200 · ACC...	-584.98
8/7/2009	18310	Underground Service Alert...	Jul tickets	2200 · ACC...	-105.00
8/7/2009	18311	Verizon Wireless	Cellular	2200 · ACC...	-188.09
8/7/2009	18312	Kitson Landscape Manage...	Glen Anne pipeline-weed abatem...	2200 · ACC...	-8,515.23
8/7/2009	18313	CIO Solutions, LP	Assist IT Agmt-Aug	2200 · ACC...	-285.00
8/7/2009	18314	CVWD	Utility Executive Workshop 10/22-...	2200 · ACC...	-275.00
8/7/2009	18315	Larry's 8-Day Auto Parts	Vehicle supplies	2200 · ACC...	-52.45
8/7/2009	18316	The Wharf	Steel toe boots-JS	2200 · ACC...	-86.55
8/11/2009	18317	ACWA Health Benefits Au...	9/1/09-10/1/09 coverage	2200 · ACC...	-12,163.32
8/11/2009	18318	CIO Solutions, LP		2200 · ACC...	-1,277.50
8/11/2009	18319	Fed Ex Kinko's, Inc.	Copies-steelhead project	2200 · ACC...	-472.38
8/11/2009	18320	Fleet Services	Fuel	2200 · ACC...	-1,439.34
8/11/2009	18321	Frank Schipper Constructi...	Estimating services	2200 · ACC...	-2,136.25
8/11/2009	18322	Home Depot Credit Services	Paste/armor all/filters	2200 · ACC...	-33.76
8/11/2009	18323	Lab Safety Supply, Inc.	Eyewash station cartridges PO#8...	2200 · ACC...	-207.90
8/11/2009	18324	MarBorg Industries		2200 · ACC...	-328.62
8/11/2009	18325	Nordman, Cormany, Hair ...	Gen Counsel Jul services	2200 · ACC...	-9,877.50
8/11/2009	18326	Prudential Overall Supply		2200 · ACC...	-464.20
8/11/2009	18327	Southern California Edison	Glen Anne gate	2200 · ACC...	-19.61
8/11/2009	18328	UPS	Shipping	2200 · ACC...	-7.22
8/11/2009	18329	Verizon California		2200 · ACC...	-454.52
8/18/2009	18330	Buena Tool Co.		2200 · ACC...	-342.82
8/18/2009	18331	CIO Solutions, LP	Memory/ram-RD computer	2200 · ACC...	-52.20

11:08 AM
09/21/09
Accrual Basis

comb2
Payment of Claims
As of August 31, 2009

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Split</u>	<u>Amount</u>
8/18/2009	18332	Hydrex Pest Control Co.	Ant/pest control	2200 · ACC...	-80.00
8/18/2009	18333	J&C Services	Ofc cleaning 7/17, 24, 31, 8/7	2200 · ACC...	-500.00
8/18/2009	18334	McCormix Corp.	Diesel fuel	2200 · ACC...	-69.23
8/18/2009	18335	Premiere Global Services	Conf. calls Jul	2200 · ACC...	-61.28
8/18/2009	18336	Southern California Edison	Foothill Rd	2200 · ACC...	-30.96
8/18/2009	18337	Tesco Controls, Inc.	Extended SCADA support srvc/mt...	2200 · ACC...	-9,320.00
8/18/2009	18338	The Gas Company	Main ofc	2200 · ACC...	-0.94
8/18/2009	18339	Verizon California	SCADA	2200 · ACC...	-525.96
Total 1050 · GENERAL FUND					-265,566.88
TOTAL					-265,566.88

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: September 28, 2009
TO: Members of the Board of Directors
FROM: Kate Rees, General Manager
RE: **REPORT FROM THE AUDITOR FOR FISCAL YEAR 2008 AND 2009**

Recommendation:

That the Board of Directors accept the Financial Statements for the fiscal year ended June 30, 2009 and the Independent Auditor's Report.

Discussion:

Enclosed in your board package are copies of the Financial Statements for the Fiscal Year ending June 30, 2009 and the Independent Auditors' Report prepared by COMB's Auditor Bartlett, Pringle & Wolf, LLP.

I am pleased to report that the Financial Statements and Auditor's Report for fiscal year 2008-2009 has been completed within the normal 180 day timeframe and is presented here for your consideration. Danna McGrew and Stacey Hansen were greatly assisted in the preparation of the FY 2008-2009 Audit by Administrative Manager, Janet Gingras, and Administrative Assistant, Adelle Capponi.

I have reviewed the Management Discussion and Analysis, the Financial Statements, Notes to the Financial Statements, and the Independent Auditor's Report, and found everything to be acceptable. Ms. McGrew has advised us that her firm did not identify any management concerns or reportable conditions in conducting the audit.

The substantive portions of the FY 2008-2009 Audit and the Notes to the Financial Statements will be brought to your attention during discussion on this item at the Board meeting.

Respectfully submitted,



Kate Rees
General Manager

CACHUMA OPERATION AND MAINTENANCE BOARD

FINANCIAL STATEMENTS

June 30, 2009 and 2008



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

DRAFT

ITEM # 4

PAGE 2

CACHUMA OPERATION AND MAINTENANCE BOARD

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Statement of Revenues, Expenses and Changes in Net Assets	13
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Supplemental Information:	
Supplemental Schedule of Operation and Maintenance, General and Administrative and Other Maintenance Expense.....	29

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PAGE 3



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

September 18, 2009

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of
Cachuma Operation and Maintenance Board**

We have audited the accompanying statement of net assets of Cachuma Operation and Maintenance Board ("COMB") as of June 30, 2009 and 2008 and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of COMB's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of COMB at June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Management's discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of COMB's management. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information included in the supplemental

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PAGE 4

schedule on page 29 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of COMB's management. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

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**CACHUMA OPERATION AND MAINTENANCE BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FISCAL YEAR ENDED JUNE 30, 2009

This section presents management's analysis of the financial condition and activities of the Cachuma Operation and Maintenance Board (COMB) for the fiscal year ended June 30, 2009. This information should be read in conjunction with the financial statements and the additional information included herewith.

OVERVIEW OF THE FINANCIAL STATEMENTS

COMB operates as a proprietary fund-type. All proprietary fund-types are accounted for on a flow of economic resources measurement focus. Under this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net assets and where appropriate, total net assets (i.e., fund equity) are segregated into invested in capital and unrestricted net assets. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in total net assets.

All proprietary fund-types utilize the accrual basis of accounting. Under this method, revenues are recognized when earned, regardless of when received, and expenses are recognized at the time the related liabilities are incurred, regardless of when paid.

Summary of Organization and Business

COMB is a public entity duly organized and existing in accordance with enabling legislation of the State of California: Chapter 5, Division 7, Title 1, of the Government Code (Section 6500 et seq.), the Joint Exercise of Powers Act. COMB was officially established as a joint powers agency as of January 1, 1957 by and among six public agencies (Member Units) in Santa Barbara County, two of which have subsequently reorganized (merged). On May 23, 1996 the Joint Exercise of Powers Agreement (Agreement) for COMB was amended and restated. The Member Units entered into the Agreement to exercise their common power to provide for the rights to, the facilities of, and the operation, maintenance and use of the United States, Department of the Interior, Bureau of Reclamation project known as the Cachuma Project, including storage, treatment, transport and appurtenant facilities, and all necessary tangible and intangible property and rights. In particular, the Member Units expressed their desire to create COMB for the purpose of providing authority for the financing of "costs" for the capture, development, treatment, storage, transport and delivery of water; and for repayment of notes, bonds, loans, warrants, and revenue bonds as may be issued to finance facilities, operations or services.

COMB currently has a staff of 13 full time employees. Of these, four are employed in an administrative capacity and nine are in field operations.

**CACHUMA OPERATION AND MAINTENANCE BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS**

COMB is presently composed of five Member Units, all of which are public agencies: the Carpinteria Valley Water District, the Goleta Water District, the Montecito Water District, the Santa Ynez River Water Conservation District Improvement District No. 1, and the City of Santa Barbara. (A founding Member Unit of COMB, the Summerland Water District, reorganized with the Montecito Water District, with Montecito Water District as the successor agency. Another founding Member Unit of COMB, the Santa Ynez River Water Conservation District, assigned its Member Unit water contract to the Santa Ynez River Water Conservation District, Improvement District No. 1.)

Under the Agreement, each of the five Member Units appoints a representative to the COMB Board of Directors. The following table shows each Member Unit's share of the Cachuma Project yield (water entitlement) and the number of votes each has on the Board of Directors:

Member Unit	Entitlement Percentage	Board Representation
Carpinteria Valley WD	10.94 %	1 vote
Goleta Water District	36.25 %	2 votes
Montecito Water District	10.31 %	1 vote
Santa Ynez RWCD ID No. 1	10.31 %	1 vote
City of Santa Barbara	32.19 %	2 votes
Total	100.00%	7 votes

Votes representing a majority of the number of votes authorized under the Agreement are required for the approval of any decision, other than adjournment, which requires action of the Board of Directors. Also, the affirmative vote of at least three representatives to the Board of Directors is necessary for the approval of such a decision. The unanimous consent of the representatives of all the Member Units is required for COMB to take action on the following matters:

1. Approval of a Cachuma Project Master Contract amendment, renewal or extension;
2. A matter involving water rights of any party;
3. Acquisition of significant facilities from the United States;
4. Issuance of bonds, loans or other forms of indebtedness in excess of one million (\$1,000,000) dollars.

A decision of COMB authorizing a capital expenditure in excess of one million dollars or incurring an indebtedness or obligation in excess of one million dollars is not effective unless it has been ratified by a resolution approved by all of the Member Units.

CACHUMA OPERATION AND MAINTENANCE BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Assessments

Current operations of COMB are funded by assessment of the Member Units, with the assessments based on the Member Units' Cachuma Project entitlement percentages. All five Member Units fund the general and administrative portion of the annual budget as well as the cost of special projects (capital improvements, rehabilitation & betterment, maintenance & modifications, etc.) for Bradbury Dam and Lake Cachuma, the main Cachuma Project storage facility, located on the Santa Ynez River in northern Santa Barbara County.

Four of the Member Units, not including Santa Ynez River Water Conservation District, Improvement District No. 1, fund the operation and maintenance portion of the annual budget as well as the cost of special projects for other Cachuma Project storage and conveyance facilities that serve the South Coast of Santa Barbara County. These facilities include the Tecolote Tunnel, the South Coast Conduit (SCC), and four dams and reservoirs (Glen Anne, Lauro, Ortega and Carpinteria). During the year ended June 30, 2009, COMB conducted and/or completed a number of special studies and projects using revenue provided by these assessments. These included SCC improvement plans and life expectancy studies; and rehabilitation and betterment of control stations, valves and structures.

COMB Committees

COMB has five committees: Capital Improvements, Finance, Operations, Legal Affairs and Management and Public Relations. Each committee is composed of two Board members and one alternate Board member. Appointments to the committees are made by the President of the Board. The committees meet with staff on an as-needed basis and review and recommend actions to the Board of Directors with regard to capital improvements, finance and other matters.

CACHUMA OPERATION AND MAINTENANCE BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

The following table shows a condensed version of COMB's statement of net assets with corresponding analysis regarding significant variations.

Condensed Statement of Net Assets

	Year Ended		Variance	
	June 30, 2009	June 30, 2008	Dollars	Percent
Current Assets	\$ 1,117,979	\$ 2,158,315	\$ (1,040,336)	-48.2%
Restricted Assets	189,498	287,420	(97,922)	-34.1%
Property, Plant & Equipment	277,269	235,519	41,750	17.7%
Other Assets	6,662,287	6,727,445	(65,158)	-1.0%
Total Assets	\$ 8,247,033	\$ 9,408,699	\$ (1,161,666)	-12.3%
Current Liabilities	\$ 571,682	\$ 876,467	\$ (304,785)	-34.8%
Long-Term Liabilities	6,662,287	6,718,883	(56,596)	-0.8%
Total Liabilities	7,233,969	7,595,350	(361,381)	-4.8%
Net Assets				
Invested in Capital Assets	277,269	235,519	41,750	17.7%
Unrestricted	735,795	1,577,830	(842,035)	-53.4%
Total Liabilities & Net Assets	\$ 8,247,033	\$ 9,408,699	\$ (1,161,666)	-12.3%

Statement of Net Assets Analysis

Total assets as of June 30, 2009 are 12.3% less than the June 30, 2008 amount. The changes are noted below.

- Current assets are 48.2% lower than the prior year primarily due to a significant decrease in the carrying amount of cash in the Local Area Investment Fund. Cash year over year declined significantly due to construction projects that were completed during the course of the fiscal year.
- Restricted assets declined as well on a smaller percentage basis. This is attributable to the Renewal Fund / Trust Fund account balances at June 30, 2009 being less due, to a decrease in deposits compared to the previous year at the same time.

CACHUMA OPERATION AND MAINTENANCE BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Net Assets Analysis (Continued)

- The value of property, plant and equipment is more than the prior year amount due to purchases during the fiscal year of capital equipment, office furniture and computer equipment.
- Other assets are virtually the same as the prior year.
- Current liabilities are 34.8% less than the prior year amount, due to the timing of payments on accounts payable and a decrease in deferred revenue.
- Long term liabilities are, in general, about the same as the previous year.
- Unrestricted net assets are 53.4% lower than the previous year due to the completion of carryover projects during the first half of the fiscal year. The 2009 unrestricted net assets which are not earmarked by the Board for a specific project or expense will be constructively returned to the member units on a proportionally allocated basis.

