

REGULAR MEETING
OF
CACHUMA OPERATION AND MAINTENANCE BOARD
AND
CACHUMA CONSERVATION RELEASE BOARD
at Cachuma Operation and Maintenance Board Office
3301 Laurel Canyon Road
Santa Barbara, CA 93105

CACHUMA OPERATION AND MAINTENANCE BOARD

Monday July 23, 2007
Approximate Start Time

2:45 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
 - June 25, 2007 Regular Board Meeting and July 6, 2007 Special Board Meeting
 - b. Investment of Funds
 - Financial Reports
 - Investment Reports
 - c. Payment of Claims
4. ANNUAL REORGANIZATION OF CACHUMA OPERATION & MAINTENANCE BOARD. (*10 minutes*)
 - a. Election of President
 - b. Election of Vice-President
 - c. Appointment of ACWA/JPLA Representative and Alternate
 - d. Appointment of General Counsel
 - e. Appointment of Secretary, Treasurer and Auditor-Controller
 - f. Appointment of Assistant Secretary
 - g. Establishment of Time and Place of Board Meetings

5. PROPOSED ANNUAL RESOLUTIONS *(5 minutes)*
 - a. Resolution No. 455 Adopting an Annual Statement of Investment Policy
 - b. Resolution No. 456 Establishing a Supplemental Account Agreement for Telephone Transfers
 - c. Resolution No. 457 Authorizing Signatories for Revolving Fund Account at Santa Barbara Bank and Trust
 - d. Resolution No. 458 Authorizing Signatories for General Fund Account at Santa Barbara Bank & Trust
 - e. Resolution No. 459 Establishing a Check Signing Policy for General Fund Account for Payment of Claims
 - f. Resolution No. 460 Authorizing Signatories for General Fund Account at Santa Barbara Bank & Trust
 - g. Resolution No. 461 Establishing a Check Signing Policy for Cachuma Project Trust Fund and Master Contract Renewal Fund Accounts for Payment of Claims
 - h. Resolution No. 462 Authorizing Signatories for Trust Fund and Renewal Fund Accounts at Washington Mutual Bank
 - i. Resolution No. 463 Establishing Time and Place for Board Meetings
6. APPOINTMENT OF OUTSIDE AUDITOR TO PREPARE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2007 AND THE INDEPENDENT AUDITOR'S REPORT. *(5 minutes)*
7. COMB GENERAL MANAGER POSITION. *(5 minutes)*
8. REPORTS FROM THE MANAGER. *(5 minutes)*
 - a. Water Storage, Water Production & Use, SWP Accounting
 - b. Operations Report
 - c. 2006 Surcharge Accounting
 - d. **Verbal Report** - Cachuma Reservoir Current Conditions
9. CAPITAL IMPROVEMENT PROJECTS. *(10 minutes)*
 - a. Lateral 13 Project, Upper Reach, Cachuma Project
 - b. Lauro Debris Basin Project
10. SANTA BARBARA COUNTY'S INTEGRATED REGIONAL WATER MANAGEMENT PLAN. *(5 minutes)*
11. DIRECTORS' REQUEST FOR AGENDA ITEMS FOR NEXT MEETING. *(5 minutes)*
12. MEETING SCHEDULE.
 - August 27, 2007 following CCRB at 2:15 P.M., COMB Office
 - Availability of Board Packages on CCRB-COMB Website www.ccrb-comb.org
13. 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, June 25, 2007

1. Call to Order, Roll Call

The meeting was called to order at 4:23 p.m. by President Chuck Evans, who chaired the meeting. Those in attendance were:

Directors present:

Chuck Evans	Goleta Water District
Matt Loudon	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	William Hair
Steve Mack	Brett Gray
Janet Gingras	

2. Public Comment

There were no comments from the public.

3. Consent Agenda

a. Minutes:

May 21, 2007 Regular Board Meeting

b. Investment Funds

Financial Report
Investment Report

c. Payment of Claims

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

4. Reports from the Manager

a. Water Storage, Water Production Use, SWP Accounting

The monthly reports were included in the Board packet

b. Operations Report

The May 2007 report on operations from Brett Gray was included in the board packet.

c. 2006 Surcharge Accounting

The May Cachuma Reservoir disposition of 2006 surcharge water was included in the board packet. Of the original 9,200 acre feet of surcharge water, 3,200 acre feet has been designated to supplement passage flows. This amount needs to be kept for passage flows and cannot be used for maintenance or target flows. 500 acre feet is designated as an Adaptive Management Account which will be used this year for meeting target flows at the Alisal Bridge. Once expended, target flow releases will be charged against Cachuma Project yield.

e. Cachuma Reservoir Current Conditions

Date 06/25/2007

Lake elevation	738.35
Storage	155,284 acre feet
Rain (for the month to date)	0.00 inches
Rain YTD (for the season to date)	3.47 inches
Fish Release-Hilton Creek	30 acre feet per day
Month to Date Fish Release	755 acre feet
Month to Date Spill	0.00 acre feet

Ms. Rees also reported that the Laurel SOD project cost to date is \$6,323,420.

5. Resolution 454 to Adopt Santa Barbara County's Integrated Regional Management Plan

This was thoroughly discussed during the CCRB Board meeting, Item #9, and there was nothing further to add.

Director Williams moved to approve Resolution 454 adopting the Santa Barbara Countywide Integrated Water Management Plan, seconded by Director Loudon. A roll call vote was taken, the Resolution passed, 7/0/0.

Ms. Rees reported on submittal of an implementation grant application to the State. COMB's 2nd Barrel Project is on the list of projects for this grant funding. If the \$25 million grant is awarded, \$4 million will be designated for the 2nd Pipeline Project. Discussion on financial options to provide the balance of funding needed for this project will be brought to the Board at a future date.

Ms Rees reported that an amendment to the consultant's contract under the existing MOU had been written, which extended CH2M Hill's contract to cover writing the Round 2 grant application. Another important issue is that the State needs assurance that there will be consistent governance of the IRWMP process and contract obligations. To accomplish this, the cooperating partners believe that the Santa Barbara County Water Agency is the appropriate agency to maintain administration of the contract, if we are successful in receiving the grant application. Meetings will be scheduled next month with County administration staff to address this issue.

6. Proposed Fiscal Year 2007-2008 Final COMB Budget

Director Williams reported on the COMB Finance Committee meeting held June 18, 2007. The basic issue was a request by ID No. 1 to reduce the G&A costs that ID No.1 historically has paid. The committee suggested that the non-staff costs be allocated at 86% to be paid by the south coast member units only, and 14% allocated among all 5 member units. The staff portion of the G&A budget would be 60% allocated among the south coast member units only, and to 40% allocated among all 5 member units.

Director Evans stated he was not in favor of approving the FY 2007-2008 budget today and recommended the Board postpone the decision. He recommended that a COMB Special Board meeting follow CCRB's Special Board meeting scheduled for July 6, 2007. At that time, approval of the COMB budget would be considered.

Director Williams moved to defer the FY 2007-2008 Budget approval to the July 6th Special Board Meeting, seconded by Director Lieberknecht, passed 7/0/0.

Ms. Rees reported that Janet Gingras had looked into the JPIA Workers Compensation Insurance. It would be \$3,000 to \$5,000 less than the current cost. Ms. Gingras would look into whether or not it would be feasible to switch to the JPIA insurance mid-year, as it is now too late to join at the beginning of the fiscal year.

The Directors determined they would prefer to have the discussion concerning the positions and salaries of the Operations Supervisor and the Sr. Resources Scientist at the July 6th meeting.

7. Directors' Request for Agenda Items for Next Meeting

Director Evans requested that the consideration to move the Santa Ynez Fisheries Program activities from CCRB to COMB be added to the July 23, 2007 agenda for discussion and possible action by the Board.

Director Abel asked the Board how they would like to handle the consultant's contracts that would expire in July. Ms. Rees explained the contracts in question would be for the fisheries activities. Director Abel requested that discussion of this item be added to the CCRB agenda for the July 23, 2007 meeting.

8. Meeting Schedule

July 6, 2007 is a Special COMB Board meeting following the 4:00 P.M. CCRB Special Board meeting, at the COMB office.

July 23, 2007 is the next regular COMB Board meeting following the 2:15 P.M. CCRB regular Board meeting, at the COMB office.

The Board Packets are availability on the CCRB-COMB Website, www.ccrb-comb.org

9. COMB Adjournment

There being no further business, the meeting was adjourned at 4:53 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Chuck Evans, President

sec.comb/boardminutes/06.25.07COMB Minutes.doc

Approved _____
Unapproved _____ ✓

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MINUTES OF A SPECIAL MEETING
of the
CACHUMA OPERATION & MAINTENANCE BOARD
held at the
Cachuma Operation & Maintenance Board Office
3301 Laurel Canyon Road, Santa Barbara, CA
Friday, July 6, 2007

1. Call to Order, Roll Call

The meeting was called to order at 5:25 p.m. by President Chuck Evans, who chaired the meeting. Those in attendance were:

Directors present:

Chuck Evans	Goleta Water District
Matt Loudon	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	William Hair(via phone)
Steve Mack	Chris Dahlstrom
Janet Gingras	Gary Kvistad
Chip Wullbrandt	

2. Public Comment

There were no comments from the public.

3. Proposed Fiscal Year 2007-2008 Final COMB Budget

President Evans reported that the FY 2007-2008 Final Budget had been before the Board for approval at the June 25th regular meeting. A re-configuration of the cost allocation for ID No.1 was proposed at that meeting, however approval of the budget was deferred to the July 6, 2007 Special Board Meeting. Director Loudon and Director Williams reported on the recommendation of the Finance Committee. The G&A expenses were allocated to more accurately represent the amount of administrative work associated with south coast activities. This shift increased the South Coast Member Units' share of the G&A Budget by about \$37,000 and decreased ID No.1's share by the same amount.

The recommendation to the Board was to:

1. Approve the proposed COMB Budget for Fiscal Year 2007-2008 in the amount of \$3,775,050 with the revised member unit allocations.
2. Approve permanent salary increase for the Operations Supervisor position to a new salary range of \$80,153 - \$96,136.
3. Approve reclassification of duties for Senior Resources Scientist position with a new salary range of \$71,726 - \$86,029.

Director Williams moved to approve all three recommendations before the Board, seconded by Director Loudon, passed 7/0/0.

4. COMB Adjournment

There being no further business, the meeting was adjourned at 5:30 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Chuck Evans, President

Approved _____

Unapproved _____ ✓

comb2
Balance Sheet
 As of June 30, 2007

	<u>Jun 30, 07</u>
ASSETS	
Current Assets	
Checking/Savings	
1050 · GENERAL FUND	866,498.17
1100 · REVOLVING FUND	10,541.70
TRUST FUNDS	
1220 · RENEWAL FUND	5,326.87
1210 · WARREN ACT TRUST FUND	56,454.62
Total TRUST FUNDS	<u>61,781.49</u>
Total Checking/Savings	938,821.36
Other Current Assets	
1010 · PETTY CASH	400.00
1200 · LAIF	994,743.92
1300 · DUE FROM CCRB	60,950.33
1302 · ASSESSMENTS RECEIVABLE-CARP	58,022.88
1303 · SOD Act Assessments Receivable	49,902.00
1400 · PREPAID INSURANCE	11,696.72
1401 · W/C INSURANCE DEPOSIT	3,906.00
Total Other Current Assets	<u>1,179,621.85</u>
Total Current Assets	2,118,443.21
Fixed Assets	
1500 · VEHICLES	241,943.65
1505 · OFFICE FURN & EQUIPMENT	102,547.22
1510 · TRAILERS	97,803.34
1515 · FIELD EQUIPMENT	305,473.34
1525 · PAVING	22,350.00
1550 · ACCUMULATED DEPRECIATION	-527,362.02
Total Fixed Assets	<u>242,755.53</u>
Other Assets	
1910 · LT SOD Act Assess Receivable	6,423,143.07
Total Other Assets	<u>6,423,143.07</u>
TOTAL ASSETS	<u>8,784,341.81</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2200 · ACCOUNTS PAYABLE	588,482.76
Total Accounts Payable	588,482.76
Other Current Liabilities	
2550 · VACATION/SICK	61,815.80
2561 · BRADBURY DAM SOD ACT	49,902.00
2562 · SWRCB-WATER RIGHTS FEE	0.76
2590 · DEFERRED REVENUE	61,781.49
Payroll-DepPrm Admin	4.62
Payroll-DepPrm Ops	18.48
Total Other Current Liabilities	<u>173,523.15</u>
Total Current Liabilities	762,005.91
Long Term Liabilities	
2603 · LT SOD Act Liability - Lauro	660,000.00
2600 · Lease Obligation Payable	29,810.84
2601 · Note Payable SBB&T	58,022.88
2602 · SOD Act Liability-Long Term	5,763,143.07
Total Long Term Liabilities	<u>6,510,976.79</u>
Total Liabilities	7,272,982.70

