

**SPECIAL MEETING  
OF THE  
CACHUMA OPERATION AND MAINTENANCE BOARD**

held at  
**3301 Laurel Canyon Road  
Santa Barbara, California 93105**

---

Monday, July 15, 2013

*Start Time*  
3:00 P.M.

**AGENDA**

*Note: This is a special meeting of the Governing Board called in accordance with Government Code Section 54956. Other than the listed agenda items, no other business will be conducted by the Governing Board.*

1. **COMB CALL TO ORDER, ROLL CALL** (COMB Board of Directors.)
2. **PUBLIC COMMENT** (In accordance with Government Code Section 54954.3, every notice for a special meeting shall provide an opportunity for members of the public to directly address the legislative body concerning any item that has been described in the notice for the meeting before or during consideration of that item.)
3. **CONSIDER APPROVAL FOR SELECTION OF BARTLETT PRINGLE WOLF, LLP TO PERFORM FISCAL YEAR 2012-2013 AUDIT**  
**Action: Recommend approval by motion and vote of the Board**
4. **APPOINTMENT OF GENERAL COUNSEL FISCAL YEAR 2013-14**  
**Action: Appointment by motion and vote of the Board**
5. **CONSIDER APPROVAL TO UPDATE SECTION 2.5 MEDICAL, DENTAL, OPTICAL INSURANCE IN THE EMPLOYEE HANDBOOK**  
**Action: Recommend approval by motion and vote of the Board**
6. **BOARD COMMITTEE APPOINTMENTS FOR FY 2013-14**
  - a. Administrative Committee (Finance, Personnel, Legal)
  - b. Operations Committee
  - c. Fisheries Committee
  - d. Public Outreach Committee
  - e. Ad Hoc Oak Tree Committee

7. **[CLOSED SESSION]:**

**CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION**

**Significant exposure to litigation pursuant to Government Code Section 54956.9(d) (2): one case [November 9, 2012 Claim of Andrew and Jessica Brown For Breach of Right of Entry and Revocable License Agreement]**

8. **RECONVENE INTO OPEN SESSION**

**[Government Code Section 54957.7]**

**Disclosure of actions taken in closed session, as applicable**

**[Government Code Section 54957.1]**

9. **COMB ADJOURNMENT**

NOTICE TO PUBLIC

**Posting of Agenda:** This agenda was posted at COMB's offices, located at 3301 Laurel Canyon Road, Santa Barbara, California, 93105 and on COMB's website, in accordance with Government Code Section 54954.2. The agenda contains a brief general description of each item to be considered by the Governing Board. The Board reserves the right to modify the order in which agenda items are heard. Copies of staff reports or other written documents relating to each item of business are on file at the COMB offices and are available for public inspection during normal business hours. A person with a question concerning any of the agenda items may call COMB's General Manager at (805) 687-4011.

**Written materials:** In accordance with Government Code Section 54957.5, written materials relating to an item on this agenda which are distributed to the Governing Board less than 72 hours (for a regular meeting) or 24 hours (for a special meeting) will be made available for public inspection at the COMB offices during normal business hours. The written materials may also be posted on COMB's website subject to staff's ability to post the documents before the scheduled meeting.

**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 as an agenda item before the Board. The total time for this item will be limited by the President of the Board. The Board is not responsible for the content or accuracy of statements made by members of the public. No action will be taken by the Board on any Public Comment item.

**Americans with Disabilities Act:** in compliance with the Americans with Disabilities Act, if you need special assistance to review agenda materials or 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.

**Note:** If you challenge in court any of the Board's decisions related to the listed agenda items you may be limited to raising only those issues you or someone else raised at any public hearing described in this notice or in written correspondence to the Governing Board prior to the public hearing.

