

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

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

Monday October 27, 2008

Approximate Start Time
3:00p.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
 - September 22, 2008 Regular Board Meeting
 - b. Investment of Funds
 - Financial Reports
 - Investment Reports
 - c. Payment of Claims
4. **SHAWN O'CALLAHAN'S SECOND PLACE WINNER OF OPFLOW GIMMICKS & GADGETS CONTEST** (*5 minutes*)
5. **CAPITAL IMPROVEMENT PROGRAM/BOND ISSUANCE** (*30 minutes*)
 - a. Presentation by Doug Brown, Bond Counsel
 - b. Recommendation Regarding Hiring a Financial Advisor
6. **REPORTS FROM THE MANAGER** (*10 minutes*)
 - a. Operations Report
 - b. 2008 Surcharge Accounting
 - c. Bradbury Dam Reservoir Operations Risk Analysis Meeting, October 6-10, 2008, Denver, Colorado
 - d. Upper Santa Ynez River Operations Agreement – Election to Commence Pass Through Operations
 - e. **Verbal Report** – Update on COMB/CCRB Comments on Draft Cachuma RMP/EIS

- f. Lauro Debris Basin Progress Report
 - g. **Verbal Report - Cachuma Reservoir Current Conditions**
 - h. COMB Electronic Distribution of Board Packages at www.cachuma-board.org
7. **SANTA BARBARA COUNTY'S INTEGRATED REGIONAL WATER MANAGEMENT PLAN PROP 50 GRANT ACTIVITIES** (10 minutes)
 - a. IRWMP Project Participant Meeting, October 14, 2008
 - b. Consider Resolution No. 476 to Enter Into a Proposition 50 IRWM Subgrant Agreement with Santa Barbara County Water Agency
 - c. Consider MOU for Administration of Santa Barbara Countywide Proposition 50 Grant Funding and Reporting
 8. **RESULTS OF 2008 LAKE CACHUMA BATHYMETRIC SURVEY** (5 minutes)
 9. **RECONSIDERATION OF QUAGGA MUSSEL COST SHARING PROPOSAL** (5 minutes)
 10. **CONSIDER MOU BETWEEN COMB AND CCRB REGARDING THE COASTAL CONSERVANCY'S GRANT AGREEMENT WITH CCRB FOR QUIOTA CREEK FISH PASSAGE PROJECT AT CROSSING 6** (See CCRB Item 8) (2 minutes)
 11. **CONSIDER PARTICIPATING IN SANTA BARBARA HISTORICAL MUSEUM'S HISTORIC SANTA BARBARA: AN ILLUSTRATED HISTORY** (5 minutes)
 12. **DIRECTORS' REQUEST FOR AGENDA ITEMS FOR NEXT MEETING** (5 minutes)
 13. **MEETING SCHEDULE**
 - November 24, 2008 following CCRB at 2:15 P.M., COMB Office
 - Availability of Board Packages on COMB Website www.cachuma-board.org
 14. **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, September 22, 2008

1. Call to Order, Roll Call

The meeting was called to order at 3:42 p.m. by President Chuck Evans, who chaired the meeting. Those in attendance were:

Directors present:

Chuck Evans	Goleta Water District
Das Williams	City of Santa Barbara
Jan Abel	Montecito Water District
Bob Lieberknecht	Carpinteria Valley Water District

Others present:

Kate Rees	William Hair
Chip Wullbrandt	Janet Gingras
Charles Hamilton	Brett Gray
Tom Mosby	Alex Keuper
Chris Dahlstrom	David McDermott
Gary Kvistad	Rebecca Bjork

2. Public Comment

There were no comments from the public.

3. Consent Agenda

a. Minutes:

August 25, 2008 Regular Board Meeting

b. Investment Funds

Financial Report
Investment Report

c. Payment of Claims

Director Williams moved to approve the Consent Agenda, seconded by Director Lieberknecht, passed 6/0/1, Director Loudon was absent.

4. Reports from the Manager

a. Water Storage, Water Production Use, SWP Accounting

The monthly reports from Janet Gingras were included in the board packet.

b. Operations Report

Brett Gray's monthly report on operations was included in the board packet.

c. 2008 Surcharge Accounting

Ms. Rees summarized the 2008 surcharge accounting table that was included in the board packet. She reported that in spill years and the year following a spill we are required to provide increased target flows for summer rearing habitat for steelhead. Out of the 8,300 A.F. of fish surcharge water available this year, 3,200 A.F. must be reserved for assisting with migration passage flows next winter. The surcharge balance of 5,100 A.F. to date has been used for target flows, and in order to continue to meet those flows, 664 A.F. has been supplied from Project Yield.

d. Fish Surcharge Operations Meeting, September 4, 2008

Ms. Rees highlighted the meeting she attended on September 4th. This meeting was concerning the 3 foot surcharge and the risk assessment that the surcharge would have on Bradbury Dam. Ms. Rees will be attending Reclamation's risk assessment workshop in Denver, October 6-10. The cost of the risk assessment study is about \$125,000. Reclamation's current fiscal year budget for the Cachuma Project has enough money to pay for this study. Therefore, no additional assessment will be needed.

e. Gap Fire Update – BAER Report

Ms. Rees had included in the board packet a copy of the BAER Report on the Gap Fire. She reported that Brett Gray is working with Boyle Engineers and Flowers and Associates to evaluate the effects of probable erosion and the possibility of initiating precautionary measures to protect the pipeline.

f. Draft Cachuma Recreation Area RMP/EIS Update

Ms. Rees reported that she requested Reclamation to extend the public comment period for the Cachuma Lake Recreation Area Resource Management Plan Draft EIS. Reclamation agreed to do so and extended the comment period to Friday, October 31, 2008. Charles Hamilton, Carpinteria Valley Water District General Manager, announced that a public hearing on the Draft RMP/EIS would be held at the Carpinteria City Hall on October 8th at 6:30 p.m.

g. Cachuma Reservoir Current Conditions

Date 09/22/2008

Lake elevation	743.32 feet
Storage	175,668 acre feet
Rain (for the month to date)	0.00 inches
Rain YTD (for the season to date)	21.52 inches
Fish Release-Hilton Creek	25.4 acre feet per day
Fish Release-Outlet Works	6 to 2 acre feet per day
Month to Date Fish Release	685.4 acre feet
Month to Date Spill	0 acre feet
Year to Date Spill	22,239 acre feet

5. Santa Barbara County's Integrated Regional Water Management Plan Prop 50 Grant Activities

a. IRWMP Meeting, September 18, 2008

Ms. Rees reported that at the October 27th Board meeting, the COMB Board will consider approving an MOU for administration of the Prop 50 grant contract. This MOU will include all of the project partners receiving grant money. The State Water Resources Control Board will enter into a grant contract with the County Water Agency that needs to be in place by December 31, 2008. The Board will also need to approve a sub-agreement between COMB and the County Water Agency obligating COMB to carry out its responsibilities under the State contract. Ms. Rees reported that Kennedy/Jenks Consultants have been hired to assist the county in the grant administration. The County is currently short staffed so hiring an IRWM project manager is being considered.

6. Capital Improvement Program/Bond Issuance

Ms. Rees highlighted the recommendation before the Board and summarized the qualifications of Douglas Brown, as Bond Counsel, and David Houston, as Underwriter, for preparation of the COMB CIP Bond documents. There was a discussion regarding the use of a Financial Advisor. President Evans requested that the CIP Committee evaluate the usefulness of hiring a Financial Advisor and bring a recommendation back to the Board at a later date.

Director Williams moved to: 1) authorize hiring Douglas Brown as Bond Counsel and David Houston of Citigroup as Underwriter to prepare the COMB CIP Bond documents; 2) identify in the bond documents that the Participating Agencies will be the South Coast member units only; 3) authorize a debt repayment term of 30 years for approximately \$16,000,000 not to exceed \$18,000,000, seconded by Director Abel, passed 6/0/1, Director Loudon was absent.

Ms. Rees reported that Doug Brown and David Houston would be invited to attend the Board meeting on October 27th.

7. Reconsideration of Quagga Mussel Cost Sharing Proposal

Consideration of the Quagga Mussel cost sharing proposal with the County Parks Department was postponed until the October 27th COMB Board meeting.

8. Approval of Resolution 475 to Enter into FishAmerica Grant Agreement for El Jaro Creek, Rancho San Julian Fish Passage Project

Director Williams moved to approve Resolution 475 to enter into a grant agreement with FishAmerica to partially fund the fish passage improvements on El Jaro Creek at Rancho San Julian, seconded by Director Lieberknecht, a roll call vote was taken, passed 6/0/1, Director Loudon was absent.

9. Consider Participating in Santa Barbara Historical Museum's Historic Santa Barbara: An Illustrated History

The consideration to participate in the Santa Barbara Historical Museum's Historic Santa Barbara: An illustrated History, was postponed to the October 27th COMB Board meeting.

10. Certificate of Appreciation for Kevin Walsh General Manager, upon His Retirement from the Goleta Water District

A Certificate of Appreciation for Kevin Walsh was presented during the CCRB meeting by the Presidents of the CCRB and COMB Boards.

11. New COMB Website and Electronic Distribution of Board Packages

Ms. Rees announced that starting in November 2008 the distribution of board packets would be done electronically and would be posted on the COMB website. Email notification will be sent once the packet is available on the website. The Directors will continue to receive a hardcopy of the packet in the mail.

12. Directors' Request for Agenda Items for Next Meeting

There were no additional items requested.

13. Meeting Schedule

- The next regular Board meeting will be held October 27, 2008 following the 2:15 p.m. CCRB regular Board meeting, at the COMB office.

The Agendas and Board Packages are available on the COMB website, www.cachuma-board.org

14. COMB Adjournment

There being no further business, the meeting was adjourned at 5:08 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Chuck Evans, President

Approved _____
Unapproved _____ ✓

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

10158808

This Statement Covers

From: 09/01/08
Through: 09/30/08

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



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Please see the enclosed information regarding preventing overdrafts, non-sufficient funds, fees and other important information below about changes to your deposit accounts and services.

Your Guaranteed Great Rate Money Market Detail Information
CACHUMA OPERATION AND MAINTENANCE BOARD Account Number: 871-849343-4
Washington Mutual Bank, FA

Your Account at a Glance			
Beginning Balance	<i>KR</i> \$5,562.34	Interest Earned	\$4.56
Checks Paid	\$0.00	Annual Percentage Yield Earned	1.00%
Other Withdrawals	\$0.00	YTD Interest Paid	\$41.51
Deposits	+\$4.56	YTD Interest Withheld	\$0.00
Ending Balance	\$5,566.90		

Date	Description	Withdrawals (-)	Deposits (+)
09/30	Interest Payment		\$4.56

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 September, 2008, 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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P.O. BOX 1098
NORTHRIDGE, CA 91328-1098

10158809

This Statement Covers

From: 09/01/08
Through: 09/30/08

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



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Your Guaranteed Great Rate Money Market Detail Information

**CACHUMA OPERATION AND MAINTENANCE BOARD
TRUST FUND**

**Account Number: 871-849358-3
Washington Mutual Bank, FA**

Your Account at a Glance

Beginning Balance	<i>KA</i> <i>10/16/07</i>	\$38,827.85 ✓	Interest Earned	\$47.42
Checks Paid		\$0.00	Annual Percentage Yield Earned	1.50%
Other Withdrawals		\$0.00	YTD Interest Paid	\$2,488.22
Deposits		+\$47.42	YTD Interest Withheld	\$0.00
Ending Balance		\$38,875.27		

Date	Description	Withdrawals (-)	Deposits (+)
09/30	Interest Payment		\$47.42

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

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Kathleen A. Rees
Secretary

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Balance Sheet
 As of September 30, 2008

	Sep 30, 08
ASSETS	
Current Assets	
Checking/Savings	
1050 · GENERAL FUND	123,084.74
1100 · REVOLVING FUND	63,023.03
TRUST FUNDS	
1210 · WARREN ACT TRUST FUND	38,875.27
1220 · RENEWAL FUND	5,566.90
Total TRUST FUNDS	44,442.17
Total Checking/Savings	230,549.94
Other Current Assets	
1010 · PETTY CASH	400.00
1200 · LAIF	1,830,864.57
1300 · DUE FROM CCRB	53,130.07
1303 · SOD Act Assessments Receivable	55,917.00
1400 · PREPAID INSURANCE	13,679.72
1401 · W/C INSURANCE DEPOSIT	3,906.00
1900 · DEPOSITS	-2,510.00
Total Other Current Assets	1,955,387.36
Total Current Assets	2,185,937.30
Fixed Assets	
1500 · VEHICLES	322,994.31
1505 · OFFICE FURN & EQUIPMENT	173,989.19
1510 · TRAILERS	97,803.34
1515 · FIELD EQUIPMENT	357,779.46
1525 · PAVING	22,350.00
1550 · ACCUMULATED DEPRECIATION	-739,395.66
Total Fixed Assets	235,520.64
Other Assets	
1910 · LT SOD Act Assess Receivable	6,714,402.07
Total Other Assets	6,714,402.07
TOTAL ASSETS	9,135,860.01
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2200 · ACCOUNTS PAYABLE	357,315.15
Total Accounts Payable	357,315.15
Other Current Liabilities	
2550 · VACATION/SICK	78,503.71
2560 · CACHUMA ENTITLEMENT	-0.01
2561 · BRADBURY DAM SOD ACT	-56,919.73
2563 · LAURO DAM SOD ACT	-24,484.00
2590 · DEFERRED REVENUE	44,442.17
Payroll-DepPrm Admin	40.00
Payroll-CCRB DepPrm	4.62
Payroll-DepPrm Ops	6.93
Total Other Current Liabilities	41,593.69
Total Current Liabilities	398,908.84
Long Term Liabilities	
2602 · SOD Act Liability-Long Term	5,654,402.07
2603 · LT SOD Act Liability - Lauro	1,060,000.00
Total Long Term Liabilities	6,714,402.07
Total Liabilities	7,113,310.91

8:30 AM
10/20/08
Accrual Basis

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Balance Sheet
As of September 30, 2008

	<u>Sep 30, 08</u>
Equity	
3000 · Opening Bal Equity	0.95
3901 · Retained Earnings	1,813,350.70
Net Income	209,197.45
Total Equity	<u>2,022,549.10</u>
TOTAL LIABILITIES & EQUITY	<u>9,135,860.01</u>

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Profit & Loss Budget vs. Actual
July through September 2008

	Jul - Sep 08	Budget	\$ Over Budget	% of Budget
Income				
3000 REVENUE				
3001 - O&M Budget (Qtrly Assessments)	877,103.50	3,508,414.00	-2,631,310.50	25.0%
3010 - Interest Income	11,357.09			
Total 3000 REVENUE	888,460.59	3,508,414.00	-2,619,953.41	25.32%
Total Income	888,460.59	3,508,414.00	-2,619,953.41	25.32%
Gross Profit	888,460.59	3,508,414.00	-2,619,953.41	25.32%
Expense				
3100 LABOR				
3101-A - Ops Supervisor	23,050.44			
3101-H - Holiday Leave	3,046.78			
3101-S - Sick Leave	2,141.99			
3101-V - Vacation Leave	7,627.82			
3102 - Meter Reading	793.17			
3103 - SCC Ops	45,127.59			
3104 - Veh & Equip Mtce	1,851.89			
3105 - SCADA	1,144.30			
3106 - Rodent Bait	1,113.57			
3107 - NORTH PORTAL				
3107-1a - Maintenance	294.99			
3107-1f - Operations	100.23			
3107-2j - Rehabilitation	257.20			
Total 3107 - NORTH PORTAL	652.42			
3108 - GLEN ANNE				
3108-2f - Operations	57.03			
3108-2h - Inspection	57.03			
3108-4f - Operations	120.28			
3108-4h - Inspection	461.06			
3108-4j - Rehabilitation	32.15			
Total 3108 - GLEN ANNE	727.55			
3110 - LAURO				
3110-1a - Maintenance	307.43			

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Profit & Loss Budget vs. Actual
 July through September 2008

	Jul - Sep 08	Budget	\$ Over Budget	% of Budget
3110-1b · Cleaning	2,296.83			
3110-1d · Weed Management	383.12			
3110-1e · Landscaping	171.80			
3110-1j · Rehabilitation	720.70			
3110-3a · Maintenance	101.61			
3110-3d · Weed Management	2,275.95			
3110-3h · Inspection	57.03			
3110-4a · Maintenance	975.82			
3110-4b · Cleaning	116.90			
3110-4f · Operations	161.10			
3110-4h · Inspection	313.65			
3110-4j · Rehabilitation	85.54			
Total 3110 · LAURO	7,967.48			
3111 · OFFICE				
3111-2j · Rehabilitation	96.45			
Total 3111 · OFFICE	96.45			
3112 · SHEFFIELD				
3112-1b · Cleaning	140.32			
3112-1j · Rehabilitation	292.13			
3112-2d · Weed Management	204.59			
3112-2f · Operations	20.05			
Total 3112 · SHEFFIELD	657.09			
3113 · ORTEGA				
3113-1d · Weed Management	160.37			
3113-2d · Weed Management	110.94			
Total 3113 · ORTEGA	271.31			
3115 · CARPINTERIA				
3115-2a · Maintenance	142.57			
3115-2d · Weed Management	175.36			
3115-2j · Rehabilitation	289.35			
Total 3115 · CARPINTERIA	607.28			

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Profit & Loss Budget vs. Actual
July through September 2008

	Jul - Sep 08	Budget	\$ Over Budget	% of Budget
TOTAL				
3116 · GOLETA REACH				
3116-1a · Maintenance	3,714.33			
3116-1f · Operations	399.20			
3116-1h · Inspection	1,995.21			
3116-2a · Maintenance	1,631.73			
3116-3a · Maintenance	4,025.09			
Total 3116 · GOLETA REACH	11,765.56			
3117 · CARPINTERIA REACH				
3117-1a · Maintenance	245.91			
3117-1d · Weed Management	24.40			
3117-1f · Operations	54.80			
3117-2a · Maintenance	259.99			
3117-2f · Operations	63.51			
3117-2j · Rehabilitation	767.68			
3117-4j · Rehabilitation	1,044.88			
Total 3117 · CARPINTERIA REACH	2,481.17			
3150 · Health & Workers Comp	41,040.58			
3155 · PERS	18,140.91			
3160 · Payroll Comp FICA Ops	7,519.74			
3165 · Payroll Comp MCARE Ops	1,758.64			
3100 LABOR - Other	0.00	854,201.00	-854,201.00	0.0%
Total 3100 LABOR	179,583.73	854,201.00	-674,617.27	21.02%
3200 VEH & EQUIPMENT				
3201 · Vehicle/Equip Mtce	15,415.85	38,000.00	-22,584.15	40.57%
3202 · Fixed Capital	592.63	48,000.00	-47,407.37	1.24%
3203 · Equipment Rental	313.14	10,000.00	-9,686.86	3.13%
3204 · Miscellaneous	4,926.02	18,000.00	-13,073.98	27.37%
Total 3200 VEH & EQUIPMENT	21,247.64	114,000.00	-92,752.36	18.64%
3300 · CONTRACT LABOR				
3301 · Conduit, Meter, Valve & Misc	1,708.87	12,000.00	-10,291.13	14.24%
3302 · Buildings & Roads	2,346.41	16,000.00	-13,653.59	14.67%
3303 · Reservoirs	28,124.34	52,000.00	-23,875.66	54.09%

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Profit & Loss Budget vs. Actual
July through September 2008