comb2
Balance Sheet
As of June 30, 2007

	<u>Jun 30, 07</u>
Equity	
3000 · Opening Bal Equity	0.95
3901 · Retained Earnings	785,863.52
Net Income	<u>725,494.64</u>
Total Equity	<u>1,511,359.11</u>
TOTAL LIABILITIES & EQUITY	<u><u>8,784,341.81</u></u>

comb2
Profit & Loss Budget vs. Actual
July 2006 through June 2007

TOTAL

	Jul '06 - Jun 07	Budget	\$ Over Budget	% of Budget
Income				
3000 REVENUE				
3001 · O&M Budget	3,239,207.00			
3003 · Assessment Revenue-Carp	3,477.90			
3010 · Interest Income	45,131.12			
3020 · Misc Income	0.00			
3070 · OES 2005 Storm 1577 Reimb	2,156.00			
Total 3000 REVENUE	<u>3,289,972.02</u>			
Total Income	<u>3,289,972.02</u>			
Gross Profit	<u>3,289,972.02</u>			
Expense				
4000 · Reconciliation Discrepancies	-0.50			
void	0.00			
3100 LABOR				
3150 · Health & Workers Comp	125,575.31	141,391.00	-15,815.69	88.81%
3155 · PERS	68,971.23	69,869.00	-897.77	98.72%
3160 · Payroll Comp FICA Ops	30,583.46	30,449.70	133.76	100.44%
3165 · Payroll Comp MCARE Ops	7,211.15	7,121.30	89.85	101.26%
3100 LABOR - Other	0.00	456,501.00	-456,501.00	0.0%
Total 3100 LABOR	<u>667,712.25</u>	<u>705,332.00</u>	<u>-37,619.75</u>	<u>94.67%</u>
3200 VEH & EQUIPMENT				
3201 · Vehicle/Equip Mtce	30,361.73	30,000.00	361.73	101.21%
3202 · Fixed Capital	49,656.59	50,000.00	-343.41	99.31%
3203 · Equipment Rental	22,651.94	23,000.00	-348.06	98.49%
3204 · Miscellaneous	10,248.33	15,000.00	-4,751.67	68.32%
Total 3200 VEH & EQUIPMENT	<u>112,918.59</u>	<u>118,000.00</u>	<u>-5,081.41</u>	<u>95.69%</u>
3300 · CONTRACT LABOR				
3301 · Conduit, Meter, Valve & Misc	5,466.47	10,000.00	-4,533.53	54.67%
3302 · Buildings & Roads	23,216.28	15,000.00	8,216.28	154.78%

comb2
Profit & Loss Budget vs. Actual
July 2006 through June 2007

	Jul '06 - Jun 07	Budget	\$ Over Budget	% of Budget
TOTAL				
3303 · Reserviors	51,936.52	50,000.00	1,936.52	103.87%
3304 · Engineering, Misc Services	20,254.97	20,000.00	254.97	101.28%
Total 3300 · CONTRACT LABOR	100,874.24	95,000.00	5,874.24	106.18%
3400 · MATERIALS & SUPPLIES				
3401 · Conduit, Meter, Valve & Misc	17,162.12	20,000.00	-2,837.88	85.81%
3402 · Buildings & Roads	21,057.27	20,000.00	1,057.27	105.29%
3403 · Reserviors	3,358.96	10,000.00	-6,641.04	33.59%
Total 3400 · MATERIALS & SUPPLIES	41,578.35	50,000.00	-8,421.65	83.16%
3500 · OTHER EXPENSES				
3501 · Utilities	3,731.43	6,300.00	-2,568.57	59.23%
3502 · Uniforms	7,182.41	6,500.00	682.41	110.5%
3503 · Communications	21,150.93	18,190.00	2,960.93	116.28%
3504 · USA & Other Services	2,502.74	4,000.00	-1,497.26	62.57%
3505 · Miscellaneous	6,709.77	6,000.00	709.77	111.83%
3506 · Training	2,936.12	7,000.00	-4,063.88	41.95%
Total 3500 · OTHER EXPENSES	44,213.40	47,990.00	-3,776.60	92.13%
4999 · GENERAL & ADMINISTRATIVE				
5000 · Director Fees				
5001 · Director Mileage	916.76	856.00	60.76	107.1%
5000 · Director Fees - Other	10,824.00	9,984.00	640.00	106.41%
Total 5000 · Director Fees	11,540.76	10,840.00	700.76	106.47%
5100 · Legal	54,847.69	72,000.00	-17,152.31	76.18%
5101-1 · Audit	9,175.00	20,000.00	-10,825.00	45.88%
5150 · Unemployment Tax	0.00	6,500.00	-6,500.00	0.0%
5200 · Liability Insurance	37,307.00	38,000.00	-693.00	98.18%
5201 · Health & Workers Comp	52,942.78	47,399.00	5,543.78	111.7%
5250 · PERS	28,463.17	28,632.00	-168.83	99.41%
5260 · Comp FICA Admin	11,139.43	12,156.05	-1,016.62	91.64%
5265 · Comp MCARE Admin	2,763.04	2,842.95	-79.91	97.19%

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Profit & Loss Budget vs. Actual
July 2006 through June 2007

TOTAL

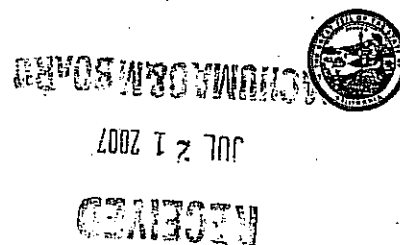
	Jul '06 - Jun 07	Budget	\$ Over Budget	% of Budget
5300 · Manager Salary	41,300.20	42,993.00	-1,692.80	96.06%
5301 · Administrative Manager	77,650.04	77,615.00	35.04	100.05%
5306 · Administrative Assistant	51,440.48	51,441.00	-0.52	100.0%
5310 · Postage/Office Exp	6,186.46	9,000.00	-2,813.54	66.74%
5311 · Office Equip/Leases	4,526.92	5,750.00	-1,223.08	78.73%
5312 · Misc Admin Expenses	22,684.85	10,000.00	12,684.85	226.85%
5313 · Communications	8,862.51	5,000.00	3,862.51	177.25%
5314 · Utilities	5,993.76	5,300.00	693.76	113.09%
5315 · Membership Dues	5,110.85	6,150.00	-1,039.15	83.1%
5316 · Admin Fixed Assets	7,828.55	7,000.00	828.55	111.84%
5320 · Admin Facilitator Consultant	24,870.00	27,700.00	-2,830.00	89.78%
5325 · Emp Training/Subscriptions	2,180.08	4,500.00	-2,319.92	48.45%
5330 · Admin Travel/Conferences	5,168.19	5,000.00	168.19	103.36%
5331 · Public Information	131.36	2,000.00	-1,868.64	6.57%
5332 · Transportation	186.33	1,200.00	-1,013.67	15.53%
Total 4999 · GENERAL & ADMINISTRATIVE	472,299.45	499,019.00	-26,719.55	94.65%
5510 · Integrated Reg. Water Mgt Plan	7,613.61	10,000.00	-2,386.39	76.14%
6000 · SPECIAL PROJECTS				
6062 · SCADA	29,619.95	60,000.00	-30,380.05	49.37%
6090-1 · COMB Bldg/Grounds Repair	45,786.67	50,000.00	-4,213.33	91.57%
6092 · SCC Improv Plan & Design	155,862.09	300,000.00	-144,137.91	51.95%
6095 · SCC Valve & Cntrl Sta Rehab	355,669.70	600,000.00	-244,330.30	59.28%
6095-1 · Lauro Debris Basin Rehab	19,252.77	563,303.00	-544,050.23	3.42%
6095-2 · Lauro Debris Basin CR	0.00	-563,303.00	563,303.00	0.0%
6096 · SCC Structure Rehabilitation	328,078.88	400,000.00	-71,921.12	82.02%
6097 · GIS and Mapping	60,295.12	100,000.00	-39,704.88	60.3%
Total 6000 · SPECIAL PROJECTS	994,565.18	1,510,000.00	-515,434.82	65.87%
6400 · STORM DAMAGE				
6401 · Storm Damage 2005	6,856.00	100,000.00	-93,144.00	6.86%
Total 6400 · STORM DAMAGE	6,856.00	100,000.00	-93,144.00	6.86%

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Profit & Loss Budget vs. Actual
July 2006 through June 2007

	Jul '06 - Jun 07	Budget	\$ Over Budget	% of Budget
TOTAL				
7000 · LEGAL & LITIGATION				
7002 · Spec Counsel-FMP-BO EIS/R	112,507.12	100,000.00	12,507.12	112.51%
Total 7000 · LEGAL & LITIGATION	112,507.12	100,000.00	12,507.12	112.51%
7006 · INTEREST EXPENSE	3,340.11			
PAYROLL				
Gross	-0.49			
Gross-CCRB	0.07			
Total PAYROLL	-0.42			
Total Expense	2,564,477.38	3,235,341.00	-670,863.62	79.27%
Net Income	725,494.64	-3,235,341.00	3,960,835.64	-22.42%

Local Agency Investment Fund
PO Box 942809
Sacramento, CA 94209-0001
(916) 653-3001
www.treasurer.ca.gov/pmia-laif



June, 2007 Statement

CACHUMA OPERATION AND MAINTENANCE BOARD
Attn: GENERAL MANAGER
3301 LAUREL CANYON ROAD
SANTA BARBARA CA 93105-2017

Account Number : 70-42-001

Transactions

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
06-05-2007	06-04-2007	RW	1124660	C. CHARLES EVANS	- 270,000.00
06-19-2007	06-18-2007	RW	1126116	KATHLEEN REES	- 15,000.00

Account Summary

Total Deposit :	0.00	Beginning Balance :	1,279,743.92
Total Withdrawal :	- 285,000.00	Ending Balance :	994,743.92

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

The above statement of investment activity for the month of June, 2007, complies with legal requirements for investment policy of government agencies, AB 1073. I hereby certify that it constitutes a complete and accurate summary of all LAIF investments of this agency for the period indicated.

Kathleen A. Rees
Secretary

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P.O. BOX 1098
NORTHRIDGE, CA 91328-1098

RECEIVED

JUL 09 2007

This Statement Covers

From: 06/01/07
Through: 06/30/07

Need assistance?

To reach us anytime,
call 1-800-788-7000
or visit us at wamu.com

CACHUMA OPERATION AND MAINTENANCE BOARD
3301 LAUREL CANYON RD
SANTA BARBARA CA 93105-2017

323836



Please see the message towards the end of the statement (prior to Overdraft Line of Credit detail, if any) for important information about fee changes that may affect your deposit accounts.

Your Guaranteed Great Rate Money Market Detail Information

CACHUMA OPERATION AND MAINTENANCE BOARD

Account Number: 871-849343-4

Washington Mutual Bank, FA

Get a great certificate of deposit rate, without ever going to the bank! Visit wamu.com/onlinecd to open your Online CD today. Deposits at Washington Mutual are FDIC insured.

Your Account at a Glance

Beginning Balance	\$5,322.32	Interest Earned	\$4.55
Checks Paid	\$0.00	Annual Percentage Yield Earned	1.05%
Other Withdrawals	\$0.00	YTD Interest Paid	\$28.57
Deposits	+\$4.55	YTD Interest Withheld	\$0.00
Ending Balance	\$5,326.87		

Date	Description	Withdrawals (-)	Deposits (+)
06/29	Interest Payment		\$4.55 ✓

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

The above statement of investment activity for the month of June, 2007, 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 Washington Mutual Bank investments of this agency for the period indicated.

Secretary

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P.O. BOX 1098
NORTHRIDGE, CA 91328-1098

RECEIVED

JUL 09 2007

This Statement Covers
From: 06/01/07
Through: 06/30/07

CACHUMA OPERATION AND MAINTENANCE BOARD
TRUST FUND
3301 LAUREL CANYON RD
SANTA BARBARA CA 93105-2017

323637



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Please see the message towards the end of the statement (prior to Overdraft Line of Credit detail, if any) for important information about fee changes that may affect your deposit accounts.

Your Guaranteed Great Rate Money Market Detail Information

CACHUMA OPERATION AND MAINTENANCE BOARD Account Number: 871-849358-3
TRUST FUND Washington Mutual Bank, FA

Get a great certificate of deposit rate, without ever going to the bank! Visit wamu.com/onlinecd to open your Online CD today. Deposits at Washington Mutual are FDIC insured.