CACHUMA OPERATION AND MAINTENANCE BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table shows a condensed version of COMB's Statement of Revenues, Expenses and Changes in Net Assets, with corresponding analysis regarding significant variances.

Condensed Statement of Revenues, Expenses and Changes in Net Assets

	Year Ended		Variance	
	June 30, 2009	June 30, 2008	Dollars	Percent
Operating Revenues (Expenses):				
Operating Revenues	\$ 3,667,148	\$ 4,256,722	\$ (589,574)	-13.9%
Operating Expenses, excluding Depreciation Expense	(4,296,309)	(3,470,585)	(825,724)	23.8%
Depreciation	(83,426)	(106,203)	22,777	-21.4%
Operating Income (Deficit)	<u>(712,587)</u>	<u>679,934</u>	<u>(1,392,521)</u>	<u>-204.8%</u>
Non-operating Revenues	39,855	62,280	(22,425)	-36.0%
Non-operating Expenses	(127,553)	(110,780)	(16,773)	15.1%
Change in Net Assets	<u>\$ (800,285)</u>	<u>\$ 631,434</u>	<u>\$ (1,431,719)</u>	<u>-226.7%</u>

Statement Analysis

- Operating revenues as of June 30, 2009 show a decrease of slightly less than 14% due to the fact that no revenues were deferred from the prior fiscal year.
- Operating expenses, excluding depreciation and amortization expense are about 24% higher than the prior year amount due primarily to significant special project expenses.
- Non-operating revenues were lower compared with the prior fiscal year primarily due to a decrease in interest income.
- Non-operating expenses were slightly higher compared to the prior year and consisted primarily of the interest expense relating to the SOD Act contract payable.

**CACHUMA OPERATION AND MAINTENANCE BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Capital Assets

The following table provides a summary of COMB's capital assets and changes from the prior year.

	Capital Assets		Variance	
	Year Ended		Dollars	Percent
	June 30, 2009	June 30, 2008		
Vehicles	\$ 338,974	\$ 322,994	\$ 15,980	4.9%
Office Furniture and Equipment	219,802	173,989	45,813	26.3%
Field Equipment	366,549	357,779	8,770	2.5%
Mobile Offices Used for Facilities	97,803	97,803	-	0.0%
Resurfacing	22,350	22,350	-	0.0%
Total Capital Assets	1,045,478	974,915	70,563	7.2%
Accumulated Depreciation	(768,209)	(739,396)	(28,813)	3.9%
Net Capital Assets	\$ 277,269	\$ 235,519	\$ 41,750	17.7%

Debt Administration

COMB and the Cachuma Project Authority (CPA) merged in 1996, with COMB as the successor agency. With this merger, COMB assumed responsibility for the oversight and payment of the Series 1993 CPA revenue bonds. However, the bonds are not recorded on the books of COMB because, under Joint Participation Agreements between COMB and three of the Member Units, these Member Units are obligated to make the bond principal and interest payments on behalf of COMB. The Series 1993 bonds were refinanced by COMB in the first quarter of fiscal year 2004/05.

COMB obtained \$220,000 in financing in fiscal year 2003/04 on behalf of one of its Member Units, the Carpinteria Valley Water District (District). This was for the District's portion of a special project assessment to fund the Bradbury Dam radial gates project. Repayment of the loan principal and interest associated with this financing is solely the responsibility of the District.

Under the terms and conditions of a repayment contract executed in 2002, COMB is responsible for payment to the United States of fifteen percent (15%) of the total amount of Safety of Dams (SOD) Act funds expended by the United States for structural stability and related work at Bradbury Dam. The debt total under the contract as executed is approximately \$6,791,000 plus interest and is to be repaid by annual payments over a 50-year period. COMB assesses the Member Units annually to collect the revenue for the payment due that year, with the assessments based on the Member Units' Cachuma Project entitlement percentages.

Work activities related to the completion of the Bradbury SOD Act rehabilitation produced

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CACHUMA OPERATION AND MAINTENANCE BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS

additional costs which increased the cost of the project by approximately \$3.045 million as of June 30, 2009. Fifteen percent of that total equals approximately \$456,831 which has been reflected in the long term liability obligation.

The funds expended by Reclamation through June 30, 2009 regarding the Lauro Dam rehabilitation project as identified in the Re-Payment Schedule for this project approximate \$5,974,937. The fifteen percent obligation plus interest during construction equates to approximately \$912,038 for the Lauro SOD Act repayment debt which appears in the long term liability account.

Work activities related to the completion of the Lauro Dam SOD Act rehabilitation produced additional costs which increased the cost of the project by approximately \$0.67 million as of June 30, 2009. Fifteen percent of that total equals approximately \$100,608 which has been reflected in the long term liability obligation.

CACHUMA OPERATION AND MAINTENANCE BOARD
STATEMENT OF NET ASSETS
June 30, 2009 and 2008

<u>ASSETS</u>		
	<u>2009</u>	<u>2008</u>
Current Assets		
Cash (Note 3)	\$ 562,855	\$ 772,177
Investments (Note 3)	429,675	1,243,638
Receivable from related entity (Note 11)	28,279	45,595
Other receivables	-	13,665
Interest Receivable	2,316	-
Prepaid insurance	13,457	13,680
Deposits	3,906	3,906
Current portion of SOD Act assessments receivable (Note 5)	77,491	65,654
Total current assets	<u>1,117,979</u>	<u>2,158,315</u>
Restricted Cash (Note 4)	<u>189,498</u>	<u>287,420</u>
Capital Assets (Note 6)		
Vehicles	338,974	322,994
Office furniture and equipment	219,802	173,989
Field equipment	366,549	357,779
Mobile offices used for facilities	97,803	97,803
Resurfacing	22,350	22,350
Subtotal	1,045,478	974,915
Less: accumulated depreciation	<u>(768,209)</u>	<u>(739,396)</u>
Capital assets, net	<u>277,269</u>	<u>235,519</u>
Other Assets		
Long-term assessments receivable SOD Act (Note 5)	<u>6,662,287</u>	<u>6,727,445</u>
Total other assets	<u>6,662,287</u>	<u>6,727,445</u>
Total assets	<u>\$ 8,247,033</u>	<u>\$ 9,408,699</u>

See accompanying notes

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CACHUMA OPERATION AND MAINTENANCE BOARD
STATEMENT OF NET ASSETS
June 30, 2009 and 2008

LIABILITIES AND NET ASSETS

	<u>2009</u>	<u>2008</u>
Current Liabilities		
Accounts payable	\$ 231,027	\$ 436,295
Accrued wages	37	32
Accrued vacation and sick leave benefits	73,629	78,504
Payable to related entity (Note 4)	189,498	287,420
Current portion of SOD Act contract payable (Note 5)	77,491	74,216
Total current liabilities	571,682	876,467
Long-Term Liabilities		
SOD Act contract payable, net of current portion (Note 5)	6,662,287	6,718,883
Total long-term liabilities	6,662,287	6,718,883
Total liabilities	\$ 7,233,969	\$ 7,595,350
 Commitments and Contingencies (Note 12)		
 Net Assets		
Invested in capital assets, net of related debt	\$ 277,269	\$ 235,519
Unrestricted:		
Designated for Lauro Debris Basin Project	-	423,494
Designated for the South Reach Rehabilitation Project	100,000	-
Designated to be constructively returned	635,795	1,154,336
Total net assets	\$ 1,013,064	\$ 1,813,349

See accompanying notes

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CACHUMA OPERATION AND MAINTENANCE BOARD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating Revenues		
Operating assessments from member agencies	\$ 3,635,967	\$ 4,255,540
State disaster relief funds	-	700
Other revenues	31,181	482
Total operating revenues	<u>3,667,148</u>	<u>4,256,722</u>
Operating Expenses		
Operation and maintenance of Cachuma Project		
Operation and maintenance	1,134,991	924,458
General and administrative	512,499	440,513
Litigation	-	89,801
Other maintenance	2,648,819	2,015,813
Depreciation	83,426	106,203
Total operating expenses	<u>4,379,735</u>	<u>3,576,788</u>
Net Operating Income (Loss)	<u>(712,587)</u>	<u>679,934</u>
Non-Operating Revenues (Expenses)		
Interest income	39,855	62,280
Interest expense	<u>(127,553)</u>	<u>(110,780)</u>
Total non-operating expenses	<u>(87,698)</u>	<u>(48,500)</u>
Change in Net Assets	(800,285)	631,434
Total Net Assets, Beginning of Year	<u>1,813,349</u>	<u>1,181,915</u>
Total Net Assets, End of Year	<u>\$ 1,013,064</u>	<u>\$ 1,813,349</u>

See accompanying notes

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CACHUMA OPERATION AND MAINTENANCE BOARD
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Cash Flows from Operating Activities</u>		
Cash received from member agencies	\$ 3,723,848	\$ 3,996,322
Cash received from Office of Emergency Services	-	700
Cash received from other sources	31,181	482
Cash payments to suppliers for operations	(3,717,507)	(2,956,745)
Cash payments to employees	(771,401)	(645,245)
Net cash provided (used) by operating activities	<u>(733,879)</u>	<u>395,514</u>
<u>Cash Flows from Noncapital Financing Activities</u>		
Increase (decrease) in restricted assets	(97,922)	225,638
(Increase) decrease in deposits held for related entity	97,922	(225,638)
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition of capital assets	(125,176)	(77,333)
Payments on note payable	-	(58,354)
Payments on capital lease	-	(16,699)
Payments on SOD Act contract payable	(201,769)	(161,777)
Net cash flows used by capital and related financing activities	<u>(326,945)</u>	<u>(314,163)</u>
<u>Cash Flows From Investing Activities</u>		
Interest received	37,539	62,280
Purchase of investments	(1,432,037)	(3,176,891)
Proceeds from redemptions of investments	2,246,000	2,927,997
Net cash flows provided (used) by investing activities	<u>851,502</u>	<u>(186,614)</u>
Net decrease in Cash	(209,322)	(105,263)
Cash and Cash Equivalents - Beginning of Year	<u>772,177</u>	<u>877,440</u>
Cash and Cash Equivalents - End of Year	<u>\$ 562,855</u>	<u>\$ 772,177</u>

See accompanying notes

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CACHUMA OPERATION AND MAINTENANCE BOARD
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Reconciliation of net operating income to net cash provided</u>		
<u>by operating activities</u>		
Net operating income	\$ (712,587)	\$ 679,934
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation expense	83,426	106,203
Changes in operating assets and liabilities		
Receivable from related entity	17,316	15,355
Other receivables	13,665	(13,665)
Prepaid insurance	223	(2,079)
Receivable from member unit	-	58,023
Current portion of SOD Act assessment receivable	74,216	52,824
Accounts payable	(205,268)	(152,189)
Accrued wages	5	9
Accrued vacation and sick leave benefits	(4,875)	7,499
Deferred revenue	-	(356,400)
Net cash provided (used) by operating activities	<u>\$ (733,879)</u>	<u>\$ 395,514</u>

See accompanying notes

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CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Organization

The Cachuma Operation and Maintenance Board (COMB) is a joint powers agency organized to operate and maintain the water delivery system of the Cachuma Project located in Santa Barbara County. COMB's member agencies (Member Units) consist of five water purveyors as follows: Carpinteria Valley Water District, City of Santa Barbara, Goleta Water District, Montecito Water District, and Santa Ynez River Water Conservation District Improvement District No. 1.

The Member Units entered into a Joint Exercise of Powers Agreement to exercise their common power to provide for the rights to, the facilities of, and the operation, maintenance and use of the United States, Department of the Interior, Bureau of Reclamation project known as the Cachuma Project, including storage, treatment, transport and appurtenant facilities, and all necessary tangible and intangible property rights.

Note 2 - Summary of Significant Accounting Policies

A) Basis of Accounting

COMB operates as a proprietary fund type. All proprietary fund types are accounted for on a flow of economic resources measurement focus. Under this measurement focus, all assets and liabilities associated with the operation of these funds are included in the statement of net assets. Where appropriate, net total assets is segregated into net assets invested in capital assets and unrestricted net assets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets.

All proprietary fund types utilize the accrual basis of accounting. Under this method, revenues are recognized at the time the related liabilities are incurred regardless of when paid.

This report has been prepared in conformance with Accounting Principles Generally Accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). Additionally, COMB applies all Financial Accounting Standards Board statements and interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

COMB distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with COMB's principal ongoing operations. The principal operating revenues of COMB are assessments of the Member Units and grant monies received. Operating expenses for COMB include maintenance and administrative expenses, depreciation on capital assets and litigation costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

B) Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes demand deposits and money market accounts, but does not include restricted cash or funds invested in the Local Agency Investment Fund (LAIF).

CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

C) Capital Assets

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is generally 5 years. Title to the assets of the Cachuma Project is with the United States of America; the assets are not recorded as assets of COMB. Costs relating to capital improvements, rehabilitation, betterment, maintenance and modifications are therefore reported as expenditures when incurred by COMB.