	Jul - Sep 08	Budget	\$ Over Budget	% of Budget
TOTAL				
3304 · Engineering, Misc Services	0.00	26,000.00	-26,000.00	0.0%
Total 3300 · CONTRACT LABOR	32,179.62	106,000.00	-73,820.38	30.36%
3400 · MATERIALS & SUPPLIES				
3401 · Conduit, Meter, Valve & Misc	1,700.26	25,000.00	-23,299.74	6.8%
3402 · Buildings & Roads	8,353.34	25,000.00	-16,646.66	33.41%
3403 · Reservoirs	1,002.08	10,000.00	-8,997.92	10.02%
Total 3400 · MATERIALS & SUPPLIES	11,055.68	60,000.00	-48,944.32	18.43%
3500 · OTHER EXPENSES				
3501 · Utilities	1,043.81	6,500.00	-5,456.19	16.06%
3502 · Uniforms	719.86	6,500.00	-5,780.14	11.08%
3503 · Communications	4,963.66	20,000.00	-15,036.34	24.82%
3504 · USA & Other Services	633.21	4,000.00	-3,366.79	15.83%
3505 · Miscellaneous	2,432.84	8,000.00	-5,567.16	30.41%
3506 · Training	3,820.15	8,000.00	-4,179.85	47.75%
Total 3500 · OTHER EXPENSES	13,613.53	53,000.00	-39,386.47	25.69%
4999 · GENERAL & ADMINISTRATIVE				
5000 · Director Fees				
5001 · Director Mileage	271.86			
5000 · Director Fees - Other	2,688.00	12,000.00	-9,312.00	22.4%
Total 5000 · Director Fees	2,959.86	12,000.00	-9,040.14	24.67%
5100 · Legal	16,932.39	63,000.00	-46,067.61	26.88%
5101-1 · Audit	10,879.00	12,000.00	-1,121.00	90.66%
5150 · Unemployment Tax	0.00	7,088.00	-7,088.00	0.0%
5200 · Liability Insurance	28,814.00	48,000.00	-19,186.00	60.03%
5201 · Health & Workers Comp	18,048.08	64,240.00	-46,191.92	28.1%
5250 · PERS	7,847.16	33,965.00	-26,117.84	23.1%
5260 · Company FICA Admin	3,126.84	15,262.00	-12,135.16	20.49%
5265 · Company MCARE Admin	731.28	1,400.00	-668.72	52.23%
5300 · Manager Salary	10,948.32	50,300.00	-39,351.68	21.77%
5301 · Administrative Manager	21,679.26	93,943.00	-72,263.74	23.08%
5306 · Administrative Assistant	12,753.60	55,265.00	-42,511.40	23.08%
5310 · Postage/Office Exp	1,898.07	10,000.00	-8,101.93	18.98%
5311 · Office Equip/Leases	1,635.63	6,200.00	-4,564.37	26.38%
5312 · Misc Admin Expenses	1,408.63	12,000.00	-10,591.37	11.74%

comb2
Profit & Loss Budget vs. Actual
July through September 2008

	Jul - Sep 08	Budget	\$ Over Budget	% of Budget
TOTAL				
5313 · Communications	654.49	5,200.00	-4,545.51	12.59%
5314 · Utilities	2,019.67	6,000.00	-3,980.33	33.66%
5315 · Membership Dues	874.00	6,850.00	-5,976.00	12.76%
5316 · Admin Fixed Assets	700.37	7,000.00	-6,299.63	10.01%
5318 · Computer Consultant	3,395.61	8,000.00	-4,604.39	42.45%
5319 · Parity Study	0.00	20,000.00	-20,000.00	0.0%
5325 · Emp Training/Subscriptions	219.48	4,500.00	-4,280.52	4.88%
5330 · Admin Travel/Conferences	87.00	5,000.00	-4,913.00	1.74%
5331 · Public Information	252.24	8,000.00	-7,747.76	3.15%
5332 · Transportation	0.00	1,000.00	-1,000.00	0.0%
Total 4999 · GENERAL & ADMINISTRATIVE	147,864.98	556,213.00	-408,348.02	26.58%
5510 · Integrated Reg. Water Mgt Plan	0.00	70,000.00	-70,000.00	0.0%
6000 · SPECIAL PROJECTS				
6062 · SCADA	14,782.77	50,000.00	-35,217.23	29.57%
6090-1 · COMB Bldg/Grounds Repair	3,097.69	75,000.00	-71,902.31	4.13%
6092 · SCC Improv Plan & Design	164,318.57	800,000.00	-635,681.43	20.54%
6095 · SCC Valve & Cntrl Sta Rehab	36,601.67	450,000.00	-413,398.33	8.13%
6095-1 · Lauro Debris Basin Rehab	8,357.44	1,023,494.65	-1,015,137.21	0.82%
6095-2 · Lauro Debris Basin CR	0.00	-1,023,494.65	1,023,494.65	0.0%
6096 · SCC Structure Rehabilitation	4,695.97	250,000.00	-245,304.03	1.88%
6097 · GIS and Mapping	3,342.40	50,000.00	-46,657.60	6.69%
6098 · Quagga Mussel Research	0.00	20,000.00	-20,000.00	0.0%
6099 · Hydrology Work	0.00	60,000.00	-60,000.00	0.0%
6099-1 · Hydrology Work - CR	0.00	-60,000.00	60,000.00	0.0%
Total 6000 · SPECIAL PROJECTS	235,196.51	1,695,000.00	-1,459,803.49	13.88%
6400 · STORM DAMAGE				
6402 · Zaca Fire Damage	38,519.40	32,430.19	6,089.21	118.78%
6402-1 · Zaca Fire Damage - CR	0.00	-32,430.19	32,430.19	0.0%
Total 6400 · STORM DAMAGE	38,519.40	0.00	38,519.40	100.0%
PAYROLL				
Gross	1.88			
Gross-CCRB	0.17			
Total PAYROLL	2.05			

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Profit & Loss Budget vs. Actual
 July through September 2008

	TOTAL			
	Jul - Sep 08	Budget	\$ Over Budget	% of Budget
Total Expense	679,263.14	3,508,414.00	-2,829,150.86	19.36%
Net Income	209,197.45	0.00	209,197.45	100.0%

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

www.treasurer.ca.gov/pmia-laif
 October 16, 2008

CACHUMA OPERATION AND MAINTENANCE BOARD

PMIA Average Monthly Yields

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

Account Number: 70-42-001

Transactions

Tran Type Definitions

September 2008 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
9/8/2008	9/8/2008	RW	1186842	KATHLEEN REES	-60,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	1,890,864.57
Total Withdrawal:	-60,000.00	Ending Balance:	1,830,864.57

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 September, 2008, 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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7:36 AM
 10/08/08
 Accrual Basis

comb2
Payment of Claims
 As of September 30, 2008

Date	Num	Name	Memo	Split	Amount
1050 - GENERAL FUND					
9/3/2008	17337	COMB - Revolving Fund	Sep 5, 19 & Oct 3 payroll/taxes	2200 · ACC...	-163,734.20
9/8/2008	17338	Acorn Landscape Manage...		2200 · ACC...	-508.30
9/8/2008	17339	ACWA Health Benefits Au...	Sep EAP	2200 · ACC...	-47.46
9/8/2008	17340	Aqua-Flo Supply		2200 · ACC...	-450.50
9/8/2008	17341	AT&T	Aug statement	2200 · ACC...	-218.79
9/8/2008	17342	Best, Best & Krieger, LLP	Crawford-Hall CEQA Jul services	2200 · ACC...	-394.89
9/8/2008	17343	Big Brand Tire Company	Wheel balance/parts/labor-06 Ra...	2200 · ACC...	-249.85
9/8/2008	17344	Boyle Engineering Corp.		2200 · ACC...	-52,864.24
9/8/2008	17345	Business Card		2200 · ACC...	-3,602.38
9/8/2008	17346	C. Charles Evans	Aug mtg fees	2200 · ACC...	-133.85
9/8/2008	17347	Central Machine & Welding	3/8 SS round	2200 · ACC...	-18.49
9/8/2008	17348	Channel City Lumber	Chip brush	2200 · ACC...	-1.82
9/8/2008	17349	CIO Solutions, Inc.	Support	2200 · ACC...	-907.50
9/8/2008	17350	City of Santa Barbara-Cen...	Ear plugs/gate valve lid-cover	2200 · ACC...	-71.06
9/8/2008	17351	City of Santa Barbara-Rec...	Recycle 7/31-8/31/08	2200 · ACC...	-7.57
9/8/2008	17352	City of SB-Refuse	Refuse 7/31-8/31/08	2200 · ACC...	-159.43
9/8/2008	17353	Coastal Copy, LP	Lease/mtce agmt KM-C4035 7/9/...	2200 · ACC...	-164.27
9/8/2008	17354	Coastline Equipment Co.	Lever-parts for a tool	2200 · ACC...	-129.89
9/8/2008	17355	COMB-Petty Cash	Replenish petty cash	2200 · ACC...	-207.29
9/8/2008	17356	Cushman Contracting Corp.		2200 · ACC...	-14,234.45
9/8/2008	17357	Das Williams	Aug mtg fees	2200 · ACC...	-132.85
9/8/2008	17358	ECHO Communications	Answering service	2200 · ACC...	-65.24
9/8/2008	17359	Flowers & Associates, Inc.		2200 · ACC...	-10,796.46
9/8/2008	17360	GE Capital	Copier lease Billing ID#90133933...	2200 · ACC...	-494.57
9/8/2008	17361	Hayward Santa Barbara	Sealant/trowel/grout bag	2200 · ACC...	-83.37
9/8/2008	17362	Hydrex Pest Control Co.	Ant/pest control	2200 · ACC...	-65.00
9/8/2008	17363	Jan Abel	Aug mtg fees	2200 · ACC...	-139.70
9/8/2008	17364	Laser Cartridge Co.		2200 · ACC...	-421.01
9/8/2008	17365	Matt Loudon	Aug mtg fees	2200 · ACC...	-161.17
9/8/2008	17366	McCormix Corp.	Diesel fuel	2200 · ACC...	-103.69
9/8/2008	17367	MNS Engineers, Inc.	Lake Cachuma Bathymetric surve...	2200 · ACC...	-30,724.40
9/8/2008	17368	Nextel Communications	Cellular	2200 · ACC...	-518.63
9/8/2008	17369	PG&E		2200 · ACC...	-172.03
9/8/2008	17370	Praxair Distribution, Inc	Cylinder rental	2200 · ACC...	-45.14
9/8/2008	17371	Prudential Overall Supply		2200 · ACC...	-413.50
9/8/2008	17372	Republic Elevator Co.	Schedule mtce	2200 · ACC...	-232.17
9/8/2008	17373	Robert Lieberknecht	Aug mtg fees	2200 · ACC...	-144.55
9/8/2008	17374	Safety-Kleen Systems, Inc.	Regular service	2200 · ACC...	-246.21
9/8/2008	17375	Sansum Clinic-Occupation...		2200 · ACC...	-568.00
9/8/2008	17376	Science Applications Inter...		2200 · ACC...	-8,592.88
9/8/2008	17377	Southern California Edison	Main ofc/outlying stations	2200 · ACC...	-1,377.19
9/8/2008	17378	State Compensation Insur...	Payroll Report Aug 08	2200 · ACC...	-2,170.22
9/8/2008	17379	Tesco Controls, Inc.	Extended SCADA support srvc/mt...	2200 · ACC...	-14,020.00
9/8/2008	17380	Underground Service Alert...	69 new tickets	2200 · ACC...	-103.50
9/8/2008	17381	UPS	Shipping-McCrometer	2200 · ACC...	-30.77
9/8/2008	17382	Verizon Wireless	Cellular	2200 · ACC...	-180.74
9/8/2008	17383	Water Quality Inc.	Water Dist. Seminar Grade 3,4,5 ...	2200 · ACC...	-600.00
9/8/2008	17384	Western Welding		2200 · ACC...	-104.73
9/8/2008	17385	Home Depot Credit Services		2200 · ACC...	-201.51
9/8/2008	17386	Santa Barbara News Press	NOA-SCC 2nd pipeline	2200 · ACC...	-59.84
9/8/2008	17387	A-OK Mower Shops, Inc.		2200 · ACC...	-1,150.43
9/8/2008	17388	Culligan Water	RO system Sep	2200 · ACC...	-24.95
9/8/2008	17389	WFCB-OSH Commercial ...		2200 · ACC...	-321.23
9/8/2008	17390	Paychex, Inc.	8/8,22 payrolls/taxes	2200 · ACC...	-231.62
9/9/2008	17391	Cashier, DPR	QAC license/cert renewal-F. Bauti...	2200 · ACC...	-60.00
9/9/2008	17392	CIO Solutions, Inc.		2200 · ACC...	-2,410.55
9/9/2008	17393	Flowers & Associates, Inc.	Aug Engineering Services PO#07...	2200 · ACC...	-412.50
9/9/2008	17394	MarBorg Industries		2200 · ACC...	-301.59
9/9/2008	17395	Nordman, Cormany, Hair ...	Gen Counsel Aug services	2200 · ACC...	-4,500.00
9/9/2008	17396	Regional Water Quality C...	Application Fee & Project Fee-La...	2200 · ACC...	-2,551.50
9/9/2008	17397	SB Home Improvement C...		2200 · ACC...	-15.43

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7:36 AM
10/08/08
Accrual Basis

comb2
Payment of Claims
As of September 30, 2008

Date	Num	Name	Memo	Split	Amount
9/9/2008	17398	Staples Credit Plan	Office supplies	2200 · ACC...	-400.82
9/9/2008	17399	Verizon California		2200 · ACC...	-414.20
9/9/2008	17400	Earth Systems Southern C...	Lauro Debris Basin services thru ...	2200 · ACC...	-688.00
9/9/2008	17401	Fleet Services	Fuel	2200 · ACC...	-2,128.62
9/9/2008	17402	Southern California Edison	Glen Anne gate	2200 · ACC...	-19.19
9/16/2008	17403	ACWA Health Benefits Au...	10/1-11/1/08 coverage	2200 · ACC...	-12,071.01
9/16/2008	17404	Bartlett, Pringle & Wolf, LLP	Client #A6145.1100 Audit 07/08	2200 · ACC...	-1,419.00
9/16/2008	17405	CIO Solutions, Inc.	Postini Anti-Spam/Virus agrmt Sep	2200 · ACC...	-50.00
9/16/2008	17406	Durbiano Fire Equipment, ...	Fire extinguisher recharge	2200 · ACC...	-53.00
9/16/2008	17407	Graybar Electric Company...	Lighting	2200 · ACC...	-70.95
9/16/2008	17408	J&C Services	8/15,22,29,9/5 ofc cleaning	2200 · ACC...	-500.00
9/16/2008	17409	McCormix Corp.	Diesel fuel	2200 · ACC...	-86.41
9/16/2008	17410	Praxair Distribution, Inc	Compressed gas/pliers/clamps	2200 · ACC...	-223.58
9/16/2008	17411	Sansum Clinic-Occupation...		2200 · ACC...	-426.00
9/16/2008	17412	The MedCenter, Inc.	JS treatment	2200 · ACC...	-131.00
9/16/2008	17413	Verizon California	SCADA	2200 · ACC...	-518.28
9/18/2008	17414	State Water Resources C...	Lauro Storm Water Permit NOI	2200 · ACC...	-284.00
9/24/2008	17415	Bureau of Reclamation	1st Period Entitlement 10/1/08-4/1...	2200 · ACC...	-839,759.92
Total 1050 · GENERAL FUND					-1,182,299.08
TOTAL					-1,182,299.08

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Gimmicks & Gadgets

Shawn O'Callahan is a water worker II with the Cachuma Operation and Maintenance Board, Santa Barbara, Calif.

Valve-Actuator Lock Protects Against Vandalism

BY SHAWN O'CALLAHAN

As the first agency downstream from its water source, the Cachuma Operation and Maintenance Board (Santa Barbara, Calif.) is responsible for nearly all the water delivered to about 200,000 people, so our pipeline is crucial to daily life in the cities we serve. A 7-ft-diameter pipe tunnels 6.5 mi through the Santa Ynez Mountains to supply us with water. At the end of the tunnel is a turn-out box where several slide gates are used for system shutdowns. The gates are operated by turning a valve-actuator shaft with an electric drill with an adapter.

Although the site is fairly remote, vandalism is possible. In addition, the site's isolation would allow vandals plenty of time to operate the actuator with an improvised device, perhaps completely shutting the slide gate while the tunnel is running full. If that happened, more than 50 mgd of water would be forced out of the spillway, causing extensive damage to surrounding property and interrupting water flow to the rest of the system.

CONSTRUCTION

I knew a locking system would prevent these possibilities, so I fabricated a simple valve-actuator lock.

1. Find a piece of square metal tubing that fits over the actuator shaft.
2. Cut the metal tubing so it extends beyond the actuator shaft.
3. Weld a metal ring to the metal tubing.
4. Find a piece of coated chain long enough to fit snugly around the actuator case.
5. Weld the end of the chain to a side of the metal tubing.
6. Paint the metal tubing, metal ring, and all welded areas.
7. Slide the metal tubing onto the actuator shaft, extend the chain around the actuator case, and secure it with a padlock.

I used coated chain and painted the welded portion because the location is rich in hydrogen sulfide. Total construction time is a few hours, but would be less if painting isn't necessary.

BENEFITS

The valve-actuator lock is a simple device. If unauthorized personnel try to turn the actuator, the chain tightens and prevents rotation. Having the lock in place provides an extra layer of security against property damage and interruption of service.

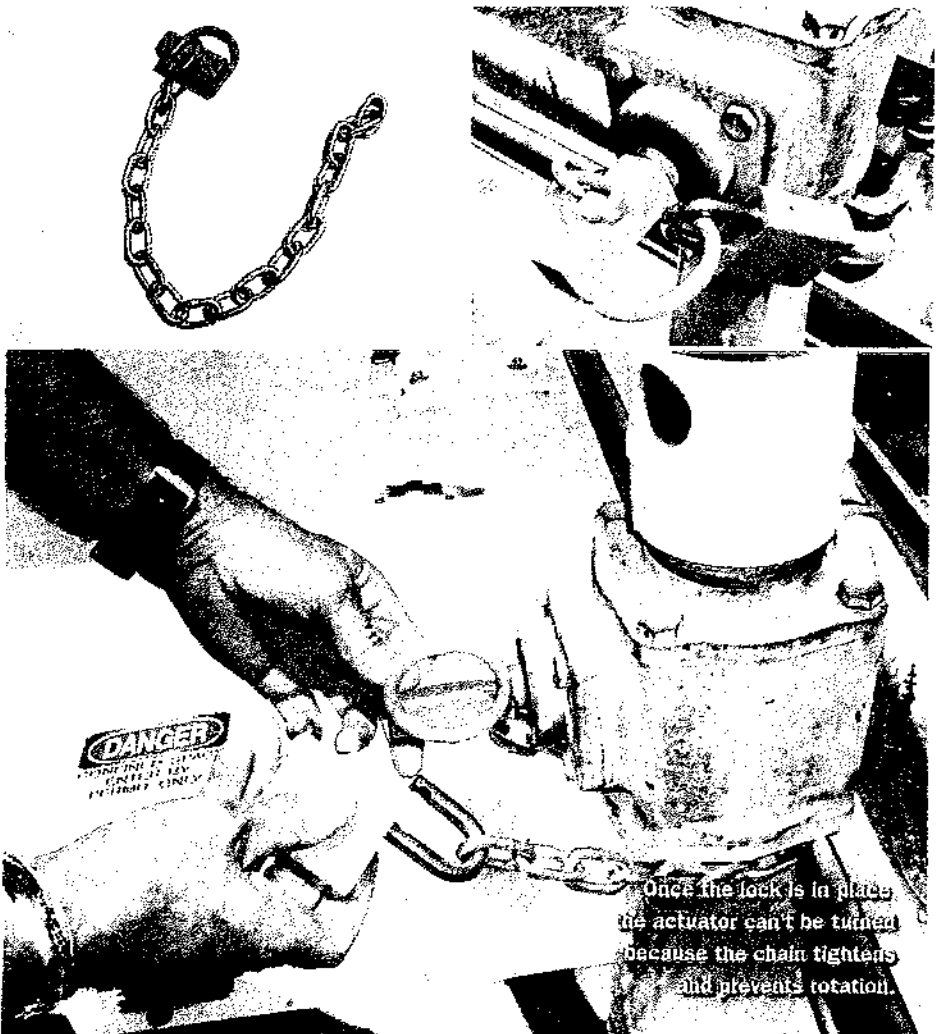
MATERIALS

Square metal tubing
Metal ring
Chain
Padlock
Paint

Total Cost \$15-50

EQUIPMENT

Welder
Grinder
Chop saw



PHOTOGRAPHS: SHAWN O'CALLAHAN, CACHUMA OPERATION AND MAINTENANCE BOARD

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: October 27, 2008
TO: COMB BOARD OF DIRECTORS
FROM: CIP Committee
RE: Financial Advisor for CIP Bond Issuance

RECOMMENDATION:

1. Approve hiring a financial advisor for the COMB Capital Improvement Projects Bond Issuance.
2. Authorize the General Manager to execute a contract with David Brodsky of Kelling, Northcross, Nobriga to serve as Financial Advisor to COMB in the COMB Capital Improvement Projects Bond Issuance process.

