

**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, September 25, 2006**

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

The meeting was called to order at 3:50 p.m. by President Chuck Evans, who chaired the meeting. Those in attendance were:

**Directors present:**

C. Charles Evans	Goleta Water District
Robert Lieberknecht	Carpinteria Valley Water District
Matt Loudon	SYR Water Conservation Dist., ID#1
Das Williams	City of Santa Barbara
Robert Puddicombe	Montecito Water District

**Others present:**

Kate Rees	William Hair
Brett Gray	Steve Mack
Gary Kvistad	Charles Hamilton
Bob Roebuck	Janet Gingras
Gary McFarland	

**2. Public Comment**

There were no comments from the public.

**3. Consent Agenda**

- a. **Minutes:** August 28, 2006 Regular Board Meeting
- b. **Investment of Funds**
  - Financial Report
  - Investment Report
- c. **Payment of Claims**

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

**4. Cachuma Reservoir Current Conditions**

Date 09/25/2006

Lake elevation

747.64 feet

Storage	180,967 acre feet
Rain (for the month to date)	0.00 inches
Rain YTD (for the season to date)	0.00 inches
Fish Release-Hilton Creek	19.9 acre feet per day
Month to Date Fish Release	496.7 acre feet
Month to Date Spill	0.00 acre feet

Ms Rees reported that the Lauro Safety of Dams (SOD) seismic retrofit project is wrapping up except for the actuator for the emergency shut-off valve in the tunnel. The repair to San Roque Road has been completed and Reclamation has entered into a new contract with URS for the area re-vegetation which will occur throughout the next year. The total construction cost to date is \$5,337,646. The total project cost should be about \$7.1 million of which the Member Units would repay 15% of that cost.

The Bradbury Dam SOD contract has neared completion; the telemetry for the Hilton Creek watering system was one of the last items to be completed and should be finished by the end of October 2006. Reclamation has received a cost for paving the road down to Hilton Creek for approximately \$200,000. The total project cost for the Bradbury Dam SOD has been estimated at \$48 million once completed. When the final cost has been established COMB will renegotiate the Repayment Agreement with Reclamation for the total cost for the Bradbury Dam SOD work of which the Member Units would pay 15% of that cost.

##### **5. Proposed Amendment to Renewal Master Contract for Interest Rate Adjustment**

Ms Rees highlighted the discussion from the August 28, 2006 Board meeting regarding the status of changing the interest rate for M&I water in the Renewal Master Contract. The Board had directed Counsel Bill Hair to write a letter to Reclamation requesting that the Cachuma Project interest rate should be based on the Friant contracts. He was also asked to draft an amendment to the Cachuma Renewal Master Contract to that effect. Mr. Hair's draft letter was included in the board packet; however he felt that an amendment was not appropriate at this time. Before drafting a proposed amendment to the Cachuma contract, it was his opinion that the matter needed further investigation and direction from the Board. The letter Mr. Hair drafted was a follow up to a letter former COMB General Manager Bob Wignot sent to Reclamation in March 2005. COMB understood that Reclamation had negotiated long term renewal contracts for at least 2 of the central valley projects. Both of these contracts provided for a lower M&I interest rate than the 20 year treasury constant maturity rate identified in the Cachuma Renewal Master Contract. Because another project had successfully negotiated a lower interest rate in its renewal contract with Reclamation, COMB's request to Reclamation would be to reopen negotiations to change the Cachuma interest rate to the M&I interest rate for the Friant contracts.

Director Loudon moved that the letter requesting a change in interest rates specified for M&I Capitol Costs be sent to Michael Jackson, Area Manager South Central

California Area Office Bureau of Reclamation, seconded by Director Lieberknecht, passed 7/0/0.

**6. Consideration of Renegotiation of Lauro Dam SOD Repayment Agreement**

Ms Rees highlighted the background information on the Lauro Dam SOD Repayment Agreement. Reclamation is looking to renegotiate the cost allocation between Irrigation use and M&I use. When the Lauro SOD Repayment Agreement was negotiated, the repayment obligation was allocated 50.72% to Irrigation uses and 49.28% to M&I uses. The final contract language was approved by the COMB Board on March 27, 2006. However, to date, the final Lauro SOD Agreement has not been forwarded by the Regional Office, so has not been signed by COMB or Reclamation. Reclamation is now of the opinion that the Lauro SOD Agreement needs to be updated by changing the repayment allocations to more accurately reflect how Cachuma water is being used and will be used throughout the term of the contract. The Member Unit managers requested that the financial impact of Reclamation's suggested change be evaluated, which was included in the board packet. Staff has not yet reached a recommendation regarding re-opening contract negotiations but will continue to work with the Member Unit managers to evaluate the issues and provide a recommendation at the October 23, 2006 regular Board meeting. Ms Rees recommended that the Board authorize her to meet with Kirk Rodgers to request that Reclamation stand by its original basis of negotiation of less than a year ago indicating that agreement has been reached and urging COMB's approval of the existing Repayment Agreement. The Board was in agreement that Ms Rees should meet with Mr. Rodgers.

**7. Update on Lauro Debris Basin Rehabilitation Project**

In an effort to reduce the cost of the Lauro Debris Basin Rehabilitation Project, Brett Gray reported meeting with Vern Williams of Flowers Engineering on September 7, 2006 to review the original proposed project design. Mr. Gray discussed with Mr. Williams several components of the project that might be modified to cut costs. When staff receives the re-design of the project from Mr. Williams, the Ad Hoc Committee of Director Evans, Director Williams, Steve Mack and Kevin Walsh will review the design with staff prior to presenting it to the Board at the October 23<sup>rd</sup> meeting.

**8. Selection of Consultant for Preparation of an EIR for the South Coast Conduit Pipeline Project**

Brett Gray reported that three proposals to prepare and EIR for the 2<sup>nd</sup> Pipeline Project on the Upper Reach of the South Coast Conduit had been submitted to COMB. The proposals were reviewed by a selection committee and a Quality Based Selection process was used to review and evaluate the proposals. Science Applications International Corporation (SAIC) was the preferred choice and staff recommended that the Board approve the proposal from SAIC at a cost of \$115,567.

Director Williams moved to approve that SAIC be hired to prepare an EIR for the 2<sup>nd</sup> Pipeline Project, seconded by Director Lieberknecht. Passed 6/1/0, Director Loudon abstained.

**9. Status of MOU Approval for Development of Integrated Regional Water Management Plan**

Ms Rees reported on the status of the IRWMP MOU during the CCRB meeting Item# 7, there was nothing further to discuss.

**10. Meeting Schedule**

October 2, 2006 Joint Special COMB/ Board Meeting at 2:00-5:00 P.M., at COMB Office

October 23, 2006 Regular Board Meeting following CCRB at 2:15 p.m., COMB Office

**11. COMB Adjournment**

There being no further business, the meeting was adjourned at 4:34 p.m.

Respectfully submitted,

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Kate Rees, Secretary of the Board

**APPROVED:**

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Chuck Evans, President