# CACHUMA OPERATION & MAINTENANCE BOARD

## BOARD MEMORANDUM

Date:	7/15/2013
Submitted by:	Janet Gingras, Interim General Manager

---

**SUBJECT:** Selection of Bartlett Pringle Wolf, LLP to perform fiscal year 2012-13 audit

---

**SUMMARY:**

In preparation for the June 30, 2013 fiscal year audit, Bartlett Pringle Wolf, LLP submitted a competitive proposal of \$15,000 for the COMB audit. Staff is extremely pleased with their resultant work product and prompt completion of prior audits. For consideration of consistency and continuity, staff recommends engaging Bartlett Pringle Wolf, LLP to serve as the outside auditor for fiscal year ending June 30, 2013.

**FISCAL IMPACTS:**

Board approved line item in FY 2013-14 Final Budget

**LEGAL CONCURRENCE:**

N/A

**ENVIRONMENTAL COMPLIANCE:**

N/A

**COMMITTEE STATUS:**

Recommended approval by the Administrative Committee

**RECOMMENDATION:**

The Board approves the selection of Bartlett Pringle Wolf, LLP to perform the Fiscal Year 2012-2013 financial audit.

**LIST OF EXHIBITS:**

1. Engagement Letter



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

June 4, 2013

RECEIVED

Janet Gingras  
Cachuma Operation and Maintenance Board  
3301 Laurel Canyon Road  
Santa Barbara, CA 93105

JUN 08 2013

CACHUMA O&M BOARD

Dear Janet:

Bartlett, Pringle & Wolf, LLP ("BPW") appreciates the opportunity to work with you. To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the services we will perform for you.

#### **The Objective and Scope of the Audit of the Financial Statements**

You have requested that we audit the financial statements of Cachuma Operation and Maintenance Board as of and for the year ended June 30, 2013. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

#### **The Responsibilities of the Auditor**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements.

In making our risk assessments, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the Board of Directors (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

#### **The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework**

Our audit will be conducted on the basis that management and when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
- c. To provide us with:
  - (1) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - (2) Additional information that we may request from management for the purpose of the audit; and
  - (3) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit including among other items:

- a. That management has fulfilled its responsibilities as set out in the terms of this letter; and
- b. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring that the District complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others.

The Board of Directors is responsible for informing us of its views about the risks of fraud within the entity, and its knowledge of any fraud or suspected fraud affecting the entity.

Because Bartlett, Pringle & Wolf, LLP will rely on Cachuma Operation and Maintenance Board and its management and Board of Directors to discharge the foregoing responsibilities, Cachuma Operation and Maintenance Board holds harmless and releases Bartlett, Pringle & Wolf, LLP, its partners, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of Cachuma Operation and Maintenance Board's management which has caused, in any respect, Bartlett, Pringle & Wolf, LLP's breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

#### **District's Records and Assistance**

If circumstances arise relating to the condition of the District's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issue a report, or withdraw from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the District's books and records. The District will determine that all such data, if necessary, will be so reflected. Accordingly, the District will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by District personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Janet Gingras. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report. We understand that your

employees will type all confirmations we request and will locate any documents or invoices selected by us for testing.

If, in connection with our audit, you request us to perform accounting services necessary for the preparation of the financial statements (such as maintaining depreciation schedules, computing the provision for income taxes, drafting the financial statements, etc.), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

#### **Other Relevant Information**

Our fees for the June 30, 2013 audit will be \$15,000. Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs, such as report production, typing and postage. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. Payment is due 30 days after invoice date. Work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the District agrees it will compensate Bartlett, Pringle & Wolf, LLP for any additional costs incurred as a result of the District's employment of a partner or professional employee of Bartlett, Pringle & Wolf, LLP.

In the event we are requested or authorized by Cachuma Operation and Maintenance Board or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for Cachuma Operation and Maintenance Board, Cachuma Operation and Maintenance Board will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

#### **Claim Resolution**

Cachuma Operation and Maintenance Board and Bartlett, Pringle & Wolf, LLP agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by Bartlett, Pringle & Wolf, LLP or the date of this arrangement letter if no report has been issued. Cachuma Operation and Maintenance Board waives any claim for punitive damages. Bartlett, Pringle & Wolf, LLP's liability for all claims, damages and costs of Cachuma Operation and Maintenance Board arising from this engagement is limited to the amount of fees paid by Cachuma

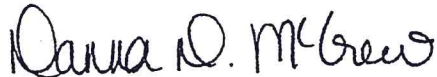
Operation and Maintenance Board to Bartlett, Pringle & Wolf, LLP for the services rendered under this arrangement letter.