DISCUSSION:

Over the last year, the COMB Board has discussed various funding options for several capital improvement projects, and has given staff authorization to pursue issuance of a \$16m to \$18m revenue bond to carry them out. With Board authorization, staff proceeded with the hiring of Doug Brown, of Stradling, Yocca, Carlson & Rauth to provide bond counsel services, and Dave Houston, Managing Director of the Public Financing Department for Citigroup to provide the underwriting services for this transaction.

During the course of these discussions, it was suggested that COMB utilize the services of a financial advisor to guide and protect COMB's interests throughout the bond issuance process. One of the key roles of a financial advisor is to manage the planning and execution of a bond issuance, as well as work closely with the Board and key staff members in the execution of the bond transactions. The CIP Committee concluded that due to the current economic climate and turbulent market conditions, it is imperative that the Board take all steps necessary to receive professional financial advice during this financing process in order to protect COMB's interests relative to obligating itself for this magnitude of long-term debt.

Staff contacted three recommended entities that provide financial advisor services to public agencies. After reviewing the proposals received, the Committee is recommending hiring David Brodsky of Kelling, Northcross, Nobriga to serve as our financial advisor. Mr. Brodsky has over 25 years experience in municipal finance and serves as financial advisor to a number of agencies throughout California.

In the proposal submitted by KNN, there are two options presented regarding the pricing levels for their services. One of the options is to establish a full service scope of engagement costing approximately \$70,000. The second option would be a limited services approach with an approximate cost of \$25,000. The full service financial advisor option includes services such as providing a critical level of quality control to legal and financial documents, assisting in the rating and other credit processes, and ensuring a disciplined pricing to achieve the lowest cost of borrowing. Under the limited approach, the financial advisor delegates the financial planning, numerical analysis and document review to the underwriter, and focuses only on the pricing process. The CIP Committee and staff are recommending that the full service approach be approved as it is the more prudent method of obtaining comprehensive advice for this transaction.

The \$70,000 in fees associated with hiring a financial advisor are structured in the same manner as the fees for bond counsel – they are paid out of the bond proceeds. The out-of-pocket costs for miscellaneous items will be approximately \$2,000.

Respectfully submitted,


CIP Committee

Attachments

KR.COMB/Admin/Board memos/102708_CIP Bond financial advisor

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Our mission is to provide a reliable source of water to our member agencies in an efficient and cost effective manner for the betterment of our community.

Proposal for Financial Advisory Services

Cachuma Operation and Maintenance Board
Proposal for Financial Advisory Services

October 15, 2008



1333 Broadway, Suite 1000, Oakland, CA 94612
phone 510-839-8200 | fax 510-208-8282

A Division of Zions First National Bank

ITEM # 56
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October 15, 2008

Janet Gingras
Administrative Manager
Cachuma Operation & Maintenance Board
Cachuma Conservation Release Board
3301 Laurel Canyon Road
Santa Barbara CA 93105-2017

Re: Proposal for Financial Advisory Services

Dear Ms. Gingras,

KNN is pleased to submit its credentials to the Cachuma Operations and Maintenance Board ("COMB") to serve as financial advisor.

KNN has a diversified practice, serving issuers as large as the State of California and the City of Los Angeles down to some of the smallest communities in California. One of our strongest practice areas is water and related utilities including the following:

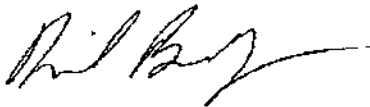
- **Wholesale projects designed around specific users:** We assisted the Kern County Water Agency in the design and execution of their largest capital program in 35 years - an upgrade to their treated water system, with the financing engineered to serve four specific purveyors.
- **Other wholesale agencies:** Besides Kern County Water, we have been a financial advisor for the Metropolitan Water District on a number of special projects, as well as part of their financial advisory team, and are the financial advisors to the Sonoma County Water Agency.
- **Urban retail water districts:** We are the financial advisor to the East Bay Municipal Utility District and City of Fresno water and wastewater systems. We are currently assisting the suburban customers of the San Francisco Hetch Hetchy water system in their negotiation of new contracts to secure funding of a \$4 billion capital program (serving as financial advisor to the Bay Area Water Supply and Conservation Agency, which represents San Francisco's 27 wholesale customers).
- **Other current water clients:** These include the Coachella Valley Water, the Napa County Flood Control and Watershed Improvement Authority, the Suburban Sacramento Water Authority, and the water and wastewater departments of a number of smaller cities.
- **Santa Barbara County Experience:** We have served as the City of Santa Barbara's financial advisor since 1999, including assisting the City with its 2002 Water Revenue Bonds and 2004 Sewer Revenue Bonds. We have also assisted the City of Carpinteria on a number of matters, although have not worked on a bond issue since the 1990's.

KNN serves exclusively as an independent financial advisor, and has been responsible for more transactions in California over each of the past 19 years. While we work exclusively in California, we are also one of the top financial advisors nationally on the basis of par value. Our practice is built on a philosophy of providing seamless service to our clients by serving as an extension of their staff.

The service of a financial advisor can add value throughout the transaction process, helping to refine the plan of finance by making clear the important financial and policy decisions imbedded within, providing a critical level of quality control to legal and financial documents, assisting in the rating and other credit processes and, of course, ensuring a disciplined pricing to achieve the lowest cost of borrowing. Our service helps to protect both agency staff and rate payers, providing assurance of appropriate bond pricing and an independent advocate's review of critical terms and conditions. Our style is not to cast ourselves as the adversary of the underwriter, however, but rather to work as part of a team to ensure a financing that balances the long-term interests of the borrower with its desire to minimize cost and risk. We believe we can assist the District in navigating this unique period in the capital markets.

Thank you for your consideration in advance.

Sincerely,



David Brodsky
Managing Director

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Appendix A: Financing Experience

Appendix B: Pro Forma Insurance Certificate

1. Scope of Services

Firm Approach

The following outlines our scope of services and approach to providing financial advisory services to Cachuma Operations and Maintenance Board, focusing on what we consider as the major stages in the life cycle of a bond transaction. We would begin by performing a complete review of the Board's financial statements, outstanding debt, and capital plan, focusing on the upcoming project. Building on the prior work done by staff and its consultants, and using our own individual and combined experience, we would help develop (or refine) a comprehensive plan of finance. KNN will work integrally with the Board and other team members in the execution of its bond transactions, focusing on balancing a low cost borrowing with the appropriate risk to the Board's customers.

Plan of Finance

Developing the appropriate plan of finance is one of the most important ways we can add value. The plan of finance is based on an analysis of available financial alternatives, complete with financial benefits and opportunity risks to the Board. We believe it is essential to clearly articulate the public policy and financial implications of each alternative considered, so that Board staff and board members are positioned to make informed decisions.

Management of Financing Team and Process

One of the key roles of a financial advisor is to manage the planning and execution of a bond issue. We have experience working with Citi, your underwriter, and Stradling, your bond counsel. Both Mr. Houston and Mr. Brown can vouch for our professionalism. We will assist you, as appropriate and necessary, in selecting additional financial professionals, such as trustee, disclosure counsel, engineering consultant (if needed), and printers.

For a transaction, KNN takes a strong, proactive role in managing the financing team. While we are not necessarily the lead consultant in all areas of an engagement (for example, we are not your attorneys), we make sure that the client is properly advised in all areas of concern, including tax and arbitrage issues. We take ownership of the financing schedule and distribution list in an effort to make sure that the Board's required milestones are met and that all members of the team understand their assignments and deadlines. We will be the Board's strongest advocate in ensuring the financing process goes smoothly and according to the timetable envisioned.

As the financing process progresses, KNN will provide document the key drivers of the decision-making process, and the ultimate structure of the financing. We make a concerted effort to be available during the entire transaction to ensure that staff and Board are completely comfortable with what is being done. The public sector background of a number of our team members makes us acutely aware of the policy and procedural issues and challenges facing public agencies.

Financial Structuring and Strategies

We take an active role in the structuring of financings. Based on the plan of finance, we evaluate the risks and rewards of using different structures and security types. In a negotiated sale, we work side by side with the

underwriter to develop the structure for each specific bond issue, and ensure that all potential options are properly evaluated. As a rule, we recommend the use of relatively conservative debt assumptions in financial planning, and we carefully examine the various factors that will impact the financing: the term of debt, amortization structure (e.g., level or ascending), the timing of issuance, bond covenants and impact on pricing, the use of variable-rate debt and derivatives, etc. KNN's participation in the financial structuring and timing of this bond issue and future issuance will be important in light of the current market dislocation.

Financial Document Preparation and Disclosure

KNN staff members become intimately involved in the preparation of financial documents, carefully reviewing all documents to make sure that they best meet the client's interests and the plan of finance. We take special effort to highlight the key policy and business implications of the legal documents, so that the client can make informed decisions.

KNN has considerable experience in writing official statements, having prepared hundreds of them over the years. Yet even when a client hires disclosure counsel to write an official statement, as would be the case for your transaction, we take an active role in its review, performing due diligence as to the accuracy of statements, and providing much of the original information that will appear in the final document. We often manage the "Appendix A" for an official statement -- the section of the document that details all of the key credit characteristics of the issuer. In fact, we manage the Appendix A for all of the City of Los Angeles' official statements. We also recently rewrote almost entirely the City of Oakland's Appendix A, which had previously been managed by another financial advisor. Our efforts won unsolicited praise from the client, the rating agencies, and the bond insurers.

In the wake of recent headlines regarding pension funding and other disclosure lapses by local governments, we believe that it is in our clients' best personal and professional interest to maintain the highest standards of disclosure. We have recently worked diligently with a number of clients to improve the disclosure in their official statements, with particular emphasis on retirement benefits, investments, derivative products, and other complicated issues. We believe that these are precisely the types of issues that are most likely to be misunderstood, and they are the issues that have the potential to impact our clients most negatively.

Ratings and Credit Enhancement

As the most active financial advisor in the State, we have continual contact with the rating agencies, meeting with them in person or by phone at least once a week. We have helped hundreds of clients prepare successful rating presentations to all the major agencies, and have assisted many clients in obtaining rating upgrades, including the City of Santa Barbara and the East Bay Municipal Utility District.

KNN has a unique inside view of the ratings process through the eyes of David Brodsky, from his time at Moody's Investors Service. His intimate familiarity with rating criteria, comparative standards, and the inside working of rating committees provides an unmatched advantage for ensuring the best ratings for our clients and the smoothest rating process. He headed Moody's California water ratings activity while at Moody's.

Similarly, we have continual contact with the major financial institutions that provide credit and liquidity enhancement. We work closely with the credit enhancers to ensure they fully understand the client's credit profile, and we negotiate with them on the key elements of the deal that drive their decision-making process. Close contact with these institutions often results in more bids to provide credit enhancement at better rates than

the client would have otherwise received. That said, in the current market environment credit enhancement is not generally economic for highly rated issuers and we will work with the underwriter in assessing the economics of credit enhancement.

We manage the credit process for virtually all of our clients, even on negotiated transactions; underwriters typically recognize our unique skills in this area. As part of this, we assemble the credit package, and create the rating presentation. We also help our clients prepare for their rating presentations through practice runs, and play an introductory role at the meetings.

Pricing

When managing a negotiated transaction, we carefully review the underwriter's structuring and pricing proposals to ensure the issue is priced at competitive rates. We begin by obtaining information on comparable sales before pricing, primarily using the Thomson Municipal Market Monitor (TM3) and Bloomberg. We also call underwriting desks to get information on deals that have not been posted, including transactions that have not yet been completed. Because of our market presence and excellent relations with the underwriting desks, we can easily obtain all the critical pricing information necessary.

With this information, we prepare a spreadsheet of comparable sales, compare them to the appropriate Municipal Market Data, an industry benchmark (MMD), scale of that day, and develop our own pricing scale as an analytic point of reference. Our market resources keep us abreast of upcoming economic announcements and other major bond issues to help assist in market timing. We perform a complete analysis of the underwriter's proposed scale, not just a quick comparison of the comparable yields. We examine the proposed structure, including optional call provisions and the use of original issue discounts and premiums, and their relative effect on yield to call, yield to maturity and the value of the call option as well as the use of term bonds and the impact on marketing and pricing.

Closing

Once the sale has been completed, the client wants to see a smooth, quick bond closing to ensure that bond proceeds are available as planned. KNN assists in all bond closings by reviewing closing documents, providing feedback to both disclosure counsel and bond counsel, preparing a post-sale report and closing book to document the financing process, and assisting with the investment of bond proceeds, to the extent desired by the District. We also make sure to develop any documents and schedules that will help the District administer the bond program as easily and efficiently as possible.

Examples of Municipal Market Experience

The following are some additional case studies of recent experience with water utilities in California.

Bay Area Water Supply and Conservation Agency

KNN served as lead author for BAWSCA's long range plan entitled Paying for Regional Water System Improvements: Alternatives and Considerations, which examined how BAWSCA's wholesale purveyor, the San Francisco Public Utilities Commission, planned on funding its 12-year, \$2.9 billion regional CIP, and what impacts that would have on BAWSCA members. Working with our co-financial advisor (Public Resources Advisory Group), we modeled various scenarios and presented BAWSCA with alternatives for different wholesale contract structures for negotiation upon expiration of the current wholesale contract in

2009. This work has not only influenced BAWSCA's agenda, it has been relied upon by the San Francisco Public Utilities Commission as well. We continue to serve BAWSCA on an as-needed basis and are currently participating in the negotiations of a new long-term water supply contract with San Francisco.

**Kern County Water Agency
Plan of Finance for Water Enterprise and Improvement District And Associated Bond Offerings
New Water Contract Negotiations**

The Kern County Water Agency, a water wholesaler, manages local groundwater and surface water supplies, and purchases water from the State Water Project on behalf of numerous users in Kern County. In addition, through its Improvement District No. 4, the Agency serves several municipal utilities and one private water company providing retail water service in the greater Bakersfield area. KNN was hired to assist the Agency with the planning and execution of its largest capital program in over 30 years, expanding its water treatment and conveyance capacity.

In 2004, KNN performed numerous financial analyses to examine the impact of key drivers on the financing process, including alternative pricing methodologies and financing options and creating models to examine the cost impacts to each of the member agencies through different methods of allocating costs through water entitlements and revenue based options vs. property based allocation of costs. We presented the findings of our work several times over the course of the planning activity to a committee comprised of all the affected water purveyors and to the Board itself. KNN's planning model allowed the Agency and its members to arrive at a plan of finance that balanced the various needs of the participant.

We subsequently assisted them in the execution of this plan. Prior to being able to sell bonds, new water contracts had to be entered into with their purveyor customers. We assisted in developing the various terms necessary to support the upcoming bond issue. As part of this process, we sought rating agency review and feedback before finalizing negotiations, to make sure that the agencies would accept the credit features built into the contract, such as limited step-ups in the event of another purveyor's default, and surcharges relating to coverage. We served as financial advisor on their first bond issue, which included both taxable and tax-exempt tranches, and sold in Spring, 2006.

We subsequently assisted the Agency with evaluating financing alternatives for other projects both for Improvement District No. 4, and other divisions of the Agency, and recently completed a second bond issue of approximately \$120 million to fund phase II of the water treatment plant, and a variety of other expansion projects. This second issue again required significant planning and alternatives analysis, as additional projects, including the acquisition of additional water rights, have been added to the program.

City of Lompoc

In March 2005, KNN helped the City of Lompoc's water and wastewater utility successfully issue its \$17M Water and Wastewater Revenue Bonds through a competitive sale, despite the utility's credit complication and lack of significant issuance experience. The utility had only issued bonds once before, in 1998, and the 2005 bonds were to be on parity with the 1998 series. Due to a number of factors, the City missed its rate covenant from the 1998 issue for two consecutive years, causing four of the five major bond insurers to reject the credit outright. However, KNN was able to work with the City to document why the rate covenant was missed and how operations at the utility had improved. Through significant conversations and follow-up

work, KNN was able to reassure Moody's and the remaining insurer that the utility's credit was much stronger than it appeared at first sight. As a result, the City was able to keep its A3 rating, obtain cost-effective bond insurance, and secure low interest rates through a well-received competitive bond sale. In January 2007, KNN helped the City issue an additional \$17.1M.

City of Burlingame

In 2002, KNN assisted the City in the development of its plans of finance for both its water enterprise and its wastewater enterprise, in preparation for the first revenue bond issues of each. Both plans required the evaluation of each system's financial operations and capital program and included preparation and development of long-term cash flow models. The plan of finance includes a strategy of issuing bonds in series to minimize rate increases and contemplates increasing use of pay-as-you go funding to reach the point of funding all major replacement needs without the need for additional debt. We worked with the City the competitive sale of its \$8.7M Series 2003 and \$20.3M Series 2004 as well as the negotiated sale of \$26.2M in 2007. The City continues to update and use the model and in 2007 we were successful in obtaining an upgrade to AA from AA-. We also assisted the City in identifying a discrepancy and correcting their Continuing Disclosure reports and ensuring the appropriate reports would be filed in the future.

2. Company Qualifications

KNN Public Finance ("KNN") was founded in 1982. Our sole business is providing independent municipal finance advisory services to California State and local governments and nonprofit institutions. KNN has 14 financial professionals and 6 full-time administrative employees in our Oakland office, making KNN one of the largest advisory firms in California. All KNN financial advisors are registered municipal representatives, having met the requirements for Municipal Securities Rulemaking Board Series 52 certification. The MSRB is the municipal securities industry's self regulating organization keeping KNN abreast of and in compliance with security standards and changes.

Since 1988, KNN has been ranked as the leading financial advisor in the State of California based on the total number of municipal financings.¹ For the past five years, KNN also has been ranked among the top eleven financial advisory firms nationally based on par amount issued despite our California only practice.