D) Investments

Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

E) Accrued Vacation and Sick Pay

Employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences vest and accumulate and are accrued when they are earned.

F) Unspent Operating Assessments

The operating assessments represent amounts received from COMB's Member Units to fund current operations. To the extent that revenues exceed expenses in a given year, they are constructively returned to the Member Units in subsequent years.

G) Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. COMB's principal areas that include estimates are the liabilities and related receivables for Safety of Dams Act construction in process and the lives of capitalized assets. Actual results could differ from those estimates.

CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 3 - Cash and Investments

Cash and investments as of June 30, 2009 and 2008 consist of the following:

	2009	2008
Cash on hand	\$ 400	\$ 400
Deposits with financial institutions	751,953	1,059,197
Investments	429,675	1,243,638
Total cash and investments, at fair value	\$ 1,182,028	\$ 2,303,235

Investments

Under the provisions of COMB's investment policy, the agency may invest in state or national banks, state or federal saving and loan associations, the State of California Local Agency Investment Fund (LAIF), or may invest as provided in the California Government Code.

In accordance with governmental accounting standards, investments are categorized by level of credit risk assumed at year end. Category 1 includes investments that are insured or registered or for which the securities are held by COMB or its agency in COMB's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in COMB's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, by its trust department or agency but not in COMB's name. All of COMB's investments are non-categorized at June 30, 2009 and 2008.

Short-term investments consist of deposits with the LAIF, a fund established by the State of California to assist local agencies in the achievement of maximum earnings. The interest rate on the LAIF deposit varies. For the years ended June 30, 2009 and 2008, the average earnings rate was approximately 3% and 5%, respectively. The amounts on deposit as of June 30, 2009 and 2008 were \$429,675 and \$1,243,638, respectively.

Investment Risk

GASB Statement No. 40 requires a determination as to whether COMB was exposed to the following investment risks at the year end and if so, the reporting of certain related disclosures:

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, COMB was not significantly exposed to credit risk.

At June 30, 2009, COMB's investments, other than those which are obligations of or guaranteed by the U.S. Government, are rated as to credit quality as follows:

Investment	S&P Rating
Local Agency Investment Fund (LAIF)	Not rated

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CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 3 - Cash and Investments (Continued)

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, COMB will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of COMB and are held by either the counter-party or the counter-party's trust department or agent but not in COMB's name.

All cash is entirely insured or collateralized. The California Government Code requires California banks and savings and loans associations to secure COMB's deposits by pledging government securities, which equal at least 110% of COMB's deposits. California law also permits financial institutions to secure COMB's deposits by the pledging of first trust deed mortgage notes in excess of 150% of the COMB's deposits. COMB may waive collateral requirements for deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC) to \$250,000 and \$100,000 in 2009 and 2008, respectively.

Concentration of Credit Risk – This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, COMB was not exposed to concentration of credit risk.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

As of June 30, 2009, COMB had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Maturity</u>
Local Agency Investment Fund (LAIF)	\$ 429,675	N/A

Foreign Currency Risk – This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, COMB was not exposed to foreign currency risk.

Note 4 - Restricted Cash

The Cachuma Project Renewal Fund (Renewal Fund) and Cachuma Project Trust Fund (Trust Fund) are two separate funds that have been established through contracts with the U.S. Bureau of Reclamation (Reclamation).

The Trust Fund is a requirement of the Warren Act contract that the Central Coast Water Authority (CCWA) negotiated with Reclamation for the use of the Cachuma Project for transport of State Water Project (SWP) water through Cachuma Project facilities. The memorandum of understanding (MOU) creating the Trust Fund established a two person Fund Committee and an Advisory Committee. One member of the Fund Committee is appointed by the Member Units through COMB or CCRB. The other member of the Fund Committee is appointed by Santa Barbara County Board of Supervisors from the County Water Agency.

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CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 4 - Restricted Cash (Continued)

The Renewal Fund is a requirement of the Cachuma Project Renewal Master Contract for water service from the Cachuma Project to the five Cachuma Project Member Units. The Cachuma Project Renewal Master Contract is mostly silent on the process for managing the Renewal Fund, other than stating that the Fund Committee must agree on its use.

Both the Trust Fund and the Renewal Fund require annual and five-year plans. Reclamation and the Cachuma Project Member Units agreed to use the committee process for both funds and to have common annual and five-year plans. To date the annual and five-year plans have called for the funds to be used for environmental studies and projects related to the Cachuma Project water rights hearings before the State Water Resources Control Board. COMB manages both the Trust Fund and the Renewal Fund accounts.

Summary of restricted cash as of June 30:

	2009	2008
Trust Fund	\$ 184,494	\$ 281,867
Renewal Fund	5,004	5,553
Total Restricted Cash	\$ 189,498	\$ 287,420

Note 5 - SOD Act Assessments Receivable and Contract Payable

Bradbury Dam

On July 1, 2002, COMB executed a repayment contract with U.S. Bureau of Reclamation in the Department of Interior of the United States (Reclamation). Under the terms of the agreement and in accordance with the United States Safety of Dams (SOD) Act, COMB will reimburse Reclamation for fifteen percent (15%) of the total amount of SOD Act funds expended by Reclamation to preserve the structural integrity of Bradbury Dam and related Cachuma Project facilities.

COMB entered into a repayment contract with Reclamation when the project was deemed to be substantially complete. The repayment contract, as executed, calls for a repayment of 15% of a total cost of \$45,276,008 or approximately \$6,791,000 plus interest, as appropriate, over a 50-year period. The repayment obligation has been allocated fifty-one and three tenths percent (51.3%) to irrigation uses (Irrigation Allocation) or \$3,483,989, and forty eight and seven tenths percent (48.7%) to municipal and industrial (M&I) uses (M&I Allocation) or \$3,307,412. The Irrigation allocation bears no interest and repayment commences in fiscal year end 2017. Interest during construction in the amount of \$325,477 was added to the M&I Allocation. During construction COMB made advances in the amount of \$1,496,148 that were applied against the M&I Allocation amounts. Accounting for advances made by COMB during construction, the balance due under the M&I Allocation contract was \$2,136,741.

CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 5 - SOD Act Assessments Receivable and Contract Payable (Continued)

COMB will assess the Member Units annually amounts equal to the obligation due Reclamation. The annual payment requirements at June 30, 2009 to retire the contract as of June 30, 2052, including interest payments at 5.856%, are presented in the following table. This table does not include adjustments that will be made to the Bradbury Dam repayment contract due to additional incurred costs or for payments that will be required under the Lauro Dam repayment contract.

	M&I Allocation		Irrigation Allocation	Total
	Principal	Interest		
2010	59,192	105,678	-	164,870
2011	62,658	102,212	-	164,870
2012	66,328	98,542	-	164,870
2013	70,212	94,658	-	164,870
2014-2018	74,323	90,547	-	164,870
2015-2019	442,229	382,121	290,332	1,114,682
2020-2024	587,793	236,557	483,887	1,308,237
2025-2029	441,876	52,7237	483,887	978,497
2030-2034	-	-	483,887	483,887
2035-2039	-	-	483,888	483,888
2040-2044	-	-	483,887	483,887
2045-2049	-	-	483,888	483,888
2050-2052	-	-	290,332	290,332
	<u>\$ 1,804,611</u>	<u>\$ 1,163,049</u>	<u>\$ 3,483,989</u>	<u>\$ 6,451,649</u>

The interest expense for the Bradbury Dam SOD Act contract payable was \$105,678 and \$108,953 for the years ended June 30, 2009 and 2008, respectively.

The total cost of the Bradbury Dam SOD Act project is to be reevaluated and the repayment agreement amended as necessary by Reclamation and COMB when all phases of the work are completed. Total project costs as of June 30, 2009 were \$48,321,547, \$3,045,539 higher than the total cost authorized under the repayment contract. It is management's opinion that COMB will be responsible for reimbursing Reclamation 15% of the total construction costs in excess of the costs per the original repayment contract. As of June 30, 2009, an additional liability of \$456,831 was recorded for construction costs incurred in excess of the original repayment agreement. This is an estimate based on management's best judgment which may be adjusted as more current information becomes available.

Reclamation can also reevaluate the ability of COMB's Member Units to repay the Irrigation Allocation every five years, commencing in fiscal year end 2008. No adjustment has been made to the Irrigation Allocation balance to reflect a discount due to the non-interest bearing feature of the contract.

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CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 5 - SOD Act Assessments Receivable and Contract Payable (Continued)

Lauro Dam

On March 21, 2007, COMB executed a repayment contract with U.S. Bureau of Reclamation in the Department of Interior of the United States (Reclamation). Under the terms of the agreement and in accordance with the United States Safety of Dams (SOD) Act, COMB will reimburse Reclamation for fifteen percent (15%) of the total amount of SOD Act funds expended by Reclamation to preserve the structural integrity of Lauro Dam and reservoir; total costs not to exceed \$17,314,125. The primary contract for construction of the modification project was awarded by Reclamation in September 2005 and the work was deemed substantially complete in February 2007.

COMB entered into a repayment contract with the Reclamation when the project was deemed to be substantially complete. The repayment contract, as executed, calls for a repayment of 15% of a total cost of \$5,974,934 or approximately \$896,240 plus interest, as appropriate, over a 50-year period. The repayment obligation has been allocated fifty and seventy two one hundredths percent (50.72%) to irrigation uses (Irrigation Allocation) or \$454,573, and forty nine and twenty eight hundredths percent (49.28%) to municipal and industrial (M&I) uses (M&I Allocation) or \$441,667. The Irrigation allocation bears no interest and repayment commences October 2017. The M&I allocation balance due during the construction period accrued interest in the amount of \$15,798.

COMB will assess the Member Units annually amounts equal to the obligation due January 4, 2057, including interest payments at 4.886%, are presented in the following table. This table does not include adjustments that will be made to the Lauro Dam repayment contract due to additional incurred costs or for payments that will be required under the Lauro Dam repayment contract.

	M&I Allocation		Irrigation Allocation	Total
	Principal	Interest		
2010	\$ 18,299	\$ 13,789	\$ -	\$ 32,088
2011	18,299	13,789	-	32,088
2012	18,299	13,789	-	32,088
2013	18,299	13,789	-	32,088
2014	18,299	13,789	-	32,088
2015-2019	91,493	68,947	32,469	192,909
2020-2024	91,493	68,947	54,115	214,555
2025-2029	91,493	68,947	54,115	214,555
2030-2034	73,192	55,160	54,115	182,467
2035-2039	-	-	54,115	54,115
2040-2044	-	-	54,115	54,115
2045-2049	-	-	54,115	54,115
2050-2053	-	-	54,115	54,115
2055-2057	-	-	43,299	43,299
	<u>\$ 439,166</u>	<u>\$ 330,946</u>	<u>\$ 454,573</u>	<u>\$ 1,224,685</u>

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CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 5 - SOD Act Assessments Receivable and Contract Payable (Continued)

The interest expense for the Lauro Dam SOD Act contract payable was \$13,789 and \$0 for the years ended June 30, 2009 and 2008, respectively.

The total costs of the Lauro Dam SOD Act project is to be reevaluated and repayment agreement amended as necessary by Reclamation and COMB when all phases of work are completed. The total project costs as of June 30, 2009 were \$6,645,651, \$670,717 higher than the total costs authorized by the repayment contract. It is management's opinion that COMB will be responsible for reimbursing Reclamation 15% of the total construction cost incurred in excess of the original repayment contract. As of June 30, 2009, an additional liability of \$100,608 is recorded for construction cost incurred in excess of the original repayment agreement.

Management deems the assessments receivable related to the Bradbury and Lauro Dams SOD Act projects to be fully collectable. The total SOD Act liability at June 30, 2009 is composed of the following:

Bradbury Dam repayment contract:		
M&I principal	\$	1,804,611
Irrigation principal		3,483,989
Total Bradbury Dam repayment contract obligation excluding interest		5,288,600
Bradbury Dam liability for 15% of additional costs incurred over repayment contract		456,831
Total Bradbury Dam SOD Act liability		5,745,431
Lauro Dam repayment contract:		
M&I principal	\$	439,166
Irrigation principal		454,573
Total Lauro Dam repayment contract obligation excluding interest		893,739
Lauro Dam liability for 15% of additional costs incurred over repayment contract		100,608
Total Lauro SOD Act liability		994,347
Total SOD Act Liability		6,739,778
Less current portion		(77,491)
Long-term portion of SOD Act liability	\$	6,662,287

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CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 6 - Capital Assets

The following is a summary of capital assets which include property, plant and equipment at June 30, 2009 and 2008.