Your Account at a Glance

Beginning Balance	\$56,378.63	Interest Earned	\$75.99
Checks Paid	\$0.00	Annual Percentage Yield Earned	1.65%
Other Withdrawals	\$0.00	YTD Interest Paid	\$396.54
Deposits	+\$75.99	YTD Interest Withheld	\$0.00
Ending Balance	\$56,454.62		

Date	Description	Withdrawals (-)	Deposits (+)
06/29	Interest Payment		\$75.99

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

The above statement of investment activity for the month of June, 2007, 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 Washington Mutual Bank investments of this agency for the period indicated.

Kathleen A. Rees
Secretary

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comb2
Payment of Claims
As of June 30, 2007

Date	Num	Name	Memo	Split	Amount
1050 - GENERAL FUND					
6/6/2007	16124	A&J Tree		2200 · ACC...	-1,250.00
6/6/2007	16125	A.G.S. Rebuilders, Inc.	Replace battery '00a Chevy	2200 · ACC...	-128.46
6/6/2007	16126	Acorn Landscape Manage...	Monthly service	2200 · ACC...	-246.65
6/6/2007	16127	ACWA Services Corporati...	Jun EAP	2200 · ACC...	-47.46
6/6/2007	16128	AGRX		2200 · ACC...	-324.04
6/6/2007	16129	Aqua-Flo Supply		2200 · ACC...	-44.60
6/6/2007	16130	AT&T		2200 · ACC...	-239.14
6/6/2007	16131	Baron Erik Spafford	COMB 50th Anniversary photos	2200 · ACC...	-325.00
6/6/2007	16132	BEC Electric Contractors	Wiring/power panel-main trailer	2200 · ACC...	-2,997.30
6/6/2007	16133	Best, Best & Krieger, LLP	Crawford-Hall CEQA Apr services	2200 · ACC...	-14,089.99
6/6/2007	16134	Boyle Engineering Corp.		2200 · ACC...	-20,924.50
6/6/2007	16135	Business Card		2200 · ACC...	-963.93
6/6/2007	16136	C. Charles Evans	5/21 Reg mtg	2200 · ACC...	-132.85
6/6/2007	16137	Cedant Web Hosting		2200 · ACC...	-19.94
6/6/2007	16138	CIO Solutions, Inc.		2200 · ACC...	-1,587.96
6/6/2007	16139	City of Santa Barbara-Rec...	Recycle 4/30-5/31/07	2200 · ACC...	-7.20
6/6/2007	16140	City of SB-Refuse	Refuse 4/30-5/31/07	2200 · ACC...	-148.54
6/6/2007	16141	Coastal Copy	Monthly mtce KM5035 4/4-5/3/07	2200 · ACC...	-79.21
6/6/2007	16142	COMB-Petty Cash	Replenish petty cash	2200 · ACC...	-229.38
6/6/2007	16143	COMB - Revolving Fund	Jun 15 & 29, 2007 payrolls/taxes	2200 · ACC...	-105,919.04
6/6/2007	16144	Culligan Water	RO system Jun	2200 · ACC...	-20.95
6/6/2007	16145	Cushman Contracting Corp.		2200 · ACC...	-122,825.25
6/6/2007	16146	Das Williams	5/21 Reg mtg, 5/7 Fin mtg	2200 · ACC...	-264.04
6/6/2007	16147	DLT Solutions, Inc.	AutoCAD LT 2008 upgrade PO#8...	2200 · ACC...	-1,848.13
6/6/2007	16148	ECHO Communications	Answering service	2200 · ACC...	-60.00
6/6/2007	16149	Farwest Corrosion Control...	Denso profiling mastic PO#8732	2200 · ACC...	-1,086.32
6/6/2007	16150	Flowers & Associates, Inc.		2200 · ACC...	-3,013.67
6/6/2007	16151	GE Capital	Copier lease Billing ID#90133603...	2200 · ACC...	-427.77
6/6/2007	16152	Home Depot Credit Services		2200 · ACC...	-670.97
6/6/2007	16153	J&C Services		2200 · ACC...	-500.00
6/6/2007	16154	Jan Abel	5/21 Reg mtg	2200 · ACC...	-137.70
6/6/2007	16155	MarBorg Industries		2200 · ACC...	-1,598.16
6/6/2007	16156	Matt Loudon	5/21 Reg mtg, 5/7 Fin mtg	2200 · ACC...	-311.01
6/6/2007	16157	Milpas Rental	Chipper/goggles rental	2200 · ACC...	-202.22
6/6/2007	16158	Nextel Communications	Cellular 4/19-5/18/07	2200 · ACC...	-356.32
6/6/2007	16160	PG&E		2200 · ACC...	-328.40
6/6/2007	16161	Praxair Distribution	Cylinder rental	2200 · ACC...	-39.50
6/6/2007	16162	Quinn Company	Repair block heater hoses	2200 · ACC...	-1,019.74
6/6/2007	16163	Republic Elevator	Scheduled mtce	2200 · ACC...	-220.69
6/6/2007	16164	Robert Lieberknecht	5/21 Reg mtg	2200 · ACC...	-141.72
6/6/2007	16165	Safety-Kleen Systems, Inc.	Regular service	2200 · ACC...	-126.50
6/6/2007	16166	Santa Barbara Police Dep...	False alarm fee	2200 · ACC...	-50.00
6/6/2007	16167	Science Applications Inter...		2200 · ACC...	-11,157.83
6/6/2007	16168	Secorp Industries		2200 · ACC...	-1,745.00
6/6/2007	16169	Southern California Edison	Main ofc/outlying stations	2200 · ACC...	-874.08
6/6/2007	16170	Staples Credit Plan	Ofc supplies	2200 · ACC...	-390.01
6/6/2007	16171	State Compensation Insur...	Payroll report-May 2007	2200 · ACC...	-3,286.20
6/6/2007	16172	The Wharf		2200 · ACC...	-2,255.69
6/6/2007	16173	Underground Service Alert	47 new tickets	2200 · ACC...	-75.20
6/6/2007	16174	UPS	Lending library return/minutes boo...	2200 · ACC...	-24.01
6/6/2007	16175	Verizon Wireless	Cellular	2200 · ACC...	-201.47
6/6/2007	16176	Whetstone's Bookbindery	Bound COMB minutes book 2006 ...	2200 · ACC...	-144.55
6/6/2007	16177	McCormix Corp.	Diesel fuel	2200 · ACC...	-160.00
6/6/2007	16178	Prudential Overall Supply		2200 · ACC...	-406.95
6/6/2007	16179	Quinn Company		2200 · ACC...	-575.74
6/12/2007	16180	Acorn Landscape Manage...		2200 · ACC...	-3,358.00
6/12/2007	16181	Caterpillar Financial Servi...	Backhoe lease Contract #001-025...	2200 · ACC...	-1,294.06
6/12/2007	16182	CIO Solutions, Inc.		2200 · ACC...	-542.50
6/12/2007	16183	County of Santa-Barbara		2200 · ACC...	-53.47
6/12/2007	16184	Dell Marketing L.P.		2200 · ACC...	-1,764.56
6/12/2007	16185	Draganchuk Alarm Systems		2200 · ACC...	-79.00

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Payment of Claims
 As of June 30, 2007

Date	Num	Name	Memo	Split	Amount
6/12/2007	16186	Fed Ex Kinko's, Inc.		2200 · ACC...	-17.26
6/12/2007	16187	Orchard Supply Hardware		2200 · ACC...	-448.42
6/12/2007	16188	Paychex, Inc.		2200 · ACC...	-345.82
6/12/2007	16189	Reserve Account		2200 · ACC...	-600.00
6/12/2007	16190	Verizon California		2200 · ACC...	-366.75
6/19/2007	16191	ESRI		2200 · ACC...	-1,622.97
6/19/2007	16192	Federal Express		2200 · ACC...	-20.42
6/19/2007	16193	Fleet Fueling	Fuel/fuel cards	2200 · ACC...	-3,044.37
6/19/2007	16194	Lash Construction, Inc.		2200 · ACC...	-1,267.14
6/19/2007	16195	Nordman, Cormany, Hair ...		2200 · ACC...	-3,757.91
6/19/2007	16196	Smarden-Hatcher Co.		-SPLIT-	-119.21
6/19/2007	16197	Southern California Edison		2200 · ACC...	-18.19
6/19/2007	16198	Best, Best & Krieger, LLP		2200 · ACC...	-3,815.61
6/19/2007	16199	Verizon California		2200 · ACC...	-514.25
6/19/2007	16200	The Gas Company		2200 · ACC...	-8.76
6/20/2007	16201	Cox Communications		2200 · ACC...	-199.00
6/20/2007	16202	Mel Clayton Ford		2200 · ACC...	-971.85
6/25/2007	16203	Squidly's Car Wash	Vehicle wash/mtce	2200 · ACC...	-75.00
6/25/2007	16204	Robert Dunlap		2200 · ACC...	-159.10
6/25/2007	16205	Scott Selleck		2200 · ACC...	-56.52
6/26/2007	16206	Dan Segan		2200 · ACC...	-543.66
6/27/2007	16208	Santa Barbara Signs & Gr...		2200 · ACC...	-590.93
6/28/2007	16207	Santa Barbara Bank&Trust		2200 · ACC...	-14,965.26
Total 1050 · GENERAL FUND					-346,870.97
TOTAL					-346,870.97

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: July 23, 2007
TO: Members of the Board of Directors
FROM: Kate Rees, Interim General Manager
RE: **Annual Reorganization of the Board**

Recommendation:

1. Elect a Board President
2. Elect a Board Vice President
3. Appoint an ACWA/JPIA Representative and Alternate
4. Appoint a General Counsel
5. Appoint a Secretary of the Board, Treasurer and Auditor/Controller
6. Appoint an Assistant Secretary of the Board
7. Establish a Time, Place, and Date of Holding COMB Board Meetings

Discussion:

At the July 23, 2007 regular meeting, the Board must conduct as an item of business the annual election of new officers and appointment of executives to serve the Board.

1. Nominations for President
2. Nominations for Vice President

It is recommended that the Board take nominations for President and Vice President and elect two of its members to fill these positions. It is further recommended that the officers elected assume their responsibilities as of the adjournment of the July 23, 2007 Board meeting.

3. Appointment of ACWA/JPIA Representative and Alternate

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

4. Appointment of General Counsel

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

be very satisfactory. *It is, therefore, recommended that the Board affirm that the appointment of Nordman, Cormany, Hair and Compton as General Counsel shall continue, and that the retention agreement shall be reviewed at least annually in conjunction with the reorganization of the Board in July of each year hereafter.*

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

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

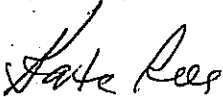
6. Appointment of Assistant Secretary of the Board

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

6. Establishment of Time, Place, and Date of Holding COMB Board Meetings.

The COMB Board meetings are currently held on the fourth Monday of the month, immediately following the CCRB Board meetings which begin at 2:15 P.M. at the COMB office. *It is recommended that the meetings be held at the same time, place, and location as present, or at the call of the President.*

Respectfully submitted,



Kate Rees
Interim General Manager

KR.COMB/board memos/072307_annual reorg.mmo

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PAGE 2

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: July 23, 2007
TO: Members of the Board of Directors
FROM: Kate Rees, Interim General Manager
RE: **Resolutions Nos. 455 - 463**

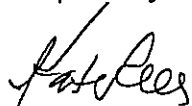
Recommendation:

It is recommended that the Board of Directors adopt Resolutions Nos. 455 through 463 as a group, by a roll call vote.

Discussion:

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

Respectfully submitted.



Kate Rees
Interim General Manager

KR.COMB/admin/board memos.072307_annual res Nos 455-463.mmo

ITEM # 5
PAGE 1

RESOLUTION NO. 455

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

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

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

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

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

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

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

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

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

The Secretary's Annual Statement of Investment Policy dated July 23, 2007 attached hereto as Exhibit A, is hereby approved and adopted.

PASSED, APPROVED AND ADOPTED this 23rd day of July 2007, by the following roll call vote:

AYES:
NAYES:
ABSENT/ABSTAIN:

President of the Board of Directors

ATTEST: _____
Secretary

ITEM # 5
PAGE 2

TO: Board of Directors
FROM: Kathleen A. Rees, Secretary
DATE: July 23, 2007
RE: **SECRETARY'S ANNUAL STATEMENT OF INVESTMENT POLICY**

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

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

rs/comb/resolutions/exhA45.doc

EXHIBIT A

ITEM # 5
PAGE 3

RESOLUTION NO. 456

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

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

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

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

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

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

This resolution supersedes Resolution No. 442 dated July 24, 2006, and all resolutions preceding it pertaining to said Agreement.