KNN has structured and brought to market over 2,070 new issues aggregating over \$50.96 billion.

In 1997 KNN became a wholly-owned subsidiary of Zions First National Bank, a publicly held corporation headquartered in Salt Lake City, Utah. Zions Bank is also the parent of California Bank & Trust. While Zions offers KNN access to a variety of valuable resources, KNN continues to serve as an independent municipal finance consultant and does not market or underwrite bonds or other securities.

KNN provides comprehensive municipal finance advisory services. In addition to our transaction and pricing oversight services, we play a variety of roles, assisting our clients with strategic and financial planning, debt and reserve policy development, investor outreach, debt capacity analysis and the preparation of independent, objective analyses and reports for elected boards, staff, and other decision makers. Where appropriate we operate

¹ Source: Thomson Reuters.

as an extension of staff, assisting with the preparation of Board transmittals and educational workshops for Board and staff.

Our office is located at 1333 Broadway, Suite 1000, Oakland, CA 94612. Our telephone number is (510) 839-8200 and our facsimile number is (510) 208-8282.

3. Project Manager and Team Qualifications

At KNN our most valuable resources are our individual and collective experience. The senior financial advisors from KNN that would serve the Board have in excess of 80 combined years of experience in California public finance. Each advisor has access to the unique expertise developed over the years by all KNN advisors, and the additional staff resources that may be required to meet your needs on your schedule. KNN's proposed team has significant experience covering many of California largest and most complex municipal issuers. Our team members bring forth complementary skill sets and regularly work together to bring our clients the specific expertise needed for each transaction. David Brodsky will be the team's strategic advisor and team leader, sharing day-to-day responsibility with Marian Breitbart. Nedko Nedev will provide analytical and technical support.

David Brodsky

Managing Director

Lead Advisor

Mr. Brodsky has over 25 years experience in municipal finance. He joined KNN early in 1998 to head up KNN's city and special district consulting practice, and he serves as financial advisor to a number of agencies throughout the State. His currently active clients include the cities of Los Angeles, Fresno, Daly City, Santa Clara, and Santee; Orange County; and several major water agencies throughout the State: the East Bay Municipal Utility District, Kern County Water Agency, Coachella Valley Water Authority, the San Diego County Water Authority and the Bay Area Water Supply & Conservation Agency.

For nearly six years, Mr. Brodsky was a Vice President and Senior Credit Officer with Moody's Investors Service. He served as a senior member of the analytic and management team responsible for all types of local government bond and note ratings on the Pacific Coast, and was a member of Moody's national rating committee.

While at Moody's, Mr. Brodsky became a widely-recognized expert in water finance, particularly in the California market. As the senior member of the California water committee, he helped shape Moody's analytic approach to water and related revenue systems, and served as a member of the rating committee for virtually every California water agency that Moody's rates. He served as lead analyst for the Metropolitan Water District of Southern California, the State Department of Water Resources, and numerous retail water agencies. He organized several presentations to the largest municipal bond buyers on California water.

Prior to joining Moody's, Mr. Brodsky spent over twelve years with the City of Los Angeles, where he was responsible for financial planning, debt issuance and bond administration for general government departments of the City of Los Angeles.

Mr. Brodsky is a graduate of the University of California, Santa Cruz, earning a B.A. with highest honors in Modern Society and Social Thought. He is the author of a well-received study of Los Angeles, L.A. Freeway: An Appreciative Essay, published by the University of California Press. Mr. Brodsky is a frequent speaker on public finance issues, and has spoken at conferences sponsored by the California Redevelopment Agency, the California

Debt and Investment Advisory Commission, the Bond Buyer, and the Association of Government Leasing and Finance.

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dbrodslly@knninc.com

Marian Breitbart

Vice President

Marian has 19 years of public finance experience. Since joining our firm in 1994, she has held lead responsibility on a number of issues for various city clients, and provides analytic and transaction support to many others. Marian has played an integral role in virtually every lease, enterprise revenue and redevelopment financing the firm has worked on in the last twelve years, including serving as lead or co-lead for the Kern County Water Agency, the East Bay Municipal Utility District, the cities of Santa Monica, Oakland, Fresno, Ridgecrest, Fremont, Hayward, Petaluma, Santa Barbara, and Alameda County's redevelopment agency.

Prior to joining KNN, Marian spent nine years with Alameda County in the areas of debt financing, property development, redevelopment, risk management, and internal service fund budgeting. From 1990 to 1994, Marian had lead responsibility for the County's general fund debt issuance, including its several lease financings. Marian received an M.B.A. from the Wharton School of Finance and Commerce of the University of Pennsylvania and a B.A. in Economics from the State University of New York at Stony Brook.

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mbreitbart@knninc.com

Nedko Nedev

Associate

Nedko provides all facets of analytic and quantitative support for KNN's city practice. He is currently involved in a wide range of transactions, including land-secured, tax allocation, and lease revenue financings for a variety of clients including the Kern County Water Agency and cities of Los Angeles, Fresno and Oakland, Orange County, and the California State University system. Nedko earned his B.A. in Economics from the University of California, Davis, where he was honored with the Distinguished Undergraduate Student in Economics award.

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nnedev@knninc.com



4. Client List

KNN serves a wide range of clients, from some of the largest in the State of California, as well as a number of small cities, counties, school districts and special districts. The following is a selection of some of our largest clients of the past five years. Clients we have assisted with water revenue bonds are highlighted. Appendix A includes a deal-specific list of water and wastewater transactions, dating back to 2000. We would be happy to supply you with a complete list of our clients and transactions, which would include school clients.

KNN Public Finance
Selected City, County, State, Special District Client List
January 1, 2003 – September 30, 2008

Agency	Contact Name/ Title	Address	Telephone
Alameda County Redevelopment Agency	Ms. Eileen Dalton Redevelopment Director	224 W. Winton Avenue, Room 110 Hayward, CA 94544	510-670-6509
Bay Area Water and Supply Conservation Agency	Mr. John Ummel	155 Bovet Road, Suite 302 San Mateo, CA 94402	650-349-3000
Office of the Treasurer of the State of California (on behalf of State Public Works Board)	Ms. Jeanne Trujillo Assistant Director	Public Finance Division 915 Capitol Mall, Room 261 Sacramento, CA 95814	916- 653-3451
California Infrastructure and Economic Development Bank	Ms. Roma Cristia-Plant Assistant Executive Director	1001 I Street, 19th Floor Sacramento, CA 95814	916-324-6992
City of Burlingame	Mr. Jesús Nava Finance Director	501 Primrose Road Burlingame, CA 94010-3997	650-558-7222
City of Daly City	Mr. Donald McVey Director of Finance	333 - 90th Street Daly City, CA 94015-1895	650-991-8049
City of Fremont	Ms. Harriet Commons Finance Director	3300 Capitol Avenue, Building B Fremont, CA 94538	510-494-4610
City of Fresno	Ms. Karen Bradley Assistant Controller	2600 Fresno Street, #2156 Fresno, CA 93721-3617	559-621-7048
City of Lathrop	Ms. Terri Vigna Finance Director	390 Towne Centre Drive Lathrop, CA 95330	209-941-7329

Agency	Contact Name/ Title	Address	Telephone
City of Livermore	Ms. Monica Potter Director of Finance	1052 South Livermore Avenue Livermore, CA 94550-4899	925-960-4303
City of Lompoc	Mr. John Walk Management Services Director	100 Civic Center Plaza Lompoc, CA 93436	805-875-8283
City of Los Angeles	Ms. Natalie Brill Chief Debt Management	200 North Main Street, City Hall East, 15th Floor Los Angeles, CA 90012	213-473-7526
City of Oakland	Ms. Katano Kasaine Treasury Manager	150 Frank H. Ogawa Plaza, Suite 5330 Oakland, CA 94612-2093	510-238-2989
City of Petaluma	Mr. Michael J. Ban Utility Engineer	City of Petaluma- Water Resources & Conservation 202 N. McDowell Boulevard Petaluma, CA 94954	707-778-4487
City of San Jose	Ms. Julia Cooper Deputy Director of Finance/Debt & Risk Management	200 East Santa Clara Street San Jose, CA 95113-1905	408-535-7011
City of Santa Barbara	Mr. Robert Peirson Finance Director	735 Anacapa Street Santa Barbara, CA 93102-1990	805-564-5335
City of Santa Clara	Ms. Mary Ann Parrot Director of Finance	1500 Warburton Avenue Santa Clara, CA 95050	408-615-2345
City of Santee	Mr. Tim McDermott Finance Director	10601 Magnolia Avenue Santee, CA 92071-1266	619-258-4143
City of Stockton	Mr. Jim Malberg Program Manager III	425 North El Dorado Street Stockton, CA 95202	209-937-8908
City of Vacaville	Mr. David Van Kirk City Manager	650 Merchant Street Vacaville, CA 95688	707-449-5104
California State University	Ms. Colleen Nickles Assistant Vice Chancellor - Financial Services	401 Golden Shore, 5th Floor Long Beach, CA 90802-4210	562-951-4579

Agency	Contact Name/ Title	Address	Telephone
East Bay Municipal Utility District	Mr. Gary Breaux Director of Finance	375 Eleventh Street, 8th Floor Oakland, CA 94607	510-287-0310
East Bay Regional Park District	Mr. Dave Collins Assistant General Manager	2950 Peralta Oaks Court Oakland, CA 94605-0381	510-544-2101
Fresno County	Mr. Bart Bohn County Administrative Officer	2281 Tulare Street, Room 304 Fresno, CA 93721	559-488-1710
Kern County	Mr. Jeff Frapwell Assistant County Administrative Officer for General Services	1115 Truxtun Ave., 3rd Floor Bakersfield, CA 93301	661-868-3000
Kern County Water Agency	Mr. Donald M. Leonard Controller	3200 Rio Mirada Drive Bakersfield, CA 93302-0058	661-634-1442
Merced County Regional Waste Management Authority	Mr. Jesse Brown Executive Director	369 W. 18th Street Merced, CA 95340	209-723-3153
Merced County	Mr. M. Stephen Jones Auditor/Controller	2222 M Street Merced, CA 95340	209-385-7511 x4224
Metropolitan Water District of Southern California	Mr. Keith Norris Financial Analysis and Administration	700 North Alameda Street Los Angeles, CA 90012	213-217-7502
Napa County	Ms. Pamela Kindig Auditor-Controller	1195 Third Street, Room B-10 Napa, CA 94559	707-253-4647
Orange County	Mr. Thomas Beckett Public Finance Manager	10 Civic Center Plaza, 3rd Floor Santa Ana, CA 92701-4062	714-834-5969
San Bernardino County	Mr. Gary McBride County Administrative Officer	385 North Arrowhead Avenue, 5th Floor San Bernardino, CA 92415-0120	909-387-5418
San Diego County Water Authority	Mr. Eric Sandler Assistant Director of Finance/Treasurer	4677 Overland Avenue San Diego, CA 92123	858-522-6689

Agency	Contact Name/ Title	Address	Telephone
San Francisco City and County	Ms. Nadia Sesay Director, Mayor's Office of Public Finance	1 Dr. Carlton B. Goodlett Place; City Hall Room 336 San Francisco, CA 94102	415-554-5956
Santa Clara County	Mr. John Guthrie Director of Finance	70 W. Hedding Street, 11th Floor San Jose, CA 95110	408-299-5201
Sonoma County	Mr. Rod Dole Auditor Controller Treasurer-Tax Collector	585 Fiscal Drive, Suite #101F Santa Rosa, CA 95403-2831	707-565-3287
Sonoma County Water Agency	Ms. Christine Minkel Administrative Service Officer I	404 Aviation Boulevard Santa Rosa, CA 95403	707-524-1176
Stanislaus County	Ms. Patty Hill-Thomas Assistant Executive Officer	1010 10th Street, Suite 6800 Modesto, CA 95354	209-525-4301

5. Insurance Requirements

KNN is covered under Zions Bancorporation's Professional Liability. As you will note, it provides an extremely high level of coverage for a financial advisor. See Appendix B for a pro-forma insurance certificate.

6. Fee Schedule

Based on the relatively small size of the transaction, we would propose a fee of \$70,000 to serve as financial advisor. We could consider a more limited scope of engagement at a lower fee; however, we would not recommend such an approach. Under the more limited approach, the financial advisor delegates the financial planning, numerical analysis and document review to the underwriter, and focuses only on the pricing process. The issuer loses the benefit of a second experienced set of eyes ensuring that the financing's terms, conditions and structure best suit the long-term needs of the borrower, and the quality control of a fully engaged financial advisor. Our proposed fee is the equivalent of 4 basis points (0.04%) on the interest rate. We can virtually guarantee that our participation in the transaction will reduce your costs by that amount, as well as contribute in other ways to the quality of and your comfort with the transaction.

We propose a \$25,000 fee to serve as pricing advisor.

KNN limits the out-of-pocket costs for which we seek reimbursement in addition to our fee. We seek reimbursement only for overnight delivery costs, color copying, outside printing and copying, conference calls, outside sources of data including bond market data information and processing services, and any out-of-state travel. Included in these expenses is \$550 overhead data charge for access to Urban Analytics database, Bloomberg and TM3.

Appendix A: Financing Experience

KNN Public Finance Water, Sewer, Wastewater Experience January 1, 2000 – September 30, 2008

Issuer	Title	Sale Date	Par Value
City of Fresno	Sewer System Revenue Bonds 2008 Series A	7/11/2008	159,845,000
San Diego County Water Authority	Water Revenue Certificates of Participation, Series 2008A	5/1/2008	558,015,000
East Bay Municipal Utility District	Water System Subordinated Revenue Refunding Bonds, Series 2008B (VRD Bonds)	4/23/2008	160,000,000
Kern County Water Agency	Water Revenue Certificates of Participation (Improvement District No. 4) Series 2008A and 2008B (Federally Taxable)	4/22/2008	120,920,000
East Bay Municipal Utility District	Wastewater System Subordinated Revenue Refunding Bonds, Series 2008C (VRD Bonds)	3/26/2008	65,300,000
East Bay Municipal Utility District	Wastewater System Subordinated Revenue Refunding Bonds, Series 2008A (VRD Bonds)	3/24/2008	50,000,000
East Bay Municipal Utility District	Wastewater System Subordinated Revenue Refunding Bonds Series 2008B	3/19/2008	69,300,000
East Bay Municipal Utility District	Water System Subordinated Revenue Refunding Bonds, Series 2008A (VRD Bonds) and 2008C (VRD Bonds)	3/19/2008	654,475,000
East Bay Municipal Utility District	Water System Subordinated Revenue Refunding Bonds, Series 2007C (ARS)	5/21/2007	391,950,000
East Bay Municipal Utility District	Wastewater System Subordinated Revenue/Refunding Bonds, Series 2007A	5/16/2007	127,300,000
East Bay Municipal Utility District	Water System Subordinated Revenue/Refunding Bonds, Series 2007A	5/8/2007	504,790,000
Burlingame Financing Authority	Water and Wastewater Revenue Bonds, Series 2007	4/10/2007	25,180,000
Lompoc Public Financing Authority	2007 Revenue Bonds, (Water & Wastewater Project)	1/30/2007	17,080,000

Issuer	Title	Sale Date	Par Value
Metropolitan Water District of Southern California	Water Revenue Refunding Bonds, 2006 Series A-1 and A-2	5/18/2006	74,140,000
Kern County Water Agency	Water Revenue Certificates of Participation (Improvement District No. 4), Series 2006A (Tax Exempt) and 2006B (Taxable)	3/29/2006	27,700,000
City of Santa Monica	Wastewater Enterprise Refunding Revenue Bonds (Hyperion Project) 2005 Series A	9/21/2005	20,305,000
Metropolitan Water District of Southern California	Water Revenue Bonds, 2005 Authorization Series B-1 and B-2	7/27/2005	100,000,000
Metropolitan Water District of Southern California	Water Revenue Bonds 2005 Authorization, Series A	7/14/2005	100,000,000
Napa County Flood Protection and Watershed Improvement Authority	Limited Tax Refunding Bonds, Series 2005	6/28/2005	29,710,000
City of Calistoga	2005 Certificates of Participation (USDA Wastewater Loan) (pvt placement)	5/18/2005	2,028,500
Napa County Flood Protection and Watershed Improvement Authority	Limited Tax Subordinate Bonds, 2005 Series A	3/10/2005	13,655,000
Lompoc Public Financing Authority	2005 Revenue Bonds (Water and Wastewater Project)	3/8/2005	16,970,000
Metropolitan Water District of Southern California	Water Revenue Refunding Bonds, 2004 Series C	11/9/2004	136,090,000
Metropolitan Water District of Southern California	Water Revenue Bonds, 2003 Authorization, Series B-4	10/27/2004	37,705,000
Metropolitan Water District of Southern California	Water Revenue Bonds, 2003 Authorization Series B-3	10/21/2004	262,295,000
Santa Barbara Financing Authority	Sewer Revenue Bonds, Series 2004	7/13/2004	20,410,000
City of Daly City	Certificates of Participation (2004 Water Utility Projects)	6/9/2004	9,860,000
Metropolitan Water District of Southern California	Water Revenue Refunding Bonds, 2004 Series B	3/16/2004	274,415,000
Burlingame Financing Authority	Water & Wastewater Revenue Bonds, Series 2004	3/2/2004	20,320,000

Issuer	Title	Sale Date	Par Value
Metropolitan Water District of Southern California	Water Revenue Refunding Bonds 2004 Series A-1	2/18/2004	162,455,000
City of Hayward	Certificates of Participation (2004 Water System Improvement Projects)	1/21/2004	6,845,000
City of Lathrop	Community Facilities District No. 2003-2 (Joint Wastewater Project) Special Tax Bonds Series 2003	12/2/2003	7,535,000
Metropolitan Water District of Southern California	Water Revenue Bonds, 2003 Authorization, Series B-1 and B-2	9/5/2003	200,000,000
Metropolitan Water District of Southern California	Water Revenue Refunding Bonds 2003, Series A	7/3/2003	36,215,000
Lathrop Financing Authority	Revenue Bonds (Water Supply Project) Series 2003	6/25/2003	32,530,000
City of Fresno	Water System Revenue Refunding Bonds, 2003 Series A	3/27/2003	16,155,000
Burlingame Financing Authority	Water & Wastewater Revenue Bonds, Series 2003	1/23/2003	8,700,000
Metropolitan Water District of Southern California	Waterworks General Obligation Refunding Bonds, 2003 Series A	1/22/2003	123,865,000
Daly City Public Facilities Financing Corporation	2002 Certificates of Participation (2002 Sewer Treatment Plant Refinancing Project)	9/24/2002	10,475,000
Metropolitan Water District of Southern California	Waterworks General Obligation Refunding Bonds, 2002 Series A	9/18/2002	55,185,000
Metropolitan Water District of Southern California	Water Revenue Refunding Bonds 2002 Series A and Series B	9/4/2002	132,240,000
City of Santa Barbara	Water Revenue Refunding Certificates of Participation, Series 2002	5/1/2002	15,535,000
Metropolitan Water District of Southern California	Water Revenue Bonds 2001, Series C-1 and C-2	10/31/2001	200,000,000
City of Hayward	Certificates of Participation (2001 Water System Improvement Projects)	10/24/2001	5,030,000
Metropolitan Water District of Southern California	Water Revenue Refunding Bonds 2001 Series B-1 and B-2	8/28/2001	224,800,000
City of Petaluma	Water Revenue Bonds, Series 2001	8/7/2001	10,165,000



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Issuer	Title	Sale Date	Par Value
Metropolitan Water District of Southern California	Water Revenue Refunding Bonds_ 2001 Series A	2/8/2001	195,670,000
Metropolitan Water District of Southern California	Waterworks General Obligation Refunding Bonds, 2001 Series A and B	2/8/2001	172,950,000
Metropolitan Water District of Southern California	Water Revenue Bonds, 2000 Authorization, Series B-1; Series B-2; Series B-3 and Series B-4	9/20/2000	355,200,000
City of Seal Beach	Certificates of Participation (2000 Sewer System Financing Project)	6/13/2000	4,230,000
City of Fresno	Sewer System Subordinate Lien, Variable Rate Revenue Refunding Bonds, 2000 Series A	5/17/2000	74,000,000
City of Petaluma	Wastewater Revenue Bonds, Series 2000	4/11/2000	8,895,000
			\$6,141,743,500

Appendix B: Pro Forma Insurance Certificate

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ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/21/2008

PRODUCER (801) 308-1500
Grant-Hatch & Associates Inc
A Member of the Leavitt Group
PO Box 9859
Salt Lake City, UT 84109-9950

INSURED Kelling, Northcross & Nobriga
Attention: Pat Dennis
One South Main St., 15th Fl
Salt Lake City, UT 84111

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

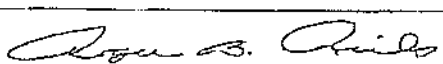
INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Travelers Property Casualty of America	
INSURER B: Old Republic Insurance, Company	
INSURER C: St Paul Travelers	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	660755G4742	8/7/2008	9/7/2009	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 1,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PROP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	810755G4742	9/7/2008	9/7/2009	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ GARAGE LIABILITY <input type="checkbox"/> ANY AUTO AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AGG \$
A	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$	CUP755G4742	9/7/2008	9/7/2009	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$ \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC1117B1 03	4/1/2008	4/1/2009	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$ \$1,000,000 E.L. DISEASE - POLICY LIMIT \$ \$1,000,000
C	OTHER Professional Liability/Bond	583CM1247	5/15/2008	5/15/2009	Limit/Ded \$25MI/USMI

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER	CANCELLATION
To Whom It May Concern	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 

Operations Report – September 2008

Cachuma Project water usage for the month of September 2008 was 2,141 acre-feet, compared with 2,667 acre-feet for the same period in 2007. Cachuma Project water use for the 12 months ending September 30, 2008 was 27,589 acre-feet, compared with 27,359 acre-feet for the 12 months ending September 30, 2007.

