

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

1. Call to Order, Roll Call

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

Directors present:

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

Others present:

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

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

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

3. Public Comment

There were no comments from the public.

4. Consent Agenda

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

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

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

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

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

6. Reports from the Manager

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

Date 01/22/2007

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

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

7. State Water Resources Control Board Annual Fees

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

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

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

8. COMB Water Accounting

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

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

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

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

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

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

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

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

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

11. Conference Reports

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

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

12. Integrated Regional Water Management Plan

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

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

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

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

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

15. Meeting Schedule

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

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

16. COMB Adjournment

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

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Chuck Evans, President