	<u>Beginning Balance 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 2009</u>
Vehicles	\$ 322,994	\$ 53,579	\$ (37,599)	\$ 338,974
Office furniture and equipment	173,989	62,827	(17,014)	219,802
Field equipment	357,779	8,770	-	366,549
Mobile offices used for facilities	97,803	-	-	97,803
Resurfacing	22,350	-	-	22,350
Total capital assets	974,915	125,176	(54,613)	1,045,478
Less accumulated depreciation and amortization	<u>(739,396)</u>	<u>(83,426)</u>	<u>54,613</u>	<u>(768,209)</u>
Net capital assets	\$ 235,519	\$ 41,750	\$ -	\$ 277,269

	<u>Beginning Balance 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 2008</u>
Vehicles	\$ 291,883	\$ 31,111	\$ -	\$ 322,994
Office furniture and equipment	169,593	4,396	-	173,989
Field equipment	315,952	41,827	-	357,779
Mobile offices used for facilities	97,803	-	-	97,803
Resurfacing	22,350	-	-	22,350
Total capital assets	897,581	77,334	-	974,915
Less accumulated depreciation and amortization	<u>(633,192)</u>	<u>(106,204)</u>	<u>-</u>	<u>(739,396)</u>
Net capital assets	\$ 264,389	\$ (28,870)	\$ -	\$ 235,519

CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 7 - Note Payable and Long-Term Debt

On January 20, 2004 COMB entered into an unsecured interest only loan agreement for \$220,000 with Santa Barbara Bank and Trust. On June 30, 2004 the loan converted to a fully amortizing loan with sixteen quarterly principal and interest payments of \$14,965 each, beginning September 30, 2004, with interest at 4.0% calculated on the unpaid principal balances. On June 30, 2008, the loan was paid in full.

Interest expense for this loan for the year ended June 30, 2008 was \$1,475.

Changes in long term debt amounts for years ended June 30, 2009 and 2008 were as follows:

	<u>Beginning Balance 2009</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Ending Balance 2009</u>
SOD Act Liabilities	\$ 6,793,099	\$ 20,895	\$ (74,216)	\$ 6,739,778
	<u>\$ 6,793,099</u>	<u>\$ 20,895</u>	<u>\$ (74,216)</u>	<u>\$ 6,739,778</u>

	<u>Beginning Balance 2008</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Ending Balance 2008</u>
Santa Barbara Bank & Trust	\$ 58,023	\$ -	\$ 58,023	\$ -
SOD Act Liabilities	6,823,143	91,029	121,073	6,793,099
	<u>\$ 6,881,166</u>	<u>\$ 91,029</u>	<u>\$ 179,285</u>	<u>\$ 6,793,099</u>

Note 8 - Joint Powers Insurance Authority

COMB participates in the property and liability program organized by the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA). Employees working for COMB receive the benefits of this plan through the employee services agreement. ACWA/JPIA is a Joint Powers Authority created to provide a self-insurance program to water agencies in the State of California. The ACWA/JPIA is not a component unit of COMB for financial reporting purposes, as explained below.

ACWA/JPIA provides liability, property and workers' compensation insurance for approximately 300 water agencies for losses in excess of the member agencies specified self-insurance retention levels. Individual claims (and aggregate public liability and property claims) in excess of specified levels are covered by excess insurance policies purchased from commercial carriers. ACWA/JPIA is governed by a board comprised of members from participating agencies. The board controls the operations of ACWA/JPIA, including selection of management and approval of operating budgets, independent of any influence by the members beyond the representation on the board. Each member shares surpluses and deficiencies proportionately to its participation in ACWA/JPIA.

Additional information and complete financial statements for the ACWA/JPIA are available for public inspection at 5620 Birdcage Street, Suite 200, Citrus Heights, CA, between the hours of 8 a.m. and 5 p.m., Monday through Friday.

CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 9 - Defined Benefit Pension Plan

Plan Description

COMB contributes to the California Public Employees Retirement System Miscellaneous 2% at 55 Risk Pool, a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees Retirement System ("CalPERS"). A menu of benefit provisions, as well as other requirements, is established by State statutes within California Public Employee Retirement Law. COMB selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through the Board of Directors' (the "Board") authorization.

CalPERS issues a separate comprehensive annual financial report for the Miscellaneous 2% at 55 Risk Pool. Copies of the annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members in the COMB defined benefit plan (the "Plan") are required to contribute 7% of their annual covered salary. COMB pays this amount to CalPERS on behalf of their employees. The required employer contribution rates for 2009 and 2008 were 10.33% and 10.04%, respectively. The contribution requirements of the Plan's members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For the years ended June 30, 2009 and 2008, COMB's annual pension cost (APC) of \$148,497 and \$161,831 respectively, was equal to COMB's required and actual contributions. The required contribution for the years ended June 30, 2009 and 2008, was determined as part of the actuarial valuation using the entry-age-normal-actuarial-cost method, with the contributions determined as percentage of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases of 3.25% to 14.45% a year compounded annually, depending on age, service, and type of employment, attributable to inflation, and (c) merit increases. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of the Plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a fifteen-year period. CalPERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis over 20 years.

Three-year trend information for CalPERS:

Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2007	152,884	100%	-
2008	161,831	100%	-
2009	148,497	100%	-

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CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 10 - Deferred Compensation Plan

COMB offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are maintained (until paid or made available to the participant or beneficiary) in a trust account administered by State Street Bank and Trust. Participants have sole rights under the plan in an amount equal to the fair market value of the deferred for each participant. Contributions made by COMB for the employees to the plan for the years ended June 30, 2009 and 2008 were \$113,258 and \$107,132, respectively.

Note 11 - Related Party Transactions

The Member Units of COMB are the same as the Member Units of another joint powers agency, the Cachuma Conservation and Release Board (CCRB), with the exception of the Santa Ynez Water Conservation District Improvement District No. 1 (ID#1), which is not a voting member of CCRB.

COMB has an Employee Services Agreement with CCRB and ID#1. The costs of materials and supplies, and salaries and related benefits for services performed by COMB under the Employee Services Agreement are recorded by CCRB as operating expenses. CCRB assesses its Member Units to fund 89.69% of this obligation and receives the 10.31% balance from ID#1, in accordance with provisions of the Employee Services Agreement. These items are not shown as operating expenses in these financial statements. As of June 30, 2009 and 2008, CCRB owed COMB \$28,279 and \$45,595, respectively for these services.

COMB receives and remits the Restricted Cash as described in Note 4 to CCRB.

Note 12 - Commitments and Contingencies

Legal Proceedings

During the year ended June 30, 2008, COMB was involved in one case of litigation which was resolved in COMB's favor with no material affect on the financial statements of COMB.

1993 Cachuma Project Authority Bonds

In 1996 COMB merged with the Cachuma Project Authority (CPA) and as a result of this merger COMB became the agency responsible for the oversight and payment of the 1993 CPA bonds. These bonds have not been recorded on the books of COMB since three of the Member Units are obligated under Joint Participation Agreements to make the principal and interest payments on behalf of COMB.

CACHUMA OPERATION AND MAINTENANCE BOARD
NOTES TO THE FINANCIAL STATEMENTS

Note 12 - Commitments and Contingencies (Continued)

1993 Cachuma Project Authority Bonds (Continued)

On August 19, 2004, COMB refinanced the 1993 CPA bonds with the 2004 Cachuma Operation and Maintenance Board Bonds ("Bonds") for \$4,480,000 at varying interest rates from 3.000% to 4.625% on behalf of three Member Units. Each of the three Member Unit participants has entered into one or more joint participation agreements with COMB pursuant to which the Member Unit is obligated to make certain payments to COMB with respect to certain additions, betterments, extensions or improvements to such Member Unit's water system. Such payments, when received by or on behalf of COMB, will constitute revenues pledged to secure the payment of the principal of and interest on the Bonds.

SUPPLEMENTAL INFORMATION

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CACHUMA OPERATION AND MAINTENANCE BOARD
SUPPLEMENTAL SCHEDULE OF OPERATION AND MAINTENANCE,
GENERAL AND ADMINISTRATIVE AND OTHER MAINTENANCE EXPENSE
For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operation and Maintenance Expense		
Salaries and benefits	\$ 842,682	\$ 685,824
Contract labor	132,228	104,890
Equipment	20,194	13,049
Equipment rental	2,149	3,063
Materials and supplies	48,473	37,809
Vehicle maintenance	42,276	29,001
Other expenses	46,989	50,822
Total operation and maintenance expense	<u>\$ 1,134,991</u>	<u>\$ 924,458</u>
General and Administrative Expense		
Administration salaries	\$ 199,222	\$ 184,278
Accrued wages and vacation	4,686	8,294
Directors fees and expense	10,591	10,442
Legal and audit	88,871	61,102
Liability insurance	34,041	19,921
Health insurance and workers compensation	61,381	57,644
Retirement plan contributions	34,207	31,048
Payroll tax expense	16,110	14,643
Office supplies and expense	8,853	5,309
Administrative travel and conferences	5,923	3,110
Membership dues	6,041	5,132
Employee training	545	733
Public information	5,981	9,371
Other expenses	36,047	29,486
Total general and administrative expense	<u>\$ 512,499</u>	<u>\$ 440,513</u>
Other Maintenance Expense		
Flow meter upgrades and SCADA system	31,958	18,773
COMB building / grounds repair	33,192	42,455
SCC improvement plan and design	1,058,801	482,116
SCC Valves and control station rehabilitation	152,607	718,200
SCC structure rehabilitation	92,969	430,821
GIS and mapping	9,148	11,187
Lauro debris basin	1,144,345	120,556
Integrated Regional Water Management Plan	12,203	59,135
Zaca Fire	(5,215)	132,570
Quagga Mussel	60,000	-
Hydrology	58,811	-
Total other maintenance expense	<u>\$ 2,648,819</u>	<u>\$ 2,015,813</u>

See accompanying notes

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CACHUMA OPERATION AND MAINTENANCE BOARD
WATER STORAGE REPORT

MONTH: **August 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	336.00 Feet
Water in Storage	42.06 Acre Feet

LAURO RESERVOIR

Capacity at 549' elevation:	600 Acre Feet
Capacity at sill of intake at 512' elevation:	84.39 Acre Feet
Stage of Reservoir Elevation	546.50 Feet
Water in Storage	539.68 Acre Feet

ORTEGA RESERVOIR

Capacity at 460' elevation:	65 Acre Feet
Capacity at outlet at elevation 440':	0 Acre Feet
Stage of Reservoir Elevation	448.40 Feet
Water in Storage	24.00 Acre Feet

CARPINTERIA RESERVOIR

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

TOTAL STORAGE IN RESERVOIRS

Change in Storage	-4.45 Acre Feet
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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	735.71 Feet
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Water in Storage	147,438 AF
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Area	2,524
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Evaporation	1,509.2 AF
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Inflow	354.4 AF
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Downstream Release WR8918	0 AF
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Fish Release	731.3 AF
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Spill/Seismic Release	0 AF
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State Project Water	100 AF
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Change in Storage	-5,082 AF
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Tecolote Diversion	2,935.8 AF
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Rainfall: Month: 0.03 Season: 0.03 Percent of Normal: 100%

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

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

MONTH	DELVRD TO LAKE	Delvd to Lake	CWWD Stored	Delvd to SC	Transf to MW	Delvd to Lake	MWD Stored	Evap/Spill	Delvd to SC	S.B. Stored	Delvd to Lake	GWD Stored	Delvd to Lake	Delvd to SC	LCMWC Stored	Evap/Spill	Delvd to Lake	RSYS Stored	Delvd to Lake	Delvd to SC	Delvd to Lake	MLC Stored	Delvd to SC
Bal. Fwd		0	0	0		0	134.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January	39	0	0	0	0	39	48	0	125	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	71.6	0	0	0	0	253	0	0	253	0	0	379	0	0	0	0	84	0	0	0	0	0	0
July	627	0	0	0	0	218	0	0	218	0	0	327	0	0	0	0	73	9	0	9	0	0	0
August	99.4	0	0	0	0	885	323	0	562	0	0	0	0	0	0	0	99	10	0	10	0	0	0
September	988	100	0	100	0	647	416	0	554	0	0	0	0	0	0	0	241	0	0	0	0	0	0
October	87	0	0	0	0	0	0	0	416	0	0	0	0	0	0	0	87	0	0	0	0	0	0
November	153.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	153.6	0	0	0	0	0	0
December	89	17	0	17	0	17	0	0	17	0	17	0	0	0	0	0	38	0	0	0	0	0	0
Total	3693.6	117	0	117	0	2059	0	48	2145	0	0	723	0	723	0	0	775.6	19	0	19	0	0	0

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

MONTH	DELVRD TO LAKE	Delvd to Lake	CWWD Stored	Delvd to SC	Transf to MW	Delvd to Lake	MWD Stored	Evap/Spill	Delvd to SC	S.B. Stored	Delvd to Lake	GWD Stored	Delvd to Lake	Delvd to SC	LCMWC Stored	Evap/Spill	Delvd to Lake	RSYS Stored	Delvd to Lake	Delvd to SC	Delvd to Lake	MLC Stored	Delvd to SC
Bal. Fwd		0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January	143	0	0	0	0	0	0	0	0	0	5	0	5	0	0	0	138	0	0	0	0	0	0
February	122	0	0	0	0	0	0	0	0	0	64	0	64	0	0	0	58	0	0	0	0	0	0
March	166	0	0	0	0	0	0	0	0	0	129	0	129	0	0	0	37	0	0	0	0	0	0
April	332	0	0	0	0	0	0	0	0	0	287	0	287	0	0	0	45	0	0	0	0	0	0
May	71.5	0	0	0	0	400	0	0	400	0	220	0	220	0	0	0	95	0	0	0	0	0	0
June	460	0	0	0	0	363	0	0	363	0	0	0	0	0	0	0	97	0	0	0	0	0	0
July	134	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	112	22	0	22	0	0	0
August	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2172	0	0	0	0	763	0	0	763	0	705	0	705	0	0	0	682	22	0	22	0	0	0

Operations Report – August 2009

The average flow from Lake Cachuma into the Tecolote Tunnel for August was 95 acre-feet per day. Lake elevation was 737.63 feet at the beginning of the month and 735.71 feet at the end. Recorded rainfall at Lauro Dam was 0 inches for the month and 12.72 inches for the rainfall season, which commenced on September 1, 2008.