The average flow from Lake Cachuma into the Tecolote Tunnel was 91 acre-feet per day. Lake elevation was 746.36 feet at the beginning of the month and 744.98 feet at the end. Recorded rainfall at Bradbury Dam was 0.0 inches for the month and 0 inches for the rainfall season, which commenced on July 1, 2008.

Santa Barbara wheeled 41 acre-feet of Gibraltar water through Lauro Reservoir during the month. 988 acre-feet of State Water Project water was wheeled through Cachuma Project facilities and delivered to South Coast Member Units during the month.

Activities conducted this month include:

- 2nd round of weed abatement occurred at Ortega and Lauro Reservoir.
- Replacement of the bishop ranch meter in Goleta was conducted with Goleta Water District Staff.
- Annual staff respirator fit testing occurred.
- Resealing of all lateral vault lids that were disassembled during structure rehabilitation was completed this month.
- Lateral 30 meter in Carpinteria was reinstalled after it was sent in for recalibration and rehabilitation.
- Work continued on the design of the next line valves in the Montecito section of the SCC.
- Design and environmental work continued on the 2nd Pipeline Project and the Mission Creek Project.

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 2008 SURCHARGE WATER

(UNOFFICIAL)

DATE	DESCRIPTION	FISH RELEASE FROM SURCHARGE (acre feet)	SURCHARGE BALANCE (acre feet)	FISH RELEASE FROM PROJECT YIELD (acre feet)
3/9/2008	End of Spill		8,300	
3/31/08	March	759	7,541	
4/30/08	April	620	6,921	
5/31/08	May	746	6,175	
6/30/08	June	394	5,781	
7/31/08	July	1,235	4,546	
8/31/08	August	1,038	3,508	
9/30/08	September	308	3,200	584
10/31/08	October (projected)	738	2,462	738
11/30/08	November		2,462	600
12/31/08	December		2,462	600
1/31/09	January		2,462	
2/28/09	February		2,462	
3/31/09	March		2,462	
*** TOTAL		5,838	2,462	2,522

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Bradbury Dam Reservoir Operations Risk Analysis

October 6 – 10, 2008

Bureau of Reclamation, Technical Service Center
Building 67, Room 481

Agenda

1. Monday, October 6th, Noon – 5:00 pm
 - a. Introductions/Purpose of Meeting
 - b. Overview of Risk Analysis
 - c. Dam Overtopping Failure Mode
2. Tuesday, October 7th, 8:00 am to 5:00 pm
 - a. Spillway Gate Seismic Failure Mode
 - b. Spillway Crest Structure Wall Seismic Failure Mode
 - c. Spillway Crest Structure Pier Seismic Failure Mode
3. Wednesday October 8th, 8:00 am to 5:00 pm
 - a. Finish Spillway Failure Modes
 - b. Embankment Static Failure Modes
4. Thursday October 9th, 8:00 am to 5:00 pm
 - a. Embankment Seismic Failure Modes
5. Friday, October 10th, 8:00 am to Noon
 - a. Finish Embankment Failure Modes
 - b. Wrap-up and Conclusions



City of Santa Barbara

Public Works Department

www.cityofsantabarbara.ca.us

OCT 15 2008

Main Offices
630 Garden Street
P.O. Box 1990
Santa Barbara, CA
93102-1990

Date: October 9, 2008

CACHUMA O&M BOARD

To: Upper Santa Ynez River Operations Agreement Signatories

SUBJECT: ELECTION TO COMMENCE PASS THROUGH OPERATIONS

Administration
Tel.: 805.564.5377
Fax: 805.897.2613

We recently received and completed our review of the MNS Engineers report of the Gibraltar Reservoir capacity survey that was conducted in August 2008 to determine the amount of reservoir storage capacity that was lost as a result of watershed erosion and reservoir siltation following the Zaca Fire. Compared to the previous survey in November 2007 for the 1,400-foot elevation level, the report of the August 2008 survey indicates a reduction in reservoir storage capacity from 6,786 acre-feet (AF) to 5,303 AF, a total loss in water storage capacity of 1,483 AF.

Engineering
Tel.: 805.564.5363
Fax: 805.564.5467

Because this loss of reservoir storage capacity exceeds 1,000 AF, this loss is a catastrophic siltation event under subsection V.H. of the 1989 Upper Santa Ynez River Operations Agreement. Pursuant to subsections IV.B and V.H of this agreement, the City hereby elects to commence pass through operations. The City also hereby elects to secure the delivery of the pass through water under Method A in Appendix D of this agreement.

Building Maintenance/
Street Lights
Tel.: 805.564.5416
Fax: 805.897.2577

Some elements of pass through operations can and will be implemented immediately. Others, particularly the procedures for storing and accounting for pass through water in Lake Cachuma, will require further arrangements, which the City is pursuing. The Upper Santa Ynez River Operations Agreement Technical Committee met on September 2, 2008 to discuss the City's commencement of pass through operations. Additional Technical Committee meetings to discuss this change in operations will be scheduled as necessary.

Permit Counter
Tel.: 805.564.5388
Fax: 805.897.1927

Please feel free to contact me at (805) 897-1914, or Bill Ferguson, Water Resources Supervisor at (805) 564-5571, if you have any questions regarding this notice.

Transportation Operations
Transportation Planning
Tel.: 805.564.5385
Fax: 805.564.5467

Water Maintenance
Street Maintenance
Tel.: 805.564.5413
Fax: 805.564.2613

Water Supply Management
Water Conservation
Tel.: 805.564.5460
Fax: 805.897.2613

Downtown Parking
1115 Anacapa Street
Santa Barbara, CA
93101
Tel.: 805.963.1581
Fax: 805.963.1542

Sincerely,

Rebecca Bjork
Water Resources Manager

BF/spm

Distribution:

Charles Hamilton, General Manager, Carpinteria Valley Water District
Tom Mosby, General Manager, Montecito Water District
Eric Ford, Interim General Manager, Goleta Water District
Chris Dahlstrom, General Manager, SYRWCD, Improvement District No. 1
Bruce Wales, Manager, Santa Ynez River Water Conservation District
Tony Buelna, U. S. Bureau of Reclamation

cc:

Kate Rees, Manager, Cachuma Operation and Maintenance Board
Ali Shahroody, Stetson Engineers
Matt Naftaly, Acting Manager, Santa Barbara County Water Agency
Matthew Scudato, U.S. Geological Survey

CACHUMA OPERATION AND MAINTENANCE BOARD
MEMORANDUM

Date: October 20, 2008
To: Members of the Board of Directors
From: Kate Rees, General Manager
RE: Lauro Retention Basin Progress Report

Recommendations: None

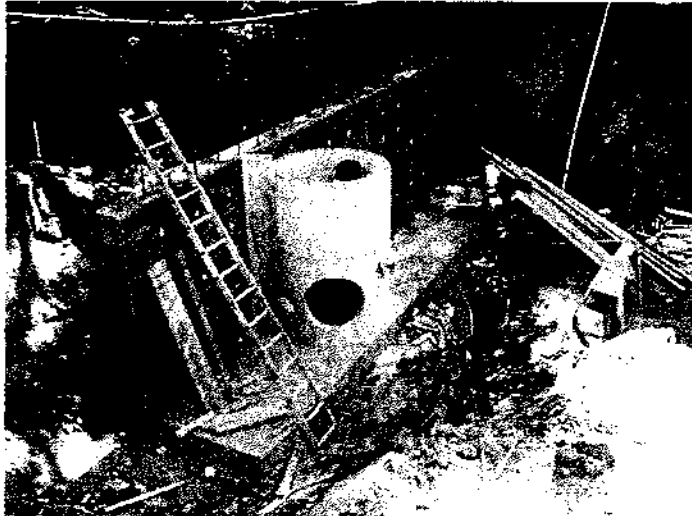
Discussion:

Work on the Lauro Retention Basin started on October 8th, 2009. The project is progressing well except for a three week in the start of the project due to delays in getting project permits. Work started with site clearing and the relocation of bulrushes. Currently the main debris dam is being constructed and the diversion structure is halfway completed. Work will begin on the under-drain system and the diversion structure drain piping in the next few weeks. Due to the delay, construction is expected to be completed in early 2009.



Picture 1 - Project site prior to construction

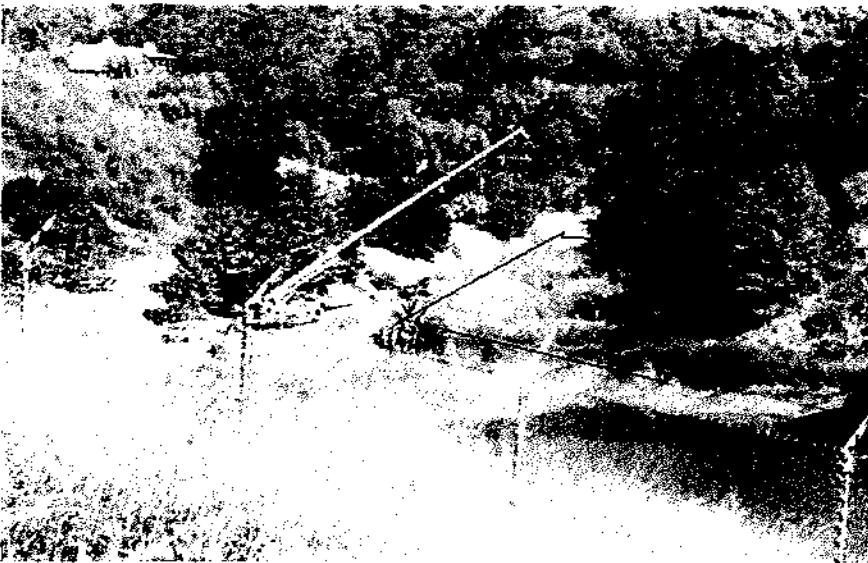
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Picture 2 - Diversion structure



Picture 3 - Cutting of bulrushes prior to replanting



Picture 4 - Project site before construction and clearing

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CACHUMA OPERATION & MAINTENANCE BOARD

MEMORANDUM

DATE: October 27, 2008
TO: COMB Boards of Directors
FROM: Kate Rees, General Manager
RE: Santa Barbara Countywide IRWMP Proposition 50 Grant Award

RECOMMENDATIONS:

1. Approve a Memorandum of Understanding with the Santa Barbara County Water Agency for the administration of Proposition 50 grant funding and reporting.
2. Adopt Resolution 476 entering into a Subgrant Agreement with the Santa Barbara County Water Agency committing COMB to meet all requirements under the Proposition 50, Integrated Regional Water Management Implementation Grant Agreement between the State Water Resources Control Board and the Santa Barbara County Water Agency.

DISCUSSION:

A grant for \$25 million was awarded to the Santa Barbara County Water Agency to implement 15 projects in the Santa Barbara County IRWMP. One of the projects to receive \$3.2 million of that grant is COMB's Second Pipeline Project. The County Water Agency has expressed its intent to enter into a Proposition 50 master grant agreement with the State of California, on behalf of the project proponents, to implement the approved projects and administer the grant requirements.

The County requires each project proponent to sign the attached Prop 50 Implementation MOU which provides for reimbursement to the County for costs it incurs in administering the state grant agreement, and indemnifies and holds harmless the County against loss or liability due to the administration and implementation of the Proposition 50 grant funds.

In addition the SWRCB requires that the master grant agreement be entered into with a single grant recipient that is the Santa Barbara County Water Agency. The County Water Agency must then enter into subgrant agreements with each of the other public agencies to assure that their individual Project Component will be implemented as set forth in the master agreement in accordance with all state requirements. That document is also attached.

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To proceed with the continued administration and funding of the Proposition 50 grant funds, it is recommended that the COMB Board approve the MOU with the Santa Barbara County Water Agency, and pass the Resolution 476 authorizing COMB to enter into the Subgrant Agreement with the County Water Agency.

Respectfully submitted,



Kate Rees
General Manager

Attachments

KR.COMB/admin/board memos/102708_IRWMP COMB subgrant approval.mmo

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Draft Agenda
Santa Barbara Countywide
Integrated Regional Water Management Plan
Cooperating Partners Meeting
Tuesday, October 14, 2008
1:00 pm – 4:00 pm

Location: 2nd Floor Conference Room, Granada Garage, Santa Barbara, CA 93101

Directions: Enter glass door to "Environmental Services", 1221 Anacapa St near Anapamu St; take elevator to 2nd floor

Conference call in number: 805- 681-5400

Passcode: 371911

AGENDA

- 1:00 Welcome and introductions
- 1:05 Public comments for items not on the agenda
- 1:10 Approval of minutes from September 18, 2008 meeting
- 1:20 **Proposition 50, Step 2 Grant**
- Status Update on Contract with Kennedy/Jenks
 - Discussion of Contract with Dudek for Grant Implementation/Administration
 - Creation of Current Email/Contact list
 - Update from Theresa & Kate on an Oversight/Coordination Position
 - Status Update on the Contract with the State of California (edits to the Master Agreement & Program Components)
 - Status Update on the Sub-Agreements with the Project Proponents (edits to the Sub-Agreements)
 - Status Update on the MOU (edits to the document)
- 2:30 **Prop 84- What's Next?**
- Update on Role of County Water Agency for Prop 84
 - Central Coast Region Coordination/Agency Interest
 - Creation of an Email Contact List
 - New Developments, if any
- 3:45 **Next Meeting:** Time and Date to be decided at meeting
- 4:00 **Adjourn**

Meeting Minutes
Santa Barbara Countywide
Integrated Regional Water Management Plan
Project Proponent Meeting
September 18, 2008
9:00 am – 12:00 pm

Location: Central Coast Water Authority

Conference call phone: 805-681-5400 and participant code 918591

Attendees

Cooperating Partners

Matt Naftaly, SB County Water Agency (County); Cynthia Allen, Vandenberg Village CSD; Gary McFarland, Goleta Water District; Teresa Reyburn, City of Santa Maria; Tom Conti, City of Santa Barbara; Janet Gingras, COMB and CCRB; Charles Hamilton, Carpinteria Valley Water District; Kathleen Werner, Goleta Sanitary District; Matt Van der Linden, Goleta Water District; Craig Murray, Carpinteria Sanitary District; U.S Wilson, Cuyama Community Services District; Ruben Moreno; City of Guadalupe; Gary McFarland, Goleta Water District.

On the Conference Call

Rob Almy; SAIC; Bob McDonald, Carpinteria Valley Water District; Kelley List, SWRCB, Dave Chang, Santa Barbara County Ag Commissioners Office; Marty Wilder, Laguna Sanitation District

Others Present

Tom Evans, Dudek; Jane Gray, Dudek; Shruti Chandra, Aspen Environmental; Meredith Clement, Kennedy Jenks; Alison Evans, Kennedy Jenks; Colleen Haraden; Kennedy Jenks

Proceedings

The meeting began at 9:10 am. There were no public comments for items not on the agenda. The meeting minutes from the August 5th meeting were approved as written.

Proposition 50, Step 2 Grant

Kennedy Jenks Presentation on Administrative Services

Kennedy Jenks introduced their team members and went over their web tool. Each project proponent will be given a unique login in order to access the web tool. The Administrator would be Kennedy Jenks. Typically SWRCB likes to have just a few points of contact. Allison Evans is to be the day to day contact for Kennedy/Jenks

The website acts a repository for all the grant submittal documents. Once the documents are posted, they are available on a "Read Only" basis. Any activities subject to CEQA needs to receive clearance on CEQA findings prior to proceeding with any groundbreaking.

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Kennedy Jenks will provide the web tool for Project proponents to upload any information related to the grant. They would send out any deliverables and package up invoices for the County to review prior to submittal.

The web tool can also search for documents. The grant manager needs to figure out what the line items are going to be. Matching will be looked at as a whole, however, each project proponent should plug in all of their match amounts.

Prop 50 requires that you can get reimbursement on invoices. You do not need proof of payment. You can also view the progress report to see what has been done to date, what the due dates are and current status of work, etc. You can also view all your deliverables and what the current status is.

Kennedy Jenks suggests that a group meeting to get everyone on the same page on many of the deliverables.

The County would hire a consultant to manage the process and then Kennedy Jenks would deal with the grant administration. The group discussed the various options for long-term commitment for regional water planning.

The County agrees to support a separate MOU for keeping the regional water planning into the future. A sub-committee will get together and prepare an MOU that discusses this. Teresa Reyburn and Kate Rees to work on this.

Kennedy Jenks to be brought on board for grant administration. Matt Naftaly brought up the fact that all project proponents need to provide to the County their estimated project costs for FY 2008-2009 in order for the County to build the costs into their budget for reimbursement. The County will re-adjust their budget in order to accommodate

Approve Kennedy Jenks and put on the board agenda but also review the budget with Kennedy Jenks to see if there is any flexibility in lowering the price.

The County wants to hire a consultant to manage the process and coordinate with matters that relate to the State contract.

Rob Almy is to submit a scope of work regarding Prop 84 for the rest of the calendar year.