PASSED, APPROVED AND ADOPTED this 23rd day of July 2007, by the Cachuma Operation and Maintenance Board by the following roll call vote:

AYES:
NAYS:
ABSENT/ABSTAIN:

President, Board of Directors

ATTEST:

Secretary

ITEM # 5
PAGE 4

RESOLUTION NO. 457

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

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

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

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

President of the Board of Directors

Vice-President of the Board of Directors

General Manager/Secretary

This resolution supersedes Resolution No. 443 dated July 24, 2006 and all resolutions preceding it pertaining to authorized signatories for said account.

PASSED, APPROVED, AND ADOPTED this 23rd day of July 2007, by the following vote:

AYES:
NAYES:
ABSENT/ABSTAIN:

President of the Board

ATTEST:

Secretary

ITEM # 5
PAGE 5

RESOLUTION NO. 458

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

RECITALS

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

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

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

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

_____	_____	Kathleen A. Rees
(NAME)	(NAME)	(NAME)
President	Vice President	Gen.Mgr./Secretary
(TITLE)	(TITLE)	(TITLE)
_____	_____	_____
SIGNATURE	SIGNATURE	SIGNATURE

PASSED AND ADOPTED, by the Board of Directors of COMB, County of Santa Barbara State of California on July 23, 2007, by the following vote:

AYES:
NAYES:
ABSENT/ABSTAIN:

APPROVED:

[SEAL]

President of the Board

ATTEST:

Secretary of the Board

ITEM # 5
PAGE 6

RESOLUTION NO. 459

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

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

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

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

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

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

This resolution supersedes Resolution No. 445 dated July 24, 2006, and all resolutions preceding it pertaining to establishing policy for staff to sign checks for payment of claims.

PASSED, APPROVED AND ADOPTED this 23rd day of July 2007, by the following vote:

AYES:

NAYES:

ABSENT/ABSTAIN:

President of the Board

ATTEST:

Secretary

ITEM # 5
PAGE 7

RESOLUTION NO. 460

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

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

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

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

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Cachuma Operation and Maintenance Board that the following persons are authorized signatories on said account subject to those conditions as specified in Resolution No. 446 adopted by this Board on July 24, 2006.

President of the Board

Vice-President of the Board

Director

Director

Director

General Manager/Secretary

Administrative Manager

PASSED, APPROVED AND ADOPTED this 23rd day of July 2007, by the following vote:

AYES:

NAYES:

ABSENT/ABSTAIN:

President of the Board

ATTEST:

Secretary

ITEM # 5
PAGE 8

RESOLUTION NO. 461

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

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

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

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

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

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

This Resolution supersedes Resolution No. 447 dated July 24, 2006, and all resolutions preceding it pertaining to establishing policy for signing checks drawn on the Cachuma Project Trust Fund and Renewal Fund accounts.

PASSED, APPROVED AND ADOPTED this 23rd day of July 2007, by the following vote:

AYES:
NAYES:
ABSENT/ABSTAIN:

President of the Board

ATTEST:

Secretary

ITEM # 5
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RESOLUTION NO. 462

A RESOLUTION OF THE CACHUMA OPERATION AND MAINTENANCE BOARD AUTHORIZING SIGNATORIES FOR THE CACHUMA PROJECT TRUST FUND AND THE CACHUMA MASTER CONTRACT RENEWAL FUND ACCOUNTS AT WASHINGTON MUTUAL

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

WHEREAS, COMB has identified Washington Mutual (formerly Great Western Bank) as the most favorable institution with which to establish these accounts; and

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

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

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Cachuma Operation and Maintenance Board that the following persons are authorized signatories on said account subject to those conditions as specified in Resolution No. 461 adopted by this Board on July 23, 2007.

President of the Board

Vice-President of the Board

Director

Director

Director

General Manager/Secretary

Administrative Manager

PASSED, APPROVED AND ADOPTED this 23rd day of July 2007, by the following vote:

AYES:
NAYES:
ABSENT/ABSTAIN:

President of the Board

ATTEST:

Secretary

ITEM # 5
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RESOLUTION NO. 463

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

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

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

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

BE IT FURTHER RESOLVED that this Resolution supersedes Resolution No. 449 dated July 24, 2006 and all resolutions preceding it pertaining to establishing a time and place for COMB Board of Directors' meetings.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Cachuma Operation and Maintenance Board, State of California, on the 23rd day of July 2007, by the following roll call vote:

AYES:

NAYES:

ABSENT/ABSTAIN:

President of the Board

ATTEST:

Secretary

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**CACHUMA OPERATION AND MAINTENANCE BOARD
CACHUMA CONSERVATION RELEASE BOARD**

MEMORANDUM

DATE: July 23, 2007

TO: Board of Directors

FROM: Kate Rees, Interim General Manager
Janet Gingras, Administrative Manager

RE: **Appointment of auditor to Prepare Financial Statements and
Independent Auditor's Report for FYE June 30, 2007.**

RECOMMENDATION:

It is recommended that COMB engage Bartlett Pringle Wolf, LLP to perform the FYE 6/30/2007 audits for both COMB and CCRB.

DISCUSSION:

For the fiscal year ending June 30, 2006, staff requested proposals from four accounting firms to serve as COMB's and CCRB's outside auditor. After considering each proposal and the associated services carefully, Bartlett Pringle Wolf, LLP was chosen for the performance of our annual audit. Staff is extremely pleased with their resultant work product and prompt completion of the audit.

Bartlett Pringle Wolf, LLP submitted a competitive proposal of \$10,000 for each of the audits. There seems to be no compelling reasons to engage a new firm at this time. Therefore, we are recommending appointing Bartlett Pringle Wolf, LLP to serve as the outside auditor for FY ending June 30, 2007.

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PAGE 1

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: July 23, 2007
TO: COMB Board of Directors
FROM: Chuck Evans, President of the Board
RE: **COMB General Manager Position**

The COMB Board appointed Kate Rees as Interim General Manager in January 2006 while we were beginning an evaluation of a proposed reorganization of COMB and CCRB. We thought the reorganization would be completed quickly. That has not occurred. Now we understand that ID#1 does not want to further consider reorganization until after the State Water Board hearing decision. This was the original goal of the other partners in previous discussions – to not complete any reorganization until after the State Board decision. We know now that the State Water Board decision will take at least a year to accomplish and, if the past is any indication, it may be a lot longer than that.

It is recommended that we drop the Interim designation for the COMB General Manager position at this time, and make it a formal appointment. We will deal with reorganization and any resulting position changes when reorganization occurs.

I believe that there is a good deal of work for the General Manager of COMB and Manager of CCRB to accomplish over the next several months, and believe continuing the interim designation is no longer appropriate. It should also be noted that the interim General Manager has performed her duties in an outstanding manner, as stated by all five COMB Board members during her performance reviews during this interim period.

No changes in salary or benefits are proposed for the change from the interim designation.

It is noted that the COMB 2007-08 Budget has recently been approved, and the concerns of Santa Ynez ID#1 have been addressed.

Respectfully Submitted,

Chuck Evans

CACHUMA OPERATION AND MAINTENANCE BOARD WATER STORAGE REPORT

MONTH: **JUNE 2007**

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	356.50 Feet
Water in Storage	162.44 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	546.20 Feet
Water in Storage	533.56 Acre Feet

ORTEGA RESERVOIR

Capacity at 460' elevation:	65 Acre Feet
Capacity at outlet at elevation 440':	0 Acre Feet
Stage of Reservoir Elevation	450.10 Feet
Water in Storage	28.97 Acre Feet

CARPINTERIA RESERVOIR

Capacity at 384' elevation:	45 Acre Feet
Capacity at outlet elevation 362':	0 Acre Feet
Stage of Reservoir Elevation	376.70 Feet
Water in Storage	26.37 Acre Feet

TOTAL STORAGE IN RESERVOIRS

Change in Storage	588.89 Acre Feet
	1.02 Acre Feet

CACHUMA RESERVOIR

Capacity at 750' elevation:	188,030 Acre Feet
Capacity at sill of tunnel 660' elevation:	26,109 Acre Feet

Stage of Reservoir Elevation	737.96 Feet
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Water in Storage	154,264 AF
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Area	2,606
------	-------

Evaporation	1,652.5 AF
-------------	------------

Inflow	981.6 AF
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Downstream Release WR8918	0 AF
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Fish Release	461.4 AF
--------------	----------

Spill/Seismic Release	0 AF
------------------------------	------

State Project Water	982 AF
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Change in Storage	-4,578 AF
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Tecolote Diversion	3,307.8 AF
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06-07 ENTITLEMENT

CACHUMA OPERATION AND MAINTENANCE BOARD
 WATER PRODUCTION AND WATER USE REPORT
 FOR THE MONTH OF JUNE 2007 AND THE WATER YEAR TO DATE

(All in rounded Acre Feet)

			MONTH TOTAL			YTD TOTAL
WATER PRODUCTION:						
Cachuma Lake (Tec. Diversion)			3,308			21,849
Tecolote Tunnel Infiltration			51			1,274
Glen Anne Reservoir			0			0
Cachuma Lake (County Park)			11			52
State Water Diversion Credit			982			2,815
Gibraltar Diversion Credit			0			0
Bishop Ranch Diversion			0			100
Meter Reads			2,127			18,824
So. Coast Storage gain/(loss)			1			(28)
Total Production			3,370			23,175
Total Deliveries			3,110			21,711
Unaccounted-for			260			1,464
% Unaccounted-for			7.72%			6.32%
WATER USE:						
	GWD	SB CITY	MWD	CVWD	SYRWCD I.D. #1	TOTAL
M&I	496	1,064	77	146	11	1,794
Agricultural	145	0	54	134	0	333
TOTAL FOR MONTH	641	1,064	131	280	11	2,117
Same Mo/prev. yr	1,269	485	380	253	7	2,394
M&I Yr to date	6,859	6,569	1,382	1,023	51	15,884
Ag. Yr to date	1,741	0	243	950	0	2,934
TOTAL YTD	8,600	6,569	1,625	1,973	51	18,818
USAGE % YTD	59.5%	43.9%	44.5%	41.6%	3.6%	48.0%
Previous Year/YTD	7,897	4,048	2,074	1,615	47	15,681
Evaporation	0	14	0	1	0	15
Evaporation, YTD	58	199	6	44	0	307
Entitlement	9,322	8,277	2,651	2,813	2,651	25,714
Carryover	4,884	6,790	715	1,836	0	14,225
Carryover Balances Spilled YTD	0	0	0	0	0	0
Surplus^^	0	0	0	0	0	0
State Water Exchange^	446	297	297	199	(1,239)	0
Transfers*/Adjustment***	(90)	90	0	0	0	0
Passthrough H2O**	0	(54)	0	0	0	(54)
TOTAL AVAILABLE	14,561	15,400	3,663	4,848	1,412	39,885
REMAINING BALANCE	5,903	8,632	2,032	2,831	1,361	20,759

* GWD transferred 90.18 AF to City of Santa Barbara for LCMWC agreement.

** City relinquished 6 AF per "Passthrough" agrmt for June 2007 (No Passthrough during spill conditions).

State Water Deliveries for June to Lake Cachuma were MWD 345 AF; CVWD 0 AF

GWD 518 AF (Morehart 30 AF); City of S.B. 0 AF; and LaCumbre 56 AF: (Ratheon 33 AF).

^ Per SWP Exchange Agrmt GWD received 132 AF; MWD received 88;

City of SB received 88 AF; and CVWD received 59 AF from ID#1 in June 2007.

PERCENT OF WATER YEAR ELAPSED:

75.0%

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

MONTH	DELVRD TO LAKE	Delvd CVWD		Delvd MWD		Delvd S.B.		Delvd GWD		Delvd LCMWC		Delvd RSYS		Delvd MLC	
		to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC
2006															
Jan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Feb	111	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Apr	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
June	60	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	121	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aug	111	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	150	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	106	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
Total	759	0	0	0	0	0	0	0	0	0	0	0	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 CVWD		Delvd MWD		Delvd S.B.		Delvd GWD		Delvd LCMWC		Delvd RSYS		Delvd MLC	
		to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC
2007															
Jan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Feb	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mar	412	0	0	369	62.27	0	0	0	0	0	0	0	0	0	0
Apr	419	0	0	352	0.6	0	0	0	0	0	0	0	0	0	0
May	797	0	0	288	62.9	0	0	0	0	0	0	0	0	0	0
June	982	0	0	345	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	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
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2617	0	0	1354	0	0	1354	0	950	0	250	0	33	30	30

Operations Report – June 2007

Cachuma Project water usage for the month of June 2007 was 2,127 acre-feet, compared with 2,394 acre-feet for the same period in 2006. Cachuma Project water use for the 12 months ending 30 June 2007 was 26,987 acre-feet, compared with 24,181 acre-feet for the 12 months ending 30 June 2006.

The average flow from Lake Cachuma into the Tecolote Tunnel was 110 acre-feet per day. Lake elevation was 739.66 feet at the beginning of the month and 737.96 feet at the end. Recorded rainfall at Bradbury Dam was 0.00 inches for the month and 7.24 inches for the rainfall season, which commenced on July 1, 2006.