Santa Barbara wheeled 482 acre-feet of Gibraltar water through Lauro Reservoir during the month. 100 acre-feet of State Water Project water was wheeled through Cachuma Project facilities and delivered to South Coast Member Units during the month.

Ortega Reservoir activity during the month of August consisted of the conclusion of the subpoena process, with COMB providing final requested subpoena data to the defense legal service, COMPEX Legal Services. Conditions at Ortega Reservoir have remained consistent over the month, with weekly monitoring of drain flow and site conditions.

Other activities conducted this month include:

- Jesusita Fire recovery efforts at Lauro Reservoir continued with an update from JPIA on the amount of coverage available to reimburse damages caused by the fire, and the assignment of a claim number. A complete status of Jesusita Fire recovery activities will be delivered verbally at the September 28th COMB board meeting.
- A waterline was installed at the North Portal to provide additional access to the water pump located on the intake tower. The 200 foot long waterline was installed above ground along the intake tower walkway.
- Scada repairs were made by Verizon to correct communication errors.
- Progress continued on the 2nd Pipeline and Mission Creek projects. A complete status of the projects is included in the board packet for the September 28th COMB board meeting.

Routine operation and maintenance activities conducted during the month included:

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



SANTA BARBARA COUNTY PARKS DEPARTMENT
 610 Mission Canyon Road
 Santa Barbara, CA 93105-2911
 (805) 568-2461 • FAX (805) 568-2459
 www.sbparcs.org



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

See survey and station details in files:

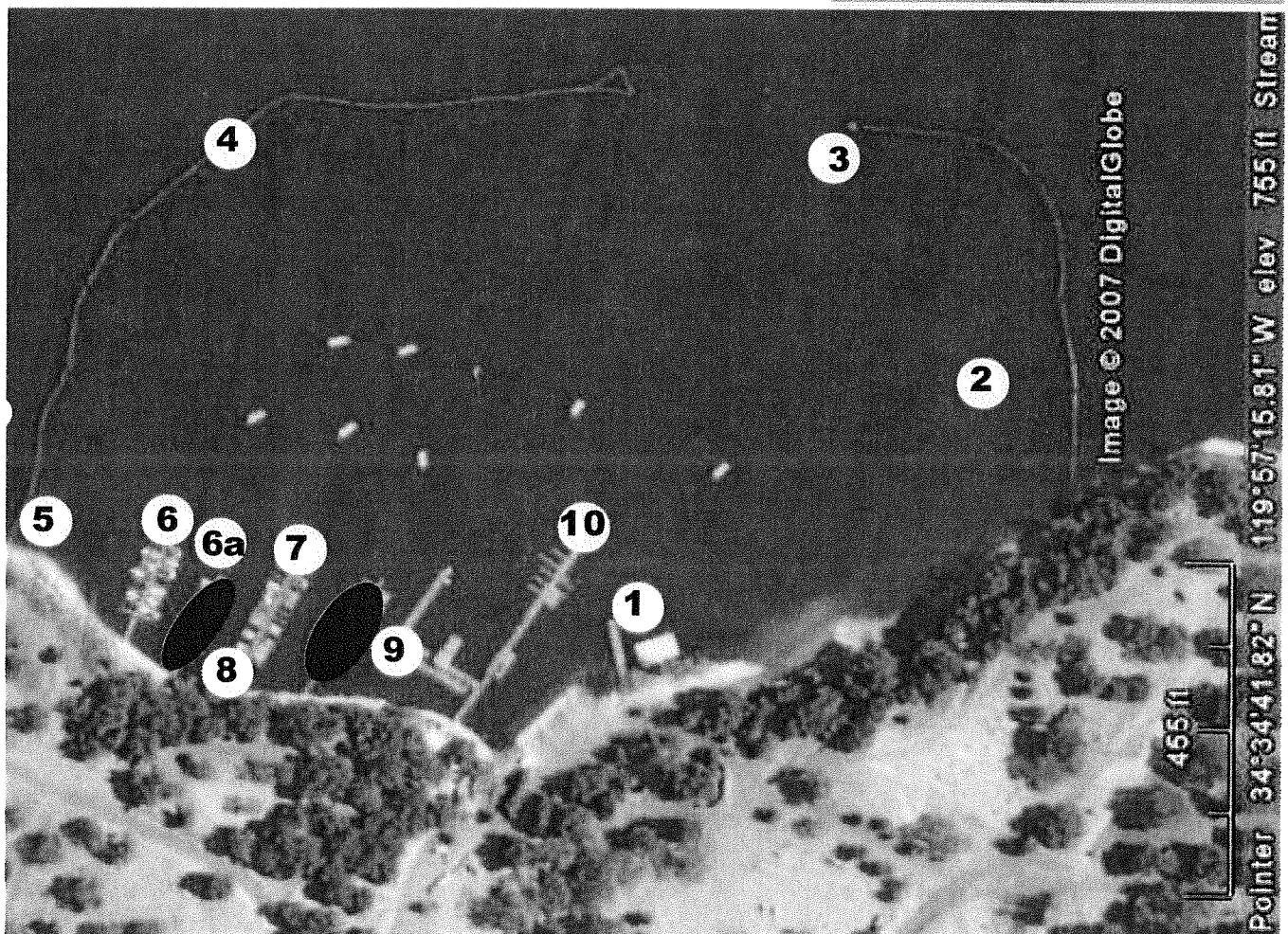
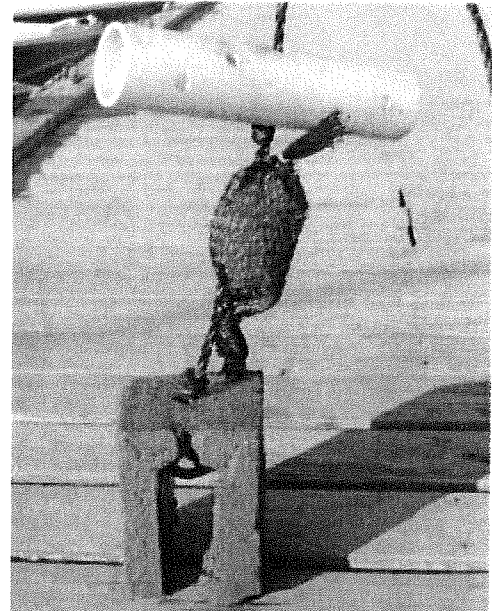
- Cachuma Quagga Surface Survey 2009.08.13
- Cachuma Quagga Survey Stations 2009.08.13

Inspection Date and Time : 2009.08.13 at 09:00 - 11:30
 Surveyors: Carrie Culver (UC Extension), Melissa Kelly, Liz Gaspar (SB County Parks)
 Lake Elevation: 736.79 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 Lake Marina Monthly Quagga Survey: Sampling Station Details

Inspection Date: 2009.08.13

Inspection Time: 09:00 - 11:30

Lake Elevation: 736.79 from maximum of 753 feet

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

Station #	Location description	Secchi Depth @ 10 Feet & Temp Deg F	Lake Depth Feet	Anchor Depth Feet	PVC Depth Feet	Tuffly Depth Feet	No. of Knots	Notes: Lack collecting permit this month. No samples taken; no Tuffies replaced at any station.	Mussels Present?
Station 1	Boathouse, far end of E finger, on cleat @ 8' lake depth	1.8 78	8'	15' (8)	13' (8)	13' (8)	3	PVC, line, knots, cinder block checked. No tuffies changed. Samples: 0. Organisms: 0 Algae: Low	No
Station 2	S logboom on N end of 1st log	3.0 78	30'	15'	13'	13'	3	PVC, line, knots, cinder block checked. No tuffies changed. Samples: 0. Organisms: few redworms & rice grains on pvc; snails on pvc Algae: Low	No
Station 3	Logboom platform at entrance, E side	3.35 78	125'	65'	63'	1 @ 34' 1 @ 64'	4	PVC, line, knots, cinder block checked. No tuffies changed. Downloaded temp/light data from 3 loggers at 10', 20', 30' Samples: 0. Organisms: 0 Algae: Low-med	No
Station 4	N logboom, 14th log from S end, attached to chain on NE side, far	2.1 77	135'	65'	63'	1 @ 45'; 1 @ 63'	4	PVC, line, knots, cinder block checked. No tuffies changed. Samples: 0. Organisms: 1 jelly blob Algae: Very low	No
Station 5	N logboom 3rd log from shore, attached to shore end	2.05 77	20'	18.5'	17'	17'	5	PVC, line, knots, cinder block checked. No tuffies changed. Samples: 0. Organisms: Several snails on cinder block; 1 snail on rope; many snails, several red worms, and 1 leech on pvc	No

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Station #	Location description		Lake Depth Feet	Anchor Depth Feet	PVC Depth Feet	Tuffy Depth Feet	No. of Knots	Notes: Lack collecting permit this month. No samples taken; no Tuffies replaced at any station.	Mussels Present?
Station 6	Far N dock at E end; S side; 13th slip from shore	2.22 77	55'	42.5	42	42	12	PVC, line, knots, cinder block checked. No tuffies changed. Samples: 0. Organisms: 1 snail each on rope and cinder. Algae: Low	No
Station 6b (formerly 6a)	21' Line along length of slip; attaches by Stn 6	2.22 77	55'	0	NA	1	3	PVC, line, knots, cinder block checked. No tuffies changed. Samples: 0. Organisms: Red worms on pvc and cinder block. Algae: Med	No
Station 7	Middle dock at E end	2.0 77	55'	36'	34'	34'	9	PVC, line, knots, cinder block checked. No tuffies changed. Samples: 0. Organisms: Bryozoan on pvc Algae: Med	No
Station 8	Middle dock at W end; slip 4	2.2 77	20'	19'	17.5'	17.5'	6?	PVC, line, knots, cinder block checked. No tuffies changed. Samples: 0. Organisms: Several redworms on pvc; bryozoan colony on underside of cinder Algae: Medium	No
Station 9	Washing dock; corner adjacent to tool cabinet	2.1 77	38'	20.5'	19'	19'	7	PVC, line, knots, cinder block checked. No tuffies changed. Samples: 0. Organisms: extensive bryozoan colony on pvc and cinder block; few snails on pvc; thick, tough growth ca. 5 cm diam on underside of cinder block. We've seen it before, but much smaller, on a washer under cinder block at station 8	No
Station 10	1st wood dock N of launch ramp; E end	2.2 77	40'	25'	24'	24'	2	PVC, line, knots, cinder block checked. No tuffies changed. Samples: 0. Organisms: Bryozoan on rope, heavy on pvc, moderate on cinder block. Several snails on cinder. Algae: Low-Medium	No

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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	584
9/30/08	September	308	3,200	737
10/31/08	October		3,200	597
11/30/08	November		3,200	310
12/31/08	December		3,200	340
1/31/09	January		3,200	329
2/28/09	February		3,200	377
3/31/09	March		3,200	494
4/30/2009	April			1,014
5/31/2009	May			1,022
6/30/2009	June			1,269
7/31/2009	July			1,097
8/31/2009	August			8,170
*** TOTAL		5,100	3,200	
9/30/2009	September (projected)			1,089
10/30/2009	October (projected)			1,000

kr\comb\cachuma 2008 surcharge account 092809



(As of September 23, 2009)

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

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

Date	Activity	Responsibility
September 2009	<ul style="list-style-type: none"> Member agencies approve and ratify debt issue Montecito 9/15 - 2pm (Agenda Deadline 8/13) Joint COMB/Carpinteria meeting 9/21 Santa Barbara City Council 9/22 - 2pm(Agenda Deadline 7/18) 	All
Thursday, September 10	Receive Bids from Contractors (2 nd Barrel)	COMB
Wednesday, October 14	Carpinteria (CVWD) approves	
Thursday, October 15	Due diligence calls with Member Units	All
Friday, October 16	Financing Documents distributed to Rating Agencies/Insurers	FA
Week of October 26	Conference Calls/meetings with Rating Agencies COMB Board approves	CITI, COMB, FA, SYCR
Friday, November 6	Receive Ratings From Rating Agencies/Insurance Quotes	FA
Monday, November 9	Working Group finalizes POS	SYCR, All

Date	Activity	Responsibility
Tuesday, November 10	Print and Distribute Preliminary Official Statement	SYCR
Wednesday, November 18	Pre-Price Bonds	CITI, COMB, FA
Thursday, November 19	Price Bonds and Sign Purchase Contract	CITI, COMB, FA
Wednesday, November 25	Print Final Official Statement	SYCR
Wednesday, December 2	Pre-close	All
Thursday, December 3	Closing and Delivery of Funds	All
December 9, 2009	Last day to Award Contract if bids received September 10	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	BALLARD
Trustee	BNY

COMB OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: September 28, 2009
TO: COMB Board of Directors
FROM: Kate Rees, General Manager
RE: **COMB's Proposed CIP 2009 Revenue Bond Status**