Status Update on Grant Agreement with SWRCB

The agreement needs to be closely reviewed by the Proponents to make sure they agree with the terms and dates and descriptions of tasks and that they are accurate. Once the review occurs, Tom Evans will provide a consolidated set of comments to the State. Kelley List offered some advice as to how best to submit invoices for reimbursement. She indicated that personnel costs are scrutinized; per diems are set by the State; copies of bills need explanations.

Status Update on Sub-Agreements with Project Proponents

This item will return to the agenda in October's meeting.

Status Update on MOU

MOU will be edited by Tom Evans to show the final administrative costs and will be returned to the Project Proponents.

Discussions regarding submittal of CEQA compliance documents

Matt will be tracking which agencies have submitted their documents.

Update after August Site Visits with SWRCB Grant Management

Prop 84- What's Next?

Role of County Water Agency

Tom Evans to draft MOU for Prop 84 activities.

Central Coast Region Coordination

Discussed above

New Developments

Discussed above

Next Meeting:

The next meeting will be held on October 14th from 1pm to 4 pm. Location to be determined based on availability.

RESOLUTION NO. 476

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CACHUMA OPERATION AND MAINTENANCE BOARD
TO ENTER INTO A SUBGRANT AGREEMENT BETWEEN
THE COUNTY OF SANTA BARBARA WATER AGENCY
AND CACHUMA OPERATION AND MAINTENANCE BOARD
SUBORDINATE TO A MASTER AGREEMENT BETWEEN
THE WATER AGENCY AND THE STATE OF CALIFORNIA**

RECITALS

WHEREAS, in November 2002, the California electorate approved Proposition 50 (the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, Water Code Section 79560 et seq), which included \$500 million under Chapter 8 for projects included in an Integrated Regional Water Management Plan (IRWMP); and

WHEREAS, Proposition 50, Chapter 8 Implementation funds will only be awarded to Regions with an adopted IRWMP, and other recently adopted State water bond measures include similar IRWMP requirements; and

WHEREAS, staff of the Cachuma Operation and Maintenance Board, along with other public agencies in Santa Barbara County, have participated as Cooperating Partners under a "Memorandum of Understanding (MOU) to develop and Integrated Regional Water Management Plan (IRWMP) in Santa Barbara County" and have completed the first edition of the Santa Barbara Countywide Integrated Regional Water Management Plan (SBCIRWMP), dated May 2007; and

WHEREAS, Cachuma Operation and Maintenance Board adopted the Santa Barbara County Integrated Regional Water Management Plan dated May 2007 on June 25, 2007; and

WHEREAS, Cachuma Operation and Maintenance Board along with the Cooperating Partners of the SBCIRWMP Group made application to the State for Step 2 funding through the Proposition 50 Chapter 8 funding program; and

WHEREAS, The SBCIRWMP Group was awarded \$25 million dollars in funding through the Proposition 50, Chapter 8 funding program as recommended by the State Water Resources Control Board on July 1, 2008;

NOW, THEREFORE, BE IT RESOLVED:

1. That pursuant and subject to all of the terms and provisions of the Proposition 50, Chapter 8 Funding program, and amendments thereto, that a Subgrant Agreement be entered into between the Santa Barbara County Water Agency and Cachuma Operation and Maintenance Board, said agreement being subordinate to the

“Proposition 50, Integrated Regional Water Management (IRWM) Implementation Grant Agreement between State Water Resourced Control Board and the Santa Barbara County Water Agency.

I certify that the foregoing Resolution No. 476 was adopted by a vote of the Board of Directors of COMB on October 27, 2008, as set forth below.

AYES:

NAYES:

ABSENT/ABSTAIN:

APPROVED:

President of the Board

ATTEST:

Secretary/Manager

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**PROPOSITION 50
INTEGRATED REGIONAL WATER MANAGEMENT
SUBGRANT AGREEMENT**

**Between the Santa Barbara County Water Agency and
Cachuma Operation & Maintenance Board**

This Proposition 50 Integrated Regional Water Management Subgrant Agreement (“AGREEMENT”) is made this 27th day of October, 2008, between the Santa Barbara County Water Agency (“AGENCY”) and the Cachuma Operation & Maintenance Board (“SUBGRANTEE”) (collectively “THE PARTIES”), regarding the approved grant funded project component known as South Coast Conduit (SCC) - Upper Reach Reliability Pipeline.

RECITALS

1. The County of Santa Barbara and 28 other public agencies have approved an Integrated Regional Water Management Plan (“IRWMP”) for the Santa Barbara County area and submitted a grant application to the State Water Resources Control Board (SWRCB) for a Proposition 50 IRWMP Implementation Grant for 14 component water enhancement projects throughout Santa Barbara County, as specified in the IRWMP, to be carried out by various public agencies in Santa Barbara County with authority and responsibility for water facilities and programs;
2. The SWRCB has approved the grant application of THE PARTIES, but requires that the grant agreement be entered into with a single eligible grant recipient, that is Santa Barbara County Water Agency;

3. AGENCY is an eligible grant recipient, and is willing to serve as the single grantee under the grant agreement with the State Water Resources Control Board (SWRCB) and to enter into subgrant agreements with the other public agencies for state-approved project components in the IRWMP and grant application and to act with the assistance of a contractor, as the administrator of the grant;

4. SUBGRANTEE has requested that AGENCY perform the function of grantee under the grant;

5. SUBGRANTEE wishes to carry out the approved grant project component known as South Coast Conduit (SCC) – Upper Reach Reliability Pipeline (“THE PROJECT COMPONENT”) and consents to implement THE PROJECT COMPONENT through this AGREEMENT with AGENCY.

6. SUBGRANTEE is willing and committed to meet all SWRCB requirements under the grant agreement for THE PROJECT COMPONENTS, including providing matching funds or in-kind match activities, and will provide funding for administrative costs as may be incurred by AGENCY or its contractors.

AGREEMENT

IT IS MUTUALLY AGREED BY THE PARTIES THAT:

1. AGENCY shall act as grantee under the Proposition 50 Integrated Regional Water Management Grant Program and shall, as an eligible grant recipient, enter into the grant agreement with the SWRCB to implement the approved project components in the IRWMP and to administer the grant requirements. AGENCY may contract with third parties for the administrative services called for in the grant agreement.

2. AGENCY shall pay grant funds to SUBGRANTEE for work on THE PROJECT COMPONENT for activities completed in accordance with the terms of the grant agreement, upon receipt of grant funds for that work from the SWRCB.

3. AGENCY shall timely submit to the SWRCB invoices, reports, and assurances received from SUBGRANTEE prepared to meet the accounting, reporting and other requirements in the grant agreement for THE PROJECT COMPONENT.

4. AGENCY, assisted by the administration consultant, shall maintain files and accounts for THE PROJECT COMPONENT in accordance with grant agreement.

5. a) SUBGRANTEE shall carry out, build and/or perform THE PROJECT COMPONENT in accordance with all requirements for THE PROJECT COMPONENT set forth in the grant agreement, attached hereto as Exhibit 1 and incorporated herein by this reference. SUBGRANTEE shall fulfill all assurances, declarations, representations and commitments made by SUBGRANTEE in support of SUBGRANTEE's request for grant funds. SUBGRANTEE agrees to all requirements and limitations of the grant agreement for THE PROJECT COMPONENT.

b) SUBGRANTEE shall immediately provide notice to AGENCY in the event SUBGRANTEE wishes to substantially alter the schedule, materials, methods or deliverables related to THE PROJECT COMPONENT as set forth in the grant agreement. AGENCY shall timely forward SUBGRANTEE's request for alteration to the SWRCB for its consideration.

c) As AGENCY is acting as grantee under the grant agreement, SUBGRANTEE's questions and other communications related to the grant agreement or performance of work under the grant agreement shall be directed to the AGENCY's

representatives for resolution with the SWRCB, which AGENCY agrees to promptly seek resolution of. Agency shall promptly relay Sub Grantee's questions and communications to the SWRCB.

6. a) SUBGRANTEE shall pay or cause to be paid and provide all required grant matching funds or in-kind matching services for THE PROJECT COMPONENT, and shall provide all necessary environmental review and obtain all required permits for THE PROJECT COMPONENT.

b) AGENCY and SUBGRANTEE agree that the initial budget for THE PROJECT COMPONENT IS:

Proposition 50	Match	Total
\$3,200,000.00	\$5,431,200.00	\$8,631,200.00

This budget may be adjusted in accordance with the grant agreement.

7. To the extent permitted by law, SUBGRANTEE shall fully indemnify, defend, and hold the AGENCY, its officers, employees and agents, free and harmless from any and all claims, costs, damages, investigations, arbitrations, lawsuits, and expenses, including attorney fees, judgments, awards or liabilities arising out of this AGREEMENT or SUBGRANTEE's work on THE PROJECT COMPONENT.

8. There shall be paid by SUBGRANTEE to AGENCY to fund AGENCY's ongoing administrative services as grant administrator an amount as established in the MOU between AGENCY and SUBGRANTEE. AGENCY may utilize these monies to engage a contractor to assist in the performance of administrative services. Payments shall be made in installments. The first year's payment shall be made within 60 days of

entering into this AGREEMENT. Thereafter, SUBGRANTEE shall on or before December 1 of each fiscal year that it is carrying out THE PROJECT COMPONENT, make payments to AGENCY as set forth in the signed MOU or on such other schedule acceptable to AGENCY to fund AGENCY's services for grant administration.

SUBGRANTEE shall pay AGENCY additional amounts as billed by the AGENCY at applicable hourly rates for any additional costs of administrative services caused by delays of the SUBGRANTEE.

9. In Accordance with the "GRANTEE REPRESENTATIONS" provision of the grant agreement between the SWRCB and AGENCY, THE PARTIES agree that SUBGRANTEE shall comply with all applicable laws, policies and regulations in carrying out this AGREEMENT and THE PROJECT COMPONENT.

10. AGENCY shall use all funds it receives for THE PROJECT COMPONENT from the SWRCB under the grant agreement solely and exclusively for the purposes set out in this AGREEMENT for THE PROJECT COMPONENT; provided, however, that AGENCY shall not be responsible for any funds paid out as a result of fraud, forgery or misrepresentation.

11. AGENCY shall have no responsibility for maintenance of or insurance for THE PROJECT COMPONENT.

12. AGENCY is not acting as a surety. This AGREEMENT is not a performance, payment, completion or labor and materials bond. AGENCY does not guarantee or warrant that construction of THE PROJECT COMPONENT will proceed, be completed, or that the grant funds for THE PROJECT COMPONENT will be sufficient to meet incurred expenses. AGENCY does not guarantee or warrant the plans

and specifications for THE PROJECT COMPONENT. AGENCY does not guarantee or warrant any estimated construction costs or budget set forth in either the grant application or grant agreement. AGENCY shall have no responsibility for any aspect of bidding and selection of contractors and subcontractors to perform any aspect of the work of THE PROJECT COMPONENT under this AGREEMENT. Instead, AGENCY is only acting as a conduit: 1) for transfer of grant funds to SUBGRANTEE for THE PROJECT COMPONENT in furtherance of the grant agreement and 2) for the transmission of invoices, reports, financial information and state disclosure assurances and other information required by the grant agreement to be transmitted from the SUBGRANTEE to the SWRCB.

13. a) AGENCY does not guarantee or warrant that it will pay any invoice submitted by SUBGRANTEE until funds for approved invoices have actually been transmitted by the SWRCB to AGENCY. AGENCY assumes no liability to any entity, including but not limited to, SUBGRANTEE, and any contractors and subcontractors on THE PROJECT COMPONENT for any delays by the SWRCB in approval or transmittal of grant funds to the AGENCY.

b) SUBGRANTEE agrees that it shall return any audit disallowance related to THE PROJECT COMPONENT, as provided in the grant agreement to the AGENCY for transmission to the SWRCB.

14. THE PARTIES agree that if SUBGRANTEE abandons carrying out THE PROJECT COMPONENT or fails to cure any breach of this AGREEMENT within 30 days of receipt of Notice of Breach from AGENCY, then AGENCY may, in its sole discretion serve written notice to SUBGRANTEE that AGENCY intends to terminate

this AGREEMENT due to SUBGRANTEE's breach in 30 days and, if the breach is not timely and reasonably cured, terminate this AGREEMENT.

15. It is agreed by THE PARTIES that if any applicable federal or state budget act of the current year and/or any subsequent years does not appropriate sufficient funds for the grant, then this AGREEMENT shall be suspended until such time as funding is appropriated. Agreement shall terminate if the grant agreement is canceled by the SWRCB. In this event, except for those funds already received from SWRCB and approved for payment for work on THE PROJECT COMPONENT, AGENCY shall have no liability to transmit any funds for work on THE PROJECT COMPONENT to SUBGRANTEE. SUBGRANTEE agrees to indemnify and defend and hold AGENCY harmless from any claims asserted against AGENCY by any entity in the event that the applicable federal or state budget act does not appropriate sufficient fund for THE PROJECT COMPONENT.

16. AGENCY shall not be responsible for securing insurance protection against loss or damage to THE PROJECT COMPONENT or any pre-purchased materials for said PROJECT COMPONENT, including but not limited to losses due to the following: fire, earthquake, vandalism and theft. Neither is AGENCY liable for any loss or damage resulting from the failure to secure any such insurance. As a minimum, SUBGRANTEE shall provide all insurance coverages as required for THE PROJECT COMPONENT in the grant agreement.

17. Upon completion of construction or performance of THE PROJECT COMPONENT or termination of this AGREEMENT, AGENCY shall: 1) disburse to SUBGRANTEE any remaining sums of money in the account approved by the SWRCB

for payment to SUBGRANTEE, which have not already been disbursed by AGENCY to SUBGRANTEE, and 2) distribute pro rata refunds to SUBGRANTEE of unexpended administrative cost contributions.

18. SUBGRANTEE shall proceed with all reasonable diligence in: (i) the commencement and completion of THE PROJECT COMPONENT; (ii) submission of written reports, financial information, insurance, bonds, and assurances required by the grant agreement for THE PROJECT COMPONENT; and (iii) submittal of requests for payment fully compliant with the grant agreement, and accompanied by written verification certified under penalty of perjury that the request for payment is truthful and accurate and the described costs have all been incurred solely for THE PROJECT COMPONENT.

19. AGENCY shall not be obligated to recognize any assignment of this AGREEMENT by SUBGRANTEE to any third party, except as agreed to in writing by the AGENCY and SUBGRANTEE.

20. Should any provision of this AGREEMENT be found invalid, such invalidity shall not, in any way, affect the remaining provisions of this AGREEMENT.

21. This AGREEMENT is only for the benefit of THE PARTIES and not for the benefit of any third party, other than the SWRCB.

22. The signature of SUBGRANTEE's General Manager or Project Manager on the requests for payment to AGENCY submitted by SUBGRANTEE shall conclusively and finally establish the right of AGENCY to draw checks as so requested, subject to AGENCY's performance of its responsibilities as grantee pursuant to the grant agreement, and subject to the SWRCB's transmittal of grant monies to AGENCY for

THE PROJECT COMPONENT. Changes to authorized signatures shall be accomplished by written notice from SUBGRANTEE to AGENCY.

23. Nothing in this AGREEMENT shall create any contractual relationship between any contractor, subcontractor, or consultants of SUBGRANTEE and AGENCY. SUBGRANTEE agrees to be fully responsible to AGENCY for the acts and omissions of its contractors, subcontractors, consultants and persons either directly or indirectly employed by them as it is for the acts and omissions of persons directly employed by SUBGRANTEE. SUBGRANTEE's obligation to pay its contractors, subcontractors, and consultants is independent of the obligation of the SWRCB to transmit monies to AGENCY. AGENCY has no obligation to transmit monies to any contractor, subcontractor, or consultant of SUBGRANTEE.

24. SUBGRANTEE agrees that, at SUBGRANTEE's sole expense, SUBGRANTEE shall ensure that the AGENCY, including its board, officers, consultants, employees, agents and volunteers, shall be named as additional insured, and insured in the same amount as SUBGRANTEE, on all insurance policies which SUBGRANTEE is required to obtain pursuant to the grant agreement. SUBGRANTEE agrees to provide AGENCY with written documentation that it has been so named as an additional insured on all insurance policies which SUBGRANTEE is required to obtain pursuant to the grant agreement.

25. The term of the AGREEMENT shall be the same as, and coincide with, the term of the grant agreement.

26. This AGREEMENT shall terminate upon the earlier of: (i) written notice from the SWRCB to AGENCY and SUBGRANTEE of insufficient appropriations and

cancellation of the grant agreements; (ii) AGENCY's disbursement of all funds for THE PROJECT COMPONENT pursuant to this AGREEMENT by June 30, 2012, plus 35 years; or (iii) termination of the AGREEMENT by AGENCY due to breach as set forth in Paragraph 14.

27. For five years after completion of THE PROJECT COMPONENT or as otherwise required by the grant agreement, AGENCY shall retain a copy of records of: (i) AGENCY deposits into, and disbursements from, accounts for THE PROJECT COMPONENT; (ii) requests for payment received from SUBGRANTEE; and (iii) AGENCY inspection of SUBGRANTEE requests for payment on THE PROJECT COMPONENT. Upon prior written request from the SWRCB or SUBGRANTEE, AGENCY shall provide the SWRCB or SUBGRANTEE reasonable access to inspect such records on AGENCY premises during normal business hours.

28. Each of THE PARTIES represents and warrants that each person signing this AGREEMENT on behalf of any of THE PARTIES, has legal authority to sign this AGREEMENT, and bind that party.

29. Notice pursuant to this AGREEMENT shall be sent by United States mail and by facsimile transmission to the following representatives for THE PARTIES.

SUBGRANTEE:

Cachuma Operation & Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105

AGENCY:

Santa Barbara County Water Agency
123 East Anapamu Street
Santa Barbara, CA 93101
Attn: Thomas Fayram

10/21/08

THE PARTIES may change representatives upon written notice to the other party.

30. This AGREEMENT is entered into, and shall be construed and interpreted in accordance with the laws of the State of California.

31. This AGREEMENT has been negotiated between THE PARTIES and shall not be construed against any party as the drafting party.

32. This AGREEMENT will be considered binding and effective when it has been fully executed by THE PARTIES. This AGREEMENT may be executed in counterpart originals, with all counterparts taken as a whole constituting the complete AGREEMENT.

Wherefore, having read the foregoing and having understood and agreed to the terms of this AGREEMENT, THE PARTIES voluntarily affix their signatures below.

ACCEPTED and AGREED:

Signatures of AGENCY

SANTA BARBARA COUNTY WATER AGENCY
SCOTT MCGOLPIN
PUBLIC WORKS DIRECTOR

By: _____

Date: _____

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

BY: _____
Deputy

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10/21/08

APPROVED AS TO INSURANCE:
RAY AROMATORIO, ARM, AIC
RISK PROGRAM ADMINISTRATOR

APPROVE AS TO ACCOUNTING:
ROBERT W. GEIS, CPA

By: _____

BY: _____
Deputy

Signatures of SUBGRANTEE

By: _____

Name: C. Charles Evans

Title: President

Organization: Cachuma Operation & Maintenance Board

Date _____

EXHIBIT 1

Insert Project Description in Section 3 of the SWRCB Agreement

The COMB SCC is a sixty (60) year old pipeline that transports approximately eighty (80) percent of the water supply for the two hundred thousand (200,000) residents of the south coast communities of Santa Barbara County. The SCC is under-designed by thirty (30) percent for strength by current design standards. The system capacity is sixty-five (65) million gallons per day (mgd), but the pipeline is restricted to forty-two (42) mgd. The COMB SCC Upper Reach Reliability Pipeline project, Component 1 (C1), will add a second pipeline to the SCC system. The Component will install approximately eight thousand, two hundred (8,200) feet of approximately forty-eight (48) inch pipeline to run parallel to the first section of the existing forty-eight (48) inch SCC; this second pipeline assures ongoing water deliveries even if one of the lines is out of service for repairs or as a result of a pipeline failure.