Santa Barbara wheeled 58 acre-feet of Gibraltar water through Lauro Reservoir during the month. 982 acre-feet of State Water Project water was wheeled through Cachuma Project facilities and delivered to South Coast Member Units during the month.

Over the last year the COMB Safety Committee has conducted site inspections of more than 20 facilities including all buildings and control stations associated with the Cachuma Project. Their goal is to identify safety hazards at these sites and monitor the progress for remedying the issues. The committee has completed their first round of inspections and COMB staff has begun to address the safety concerns. The first round of repairs is expected to be complete in July and the committee will begin the re-inspection of the sites and repairs made. Once the first round of repairs is completed, it is not anticipated for the committee to find many issues on their second inspection. The committee is expecting to complete the second round of inspections by the end of this year.

Miscellaneous work completed this month includes:

- Work continued on the COMB GIS system:
 - ESRI Conference Presentation Given June 21st
 - Collect, input, and correction of facilities data and points continued.
 - Integrate current filing system with GIS.
 - Create user friendly interface for GIS System.
- Work continued on the new flow-meter in the Carpinteria area of the SCC.
- Weed abatement with CDF continued this month with the cutting of brush at Lauro Reservoir.
- Staff attended Professional Association Pesticide Applicator seminar for continuing education requirements.
- Video inspection of Lateral 3A was conducted.

Routine operation and maintenance activities conducted during the month included:

- Sample water at North Portal Intake Tower
- Complete Maintenance Management Program work orders
- Read anode rectifiers and monitor cathodic protection systems
- Monitor conduit right-of-way and respond to Dig Alert reports
- Read piezometers and underdrains at Glen Anne, Lauro and Ortega Dams
- Read meters, conduct monthly dam inspections, and flush venture meters



Brett Gray
Operations Supervisor

CACHUMA RESERVOIR

DISPOSITION OF 2006 SURCHARGE WATER "FISH ACCOUNT" (UNOFFICIAL)

DATE	DESCRIPTION	FISH RELEASE AMOUNT (acre feet)	SURCHARGE BALANCE (acre feet)	PROJECT YIELD (acre feet)
5/31/2006	End of Spill Surcharge	9,200	9,200	
6/30/2006	June Fish Release	605	8,595	
7/31/2006	July " "	620	7,975	
8/31/2006	August " "	613	7,362	
9/30/2006	September " "	596	6,766	
10/31/2006	October " "	409	6,357	
11/30/2006	November " "	354	6,003	
12/31/2006	December " "	360	5,643	
1/31/2007	January " "	352	5,291	
2/28/2007	February " "	328	4,963	
3/31/2007	March " "	373	4,590	
4/30/2007	April " "	393	4,197	
5/31/2007	May " "	455	3,742	
6/30/2007	June " "	542	3,200	436
7/22/2007	July " "		3,200	802
	TOTAL		9,200	1,238

kr\comb\cachuma 2006 surcharge account 073107

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PAGE 1

CACHUMA OPERATION AND MAINTENANCE BOARD
MEMORANDUM

Date: July 18, 2007
To: Members of the Board of Directors
From: Brett Gray, Operations Supervisor



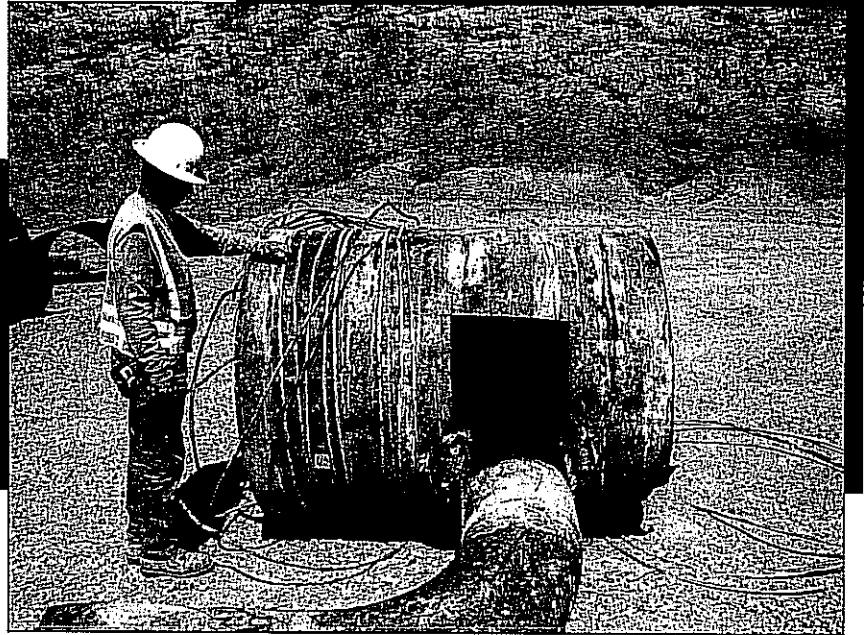
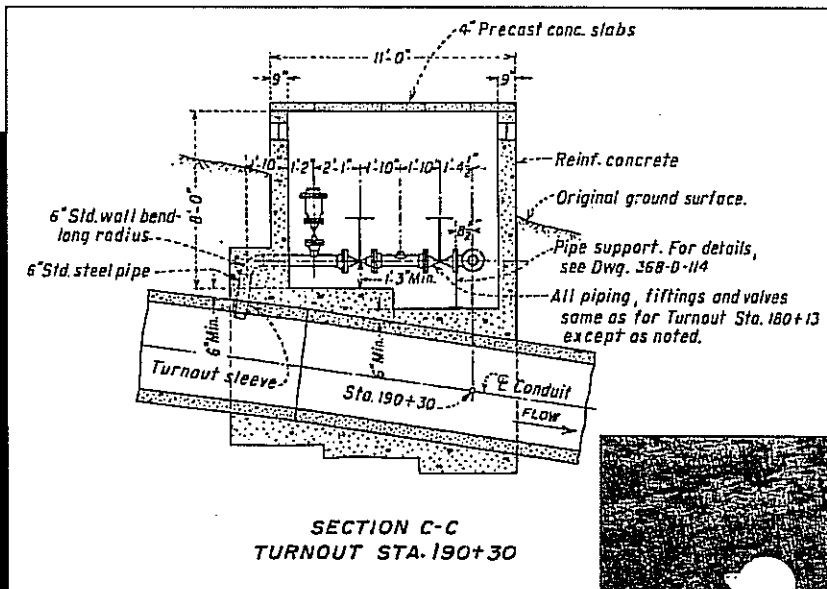
RE: Lateral 13 Project - Upper Reach SCC

Discussion: More than 20 years ago, Lateral 13 and 3A in the Upper Reach of the SCC were identified as areas of unusually high corrosion. As part of the CIP program of work, Lateral 13 and associated pipeline segments were removed from the SCC and replaced with new pipeline segments. Once the project was completed, we dissected and studied the pieces of removed pipeline for a better understanding of its construction and effects of corrosion. Through this study we determined that all lateral and blow-off piping were either originally constructed without lining or lining of poor quality. Ultimately, our knowledge now reveals the corrosion to be worse than expected. Because of these findings we did further exploratory work on Lateral 3A and found similar issues. We are reprioritizing work activities for the upcoming winter to start addressing some of the areas of higher corrosion and further investigation of the issues. We will be inspecting structures for this particular issue and doing additional visual inspections from the inside of the SCC. More details and information are attached in the following report on SCC corrosion.

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Cachuma Operations & Maintenance Board

3301 Laurel Canyon Road, Santa Barbara, CA 93105



PRELIMINARY SOUTH COAST CONDUIT CORROSION REPORT

July 17, 2007

ITEM # 9a

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By:

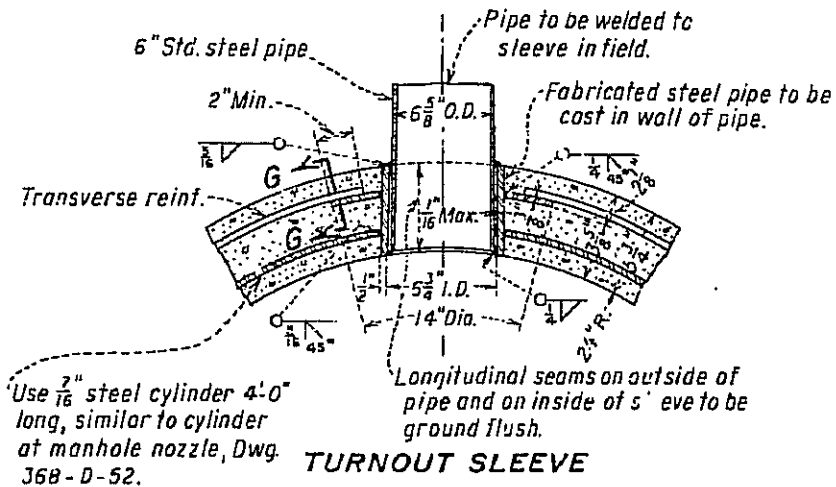
**FLOWERS &
ASSOCIATES, INC.**

In June of 2007 Vern Williams and Ric Craig of Flowers and Associates, Inc were asked to review the remnants of a repair of the South Coast Conduit (SCC) Lateral 13, an in-place Lateral 3A located at Sta. 180+13 and related construction plans to advise COMB on corrosion at those branch connections as part of a larger discussion regarding corrosion of branch connections on the SCC.

Lateral 13

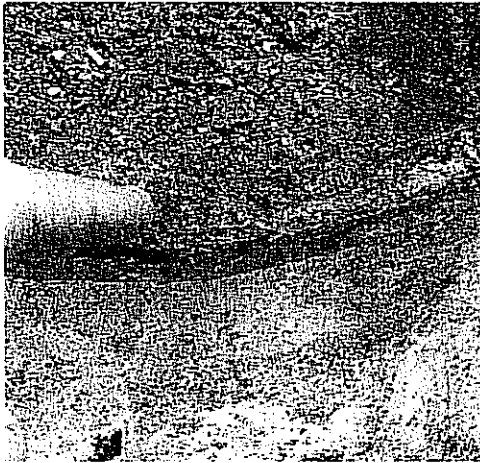
The original design for pipe sections that contain branch connections calls for incorporating a "turnout sleeve" into the assembly, into which the branch connection is installed by welding. Since a typical pipe section contains only a relatively thin (10-gage) steel liner between the internal and external mortar, a thickened cylinder (7/16" thick) is added to those spool sections to address any nozzle and/or piping loads that might need to be borne. The "turnout sleeve" which is a cylinder of the appropriate diameter for the branch connection is affixed to the thickened cylinder by one fillet weld on the external surface.

The design calls for a given branch connection to be welded to the turnout sleeve at two locations, per the graphic depicted below. One of those welds falls where the OD of the branch pipe mates with the external surface of the sleeve. The other weld is where the inboard end of the branch pipe mates with the inboard end of the turnout sleeve, which penetrates the 7/16" and 10-gage cylinders.



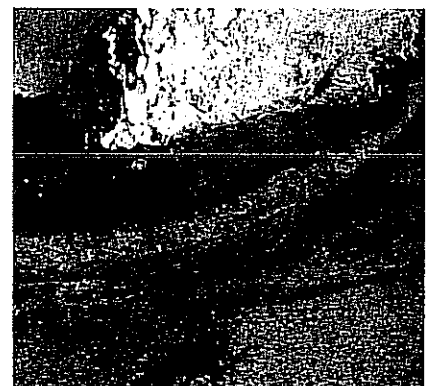
While both of those welds were intended to be "fillet" (triangular shaped) welds with a 1/4" effective throat thickness, wherever the branch spool length does not properly match the length/shape of the inboard end of the turnout sleeve, a less-effective partial penetration weld is the only way to mate the two surfaces. If the mating surfaces are (were) not properly prepped to ensure that a 1/4" effective throat would be developed, the net result is that the effective throat of the weld is much smaller than intended due to the inability to get adequate penetration. When that occurs, the resultant weld could fail prematurely.

While reviewing the inboard attachment weld inside Lateral 13, not only did we find evidence of a partial pen weld made where a fillet weld was called for, but that weld had at least one pinhole in it, which would create a potential leak path.