Status of Cachuma Member Unit Bond Approval

Montecito Water District

On September 15, 2009, the MWD Board of Directors declined to participate in the COMB bond issue. Instead the Board decided it would self fund its share of the suite of proposed CIP projects directly to avoid paying the interest associated with the 30 year bond obligation. Doug Brown, COMB's bond counsel, is drafting a separate agreement between MWD and COMB that will incorporate similar language as in the JPAs, to assure COMB and the member units that MWD will pay its share of all projects costs. The MWD Board also requested to review project specification and bids for the CIP projects. COMB's Operating Committee and Project Review Ad Hoc Committee is set up to do this. Once Mr. Brown completes the draft agreement, it will be reviewed by Chip Wullbrandt on behalf of MWD, and counsels for COMB, GWD, CVWD, and the City. It must then be approved by MWD and COMB. Approval of the COMB bond issue will come back to the MWD Board for approval by resolution on **Tuesday, October 20, 2009.**

SYR Water Conservation District, ID1

On August 18th, the ID1 Board approved the COMB bond, on the condition that the office building be removed from the project list, and on the condition that COMB and the other Member Units approve the 8/18 draft Indemnification Agreement in substantially the same form. That agreement was modified and approved by COMB on 8/31/09, and was acceptable to ID1. Currently ID#1 has rescinded their approval pending modification of the Indemnification Agreement reflecting that Montecito Water District is self funding their portion of the COMB capital improvement projects. Their next meeting is scheduled for **Tuesday, October 20, 2009.**

Carpinteria Valley Water District

On August 26, 2009, the CVWD Board voted not to approve the Joint Participation Agreement for the COMB bond issue, but were open to further discussion and reconsideration of its vote at a future meeting. A joint meeting between CVWD and the COMB Boards was held on Monday, September 21, 2009. Further discussion between staff will take place during the next two weeks concerning issues presented at the joint meeting. CVWD will have discussion and vote on the COMB bond issuance at their next regular board meeting which will be held on **Wednesday, October 14, 2009.**

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Goleta Water District

On September 8, 2009, the GWD Board voted approval of the Joint Participation Agreement and the COMB bond issue as well as the Indemnification Agreement. Since that time, MWD voted to self fund their portion of the COMB CIP Projects. Doug Brown, COMB's bond counsel, is drafting a separate agreement between MWD and COMB that will incorporate similar language as in the JPAs, to assure COMB and the member units that MWD will pay its share of all projects costs. GWD will approve the revised Indemnification Agreement as well as the JPA once the side-agreement between COMB, MWD and the other participating member units has been established. GWD meets again on **Tuesday, October 13, 2009**.

City of Santa Barbara

The City Council is currently scheduled to consider approval of its JPA and Appendix to COMB's Official Statement at its **October 13, 2009** meeting. They will also consider the Indemnification Agreement as well as the side-agreement between COMB, MWD and the other participating member units at that time.

Respectfully submitted,

Kate Rees
COMB General Manager

kr.comb/admin/092809_bond update.mmo

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BID TABULATION
COMB-SCC UPPER REACH RELIABILITY PROJECT
10-Sep-09

Item No.	Description	Size-Qty	Unit	Lash Construction		Splices Construction		W.M. Lyles Co.		ARB, Inc.		Blois Construction		Don Kelly Const.		W.A. Reaic	
				Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	Mobilization and Demobilization		Lump Sum	\$ 250,000.00	\$ 250,000.00	\$ 320,000.00	\$ 320,000.00	\$ 215,400.00	\$ 215,400.00	\$ 230,000.00	\$ 230,000.00	\$ 202,250.00	\$ 202,250.00	\$ 150,000.00	\$ 150,000.00	\$ 200,000.00	\$ 200,000.00
2	Shunting, Shoring, and Bracing	1	Lump Sum	\$ 22,000.00	\$ 22,000.00	\$ 100,000.00	\$ 100,000.00	\$ 7,200.00	\$ 7,200.00	\$ 101,482.00	\$ 101,482.00	\$ 33,195.00	\$ 33,195.00	\$ 300,000.00	\$ 300,000.00	\$ 75,000.00	\$ 75,000.00
3	Joining Structure at STA 8+77.50	1	Lump Sum	\$ 500,000.00	\$ 500,000.00	\$ 475,000.00	\$ 475,000.00	\$ 476,800.00	\$ 476,800.00	\$ 587,000.00	\$ 587,000.00	\$ 350,076.00	\$ 350,076.00	\$ 300,000.00	\$ 300,000.00	\$ 688,000.00	\$ 688,000.00
4	64-inch RCP	218	Linear Foot	\$ 1,403.00	\$ 305,854.00	\$ 1,550.00	\$ 337,900.00	\$ 1,344.00	\$ 292,992.00	\$ 1,950.00	\$ 425,100.00	\$ 1,225.00	\$ 267,050.00	\$ 1,225.00	\$ 267,050.00	\$ 1,500.00	\$ 327,000.00
5	24-inch RCP	192	Linear Foot	\$ 340.00	\$ 65,280.00	\$ 270.00	\$ 51,960.00	\$ 399.00	\$ 77,608.00	\$ 230.00	\$ 44,160.00	\$ 331.00	\$ 63,552.00	\$ 120.00	\$ 23,040.00	\$ 210.00	\$ 40,320.00
6	48-inch CHLAC Single Welded (mines)14"	1,932	Linear Foot	\$ 545.00	\$ 1,052,240.00	\$ 620.00	\$ 1,206,240.00	\$ 731.00	\$ 1,412,932.00	\$ 402.00	\$ 776,664.00	\$ 560.00	\$ 1,100,800.00	\$ 286.00	\$ 551,416.00	\$ 540.00	\$ 1,070,328.00
7	48-inch CHLAC Double Welded (mines)14"	6,100	Linear Foot	\$ 780.00	\$ 4,771,800.00	\$ 890.00	\$ 5,429,400.00	\$ 756.00	\$ 4,615,560.00	\$ 627.00	\$ 3,828,540.00	\$ 657.00	\$ 4,008,360.00	\$ 360.00	\$ 2,196,000.00	\$ 770.00	\$ 4,701,600.00
8	48-inch CHLAC Double Welded (mines)16"	860	Linear Foot	\$ 972.00	\$ 835,920.00	\$ 1,400.00	\$ 1,204,000.00	\$ 861.00	\$ 738,840.00	\$ 729.00	\$ 626,520.00	\$ 1,086.00	\$ 924,516.00	\$ 352.00	\$ 302,736.00	\$ 635.00	\$ 542,820.00
9	48-inch CHLAC Double Welded (mines)18"	200	Linear Foot	\$ 495.00	\$ 99,000.00	\$ 600.00	\$ 120,000.00	\$ 530.00	\$ 106,000.00	\$ 510.00	\$ 102,000.00	\$ 467.00	\$ 93,400.00	\$ 390.00	\$ 78,000.00	\$ 515.00	\$ 103,000.00
10	18-inch CHLAC Single Welded (mines)14"	131	Linear Foot	\$ 80,000.00	\$ 10,480,000.00	\$ 40,000.00	\$ 5,240,000.00	\$ 89,700.00	\$ 11,760,700.00	\$ 79,200.00	\$ 10,488,000.00	\$ 51,550.00	\$ 6,742,500.00	\$ 73,500.00	\$ 9,615,000.00	\$ 680.00	\$ 89,160.00
11	Blow offs	4	Each	\$ 29,000.00	\$ 116,000.00	\$ 28,500.00	\$ 114,000.00	\$ 29,700.00	\$ 118,800.00	\$ 28,500.00	\$ 114,000.00	\$ 29,700.00	\$ 118,800.00	\$ 28,500.00	\$ 114,000.00	\$ 29,700.00	\$ 118,800.00
12	Alf Releases	5	Each	\$ 29,000.00	\$ 145,000.00	\$ 28,500.00	\$ 142,500.00	\$ 29,700.00	\$ 148,500.00	\$ 28,500.00	\$ 142,500.00	\$ 29,700.00	\$ 148,500.00	\$ 28,500.00	\$ 142,500.00	\$ 29,700.00	\$ 148,500.00
13	New Year (new pipelines)	1	Lump Sum	\$ 225,000.00	\$ 225,000.00	\$ 185,000.00	\$ 185,000.00	\$ 224,100.00	\$ 224,100.00	\$ 335,000.00	\$ 335,000.00	\$ 222,000.00	\$ 222,000.00	\$ 220,000.00	\$ 220,000.00	\$ 220,000.00	\$ 220,000.00
14	Water and Valve Vault (existing pipeline)	1	Lump Sum	\$ 400,000.00	\$ 400,000.00	\$ 380,000.00	\$ 380,000.00	\$ 447,300.00	\$ 447,300.00	\$ 547,000.00	\$ 547,000.00	\$ 385,912.00	\$ 385,912.00	\$ 460,000.00	\$ 460,000.00	\$ 420,000.00	\$ 420,000.00
15	Tree in Existing 30-inch Taping at existing CDWVTP Turn-out	1	Lump Sum	\$ 70,000.00	\$ 70,000.00	\$ 82,000.00	\$ 82,000.00	\$ 116,800.00	\$ 116,800.00	\$ 176,000.00	\$ 176,000.00	\$ 302,047.00	\$ 302,047.00	\$ 322,000.00	\$ 322,000.00	\$ 280,000.00	\$ 280,000.00
16	Electrical and Instrumentation for Flowmeters	1	Lump Sum	\$ 35,000.00	\$ 35,000.00	\$ 45,000.00	\$ 45,000.00	\$ 17,600.00	\$ 17,600.00	\$ 14,900.00	\$ 14,900.00	\$ 112,150.00	\$ 112,150.00	\$ 92,000.00	\$ 92,000.00	\$ 85,000.00	\$ 85,000.00
17	Fiber Optic Cable Inside (1) inside 4" Conduit & One 4" Spare	1	Lump Sum	\$ 195,000.00	\$ 195,000.00	\$ 205,000.00	\$ 205,000.00	\$ 294,300.00	\$ 294,300.00	\$ 32,000.00	\$ 32,000.00	\$ 45,385.00	\$ 45,385.00	\$ 28,000.00	\$ 28,000.00	\$ 40,000.00	\$ 40,000.00
18	Record Drawings	1	Lump Sum	\$ 1.00	\$ 1.00	\$ 20,000.00	\$ 20,000.00	\$ 1,100.00	\$ 1,100.00	\$ 1,000.00	\$ 1,000.00	\$ 5,220.00	\$ 5,220.00	\$ 6,000.00	\$ 6,000.00	\$ 10,000.00	\$ 10,000.00
19	Earthquake and Tidal Wave Insurance	1	Lump Sum	\$ 50,000.00	\$ 50,000.00	\$ 35,000.00	\$ 35,000.00	\$ 15,200.00	\$ 15,200.00	\$ 44,547.00	\$ 44,547.00	\$ 29,366.00	\$ 29,366.00	\$ 24,000.00	\$ 24,000.00	\$ 19,000.00	\$ 19,000.00
20	Storm Water Pollution Prevention Plan (SWPPP & MP)	1	Lump Sum	\$ 30,000.00	\$ 30,000.00	\$ 39,000.00	\$ 39,000.00	\$ 16,300.00	\$ 16,300.00	\$ 135,000.00	\$ 135,000.00	\$ 33,991.00	\$ 33,991.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00
21	CPM Construction Schedule	1	Lump Sum	\$ 600.00	\$ 600.00	\$ 25,000.00	\$ 25,000.00	\$ 1,100.00	\$ 1,100.00	\$ 3,500.00	\$ 3,500.00	\$ 4,015.00	\$ 4,015.00	\$ 6,000.00	\$ 6,000.00	\$ 10,000.00	\$ 10,000.00
22	Subsurface Utility Location	30	Ea.	\$ 1,000.00	\$ 30,000.00	\$ 500.00	\$ 15,000.00	\$ 1,300.00	\$ 39,000.00	\$ 450.00	\$ 13,500.00	\$ 790.00	\$ 23,700.00	\$ 635.00	\$ 19,050.00	\$ 1,000.00	\$ 30,000.00
23	Disk Tree Removal (6-12 inch in diameter)																
24	Disk Tree Removal (greater than 12 inch in diameter)																
25	Other	1	Lump Sum	\$ 1.00	\$ 1.00	\$ 755,000.00	\$ 755,000.00	\$ 695,500.00	\$ 695,500.00	\$ 52,000.00	\$ 52,000.00	\$ 686,674.00	\$ 686,674.00	\$ 2,240,000.00	\$ 2,240,000.00	\$ 1.00	\$ 1.00
26	Total			\$ 9,259,461.00	\$ 9,259,461.00	\$ 11,289,980.00	\$ 11,289,980.00	\$ 10,156,340.00	\$ 10,156,340.00	\$ 8,375,523.00	\$ 8,375,523.00	\$ 8,872,565.00	\$ 8,872,565.00	\$ 8,095,366.00	\$ 8,095,366.00	\$ 9,574,228.00	\$ 9,574,228.00

Item No.	Description	Unit	Unit Price	Total Amount	ARB, Inc.	Blois Construction	Don Kelly Const.	W.A. Reaic
1	CML&C Steel Pipe							
2	Gate Valves larger than 16"							
3	Butterfly Valves larger than 16"							
4	Flow Meters							
5	RCP							

Item No.	Description	Unit	Unit Price	Total Amount	ARB, Inc.	Blois Construction	Don Kelly Const.	W.A. Reaic
1	Environmental & Landscaping: KCI							
2	Environmental Lic No: 813844, PO Box 3307, San Luis Obispo, CA 93403, 805-543-3311							
3	Electrical: Taff Electric Lic No: 772245, 1694 Eastman, Ventura, CA 93003, 805-642-0121							
4	Rebar: Bencat & Son Steel Lic No: 886739, 1387 N Ventura Ave, Ventura, CA 93001, 805-643-6691							
5	Fiber Optics included in Taff's price.							
6	Environmental & Landscaping: KCI							
7	Environmental Lic No: 813844, PO Box 3307, San Luis Obispo, CA 93403, 805-543-3311							
8	Electrical: Taff Electric Lic No: 772245, 1694 Eastman, Ventura, CA 93003, 805-642-0121							
9	Rebar: Bencat & Son Steel Lic No: 886739, 1387 N Ventura Ave, Ventura, CA 93001, 805-643-6691							
10	Fiber Optics included in Taff's price.							