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PROPOSITION 50
 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANT
 AGREEMENT
 BETWEEN THE
 STATE WATER RESOURCES CONTROL BOARD, hereinafter called "State" or "State Water Board"
 AND

Santa Barbara County Water Agency (SBCWA), hereinafter called "Grantee"

Santa Barbara Countywide IRWM Implementation Grant Proposal, hereinafter called "Project"

AGREEMENT NO. [08-613-550]

State and Grantee hereby agree as follows:

PROVISIONS. The following provisions authorize the State Water Board to enter into this type of Grant Agreement:

Water Code, § 79560 et seq.

PURPOSE. State shall provide a grant to and for the benefit of Grantee for the purpose of implementing the Project. The Grantee will work in concert with sub-grantees in fulfilling its obligations under this Agreement. The Grantee and each sub-grantee will be responsible for implementation of their respective component(s).

GRANT AMOUNT. The maximum amount payable under this Agreement shall not exceed \$25,000,000.

TERM OF AGREEMENT. The term of the Agreement shall begin on July 1, 2008 and continue through Project completion plus ~~twenty-three (23)~~ thirty-five (35) years unless otherwise terminated or amended as provided in the Agreement. **HOWEVER, ALL WORK SHALL BE COMPLETED BY MARCH 1, 2012. ABSOLUTELY NO FUNDS MAY BE REQUESTED AFTER APRIL 1, 2012.**

PROJECT REPRESENTATIVES. The Project Representatives during the term of this Agreement will be:

State Water Resources Control Board	Grantee: Santa Barbara County Water Agency SBCWA
Name: Ms. Kelley List, Grant Manager	Name: Mr. _____ <u>Thomas Fayram</u> , Project Director
Address: 1001 I Street, 16th Floor Sacramento, CA 95814	Address: <u>123 E. Anapamu Street</u> <u>Santa Barbara, CA 93101</u>
Phone: (916) 319-9226	Phone: (805) 568-3440
Fax: (916) 341-5707	Fax: <u>(805) 568-3434</u>
e-mail: klist@waterboards.ca.gov	e-mail: tfayram@cosbpw.net

Direct all inquiries to:

State Water Resources Control Board	Grantee: SBCWA
Section/Unit: Division of Financial Assistance	Section/Unit:
Attention: Ms. Pam Nichols, Program Analyst	Attention: Mr. Matt Naftaley _____, Grant Contact
Address: 1001 I Street, 17th Floor Sacramento, CA 95814	Address: <u>123 E. Anapamu Street</u> <u>Santa Barbara, CA 93101</u>
Phone: (916) 341-5909	Phone: (805) 568-3542 (805) 568-3442
Fax: (916) 341-5296	Fax: <u>(805) 568-3434</u>
e-mail: pnichols@waterboards.ca.gov	e-mail: MNaftaly@co.santa-barbara.ca.us

Either party may change its Project Representative upon written notice to the other party.

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STANDARD PROVISIONS. The following exhibits are attached and made a part of this Agreement by this reference:

- Exhibit A Scope Of Work
- Exhibit B Invoicing, Budget Detail, and Reporting Provisions
- Exhibit C General Conditions – Proposition 50 IRWM Implementation Grants
- Exhibit D Special Conditions – Proposition 50 IRWM Implementation Grants

GRANTEE REPRESENTATIONS. The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the Grantee in its application, accompanying documents, and communications filed in support of its request for grant funding. The Grantee shall comply with and require its contractors, subcontractors, and sub-grantees to comply with all applicable laws, policies, and regulations.

DEFINITIONS. The following defined terms apply throughout this Agreement.

“Component” hereinafter means the individually implemented projects which together comprise the Santa Barbara Countywide IRWM Implementation Grant Proposal (Project). The individual components that comprise this Project will be enumerated in Exhibit A.

“Sub-grantee” hereinafter means the entity responsible for implementing one or more components.

IN WITNESS THEREOF, the parties have executed this Agreement on the dates set forth below.

By: _____

Grantee Signature (IN BLUE INK)

Scott McGoipin

Grantee Typed/Printed Name

Santa Barbara [JLH1] Co-unity Public
Works Director

Title and Date

By: _____

Barbara L. Evoy, Deputy Director
Division of Financial Assistance,
State Water Resources Control Board

Date

Reviewed by:
Office of Chief Counsel
Date:

EXHIBIT A
SCOPE OF WORK

1. PLANS AND COMPLIANCE REQUIREMENTS:

- 1.1. In order for the State Water Board staff to verify work was adequately performed or conducted, GPS information for component sites and monitoring locations must be identified for this Project prior to any disbursements related to monitoring requirements. Submittal requirements for GPS data are available at <http://www.waterboards.ca.gov/funding/grantinfo.html>.
- 1.2. The Grantee shall prepare and implement a Project Assessment and Evaluation Plan (PAEP) to detail the methods of measuring Project benefits and reporting them in accordance with a PAEP. All components that propose pollution load and/or concentration reductions must report such reductions annually. Use the 319(h) Non Point Source Pollution Reduction Project Follow-up Survey Form found at http://www.waterboards.ca.gov/funding/docs/grantinfo/319h_pollution_survey.xls or a similar format to report annual load reductions. Components protecting, restoring or creating streams, shorelines, or wetlands, must report an annual accounting of the acres of wetlands restored and created, feet of stream bank and shoreline protected and feet of stream channel stabilized. The Grantee shall not implement monitoring and performance assessment and/or evaluation actions prior to PAEP approval by the Grant Manager. The Grantee shall provide annual updates on the status of compliance with and progress towards meeting the project goals, targets, and load reductions outlined in the PAEP. If corrections to the PAEP are needed, these shall be approved in advance by the Grant Manager. Guidance for preparing the PAEP is available at <http://www.waterboards.ca.gov/funding/paep.html>.
- 1.3. If environmental water quality monitoring (chemical, physical, or biological) is undertaken, the Grantee shall prepare, maintain, and implement a Monitoring Plan (MP). The MP shall include, but is not limited to, a description of the monitoring objectives, types of constituents to be monitored, and the sampling location frequency/schedule for the monitoring activities. The MP will include the schedule for submittal of monitoring reports. The Grantee shall be prohibited from implementing any sampling or monitoring activities prior to approval of the MP by the Grant Manager. No monitoring may occur prior to MP approval. Any changes to the MP must be submitted to the Grant Manager for review and a decision regarding approval prior to implementation.
- 1.4. If a MP is prepared, the Grantee shall also prepare, maintain, and implement a Quality Assurance Project Plan (QAPP) in accordance with the State Water Board's Surface Water Ambient Monitoring Program's (SWAMP) QAPP and data reporting requirements, and the USEPA QAPP, EPA AQ/R5, 3/01. Water quality monitoring data includes physical, chemical, and biological monitoring of any surface water. Electronic submittal of data collected in accordance with SWAMP shall be required. The QAPP shall be submitted to the State Water Board's Quality Assurance (QA) Officer for review and a decision regarding approval prior to the Grantee implementing any sampling or monitoring activities. No monitoring may occur prior to QAPP approval. Any costs related to monitoring data collected prior to and not supported by the approved QAPP will not be reimbursed. Guidance for preparing the QAPP is available at <http://www.waterboards.ca.gov/swamp/qapp.html>.
- 1.5. Any component that affects groundwater quality must include monitoring. Monitoring data must be in an electronic format that allows for integration into statewide monitoring efforts, including but not limited to, the Groundwater Ambient Monitoring Assessment Program (GAMA). Groundwater monitoring data are to be compliant with the electronic formats contained in California Code of Regulations, Title 23 (Division 3, Chapter 30, Articles 1 and 2), and Title 27 (Division 3, Subdivision 2, Chapters 1 and 2).
- 1.6. All components are required to comply with the California Environmental Quality Act (CEQA). Work on a component subject to CEQA cannot begin until the State Water Board has reviewed the CEQA documentation submitted by the Grantee and given environmental clearance. If the work is conducted on federal land, the Grantee must also comply with the National Environmental Policy Act (NEPA).
- 1.7. The Grantee must submit copies of the most recent three (3) years of audited financial statements for each sub-grantee. Equivalent documentation may be considered at the discretion of the Grant Manager. The submittal must also include:
 - 1.7.1. Balance sheets, statements of sources of income and uses of funds, a summary description of existing debts including, but not limited to bonds, and the most recent annual budget;
 - 1.7.2. Separate details for the water enterprise fund (if applicable);
 - 1.7.3. A list of all cash reserves, restricted and unrestricted, and any planned uses of those reserves; and
 - 1.7.4. Any loans required for project funding and a description of the repayment method of any such loans.

Submission of these documents shall constitute a condition precedent to the disbursement of grant funds. The State Water Board shall retain the grant funds for each component until the documents for that sub-grantee are submitted

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to the reasonable satisfaction of the State Water Board. Once acceptable documents are submitted, any withheld grant funds shall be promptly disbursed to the Grantee, without interest.

- 1.8. If landowner agreements are required, signed copies must be submitted to the Grant Manager before works begins.
- 1.9. If permits are required, the permits must be obtained and signed copies submitted to the Grant Manager before work begins.
- 1.10. State Disclosure Requirements – Include the following disclosure statement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

"Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the State Water Resources Control Board, nor does mention of trade names or commercial products constitute endorsement or recommendation for use." (Gov. Code, § 7550; 40 CFR 31.20)

Signage shall be posted in a prominent location at component sites (if applicable) and shall include the State Water Board logo (available from the Program Analyst) and the following disclosure statement:

"Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board"

- 1.11. The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this work item. (Gov. Code, § 7550)

2. LAND ACQUISITION [JLH2] [KLL3]

Prior to purchasing fee title or a lesser interest in eligible land, the Grantee (buyer) must submit necessary information to the Grant Manager. This information must include:

- 2.1. An estimate of the current fair market value of the land interest to be purchased. To establish the fair market value, the Grantee will obtain two independent appraisals (if value of acquisition is less than \$100,000, then only one appraisal is required). One independent review appraisal will be required to review all appraisal reports and to prepare a written report of the review. All appraisals and the review appraisal must be prepared by real property appraisers currently licensed by the State of California Office of Real Estate Appraisers as a Certified General Appraiser.
 - 2.1.1. A written statement of the proposed procedure and timing of the purchase of the land interest.
 - 2.1.2. A written statement that the land is suitable for its intended uses, and that the Grantee is solely responsible for the mitigation of any hazardous material that may be found during the development of the site.
 - 2.1.3. If applicable, a written statement with the necessary findings of General Plan consistency under California Government Code Section 65402.
 - 2.1.4. If not included in the appraisals, an adequate map showing the location of the proposed project including the land/easement proposed for purchase. Adequacy will be determined by the Grant Manager.
- 2.2. Open an escrow account with an institution licensed by the California Department of Financial Institutions and obtain the services of an escrow company that has complied with the requirements of Division 6 of the California Financial Code, commencing with Section 17000.
- 2.3. Provide the escrow company with the Purchase and Sale Agreement outlining the terms and conditions by ~~date~~ the date listed in the component tables in Exhibit A.
 - 2.3.1. If the real property is under a bona fide written threat of condemnation or has been condemned, the Grantee shall immediately notify the Grant Manager in writing, and shall use its best efforts to obtain the maximum compensation possible. Upon receiving condemnation proceeds, the Grantee shall promptly pay the State Water Board a percentage of the condemnation proceeds equivalent to the percentage of the total acquisition cost originally contributed by the State Water Board up to the total amount disbursed under this Agreement.
 - 2.3.2. Condemnation means a permanent taking through the exercise of any government power (by legal proceedings or otherwise) by any party having the right of eminent domain; or through a voluntary sale or transfer by the Grantee to any condemnor, either under a bona fide written threat of exercise of eminent domain by a condemnor or while legal proceedings for eminent domain are pending.

- 2.4. Execute and deliver to the Grant Manager an original of the Purchase and Sale Agreement to include the terms of escrow and the seller's restrictions during the term of the escrow, if any.
- 2.5. Provide the escrow company with all required deposit amounts and required insurance information.
- 2.6. Processing of grant deeds shall occur as part of the escrow instructions, and the grant deed will be recorded when all escrow instructions have been completed and immediately after escrow closes on or before the date listed in the component tables in Exhibit A [date]. If all of the property interest is not purchased, any funds disbursed under this Agreement must be returned to the State Water Board and any penalties for arbitrage on interest earned will be paid by the Grantee.
- 2.7. Close escrow and finalize the acquisition.

3. WORK TO BE PERFORMED BY GRANTEE:

The goal of the Project is to implement components of the Santa Barbara Countywide (SBC) IRWM Plan. The SBC IRWM Plan encompasses all of Santa Barbara County. The land area north of the Santa Ynez Mountains is composed of three long waterways: the Santa Ynez River, the San Antonio Creek, and the Santa Maria River. The land area south of the Santa Ynez Mountains is composed of approximately fifty (50) short, steep watersheds. The Project includes the implementation of fifteen (15) components of the IRWM Plan. The participating agencies have consented to implementing their respective components by signing a Memorandum of Understanding with the Santa Barbara County Water Agency.

3.1 Santa Barbara County Water Agency (SBCWA), IRWM Project Grant Administration (\$200,000) (Component 4)

The SBCWA is responsible for the overall IRWM project administration, Component 1 (C1). Descriptions of specific deliverables for SBCWA are located in Exhibit A, Item 1 and Exhibit B.

3.2 Cachuma Operation and Maintenance Board (COMB) South Coast Conduit (SCC) – Upper Reach Reliability Pipeline (\$3,200,000) (Component 21)

The COMB SCC is a sixty (60)-year old pipeline that transports approximately eighty (80) percent of the water supply for the two hundred thousand (200,000) residents of the south coast communities of Santa Barbara County. The SCC is under-designed by thirty (30) percent for strength by current design standards. The system capacity is sixty-five (65) million gallons per day (mgd), but the pipeline is restricted to forty-two (42) mgd. The COMB SCC Upper Reach Reliability Pipeline project, Component 2-1 (C2C1), will add a second pipeline to the SCC system. [The [JLH4] eComponent project will install approximately eight thousand, two hundred (8,200) feet of approximately forty-eight (48)-inch pipeline to run parallel to the first section of the existing forty-eight (48)-inch SCC; this second pipeline assures ongoing water deliveries even if one of the lines is out of service for repairs or as a result of a pipeline failure. Funds for construction of Component C1 shall not be disbursed until the State Water Board has issued a final decision in the pending public trust proceeding concerning the water right permits for the Cachuma Project/COMB's Project. NOT ACCEPTABLE-PLEASE CALL TO DISCUSS

- 3.2.1 Submit the completed Feasibility Study Submit all required permits and proof of Right of Way and/or Land Acquisition in accordance with the requirements listed in Exhibit A, Section 2 of this Agreement to the Grant Manager prior to implementation. Submit these documents electronically.
- ~~3.2.2 Submit one hundred percent (100%) Design Plans and Specifications electronically to the Grant Manager prior to implementation.~~
- 3.2.2 Submit one hundred percent (100%) Design Plans and Specifications electronically to the Grant Manager prior to implementation
- 3.2.3 Submit Project Performance Certification.
- 3.2.4 Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and initiation of Construction date.
- 3.2.5 Complete construction in accordance with Plans and Specifications.
- 3.2.6 Conduct construction inspections as needed until completion.
- 3.2.7 Document key steps with photographs and submit with Progress Reports.
- 3.2.8 Verify that all work completed was in accordance with Plans and Specifications.
- 3.2.9 Prepare and submit As-Built drawings electronically.

3.2.10 Conduct periodic and final site inspections with the Grant Manager.

3.3 Carpinteria Sanitary District (CSD) Bluffs Sewer Relocation Project (\$1,250,000) (Component 32)

The CSD Bluffs Sewer Relocation Project, Component 3-2 (C3C2), proposes to replace approximately six thousand (6,000) linear feet of existing gravity sewer pipeline from the current location along the edge of Carpinteria Bluffs to within Carpinteria Avenue. The sewer pipeline serves existing commercial, industrial, and recreational users located west of Via Real.

3.3.1 Submit one hundred percent (100%) Design Plans and Specifications electronically to the Grant Manager prior to implementation.

3.3.2 Submit all required permits and proof of Right of Way and/or Land Acquisition in accordance with the requirements listed in Exhibit A, Section 2 of this Agreement to the Grant Manager prior to implementation. Submit these documents electronically.

3.3.3 Submit Project Performance Certification.

3.3.4 Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and Initiation of Construction date.

3.3.5 Complete construction in accordance with Plans and Specifications.

3.3.6 Conduct construction inspections as needed until completion.

3.3.7 Document key steps with photographs and submit with Progress Reports.

3.3.8 Verify that all work completed was in accordance with Plans and Specifications.

3.3.9 Prepare and submit As-Built drawings electronically.

3.3.10 Conduct periodic and final site inspections with the Grant Manager.

3.4 Carpinteria Valley Water District (CVWD) Central Zone Pipeline Improvements and Demonstration Aquifer Storage and Recovery (ASR) Well (\$2,000,000) (Component 43)

The ASR ~~San Ricardo-El Carro Well Rehabilitation Project~~, Component 4-3 (C4C3), will add to the conjunctive use capability of the CVWD's surface and groundwater supply, since the well can inject (store) water in the groundwater basin, as well as, extract groundwater. ~~The component project~~The Component will include the replacement of one (1) of CVWD's four (4) ~~failed~~ wells with a new production well that is also capable of artificial recharge and upgrade and optimize CVWD's main central pressure zone (CPZ) via replacing undersized lines, and completion of water main "loops", and inter-tie of the new well directly into the CPZ.

~~3.4.43.1.1~~ Submit one hundred percent (100%) Design Plans and Specifications electronically to the Grant Manager prior to implementation.

~~3.4.23.1.2~~ Submit all ~~required~~identified permits and proof of Right of Way and/or Land Acquisition in accordance with the requirements listed in Exhibit A, Section 2 of this Agreement to the Grant Manager prior to implementation. Submit these documents electronically~~Submit all required permits and proof of Right of Way and/or Land Acquisition to the Grant Manager prior to implementation. Submit these documents electronically.~~

~~3.4.33.1.3~~ Submit Report of Operations annually for term of agreement.

~~3.4.43.1.4~~ Submit all testing, engineering, inspection, and hydraulic reports electronically to the Grant Manager.

~~3.4.53.1.5~~ Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and Initiation of Construction date.

~~3.4.63.1.6~~ Complete construction in accordance with Plans and Specifications. If any field modifications are made during construction, a basis of the variance from approved plans shall be documented and submitted to the Grant Manager.

~~3.4.73.1.7~~ Conduct construction inspections as needed until completion.

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~~3.4.83.1.8~~ Document key steps with photographs and submit with Progress Reports.

~~3.4.83.1.9~~ Submit Groundwater Monitoring Report Semi-Annually, in an electronic format, to the Grant Manager for term of agreement.

~~3.4.103.1.10~~ Verify that all work completed was in accordance with Plans and Specifications.

~~3.4.113.1.11~~ Prepare and submit As-Built drawings electronically.

~~3.4.123.1.12~~ Establish monitoring requirements in accordance with the MP, QAPP, and PAEP.

~~3.4.133.1.13~~ Conduct periodic and final site inspections with the Grant Manager.