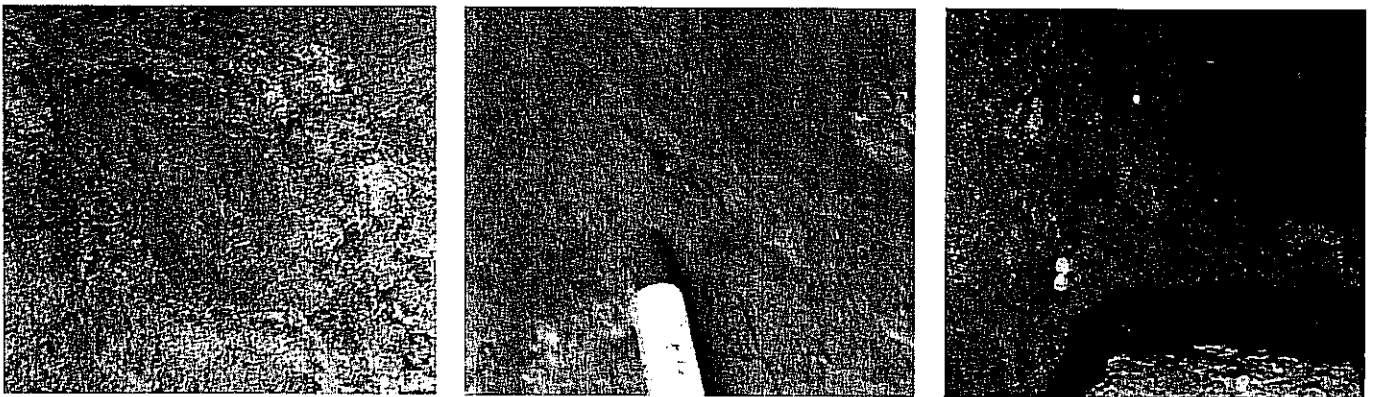
While the weld at the joint between the outboard surface of the turnout sleeve and the OD of the branch pipe provides a backup pressure boundary, inspection of that weld is not possible since in most cases, that joint is buried within the concrete associated with the "above-ground structure" into which the branch connection passes. As such, if both welds failed even partially, one would not be aware of it until the leak was detectable at the ground surface or by other indicators. Therefore, it is imperative that the primary (inboard) weld be in sound condition to avoid a failure under uncontrolled circumstances.

Something else that seems odd about the original design is that although both the thickened section cylinder and the bell/spigot fittings are (seal) welded to the 10-gage liner, no weld is specified for the joint where the turnout sleeve penetrates the 10-gage liner, which would allow water to enter the gap between the two cylinders at which point, pressure retention is dependent on the seal welds at the end of the thickened section (seal) weld.



During any future repairs/rework where the original turnout sleeve is reused, COMB may want to consider seal welding that joint, to provide another layer of leak protection in these spools.

Possibly a more significant issue than the configuration or condition of the weld at the root of the turnout sleeve is the general condition of the branch piping components. As evidenced in the Lateral 13 assembly, there are a number of areas on the apparently uncoated pipe with fields of pitting on the order of one-third to one-half of the wall thickness noted; there is also corrosive attack on the order of one-third the thickness on at least one of the butt welds mating the various piping components and in one particular spool section, there were two cases of thru-wall pitting, which means that the concrete coating was left to contain the water pressure.



Lateral 3A

Having noted the failed internal weld on the Lateral 13 branch connection, this weld was one of the issues COMB wanted to review during the inspection performed on the Lateral 3a structure, to see if it manifested the same problem.

In addition to our involvement in the inspection effort, Robert Dunlap of COMB had made arrangements for some fiber optic and digital camera equipment to be on hand, in the hope that those devices might better allow us to view the entire spool, which was on the order of 5 ft. in length.

- Due to an extensive amount of surface contamination and an angular offset in the line just before it attached to the conduit, none of the viewing equipment available to us provided the degree of information being sought.
- As such, we resorted to using a handheld mirror aided by a flashlight to perform as much of a visual inspection as we could, which significantly limited the amount of information we could gather, although we did see what appeared to be some internal pitting on the order of $1/3^{\text{rd}}$ the wall thickness. We understand that a mortar patch had been applied to the OD of the pipe at this location a number of years ago to address what was reported as being some significant external pitting. It may be only by chance that the ID and OD pitting have occurred in different areas of the pipe.

- Although our unaided vision limited what could be detected, we did see a fair amount of pitting throughout the ID of the pipe as well as quite a bit of tuberculation related to the corrosion of what looked to be uncoated carbon steel, which could easily be masking other indications.

It was resolved that the corrosion evident at Lateral 3A could easily have produced the degree of deterioration found on Lateral 13 or worse, potentially leading to a pipe wall failure at this location.

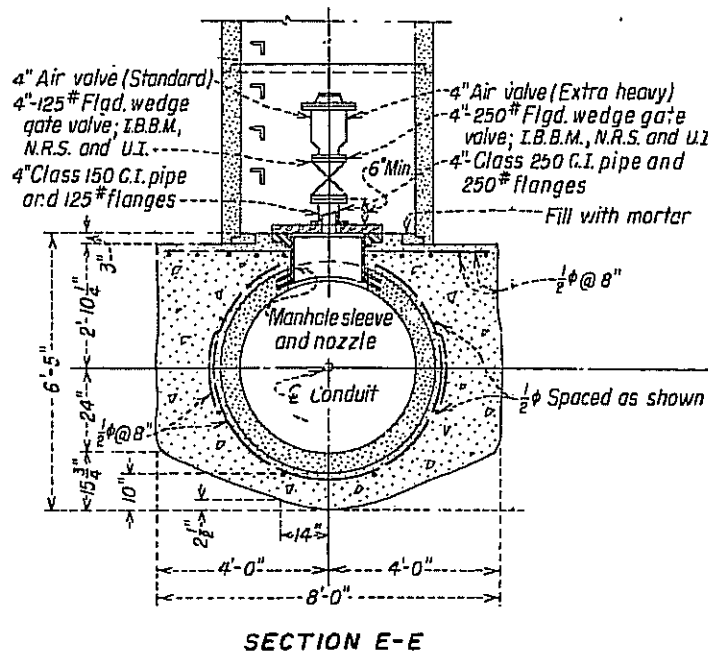
General Investigation

It came to light during our involvement in these activities from discussions with COMB staff members that these are only two of 100-plus branch connections in the system, the bulk of which have never been inspected during their service life of more than 50 years.

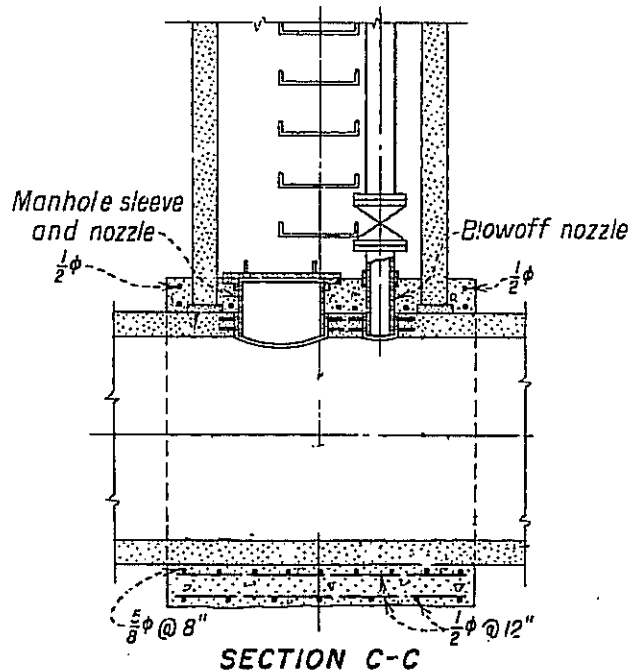
We were informed that the Lateral 13 and 3a connections were not typical of the bulk of the SCC lateral connections and were provided several other design drawings which reportedly show all of the configurations present.

Generally, the branch connections in the system fall into one of three different configurations:

1. Branch spools that are primarily AVARs mounted on 20" manhole covers which allows for independent inspection and servicing of the branch spool, as well as access to the interior of the conduit. This type of connection is depicted in Section "E-E" on Dwg. 368-D-00054

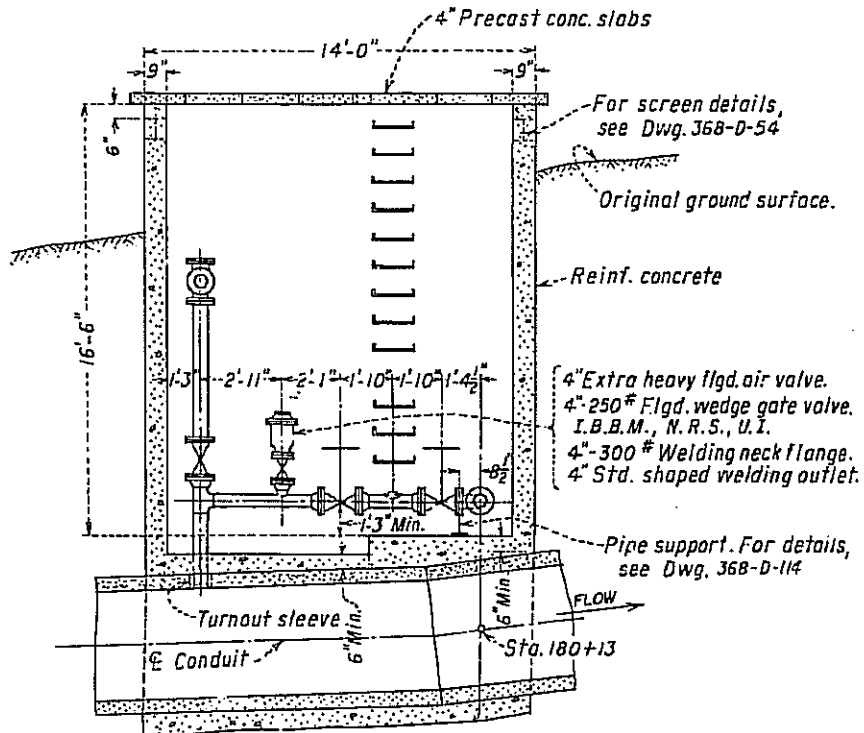


2. Branch spools that are installed through the wall of a conduit spool by use of a shop-fabricated "turnout sleeve" which is affixed in place by a weld on the ID and OD of the interface joint. Generally speaking, this type of connection is mounted adjacent to a 20" manhole, which would provide the access required to conduct a detailed visual inspection of the branch connection from the ID of the conduit. This type of connection is depicted in Section "C-C" on Dwg. 368-D-00054.



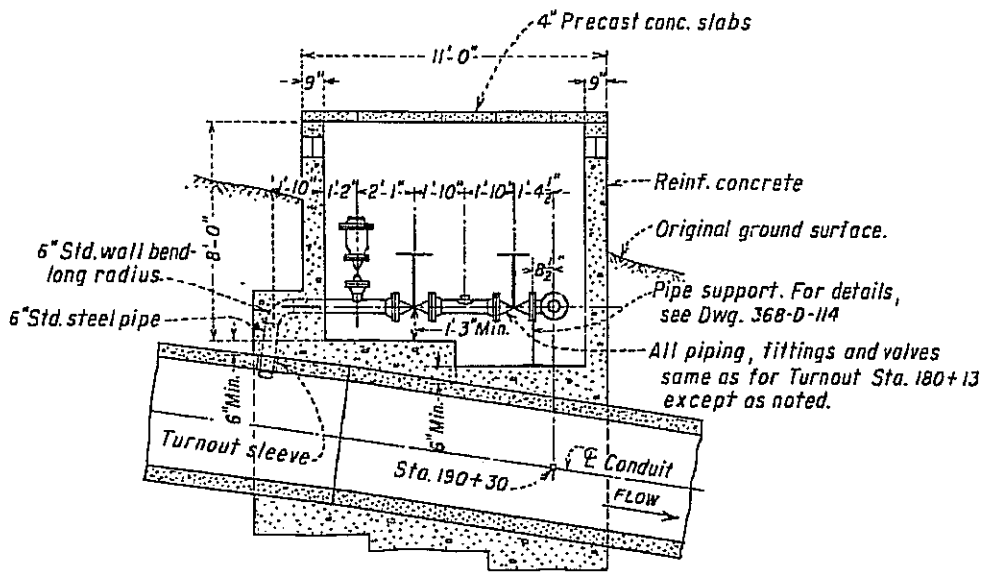
3. Branch spools that are installed through the wall of the conduit spool in the same manner as indicated above, however, where access to the interior of the conduit is not provided in the immediate vicinity. Laterals 13 and 3a both fall into this category. While Lateral 3a allowed us some access to perform a limited visual inspection, the restricted ID (<6") and offset angle included in that branch connection precluded the use of power tools to prep the surface for a more detailed inspection.

This type of connection, which apparently represents only a small fraction of the service connections throughout the pipeline is depicted in Section "A-A" on Dwg. 368-D-00063.



SECTION A-A
BLOW-OFF AND TURNOUT STA. 180+13

A connection similar to this, except that the piping is routed horizontally through the vault before dropping into the conduit through an elbow is depicted in Section "C-C" on Dwg. 368-D-00063.