*Red italic text indicates update

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
South Coast Conduit/Upper Reach Reliability Project (2nd Barrel)	Technical Specifications completed 7/30/09.	Final Environmental Impact Statement/Environmental Impact Report completed February 2009.	Permit to Enter, Right of Way Agreement and Easement Deed completed for all impacted landowners.	Revegetation plan in progress by SAIC. Weed abatement of 2nd barrel alignment completed 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.	<i>The contractor bid took place on 9/10/09, with a total of seven bids submitted. The contractor bids are currently being reviewed, with a contract to be awarded 90 days from the bid date of 9/10/09.</i>
Mission Creek South Coast Conduit Crossing and Fish Passage Project	Technical specifications pending.	Initial Study/Draft MND complete April 2009. Final MND pending USBR review. Landowner comments incorporated into Final MND.	Permit to Enter completed for all impacted landowners.	Revegetation plan in progress by SAIC.	Biological Resources Survey Report completed February 2009.			Award Contract for Construction November 2009.

**Red italic text indicates update*

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

Agency	Permit	Status	Notes
U.S. Fish and Wildlife Service (USFWS)	Section 7 of the Endangered Species Act Consultation	<i>Complete</i>	Part of 404 - no separate application.
Regional Water Quality Control Board (RWQCB)	Section 401 of the CWA certification: General Permit for Storm Water Discharges Associated with Construction Activity (CWA Section 402) Note: Section 402 Notice of Intent will not be submitted until just before construction	Issued 5/20/2009 (expires March 2011)	Water Quality Certification#34209WQ06 issued. Contractor - 401-SSWP 402 Dewatering discharge.
California Department of Fish and Game (CDFG)	Streambed Alteration Agreement	Issued 7/13/2009 Doesn't "expire". Must have a copy of the letter, application and all attachments available at the work site at all times.	Notification# 1600-2009-0064-R5 issued- CDFG action period expired 7/1/2009 and agreement was issued automatically as a result of expired action period. Standard Permit conditions.
Santa Barbara Air Pollution Control District	Authority for enforcing dust control measures	<i>Not required.</i>	<i>Permits "not required" was determined during 8-6-09 conference call. Covered in EIR.</i>
Santa Barbara County	Finding of consistency with the General Plan under California Government Code 65402	<i>Not required.</i>	<i>Permits "not required" was determined during 8-6-09 conference call. Covered in EIR.</i>
National Marine Fisheries Service (NMFS)	Section 7 of the Endangered Species Act Consultation	Pending	1. USACE has requested responses to NMFS questions on 20 July; responses sent July 30th. Part of 404 - no separate application 2. <i>Revegetation Plan is accepted.</i>
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. Application dated 2-2009. Nationwide Permits 12 & 33.
U.S. Bureau of Reclamation	MP620 permit for additions and alternations	Pending	No application yet. Scheduled for close to end of project.
State Historic Preservation Office	Section 106 of the National Historic Preservation Act review	Pending Draft report dated 7-2009 No concerns.	1. Draft CA-SBA-1775 Testing Report completed by Applied Earthworks June 2009. Report concludes that site is not eligible for the National Register, and pipeline may be constructed through it. 2. <i>USBR review of Draft CA-SBA-1775 complete, with changes requested from Applied Earthworks. AE to complete 10/2009.</i>

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*Red italic text indicates update

Permit Status: Mission Creek South Coast Conduit Crossing and Fish Passage Project				
Agency	Permit	Status	Notes	Action Req'd
U.S. Army Corps of Engineers (USACE) Section 404 Permit	Section 404 of the Clean Water Act (CWA) permit	Pending Application dated 2-2009 Nationwide Permits 12 & 33	1. Originally submitted to Sacramento office- should go to Crystal Huerta in the Ventura Office. (Per Rosie Thompson.) Will be resubmitted 7/23/09 with AECOM distribution of design specifications. 2. Emails from Rosie of SAIC (dated 8/14/09) indicated: NWP #33 req'd under Section 404 for dewatering + NWP #12 + NWP # 27 also req'd. 3. On 9/10/09, COMB submitted response to USACE request for add'l information including Section 401.	(COMB): 1) Follow up with NWP #33, #12, and #27. 3) Send Final Section 401 Certification to USACE once in hand.
National Marine Fisheries Service (NMFS)	Section 7 of the Endangered Species Act Consultation	Pending Part of 404 - no separate application. Revetation Plan is accepted.	1. Pending USBR review - rosie to draft letter to USBR requesting review. 2. Email from Michael Kinsey (9/9/09) indicating USBR approves USACE taking lead on Section 7 Consultation.	
U.S. Bureau of Reclamation	MP620 permit for additions and alternations	Pending	Pending COMB.	
State Historic Preservation Office	Section 106 of the National Historic Preservation Act review	Pending	Pending CEQA document completion, will be reviewed by USBR.	
Regional Water Quality Control Board (RWQCB)	Section 401 of the CWA certification: General Permit for Storm Water Discharges Associated with Construction Activity (CWA Section 402)	Pending	1. Email from Brandon Sanderson of CC RWQCB (dated 8/28/09) indicated: Application for 401 Cert was <u>WITHDRAWN</u> until CEQA compliance has been met. Water Board is awaiting further notification of CEQA compliance prior to issuing 401 Certification. 2. Email from Brandon Sanderson of CC RWQCB (dated 8/28/09) indicated: Separate permit not req'd for diversion of creek or pipeline trenching (covered under 401 Cert once issued). 3. CC RWQCB will not require a "Linear Construction SMALL LUP General Permit".	(COMB/SAIC): Finish CEQA and notify CC RWQCB of status.
California Department of Fish and Game (CDFG)	Streambed Alteration Agreement	Issued 7/27/2009 Doesn't "expire". Must have a copy of the letter, application and all attachments available at the work site at all times.	Notification# 1600-2009-0063-R5 issued- CDFG action period expired 6/30/2009 and agreement was issued automatically as a result of expired action period. Standard Permit conditions.	None
Caltrans	Encroachment Permit # 0509-NUB-0017	Original Issued 5/20/09; Rider Issued 7/1/09	1. Permit expiration date = 12/31/10. 2. Contractor is req'd to apply and pay for "Double Permit" at \$492.00. 3. Temporary road/bridge closure at the Route 192/Foothill Rd Bridge (Bridge No. 51-105PM 3.36) = 1-week MAXIMUM at any one time. 4. Contractor cannot park/operate heavy equipment on the bridge without permission from Caltrans.	None
City of Santa Barbara	Temporary Traffic Control Permit No: PBW 2008-01878	Original Verbally Issued 12/02/08 Permit expires end 2009.	1. Permit verbally issued over phone to Cesar Romero. City does not provide hard copy of permit until Construction is set to begin. City Public Works Counter Staff indicates permit should be picked up/paid for 2-4 weeks before work starts 2. Cost of Permit = \$218.00. 3. Temporary traffic detours (through City Limits) are currently permitted for a 6-week period from October 1 to November 15; and a one week period after the SCC is in operation. Road closure duration = 1 week MAXIMUM at any time.	(AECOM/COMB): Need to EXTEND Permit duration through 2010 (City Traffic/Public Works staff unresponsive to AECOM calls and emails)
County of Santa Barbara	Flood Control Permit	Pending	County Flood Control has been contacted (9/2009) to verify if permit is needed. Waiting on response.	

COMB OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: September 28, 2009
TO: Board of Directors
FROM: Kate Rees, General Manager
RE: **Establishment of Board Policy Regarding Changes to Work Orders**

Recommendation:

That the Board authorize approval of a Board policy for Changes to Work Orders for COMB projects.

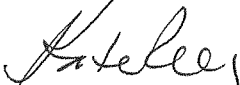
Discussion:

COMB currently has no change order policy in place. We are entering into a new phase of work activity involving construction of large capital improvement projects that entail contracting with consultant engineers and contractors to construct these projects. For major construction projects, it is common for contractors or the owner agency to initiate change orders to either the engineering plans or the project specifications to correct errors or omissions, to sometimes make changes to the project design once the project is under construction, or to accommodate unknown or unforeseen conditions during construction.

A draft change order policy developed by staff was provided to the Board last month, with a request for input. It was also circulated to the COMB Operating Committee and Mr. Hair to review the draft and provide comments. Those comments have been incorporated in the attached revised draft policy.

A couple of outstanding policy questions are highlighted in yellow, and staff is requesting direction from the Board to resolve those remaining questions. Once the final language has been determined, staff recommends approval of the Change Order Policy with the revisions directed by the Board.

Respectfully submitted,



Kate Rees
General Manager

Attachment

CHANGE IN WORK POLICY

Purpose

To implement policies and procedures for approving changes to the design requirements and/or scope of work on construction projects which causes an adjustment to the Contract Amount or Contract Time of a project while under construction.

Policy

The Cachuma Operation and Maintenance Board's (COMB) policy will generally follow the "Greenbook – Standard Specifications for Public Works Construction, Section 3 – Changes in Work", typically used by public agencies. In case of conflict between the Standard Specifications and the Contract Provisions, the Contract Provisions shall prevail. Projects under construction require the execution of a change order to modify the engineering design requirements and/or scope of work on construction which results in an adjustment to the Contract Amount or Contract Time (time of construction). Change orders that cause the total project cost to exceed \$1,000,000 must be approved in accordance with section 1.3 (iv) of the 1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project (Cachuma Operation and Maintenance Board).

A proposed change order will be considered:

- 1) For changes in work required by COMB.
- 2) When essential design/work has been inadvertently omitted or understated.
- 3) To correct errors in plans and/or specifications.
- 4) To correct engineering designs when field or project conditions are exposed and found to differ from that represented in the plans and specifications.
- 5) When weather or other unavoidable events cause construction delays and additional time is needed for completion of the work.

Change orders shall be submitted in writing to COMB's Engineering Construction Manager (Construction Manager) by the Contractor in advance of the proposed work being performed by the Contractor. The General Manager, or designee, is authorized to approve change orders for up to 110% of the project's general budget previously approved by the Board, but not to exceed \$ _____ (*GWD - suggested a not to exceed amount of \$200,000 or 10% on \$5M or less; 5% on greater than \$5M*). Proposed change orders that exceed 110% of the approved project cost or the not to exceed amount requires COMB Board approval in advance. (*Kate – see note below*)

Extraordinary Conditions

During a major construction project, it is conceivable that a condition could develop that would necessitate immediate action on the part of the Construction Manager in order to keep the project on schedule, meet various permit requirements, or prevent a costly delay. If such a condition should develop, a thorough investigation and recommendation from

the Contractor will be obtained. If an action or decision is considered necessary by the Construction Manager before the next scheduled COMB Board meeting, the General Manager shall request a special Board meeting to seek approval of a change order in excess of 110% of the approved project cost or the not to exceed amount. *(Kate - What if an immediate decision is needed for a change order that would result in an increase of more than 10% or be greater than the not to exceed amount. This has occurred on a fish passage project.)*

Procedure

- 1) Change orders shall be administered in accordance with procedures outlined in the contract documents.
- 2) Change orders shall be prepared by the Contractor and accepted by the Construction Manager, General Manager, or COMB Board only in writing.
- 3) The Contractor shall submit completed change orders with all required supporting documents to the General Manager or his/her designee for review and approval.
- 4) If the Contractor and the Construction Manager cannot agree on a change order, the conflict will be referred to the General Manager for formal negotiation or be referred to the COMB Board. *(GWD – Is there an appeals process to the Board? Kate – who makes the final decision?)*
- 5) If the Contractor and COMB are unable to reach agreement on disputed work, COMB may direct the Contractor to proceed with the work. The amount of payment shall be determined by the dispute resolution procedure that is contained in the Contract Documents. The Contractor shall keep, furnish and certify, under penalty of perjury, the accuracy of all records of all disputed work.
- 6) The project budget shall be adjusted following approval of a change order.
- 7) The General Manager shall report all approved change orders to the Board at regularly scheduled Board meetings.
- 8) Proposed change orders that exceed 110% of the approved project budget or the not to exceed amount require approval in advance by the COMB Board.