This letter constitutes the complete and exclusive statement of agreement between Bartlett, Pringle & Wolf, LLP and Cachuma Operation and Maintenance Board, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

Please sign and return letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Very truly yours,

**BARTLETT, PRINGLE & WOLF, LLP**  
*Certified Public Accountants and Consultants*



Danna D. McGrew  
Partner

DDM/ml  
Enclosures

Approved:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



# CACHUMA OPERATION & MAINTENANCE BOARD

## BOARD MEMORANDUM

Date:	July 15, 2013
Submitted by:	Janet Gingras, Interim General Manager

---

**SUBJECT:** Appointment of General Counsel FY 2013-14

---

**SUMMARY:**

The Board must conduct as an item of business the annual appointment of General Counsel to serve the Board for Fiscal Year 2013 -14. The firm Musick, Peeler & Garrett LLP, with Anthony Trembley serving as General Counsel, has been retained by the COMB Board since July 2011. Attached is a letter from the firm outlining rate increases effective January 2014.

**FISCAL IMPACTS:**

N/A

**LEGAL CONCURRENCE:**

N/A

**ENVIRONMENTAL COMPLIANCE:**

N/A

**COMMITTEE STATUS:**

N/A

**RECOMMENDATION:**

It is recommended the Board appoint the firm Musick, Peeler & Garret, LLP, with Anthony Trembley serving as General Counsel, for the Fiscal Year 2013-2014.

The appointment is made by a motion and vote of the Board.

**LIST OF EXHIBITS:**

1. General Counsel Legal Services Letter

MUSICK, PEELER & GARRETT LLP  
ATTORNEYS AT LAW

ANTHONY TREMBLEY  
a.trembley@mpglaw.com  
(805) 418-3123

2801 TOWNSGATE ROAD, SUITE 200  
WESTLAKE VILLAGE, CALIFORNIA 91361

TELEPHONE: (805) 418-3100  
FACSIMILE: (805) 418-3101  
WWW.MUSICKPEELER.COM

LOS ANGELES  
ORANGE COUNTY  
SAN DIEGO  
SAN FRANCISCO  
SANTA BARBARA  
WESTLAKE VILLAGE

FILE NO.: 13487.001

July 11, 2013

VIA E-MAIL AND U.S. MAIL

Ms. Lauren Hanson  
President, Governing Board  
Members of the Governing Board  
Cachuma Operation and Maintenance Board  
3301 Laurel Canyon Road  
Santa Barbara, CA 93105

Re: General Counsel Legal Services – Notice of Change of Hourly Rates  
Appointment of General Counsel 2013-14

Dear Ms. Hanson and Members of the Governing Board:

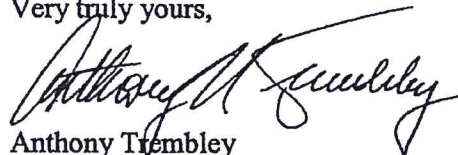
As I indicated at the June 24, 2013 regular meeting, I want to provide the Board with notice that effective January 1, 2014, we intend to increase hourly rates for our General Counsel (Partners and Associates) services from \$230 to \$245. We intend that the hourly rates for litigation (Partners and Associates) will remain at \$275.

Since at its July 15, 2013 special meeting, the Board will consider action to appoint our firm as general counsel for 2013-14, I want to ensure that the Board is aware that we intend to increase our hourly rates during the middle of the 2013-14 fiscal year.

Except as specified in this letter, the terms and conditions of MP&G's engagement and the respective obligations of MP&G and the Cachuma Operation and Maintenance Board ("COMB") will be the same as those set forth in our prior engagement letter dated July 25, 2011.

Thank you for the opportunity to provide continuing legal services to COMB. We are privileged to work with you and COMB staff.