SECTION C-C
TURNOUT STA. 190+30

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Conclusions

There is a program in place to inspect and rework as necessary, the types of branch connections described in Item 1 above. We recommend prioritizing these repairs relative to the other branch types and formalizing a repair schedule.

COMB Staff has inspected several of the connections described in Item 2 above. Since the bulk of them appear to lie in the southern section of the pipeline, isolation of the related pipe sections is a problem. In at least one case with a configuration similar to this, COMB staff "installed a 5"Ø pre-painted carbon steel liner" into the existing branch connection by welding the flange on the ID end of the liner to the internal face of the "turnout sleeve." At the external end of the connection, seal welding it to the ID of the pipe or installing a companion flange would be reasonable options. With some additional investigation to confirm competence of the material at the nozzle connections, we could recommend using a similar "lining" replacement on other connections where access to the ID of the conduit is readily available. We would likely recommend consideration of a stainless steel spool piece where a liner is used, which would eliminate the need for extensive coating repairs after welding. Protection of the dissimilar metal in the weld bead upon completion of welding the liner to the turnout sleeve could be accomplished by using a fast-drying product like Aquatapoxy upon completion of the repair work, to reduce the amount of time required to complete the rework.

Rework of the connections described in Item 3 above is much more problematic as easy access is generally not available. Before we can move forward with a proposal on how to address the repairs, we need to:

- Determine exactly how many of each type of branch connection exist and where they are located along the pipeline;
- Determine which branch connections can be effectively isolated with block valves, and which would require more creative means for gaining interior access;
- Determine if there are any extenuating circumstances at each location (property lines, adjacent facilities and/or waterways, etc.) that might dictate that a special repair approach/method be devised for that particular location, unique from any approach we might come up with which might be termed a "standard fix" for that configuration.

We will continue to investigate means of determining the condition of this type of connection including non-destructive examination (NDE) test methods that might allow for some connections to be tested from above ground, before any internal access is necessary. Also we are investigating methods of repair that would be less costly than the complete conduit spool replacement approach used at Lateral 13.

* * * * *

W.O. 0470
July 17, 2007

We strongly recommend additional timely investigation of the condition of all laterals and formulation of a plan and schedule for their repair as necessary. Concurrently we recommend inspection of the conduit barrel condition adjacent to any branch connections. Even though failures there are less likely, they could be far more destructive.

Please contact the undersigned with any further questions or discussion of this topic.

Flowers & Associates, Inc.

By _____
Vernon E. Williams, P.E.
Vice-President

By _____
Richard G. Craig
Project Engineer



**Santa Barbara Countywide
Integrated Regional Water Management Plan
Cooperating Partners Meeting
Thursday, June 21, 2007
9:00 am – 12:00 pm**

Location: County Employees University, 267 Camino del Remedio, Santa Barbara

Directions: Hwy 101 north to El Sueno exit; Left at stop sign onto Calle Real; turn
Right on Camino del Remedio; immediate left into lot;

Hwy 101 south to Turnpike exit; left on Turnpike; turn Right at light on Calle Real;
Left onto Camino del Remedio.

Conference call phone: 1-877-873-8016 and participant code 861785

DRAFT Agenda

- 9:00 Welcome and introductions
- 9:10 Public comments for items not on the agenda
- 9:15 Approval of minutes from May 14th, 18th and 29th meetings

- 9:30 **IRWMP approvals:** County BOS action on 6/19
 - Need copies of other Boards' approval actions

Consultant Tasks under contract amendment

- Status of funding
- Agree on scope of work and schedule

Prop 50 Step 1 Submittal to State

- Agree on schedule, tasks & process

Preparing for Step 2 Grant Application

- Discuss Tasks & Schedule
- New MOU: Discuss who will draft; who will participate
- Consultant role: Scope of work; Funding
- Lead agency for Step 2 grant application

Lead Agency for Grant Implementation

- for State contract for implementation, admin & oversight

11:45 **Next Steps:**

- Need meeting hosts: weeks of 7/9-13, 7/30-8/3; and 8/20-24 ?
- Begin Prop 84 planning: Form sub-committee?

12:00 Adjourn

DRAFT Meeting Minutes
Santa Barbara Countywide
Integrated Regional Water Management Plan
Cooperating Partners Meeting

June 21, 2007
9 am -12 pm

Location: County Employees' University, 267 Camino del Remedio, Santa Barbara

Attendees

Cooperating Partners

Robert Almy, Santa Barbara County Water Agency; Jeff Dameron, La Cumbre Mutual Water Company; Len Fleckenstein, SB County Water Agency; Gary McFarland, Goleta Water District; Autumn Malanca, City of Santa Barbara Creeks Division; Bill Ferguson, City of Santa Barbara, Water Resources Division; Mary Martone, Santa Ynez River WCD, ID #1; Kate Rees, Cachuma CRB and COMB; Bruce Wales, Santa Ynez River WCD; Joe Barget, Vandenberg Village CSD; Teresa Reyburn, City of Santa Maria; Tully Clifford, City of Solvang; Bob McDonald, Carpinteria Valley WD; Marty Wilder, Laguna Sanitation District; Mike Riley, Mission Hills CSD.

On the Conference Call

Craig Murray, Carpinteria Sanitary District;

Others Present

Shruti Chandra, Santa Barbara County Water Agency/Dudek; Kathy Caldwell, CH2MHILL.

Proceedings

The meeting was called to order at 9:10 by Rob Almy.

There were no public comments for items not on the agenda.

The minutes from the Cooperating Partners meetings of May 14, May 18 and May 29, 2007 were approved and adopted as written, with one correction by Jeff Dameron for flow data for La Cumbre's project, as represented in the minutes for May 14.

IRWMP Approvals

The City of Santa Maria, Santa Barbara County, Goleta WD, Vandenberg Village, and the Santa Ynez River WCD have approved the IRWMP.

Goleta West Sanitary should approve the IRWMP shortly. The Plan is scheduled for adoption on Tuesday, June 26, 2007 by the City of Santa Barbara. COMB and CCRB are expected to approve the IRWMP on Monday, June 25, 2007. Mission Hills will approve it in July. We need most of the approvals to take place by August 1st. The Partners were

reminded that the County needs to receive copies of the resolutions as soon as possible after they are approved.

Funding for Projects Underway

Rob Almy spoke with Tracie Billington regarding on-going projects such as the Vandenberg Village CSD Wastewater Treatment Plant project. We need to find out how much the previously expended funds count towards the matching funds. Guidelines say that funds can only be used for work that was already performed. VVCSD is asking for the last portion of funding rather than first.

Consultant Tasks Under Contract Amendment

Rob Almy reported that the County Board has approved the contract amendment with CH2MHill for submitting the IRWMP to the State as part of the Prop 50 step 1 application.

Sufficient payments or commitments from Coop Partners have been received by the County to cover the costs of CH2MHill's work on developing the Step 1 application and a workplan for the Step 2 process. Thus, the team continues to be intact for another month and a half to get through Step 1, with its August 1 deadline for submittal.

CH's scope of work has been circulated to the Partners. County Water Agency staff have regular conference calls with the consultants on Monday morning at 9:30 AM if anyone is interested in joining the discussion.

Prop 50, Step 1

In our step 1 application, we need to tell DWR the total dollar amount of projects and the total dollar match. Much of the work for Step 1 is going to be explaining how our Plan and projects meet the guidelines.

On July 10 and July 12th DWR and SWRCB are holding 2 workshops on the Step 1 application process. The first is July 10 in Sacramento; the second is July 12 in Riverside. Kathy Caldwell and Rob Almy will attend the workshop in Riverside.

Kathy Caldwell summarized the Step 1 process. The 1st Draft will be sent to the Partners during the week of July 9th and then discussed at our July 16th meeting. This schedule will require everyone to contribute information very quickly regarding matching funds, and regarding coordination with other agencies specific to your proposed projects. The key agencies that you may have coordinated with already could include DWR, RWQCB, SWRCB, Bureau of Reclamation, California Department of Fish & Game, etc.

For step 1, we also need to focus on how we frame the major water issues, especially how we address the governance issue.

IRWMP in Other Southern California Regions

Kathy Caldwell suggested we should re-convene discussion among the 3 regions that are part of the Southern California area for Prop 50 funding, so that we can address how to tackle the issue of funds available. It is still unclear how much will be available to the various groups. Rob Almy agreed to set-up a time to talk with the other Regions.

ITEM # PO

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Preparing for Step 2 Grant Application

Kathy Caldwell: looking ahead to Step 2 process, it is a very complicated grant application and the earlier you get started, the better it will be for the Partners. All the various components of the step 2 application are onerous.

Kate Rees and Teresa Reyburn- The Partners' work on Step 2 should begin as soon as possible -- before we find out the outcome of the State's review of the Step 1 application.

Gary McFarland- We also need to know (1) an estimate of funding necessary to develop the Step2 application; and (2) the probability of being asked back for Step 2.

Rob Almy- We need to understand from CH2 how much Step 2 will cost the group.

Lead Agency for Grant Applications and Administration

Rob Almy- A near term project is an MOU for on-going IRWM coordination, especially for the Step 2 application and possibly including Prop 84 work. The most important thing that I got out of my meeting with DWR and SWRCB is that the State agencies want to know how we are going to implement the Plan. We have little time to spare between step 1 and step 2 applications.

Gary McFarland- The County, especially the Water Agency, is best equipped to handle coordination of the Step 2 process. We should hold a meeting of the Partners and County managers to convince the County that they need to take the lead. We need to present the historical role that the Water Agency has played and how it is the most logical entity as part of governance. We have to explain to the County that the State is pushing this down on local government.

Rob Almy- The County staff first needs to have conversations with County management, and particularly the CEO office, about whether the County should be a part of Step 2 as they have been so far. The administrators are not convinced that the County should play the lead role. There is concern about the appropriate County role and partly there is a philosophical issue with respect to smaller vs. bigger government.

Len Fleckenstein- Beyond role of government and staffing issues, there are other concerns related to the County's long-term commitment and to the degree of responsibility and accountability for project implementation.

Bruce Wales- You can go to the County Water Agency Code to see how the Water Agency would be a logical fit for a leadership role on Prop 50 and 84. Also, rather than forming a new entity we are utilizing an existing entity. This is a better approach because we are not forming an additional bureaucracy.

Tully Clifford- Put forward a motion to support the County Water Agency as lead for the remaining IRWMP and Prop 50 grant process, based on the Water Agency's historical role, and on the governance components of the MOU for the IRWMP.

Bob McDonald- Seconded the motion.

Motion passed unanimously.

Rob Almy- If you wish to communicate with County officials, it would need to happen quickly, because the Partners collectively need to make some decisions regarding Step 2.

SubCommittee on an MOU

The Partners agreed to form a Subcommittee to address an MOU and governance issues. The Subcommittee members will be Kate Rees, Bruce Wales, Bill Ferguson, Joe Barget, Gary McFarland, Rob Almy and Teresa Reyburn. Kate Rees will take the lead on planning a meeting with County managers. The Subcommittee will convene immediately after conclusion of today's Cooperating Partners meeting.

Kate Rees- A new MOU or a possible amendment that takes you through Prop 50 may make sense; or maybe we should have one MOU that includes the transition to Prop 84. This would show the State that we have a long-term intention to keep things moving forward.

Kathy Caldwell- It might be good to look at Malcolm Pirnie memo which details the lessons learned related to governance structure and decision making from other IRWMP regions. Shruti Chandra will re-circulate Malcolm Pirnie memo to Partners

Next Meetings

The next few meeting are scheduled as follows: July 16th and July 25th. The location for the July 16th meeting is to be determined, but the meeting on July 25th will be in Santa Maria.

Meeting was adjourned at 10:45am.

Notes - - Draft

**MOU and Governance Sub-Committee
for Santa Barbara Countywide IRWMP**

**June 21, 2007
11 AM -12 PM**

Meeting Location:

County's Employee University, 267 Camino Del Remedio, Santa Barbara

Attendees:

Robert Almy, SBCWA; Len Fleckenstein, SBCWA; Bill Ferguson, City of SB;
Gary McFarland, GWD; Kate Rees, CCRB and COMB; Bruce Wales, Santa Ynez
RWCD; Joe Barget, Vandenberg Village CSD; Teresa Reyburn, City of Santa
Maria;

The following issues need to be addressed in relation to governance:

The Current MOU

1. IRWMP
2. Cost Share
3. Voting

Issues/Principles

1. Preparation of Step 2
2. Contract with CA
3. Scheduling/Facilitation
4. Contract with consultant
5. Reporting & Administration of the contract
-Steering Committee
6. Cost/Labor sharing
7. Data Management

Prop 84 Process/Guidelines

1. Central Coast Cost Share/Decision Making
2. Review and Revise IRWMP
3. Contract with consultant
4. Prop 84 Process & Application
5. Project Selection process/Cost Share
6. Represent Area in Central Coast Region
-Contracting/Admin of Grants
-Subcontractors-> Pass through
-Program Oversight
-Each Project- City, Districts
- Project Responsibility

Reasons for the County Water Agency to take the lead role:

- + Regional Entity
- + Range of Powers
- + Range of Historical Responsibilities
- + Avoids a new Government entity
- + State is pushing responsibilities downward
- + No other alternative authority/responsibility

Issues likely of concern to the County

- New Costs to County
- Limited Staffing available
- New Responsibilities
- Unknown Scope/Commitment
- Bigger gov't role
- Onerous admin role: County may require sub-contract for each project

Project owners will have to front money because State takes a long time to pay.