MEMORANDUM OF UNDERSTANDING BETWEEN CACHUMA OPERATION AND MAINTENANCE BOARD, CACHUMA CONSERVATION RELEASE BOARD, AND SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, ID NO. 1 REGARDING FUNDING AND CONSTRUCTING THE EL JARO CREEK CROSS CREEK RANCH FISH PASSAGE PROJECT (“EL JARO CROSS CREEK PROJECT”)

RECITALS

1. Cachuma Operation and Maintenance Board (“COMB”) is a California Joint Powers Agency which operates and maintains the Cachuma Project water conveyance system and, among other things, sometimes constructs physical passage and habitat improvements in the lower Santa Ynez River and its tributaries for the betterment of endangered Southern Steelhead.
2. Cachuma Conservation Release Board (“CCRB”), a California Joint Powers Agency, and the Santa Ynez River Water Conservation District, Improvement District No. 1 (“ID No.1”) regularly cooperate in facilitating the implementation, design, and construction costs of steelhead projects in the lower Santa Ynez River to improve passage and habitat for steelhead, including those funded in whole or in part by various granting agencies (“Grantors”).
3. Acting as the CEQA lead agency, in February 2004, COMB certified the Final Program and Project Specific Environmental Impact Report/Environmental Impact Statement for the Lower Santa Ynez River Fish Management Plan and Cachuma Project Biological Opinion for Southern Steelhead Trout (“FMP/BO EIR/EIS”), and approved the management actions and projects in the FMP/BO (“Project”) for the purpose of funding and implementing the Project.
4. In the interest of efficiency and conservation of fiscal resources, CCRB and ID No.1 wish COMB to construct the El Jaro Cross Creek Project, which is one of the steelhead passage and habitat improvements identified in the FMP/BO.

AGREEMENT

1. CCRB and ID No.1 authorize COMB to construct the El Jaro Cross Creek Project, and agree to advance grant funds and budgeted funds to COMB to pay for costs of that improvement.
2. COMB agrees to contract for and provide engineering oversight for the construction of the El Jaro Cross Creek Project.
3. COMB agrees to be bound by the terms and conditions of all grant agreements between CCRB and/or ID No.1 and the Grantors related to the El Jaro Cross Creek Project.

- 4. CCRB and ID No.1 agree to indemnify and hold harmless Grantors for any acts of COMB or its contractors in carrying out the El Jaro Cross Creek Project.

Cachuma Conservation Release Board

 Jan Abel, President

September _____, 2009
 Dated

Santa Ynez River Water Conservation District, ID No.1

 Harlan Bachardi, President

September _____, 2009
 Dated

Cachuma Operation and Maintenance Board

 Das Williams, President

September _____, 2009
 Dated

DRAFTAGENDA

**PROPOSITION 50
Project Proponents
Wednesday, September 23, 2009
2:15 p.m. – 3:45 p.m.**

Location: Goleta City Hall, City Council Chambers,
130 Cremona Drive, Suite B, Goleta, CA

Conference Call In Number: 805.681.5400
Passcode: 930979

2:15

Welcome and Introductions
Public Comment for Items not on the Agenda

2:20

Update on Scope/Timeline Changes Submitted to the State
Specific Updates on Guadalupe, COMB, Casmalia

2:45

Overview of New Invoicing Procedure and Invoicing Protocol
Questions/Issues Going Forward

3:40

Next Steps
Schedule Next Meeting

Adjourn

Santa Barbara County Prop 84 Project Selection Process

Workshop #1 Agenda

Wednesday, Sept. 23, 2009

City of Goleta, City Council Chambers

Time	Duration	Topic
9:30	30 min.	Review of Prop 50 Project Selection Process (participation is optional)
10:00	30 min.	Introduction Welcome and opening remarks <ul style="list-style-type: none"> • Meeting objectives: <ul style="list-style-type: none"> – Charter the team – define project purpose, team mission (adds broad measurable result to purpose), operating guidelines, challenges to project, and measures of group success – Initiate Project Selection Process – background on “multi-criteria decision-making”, reach agreement on process for scoring projects, identify regional conflicts, needs, objectives (draft list created), review and fill out “short” project info form • Introductions – name, role in your organization, and role for this process • Review agenda, process, and overall schedule • Review ground rules for the meeting • Team member responsibilities • Compliance with Prop 84 Guidelines
10:30	40 min.	Project Purpose, Mission, Operating Guidelines, and Challenges <ul style="list-style-type: none"> • Identify purpose (what we are expected to accomplish) • Create project mission statement (language will represent the result or goals that we want to achieve) • Operating Guidelines • Challenges for the process
11:10	20 min.	Measures of Group Success and Challenges <ul style="list-style-type: none"> • Identify measures of success • Challenges to be overcome
11:30	20 min.	BREAK FOR LUNCH (Brown bag)
11:50	25 min.	Background on Multi-Criteria Decision-Making
12:15	25 min.	Process for Scoring <ul style="list-style-type: none"> • Agree on process for scoring
12:40	60 min.	Identify Regional Conflicts, Needs, Objectives <ul style="list-style-type: none"> • Review consultant’s “starting point” list of conflicts, needs, objectives (use 2006 IRWMP as starting point) • Group to modify
1:40	20	Review next meeting location, time, and agenda Distribute and Discuss Project Information “Short” Form
2:00		ADJOURN - thank you for your participation!

Draft Operating Guidelines: Prop 84 Project Selection Process

TO: Santa Barbara County Region Project Selection Team Members
FROM: Kathy Caldwell
DATE: September 20, 2009

As part of the biennial review of the Santa Barbara County IRWMP, the region is conducting a project selection process to update the IRWM project list. The process requires operating guidelines to help guide the group decision-making process.

The Operating Guidelines describe how the Santa Barbara IRWM Prop 84 Project Selection Team (all participants) will govern itself during the project selection process. The guidelines are created to answer questions such as how the team will make decisions; how it will communicate internally and externally; how it will resolve conflict, and how it will manage change.

This memo lays out draft Operating Guidelines (or ground rules) for the Prop 84 Project Selection Process workshops. These guidelines have been reviewed and discussed by the IRWM Steering Committee. A summary of the Steering Committee's discussion and recommendation is included following the title of the guideline. The guidelines will be discussed and updated at the 1st workshop on September 23, 2009. The guidelines can be amended at any time during the process.

- 1. How the team will make decisions** - Summary: The project selection process will include a series of workshops that are open for attendance by all regional stakeholders. Voting members will include the Cooperating Partners and other organizations (e.g. with 501 (c)(3) status) that commit to participation in the workshop process. Voting will occur during the processes of selecting and scoring the criteria, weighting the criteria, scoring the projects, and ranking the projects. The workshops will be facilitated by consultants with the goal of allowing a full discussion and exchange of ideas. Decisions will be made by consensus, when possible, or by majority vote.
- 2. How will we communicate internally and externally** - Summary: Communications outside the workshop setting will be coordinated by the Steering Committee and consultant team. External communications including details of meetings/workshops and the process will be communicated via email, telephone (when appropriate), the Santa Barbara Region IRWM web site, and public notice in local newspapers. Internal communications will be conducted by in-person meetings, conference calls, emails, and telephone.
- 3. How do we assure that we receive valid project info data from each project proponent** - Summary: Team members will receive orientation about information that will be required and criteria to be met to make a project competitive. Project Information forms will be filled out by proposing entities. Team members, along with the consulting team,

will have the opportunity to review all submitted project information. This presents the opportunity to review and ask questions of the project proponents regarding the information submitted. We will trust that all project proponents will do their best to submit accurate information. After project selection, consultants can do a due diligence review (audit) of the top ranking projects to double check information.

4. **If an agency's project was funded in Prop 50, will the agency be allowed to have a project funded in the first round of the Prop 84 process?** Summary: In the end, we want the most competitive project list with the strongest projects so will consider all submitted projects. We will give further consideration to this when we get further into the project selection process.
5. **One agency - one vote? - Can an agency with different departments have each department represented in the project selection process and therefore, a vote for each department?** Summary: Two ways to look at it - it is useful for an entity to be able to bring forth a range of projects so group can evaluate potential regional benefits. That entity could understandably believe that each department proposing a project should have a vote. On the other hand, this could be seen as giving an undue advantage to the projects proposed by larger entities. JPAs could bring more than one vote for a JPA sponsored project. It is recommended that there be one vote per Cooperating Partner or participating organization to mirror the IRWM MOU (revised) language. It is unlikely that one additional vote from an entity will not significantly alter the outcome of the voting.
6. **How does one organization appeal decisions of the group as a whole?** Summary: participants will be able to appeal the scoring of the draft final project list. An appeal could be made verbally to the team as a whole or the appeal could be presented as written comments to an "appeals" group. Having concerns in writing would avoid misunderstandings of the nature of the comments and appeal. If an appeals group is formed, it should be impartial and populated by people with no projects in the mix. Potential representatives for the appeals group could include a representative from the Ventura IRWM group (e.g. Lynn Rodriguez), a consultant, or representative from another region. The organization making the appeal could submit a written appeal to the team as a whole first for a reconsideration of the scoring. If not satisfied with the outcome, the written appeal could be submitted to the outside appeals group. The appeals group would do a short analysis and make a recommendation. The analysis would then go back to the group as a whole for a final review. The ultimate decision-maker is the project selection team.
7. **Will voting be anonymous when scoring projects?** Summary: It is planned that voting will be conducted in an open meeting format with votes cast verbally.
8. **Should every sub-region (north, central, and south coast) have a project or should we put regional benefit of projects first?** Summary: One end goal of the process is to create the most competitive project list. Our first cut at a Draft SB Regional Prop 84 Project List should include the most competitive projects that are most responsive to regional needs and DWR Prop 84 guidelines. If the list of projects favors one sub-region or seems unbalanced then the list can be reconsidered.
9. **Should there be a limit on the individual project request amount?** Summary: Not initially. On the "long" project information form, each project proponent will make a project funding request and also be asked to estimate by how much they can reduce the size of the overall request. Agencies and organizations proposing projects should

discuss this within their own groups and be forthcoming with an alternative project request amount. If and when needed, project funding amount reductions will be considered by the project selection team. DACs might be exempt.

10. **Should there be a limit on the total request amount of the Final Draft Project List?** Summary: Since we don't know what the actual limit of our total request will be, it would be prudent to develop two projects lists. A master list would include all projects and their requested amounts according to rank. A second list would present top ranking competitive projects that more closely fit within the estimated money available. For the first implementation grant (SBxx1), our region will be vying for from \$1 – 6 million (\$5.7 - \$12.5 million to be available to the Central Coast Region as a whole). We will be working with other regions in the Central Coast Funding Area to see if it is advisable to submit one application for the first "expedited" round. It is recommended that the total of the Final Draft Project List be around \$10 million. A limit will have to be placed on each priority project but that limit will be easier to determine once all projects have been proposed and scored.
11. **When you have to reduce the amount of the total project request from the region, does everyone have to reduce their project request?** Summary: This part of the process was a challenge during Prop 50 and also may be for the Prop 84 process. However, each project proponent will be required to submit an alternative request amount which should assist if reductions need to be made. It is hoped that all participants in the process will understand the importance of considering the needs of the region and be willing to reduce funding, if needed, in order to submit the most competitive project list. If needed, the Steering Committee could be tasked with drafting a reduced project request amount.
12. **How many projects can an agency/organization put forth?** Summary: There should be no initial limit. The region will want to get a comprehensive overview of all needs. All projects should complete a short project info form to this end. However, for the selection process agencies should be limited to 2 or 3 priority projects that meet Prop 84 criteria. For these priority projects, a long project information form should be completed. Some agencies will have no priority projects. Agencies and organizations should be aware that the project selection team does not have the resources to consider a large number of projects.
13. **What if a project is an O & M project does it qualify for the project list?** Summary: It will depend on the project. The region is looking for the most competitive projects and those projects may sometimes be capital projects. Projects should be framed and presented as capital projects with a compelling explanation as to why the project is a capital project. We successfully included this type of project in the Prop 50 grant application.
14. **Can one member hold up the process by stating that they have to check with their Board before proceeding?** Summary: Participants should be delegated the responsibility by their management to make decisions on most things. Participants should anticipate as many issues as possible. The process will give appropriate time for decisions requiring board approval.

**PROP 84 DRAFT PROJECT SELECTION PROCESS
MEETING/WORKSHOP SCHEDULE**

1ST Workshop

Wednesday, September 23, 2009

10:00 a.m. – 2:00 p.m.

Goleta City Hall, 130 Cremona Drive, Goleta, CA 93117

Project Building Session

Wednesday, October 28, 2009

9:00 a.m. – 12:00 p.m.

Buellton City Hall, 107 West Highway 246, Buellton, CA 93427

2nd Workshop

Thursday, November 12, 2009

10:00 a.m. – 2:00 p.m.

CCWA, 255 Industrial Way, Buellton, CA 93427

Public Workshop

Thursday, December 10, 2009

5:30 p.m. – 7:00 p.m.

Recreation Center/Gymnasium, Buellton, CA 93427

3rd Workshop

Monday, January 11, 2009

10:00 a.m. – 2:00 p.m.

City Council Chamber, City Of Solvang, 1644 Oak St, Solvang, CA 93463

4th Workshop

Thursday, February 11, 2009

10:00 a.m. – 2:00 p.m.

CCWA, 255 Industrial Way, Buellton, CA 93427