Very truly yours,



Anthony Trembley  
for MUSICK, PEELER & GARRETT LLP

# CACHUMA OPERATION & MAINTENANCE BOARD

## BOARD MEMORANDUM

Date:	July 15, 2013
Submitted by:	Janet Gingras, Interim General Manager

---

**SUBJECT:** Employee Handbook Update

---

**SUMMARY:**

A meeting of the COMB Administrative Committee took place on Monday, July 8, 2013 for discussion on a few topics including updating the COMB Employee Handbook. The approach to updating the handbook will be completed in several phases as the Administrative Committee reviews and discusses various sections. The attached paragraph is the first update and is proposed to replace the third paragraph in Section 2.5 Medical, Dental, Optical Insurance. Future updates will be presented to the Board as the Administrative Committee continues their review of the Handbook.

**FINANCIAL IMPACT:**

N/A

**LEGAL CONCURRENCE:**

Reviewed by COMB General Counsel

**ENVIRONMENTAL COMPLIANCE:**

N/A

**COMMITTEE STATUS:**

Administrative Committee reviewed updated Section 2.5 and is presented herein for Board consideration

**RECOMMENDATION:**

Approve Section 2.5 update to Employee Handbook as recommended by Administrative Committee

**LIST OF EXHIBITS:**

1. Redlined version Section 2.5 Medical, Dental, Optical Insurance
2. Updated Section 2.5 Medical, Dental, Optical Insurance

## 2.5 MEDICAL, DENTAL, OPTICAL INSURANCE

A program of medical, dental and optical insurance is available, effective 60 days after the start of employment, to all regular full-time employees and their qualified family dependents. A qualified domestic partner is also eligible for dependent coverage. Premiums for the employee will be paid by COMB. All regular full-time employee dependent's premiums will be paid by COMB except for an employee contribution of \$5.00 per month. The employee contribution may be adjusted by COMB from time to time in the future.

For regular active employees working a full forty (40)-hour week who require less than full family health, dental and vision care coverage, the in-lieu amount, or the cost difference between the family coverage premium and the actual coverage amount will be deposited each payday into a deferred compensation plan account on their behalf.

~~For purposes of group health benefits provided by COMB to retired employees and their spouses/registered domestic partners, retired employees are defined as those employees who have a minimum of twelve (12) years of continuous service with COMB, are receiving a monthly retirement benefit from the Public Employees Retirement System (PERS), and whose final employment immediately prior to receiving the PERS monthly benefit was with COMB. COMB will provide the premium for the surviving spouse or registered domestic partner continuously unless the surviving spouse or domestic partner remarries or re-registers, or becomes covered under another group health plan.~~

COMB provides post-retirement health care benefits to "retired employees" and their spouses/registered domestic partners. Under the Plan, a "retired employee" is a former employee of COMB who (i) performed a minimum of twelve (12) years of continuous service for COMB; (ii) is receiving or is eligible to receive a monthly retirement benefit from the Public Employees Retirement System (PERS); and (iii) was employed by COMB immediately prior to becoming eligible to receive benefits under PERS. For purposes of calculating the 12-years of continuous service requirement, effective, July 1, 2013, an employee of COMB shall be credited with all of his or her years of service performed for PERS-covered employers other than COMB, regardless of whether such employment was continuous, provided the most recent such employment did not end more than six (6) months prior to the employee's commencement of final employment with COMB. After the death of the retired employee, COMB will continue to pay the full cost of the insurance premiums for the surviving spouse or registered domestic partner, until such time as the surviving spouse or domestic partner dies, remarries or re-registers with another registered domestic partner, or becomes covered under another group health plan.

Our group insurance benefits may change from time to time and while we will make every effort to maintain group insurance at its current level, we cannot guarantee it because of changes that might take place in the insurance market.

## 2.5 MEDICAL, DENTAL, OPTICAL INSURANCE

A program of medical, dental and optical insurance is available, effective 60 days after the start of employment, to all regular full-time employees and their qualified family dependents. A qualified domestic partner is also eligible for dependent coverage. Premiums for the employee will be paid by COMB. All regular full-time employee dependent's premiums will be paid by COMB except for an employee contribution of \$5.00 per month. The employee contribution may be adjusted by COMB from time to time in the future.