Long-term tracking and IRWMP Updating

- Project/program management/oversight?
- Data Mgmt per State requirements
- Manage FTP Site, Intranet, Website,
- Standard Reporting to State: financial and project status
- IRWM Plan revision

Topics for Discussion with the County:

What – Prop 50/84

Why- Regional Administration Needed

How- What Actions?

Who- County, Districts and Cities

When- ASAP

**Santa Barbara Countywide
Integrated Regional Water Management Plan
Cooperating Partners Meeting**

Monday, July 16, 2007

9:00 am – 12:00 pm

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

Directions: Hwy 101 to Rte 246; west on 246 about 1/3 mile; left on Industrial Way;
Please park on street - - not in the lot.

Conference call phone: 1-877-873-8016 and participant code 861785

Agenda

- 9:00 Welcome and introductions
- 9:10 Public comments for items not on the agenda
- 9:15 Approval of minutes from June 21 meeting

- 9:30 **Feedback from State's 7/12 Workshop on Prop 50 Step 1**
- Kathy Caldwell, Rob Almy, others?

Communications among Southern California Regions
- Outcome of 7/2 conf call; Status of other So. Cal. Regions

Draft Application for Step 1

- Kathy Caldwell: Overview of contents
- Coop Partners discussion/comments
- Key issues:
 - o Copies of IRWMP approval resolutions
 - o Contacts information
 - o Letters of support
 - o Lead agency

Step 2 Application Process:

- Project Eligibility Review
- Draft cost estimate/range for discussion
- Process issues: Board(s) approval(s) to apply
- MOU for Step 2: Subcommittee mtgs: 7/?? ; & 7/24 (w/ County)

DWR's California Water Plan Update 2009

- Monday, July 23 ; 10am-3pm
- County Employees Univ., 267 Camino del Remedio, Santa Barbara
- Participation? Relate to IRWMP? Comments?

- 11:45 **Next Meeting:** Wed., 7/25, 9:30am, City Hall, Santa Maria
- August meeting: Week of Aug 20-24? Who can host on So Coast?

12:00 Adjourn

ITEM # 10
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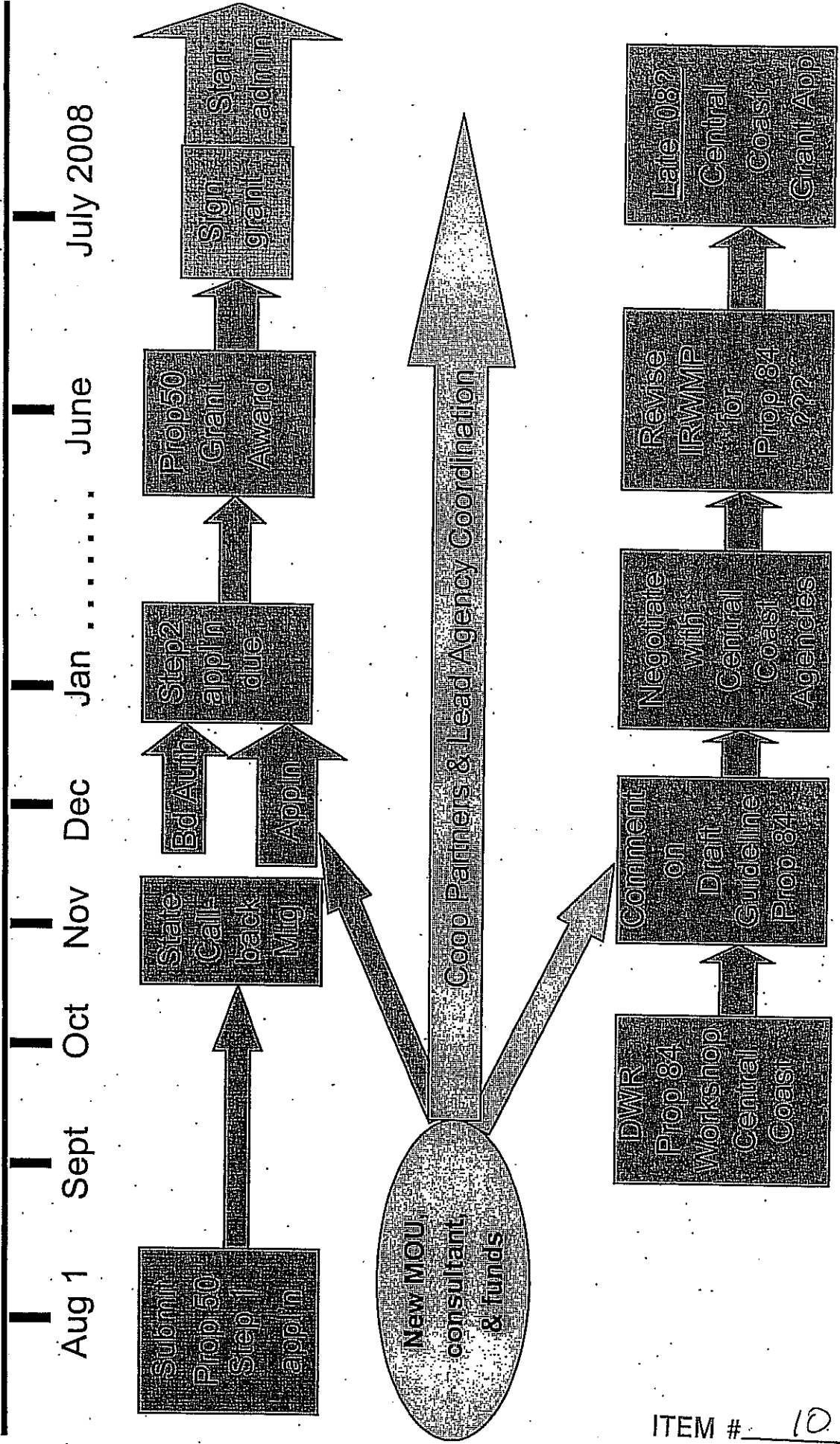
IRWMP Projects
 For Prop 50: Round 2, Step 1 Submittal
 Revised 5-30-07

FILE: IRWMP
 ↳ ROUND 2 PROJECT LIST

Santa Barbara Countywide Project List for Prop 50, Round 2, Step 1
 DRAFT rev 6-4-07

	Project	Total Cost \$ M	Grant Request \$M	Match Amount \$ M	Match as % of total
1	Cuyama WWTP Effluent Disposal	0.500	0.500	---	0%
2	Cuyama-Water Tower Repair	0.200	0.200	---	0%
3	Casmalia Pipeline/Tank	0.750	0.750	---	0%
4	Agr Comm: Arundo Eradication	0.150	0.100	0.050	33%
5	Goleta WD: ASR Well Rehabilitation	1.0	0.400	0.600	60%
6	La Cumbre Mutual- Blended Irrigation	0.500	0.250	0.250	50%
7	Vandenberg Village - WWTP Upgrade	16.5	4.0	12.5	76%
8	COMB So.Coast Conduit 2 nd Pipeline, Upper Reach	10.0	4.0	6.0	60%
9	Laguna Sanitation - Phase II WWTP	2.5	0.625	1.875	75%
10	Santa Maria- WWTP	20.0	5.0	15.0	75%
11	Guadalupe WWTP Improvements	8.25	4.75	3.5	42%
12	Carpinteria Sanitary: Bluffs Sewer Relocation	2.5	1.25	1.25	50%
13	Goleta Sanitary: Fairview Sewer Line	3.0	1.5	1.5	50%
14	Carpinteria Valley WD ASR Well, Trans'n Main	3.0	2.0	1.0	33%
15	Santa Maria R. Levee Reinforcement (Design)	0.300	0.200	0.100	33%
=>	===> Total ==>	69.15	25.525	43.625	63%
	S Ynez River WCDID#1 Gallery Well Filter	2.717	2.47	0.247	10%
	City of Santa Barbara- Lower Mission Cr Rehab	5.0	2.5	2.5	50%
	Solvang- Well Filter	1.782	1.62	0.162	10%

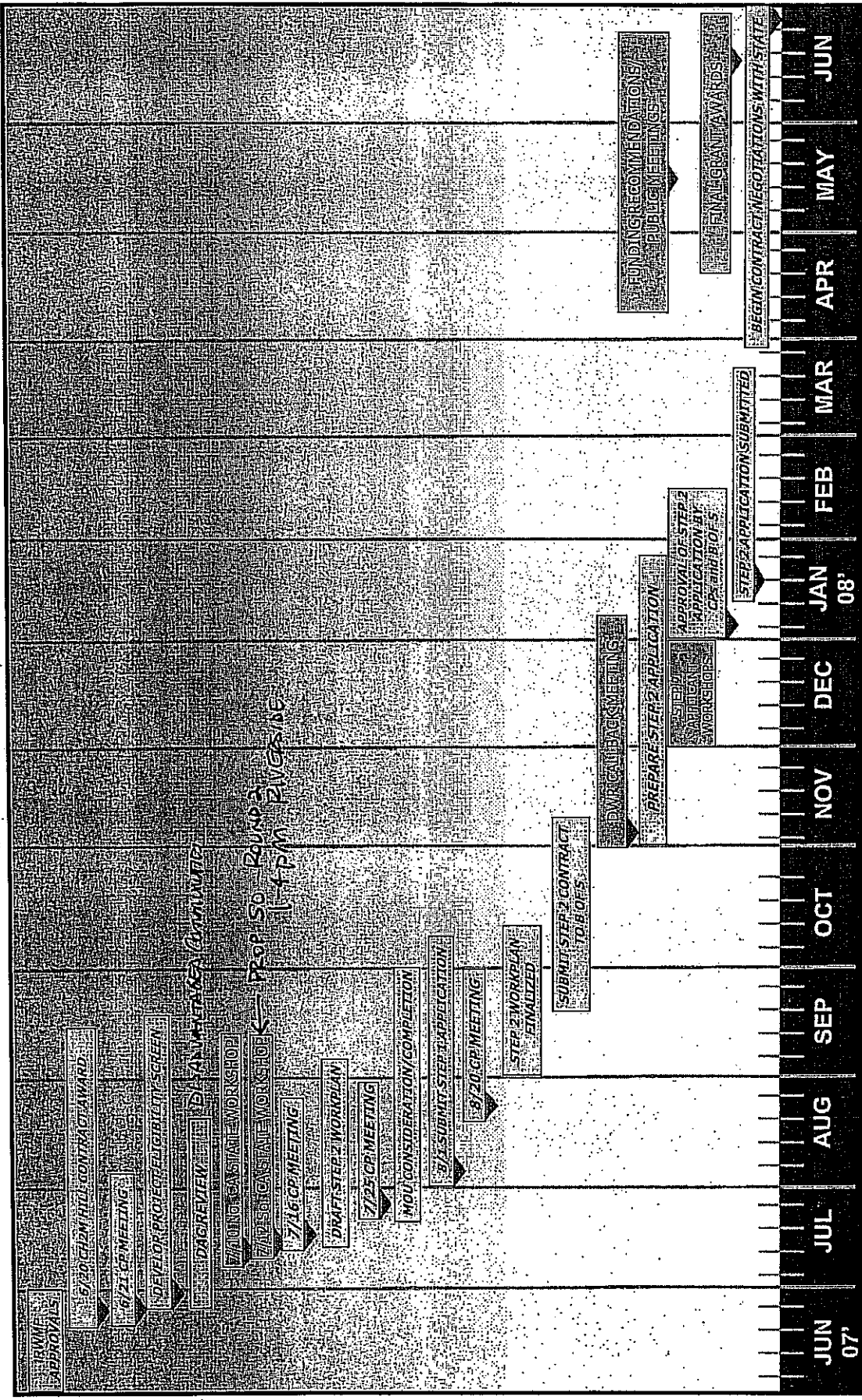
Prop 50 & Prop 84 Timelines



THE IRWMP
 SCHEDULE - ROUND 2
 GRANT APPL

Proposition 50 Grant Application Schedule for Santa Barbara Countywide IRWMP Partners Round 2

DRAFT



June 15, 2007

SANTA BARBARA ACTIONS

DWR/SWRB ACTIONS