For regular active employees working a full forty (40)-hour week who require less than full family health, dental and vision care coverage, the in-lieu amount, or the cost difference between the family coverage premium and the actual coverage amount will be deposited each payday into a deferred compensation plan account on their behalf.

COMB provides post-retirement health care benefits to "retired employees" and their spouses/registered domestic partners. Under the Plan, a "retired employee" is a former employee of COMB who (i) performed a minimum of twelve (12) years of continuous service for COMB; (ii) is receiving or is eligible to receive a monthly retirement benefit from the Public Employees Retirement System (PERS); and (iii) was employed by COMB immediately prior to becoming eligible to receive benefits under PERS. For purposes of calculating the 12-years of continuous service requirement, effective, July 1, 2013, an employee of COMB shall be credited with all of his or her years of service performed for PERS-covered employers other than COMB, regardless of whether such employment was continuous, provided the most recent such employment did not end more than six (6) months prior to the employee's commencement of final employment with COMB. After the death of the retired employee, COMB will continue to pay the full cost of the insurance premiums for the surviving spouse or registered domestic partner, until such time as the surviving spouse or domestic partner dies, remarries or re-registers with another registered domestic partner, or becomes covered under another group health plan.

Our group insurance benefits may change from time to time and while we will make every effort to maintain group insurance at its current level, we cannot guarantee it because of changes that might take place in the insurance market.

# CACHUMA OPERATION & MAINTENANCE BOARD

## BOARD MEMORANDUM

Date:	July 15, 2013
Submitted by:	Janet Gingras, Interim General Manager

---

**SUBJECT:** Board Committee Appointments for FY 2013-14

---

**SUMMARY:**

Many of the activities and projects planned for Fiscal Year 2013-2014 would benefit from being discussed first at the committee level and then brought to the Board of Directors with the committee's recommendation for action.

COMB has four Board committees and one Ad Hoc committee which consists of two board members and an alternate for each. The committees meet during the course of the fiscal year, on an as-needed basis, together with COMB staff and Member Unit staff, if necessary.

**FISCAL IMPACTS:**

N/A

**LEGAL CONCURRENCE:**

N/A

**ENVIRONMENTAL COMPLIANCE:**

N/A

**COMMITTEE STATUS:**

N/A

**RECOMMENDATION:**

It is recommended that the President of the Board make appointments for Fiscal Year 2013-2014 to the following committees: Administrative, Operations Division, Fisheries Division, Public Outreach and Ad Hoc Oak Tree Committee.

**LIST OF EXHIBITS:**

1. Chart of appointments since January 2013 and for FY 2013-14

**COMMITTEE APPOINTMENTS  
JANUARY 2013**

<b>COMMITTEE NAME</b>	<b>COMMITTEE MEMBER</b>	<b>COMMITTEE MEMBER</b>	<b>ALTERNATE MEMBER</b>
<b>Administrative (Finance, Personnel, Legal)</b>	Chair Lauren Hanson	Doug Morgan	Dale Francisco
<b>Operations Division</b>	Chair Dale Francisco	Lauren Hanson	Doug Morgan
<b>Fisheries Division</b>	Chair Dennis Beebe	Lauren Hanson	Doug Morgan
<b>Public Outreach</b>	Chair Doug Morgan	Alonzo Orozco	Dennis Beebe
<b>Ad Hoc Oak Tree</b>	Chair Doug Morgan	Dennis Beebe	

**COMMITTEE APPOINTMENTS  
FISCAL YEAR 2013-2014**

<b>COMMITTEE NAME</b>	<b>COMMITTEE MEMBER</b>	<b>COMMITTEE MEMBER</b>	<b>ALTERNATE MEMBER</b>
<b>Administrative (Finance, Personnel, Legal)</b>	Chair		
<b>Operations Division</b>	Chair		
<b>Fisheries Division</b>	Chair		
<b>Public Outreach</b>	Chair		
<b>Ad Hoc Oak Tree</b>	Chair		