3.5 Casmalia CSD Water System Retrofit (\$631,700) (Component ~~54~~)

Component ~~5-4~~ (~~C5C4~~) project would replace portions of the water system that are in poor condition and/or that have exhibited poor reliability. This includes providing a replacement storage tank with a capacity of two hundred and fifty thousand (250,000) gallons; repair of the tank access road and adjacent piping; and replacement of plastic service laterals. The tank size increase is to meet fire code requirements.

3.5.1 Submit one hundred percent (100%) Design Plans and Specifications electronically to the Grant Manager prior to implementation.

~~3.5.2~~ Submit all required permits and proof of Right of Way and/or Land Acquisition to the Grant Manager prior to implementation. ~~Submit these documents electronically.~~

~~3.5.33.5.2~~ Submit Report of Operations annually for term of agreement.

~~3.5.43.5.3~~ Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and Initiation of Construction date.

~~3.5.53.5.4~~ Complete construction in accordance with Plans and Specifications.

~~3.5.63.5.5~~ Conduct construction inspections as needed until completion.

~~3.5.73.5.6~~ Document key steps with photographs and submit with Progress Reports.

~~3.5.83.5.7~~ Verify that all work completed was in accordance with Plans and Specifications.

~~3.5.93.5.8~~ Prepare and submit As-Built drawings electronically.

~~3.5.103.5.9~~ Conduct periodic and final site inspections with the Grant Manager.

3.6 City of Guadalupe WWTP Improvement (\$4,750,000) (Component ~~65~~)

Component ~~6-5~~ (~~C6C5~~) project will increase the tertiary treatment and capacity of the City of Guadalupe's wastewater treatment plant to approximately one and a half (1.5) million gallons per day (mgd). ~~The component project~~ The Component entails making improvements to the existing wastewater treatment and disposal facilities, including upgrading treatment level and increasing capacity; providing for tertiary treatment and recycling of effluent for landscape, roadside irrigation and groundwater recharge. The basic elements of C6 include bar screen, grit removal, effluent distribution pipe, pump station enclosure, capacity increase, dissolved air floatation thickening, ultraviolet (UV) disinfection, and effluent pump station improvements.

3.6.1 Submit all Design Plans and Specifications electronically to the Grant Manager. Submit one hundred percent (100%) Design Plans and Specifications prior to implementation.

3.6.2 Submit all required permits to the Grant Manager electronically prior to implementation.

3.6.3 Submit Report of Operations annually for term of agreement.

3.6.4 Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and Initiation of Construction date.

3.6.5 Complete construction in accordance with Plans and Specifications.

- 3.6.6 Conduct construction inspections as needed until completion.
- 3.6.7 Document key steps with photographs and submit with Progress Reports.
- 3.6.8 Verify that all work completed was in accordance with Plans and Specifications.
- 3.6.9 Prepare and submit As-Built drawings electronically.
- 3.6.10 Establish monitoring requirements in accordance with the MP, QAPP, and PAEP.
- 3.6.11 Conduct periodic and final site inspections with the Grant Manager.

3.7 City of Santa Barbara Lower Mission Creek Flood Control and Restoration (\$1,000,000) (Component 76)

Component ~~7-6~~ (G7C6) project will reconstruct the portion of lower Mission Creek that runs from State Street to Mason Street to improve flood flow conveyance, reduce erosion, and improve water quality. ~~The component project~~ The Component is part of the overall approximately one and three tenths (1.3)-mile Lower Mission Creek Flood Control Project. ~~The component project and~~ will enhance and expand the natural streambed features of lower Mission Creek. The improvements generally consist of removing old and various forms of bank revetment and widening the creek channel. Where feasible, natural channel banks will be constructed and stabilized. The component ~~project~~ will result in the following:

- Creekbed restoration;
- Floodway improvements to mitigate flooding of property in the lower Mission Creek vicinity that would otherwise result in negative impacts to health, safety, and well-being of local residents; and
- Floodway improvements to reduce negative environmental impacts of flooding and uncoordinated bank stabilization measures.

- ~~3.7.1~~ 3.7.1 Submit all required permits and proof of Right of Way and/or Land Acquisition in accordance with the requirements listed in Exhibit A, Section 2 of this Agreement to the Grant Manager prior to implementation. Submit these documents electronically.
- ~~3.7.2~~ 3.7.2 Submit all Design Plans and Specifications electronically to the Grant Manager. Submit one hundred percent (100%) Design Plans and Specifications prior to implementation.
- ~~3.7.23.7.3~~ 3.7.23.7.3 Submit all required permits to the Grant Manager electronically prior to implementation.
- ~~3.7.33.7.4~~ 3.7.33.7.4 Submit Report of Operations annually for term of agreement.
- ~~3.7.43.7.5~~ 3.7.43.7.5 Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and Initiation of Construction date.
- ~~3.7.53.7.6~~ 3.7.53.7.6 Complete construction in accordance with Plans and Specifications.
- ~~3.7.63.7.7~~ 3.7.63.7.7 Conduct construction inspections as needed until completion.
- ~~3.7.73.7.8~~ 3.7.73.7.8 Document key steps with photographs and submit with Progress Reports.
- ~~3.7.83.7.9~~ 3.7.83.7.9 Verify that all work completed was in accordance with Plans and Specifications.
- ~~3.7.93.7.10~~ 3.7.93.7.10 Prepare and submit As-Built drawings electronically.
- ~~3.7.103.7.11~~ 3.7.103.7.11 Establish monitoring requirements in accordance with the MP, QAPP, and PAEP.
- ~~3.7.113.7.12~~ 3.7.113.7.12 Conduct periodic and final site inspections with the Grant Manager.

3.8 City of Santa Maria WWTP Expansion Phase 2 (\$4,800,000) (Component 87)

The project includes the construction of new facilities to increase the plant capacity from 9.5 million gallons per day (MGD) to 13.5 (MGD) and upgrades and replacements of existing facilities in order to maintain service levels, sustain projected growth, and meet regulatory requirements. The City of Santa Maria Wastewater Treatment Plant treats, recharges, and delivers State Water Project water back into the groundwater basin through percolation ponds at the 65 percent reliability factor.

Component ~~8-7~~ (G8C7) project will expand the capacity of the current facilities to approximately thirteen and a half (13.5) mgd from approximately nine and a half (9.5) mgd and upgrades and replacements of existing facilities in order to maintain service levels, sustain projected growth, and meet regulatory requirements. The City of Santa

Maria Wastewater Treatment Plant treats, recharges, and delivers State Water Project water back into the groundwater basin through percolation ponds at the sixty-five (65) percent reliability factor. ~~The component project~~ The Component will include a minimum of eight new percolation ponds for recharge. ~~The City of Santa Maria has purchased 260 acres of land for the development of an open network of ponds and lagoons for percolation.~~

The main components of the Plant expansion project include:

- ~~o~~ New Structures - Primary Clarifier, Primary Trickling Filter, Digester, Digester Control Building, Percolation Pond Pump Station, Emergency Generator and Asphalt Sludge Drying Beds.
- ~~o~~ Modifications to Existing Structures - Headworks, Grit Chamber, Primary Trickling Filter Pump Station, Secondary Trickling Filter, Digester Control Building and Primary Clarifier No. 1 Bridge Replacement.
- ~~o~~ New field piping and electrical duct bank construction.
- ~~o~~ Electrical, Instrumentation, Mechanical, HVAC construction, and SCADA Improvements.

- ~~3.8.1~~ 3.8.1 Submit all required permits and proof of Right of Way and/or Land Acquisition in accordance with the requirements listed in Exhibit A, Section 2 of this Agreement to the Grant Manager prior to implementation. Submit these documents electronically.
- ~~3.8.2~~ 3.8.2 Submit all Design Plans and Specifications electronically to the Grant Manager. Submit one hundred percent (100%) Design Plans and Specifications prior to implementation.
- ~~3.8.23.8.3~~ 3.8.23.8.3 Submit all required permits to the Grant Manager electronically prior to implementation.
- ~~3.8.33.8.4~~ 3.8.33.8.4 Submit Project Performance Certification.
- ~~3.8.43.8.5~~ 3.8.43.8.5 Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and Initiation of Construction date.
- ~~3.8.53.8.6~~ 3.8.53.8.6 Complete construction in accordance with Plans and Specifications.
- ~~3.8.63.8.7~~ 3.8.63.8.7 Conduct construction inspections as needed until completion.
- ~~3.8.73.8.8~~ 3.8.73.8.8 Document key steps with photographs and submit with Progress Reports.
- ~~3.8.83.8.9~~ 3.8.83.8.9 Verify that all work completed was in accordance with Plans and Specifications.
- ~~3.8.93.8.10~~ 3.8.93.8.10 Prepare and submit As-Built drawings electronically.
- ~~3.8.103.8.11~~ 3.8.103.8.11 Establish monitoring requirements in accordance with the MP, QAPP, and PAEP.
- ~~3.8.113.8.12~~ 3.8.113.8.12 Conduct periodic and final site inspections with the Grant Manager.

3.9 County of Santa Barbara Santa Ynez River Tamarisk and Arundo (\$100,000) (Component 98)

Component ~~9-8 (C9C8)~~ 9-8 (C9C8) project will survey and define the extent of arundo donax and tamarix spp. within the riparian system of the Santa Ynez River from Gibraltar Reservoir to Surf Beach. ~~The component project~~ The Component includes:

- A field crew will survey the main streambed of the Santa Ynez River using primarily visual identification and population size and density estimates via helicopter and vantage point mapping. ~~The component project~~ The Component includes documenting data points with a global position system (GPS) of the non-native species populations and exporting the data points into a geodatabase for analysis.
- The non-native species will be eradicated using rapid response. Rapid response involves the selected manual removal and application of herbicides to stop the spread and eradicate the species from the riparian corridor. The project will use both manual and chemical methods to remove the non-native species from the riparian corridor.

- 3.9.1 Submit aerial survey and primary survey to the Grant Manager electronically.
- 3.9.2 Submit all required permits to the Grant Manager electronically prior to implementation.
- 3.9.3 Submit all Landowner Agreements to the Grant Manager prior to implementation.
- 3.9.4 Conduct inspections as needed until completion.

- 3.9.5 Document key steps with photographs and submit with Progress Reports.
- 3.9.6 Submit meeting announcements, minutes, and material for the Public Outreach Program.
- 3.9.7 Establish monitoring requirements in accordance with the MP, QAPP, and PAEP.
- 3.9.8 Conduct periodic and final site inspections with the Grant Manager.

3.10 Cuyama Community Services District (CSD) Wastewater Treatment Plant (WWTP) Effluent Disinfection (\$279,800) (Component 409)

The Cuyama CSD WWTP Effluent Disinfection Project, Component 40-9 (C40C9), proposes to reduce disinfection byproducts in the wastewater effluent by implementation of the following improvements:

- modifying the existing potable water disinfection facilities to allow increased control of chlorine addition together with the addition of ammonia, to create chloramines; and
- disinfection of the treated wastewater effluent with UV rather than chlorine.

The principle advantages for these improvements include similar protection of public health while reducing potential for byproduct formation, reduction of chemical storage and handling, and no residual remains in the treated water.

- 3.10.1 Submit one hundred percent (100%) Design Plans and Specifications electronically to the Grant Manager prior to implementation.
- 3.10.2 Submit all required permits to the Grant Manager electronically prior to implementation.
- 3.10.3 Submit Report of Operations annually for term of agreement.
- 3.10.4 Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and Initiation of Construction date.
- 3.10.5 Complete construction in accordance with Plans and Specifications.
- 3.10.6 Conduct construction inspections as needed until completion.
- 3.10.7 Document key steps with photographs and submit with Progress Reports.
- 3.10.8 Verify that all work completed was in accordance with Plans and Specifications.
- 3.10.9 Prepare and submit As-Built drawings electronically.
- ~~3.10.10 Establish monitoring requirements in accordance with the MP, QAPP, and PAEP.~~
- ~~3.10.11~~ ~~3.10.10~~ Conduct periodic and final site inspections with the Grant Manager.

3.11 Cuyama CSD Water Supply Improvements (\$363,500) (Component 4410)

The Cuyama CSD operates a potable water distribution system that includes an elevated water storage tank, which is likely non-compliance with current seismic codes. Component 44-10 (C44C10) will implement pumping improvements by the installation of a variable speed pumping system to allow operation of the existing water distribution system without the existing elevated water storage tank, allowing it to be abandoned. The new system will include replacement of the existing booster pumps with variable speed units. These units will be able to supply a range of flows consistent with typical system demands while maintaining a relatively constant pressure without use of the tank.

- 3.11.1 Submit one hundred percent (100%) Design Plans and Specifications electronically to the Grant Manager prior to implementation.
- 3.11.2 Submit all required permits to the Grant Manager electronically prior to implementation.
- 3.11.3 Submit Report of Operations annually for term of agreement.
- 3.11.4 Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and Initiation of Construction date.

- 3.11.5 Complete construction in accordance with Plans and Specifications.
- 3.11.6 Conduct construction inspections as needed until completion.
- 3.11.7 Document key steps with photographs and submit with Progress Reports.
- 3.11.8 Verify that all work completed was in accordance with Plans and Specifications.
- 3.11.9 Prepare and submit As-Built drawings electronically.
- 3.11.10 Conduct periodic and final site inspections with the Grant Manager.

3.12 Goleta Sanitary District – Fairview Avenue/San Pedro Creek Sewer Line Relocation (\$1,500,000) (Component ~~4211~~)

Component ~~42-11~~ (C42C11) project includes construction of approximately two hundred and eighty (280) linear feet of approximately thirty-six (36)-inch diameter and approximately three thousand and two hundred (3,200) linear feet of approximately thirty (30)-inch diameter plastic trunk sewer pipe. The pipe placement is along the same alignment as an existing smaller diameter sewer line located, along-on the easterly side of South Fairview Avenue right-of-way between Hollister Avenue and Fowler Road. The existing twenty-four (24)-inch sewer pipe along the westerly side of South Fairview Avenue, which also parallels San Pedro Creek, will be abandoned in place. Other than removing the tops of the existing manholes, there will be no disturbance to San Pedro Creek or construction equipment within the top of the bank. The ~~component project~~ Component also includes trenchless rehabilitation of approximately forty-nine (49) linear feet of approximately thirty (30)-inch diameter sewer, approximately seven (7) linear feet of approximately eighteen (18)-inch diameter sewer, and approximately two thousand two hundred and twenty-seven (2,227) linear feet of approximately fifteen (15)-inch diameter sewer; and rehabilitation of approximately thirteen (13) manholes.

- 3.12.1 Submit all required permits and proof of Right of Way and/or Land Acquisition in accordance with the requirements listed in Exhibit A, Section 2 of this Agreement to the Grant Manager prior to implementation. Submit these documents electronically.
- 3.12.2 Submit all Design Plans and Specifications electronically to the Grant Manager. Submit one hundred percent (100%) Design Plans and Specifications prior to implementation.
- ~~3.12.23~~ 3.12.3 Submit all required permits and stormwater pollution prevention plans (SWPPPs) to the Grant Manager electronically prior to implementation.
- ~~3.12.33~~ 3.12.4 Submit all geotechnical reports, feasibility studies, biological surveys, and other preliminary research documentation electronically to the Grant Manager prior to implementation.
- ~~3.12.5~~ Submit Project Performance Certification.
- 3.12.5 Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and initiation of Construction date.
- 3.12.6 Complete construction in accordance with Plans and Specifications.
- 3.12.7 Conduct construction inspections as needed until completion.
- 3.12.8 Document key steps with photographs and submit with Progress Reports.
- 3.12.9 Verify that all work completed was in accordance with Plans and Specifications.
- 3.12.10 Prepare and submit As-Built drawings electronically.
- 3.12.11 Conduct periodic and final site inspections with the Grant Manager.
- 3.12.12 Submit the Notice of Completion to the Grant Manager electronically.

3.13 Goleta Water District – ASR San Ricardo Well Rehabilitation (\$400,000) (Component ~~4312~~)

The Goleta Water District (GWD) project, Component ~~43-12~~ (C43C12) includes the rehabilitation of the San Ricardo Well (SRW). The well was operational in March 1991 at the end of a five (5)-year drought, but has sat idle

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since that time. The ~~component project~~Component will restore and rehabilitate an existing well and groundwater treatment system to restore productivity and upgrade water quality supplies and meeting emergency conditions. The well screen and gravel pack needs to be unplugged using mechanical and chemical cleaning to restore the capacity of the well. The ~~component project~~Component includes the replacement of the pump and motor for this well and the Filtronics pressure filtration system and filter media. A larger tank will replace the existing aeration tank due to deterioration and safer electrical equipment will replace the electrical equipment at the well that does not meet current code and safety standards.

- 3.13.1 Submit all required permits to the Grant Manager electronically prior to implementation.
 - 3.13.2 Submit all preliminary engineering data and/or reports electronically to the Grant Manager prior to implementation.
 - 3.13.3 Submit the down-hole rehabilitation plan to the Grant Manager prior to implementation.
 - 3.13.4 Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and Initiation of Construction date.
 - 3.13.5 Conduct inspections as needed until completion.
 - 3.13.6 Document key steps with photographs and submit with Progress Reports.
 - 3.13.7 Verify that all work completed was in accordance with the rehabilitation plan.
 - 3.13.8 Prepare and submit well completion report(s) and well diagram electronically.
 - 3.13.9 Submit Groundwater Monitoring Reports semi-annually to the Grant Manager in an electronic format.
 - 3.13.10 Submit training materials and documentation of training attendants to the Grant Manager.
 - 3.13.11 Establish monitoring requirements in accordance with the MP, QAPP, and PAEP.
 - 3.13.12 Conduct periodic and final site inspections with the Grant Manager.
 - 3.13.13 Submit the Operations and Maintenance (O&M) Manual and supporting documentation to the Grant Manager.
- 3.14 Laguna County Sanitation District – Recycled Water System Improvement Project (\$525,000)
(Component 1413)

The Laguna County Sanitation District (LCSD) provides recycled water to offsite users and for the irrigation of several hundred acres of pasture. Additional, short-term storage is necessary to meet daily effluent discharge-demand volumes. Long-term storage accommodates winter needs, while short-term storage provides for peak demand fluctuations. An onsite open, soil-cement lined tertiary holding pond provides short-term storage. This pond holds approximately one (1) million gallons, but has a working volume of only around five hundred thousand (500,000) gallons. Because the plant produces water at about one thousand and six hundred (1,600) gallons per minute (gpm), off site users will frequently draw down the holding pond when requiring instantaneous flows exceeding the available flow rate, ~~the current user will frequently draw down the holding pond when requiring instantaneous flows exceeding the available flow rate~~. In addition, because the pond is open, it requires take down and cleaning two to three times per year due to windblown debris, algae blooms, and bird impacts. Component 14 13 (C14C13) project will improve peak demand storage and ensure water quality to the existing user by the conversion of the holding pond to a closed tank.

- 3.14.1 Submit all Design Plans and Specifications electronically to the Grant Manager. Submit one hundred percent (100%) Design Plans and Specifications prior to implementation.
- 3.14.2 Submit all required permits and stormwater pollution prevention plans (SWPPPs) to the Grant Manager electronically prior to implementation.
- 3.14.3 Submit all geotechnical reports, feasibility studies and other preliminary research documentation electronically to the Grant Manager prior to implementation.
- 3.14.4 Submit Report of Operations annually for term of agreement.

- 3.14.5 Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and Initiation of Construction date.
- 3.14.6 Complete construction in accordance with Plans and Specifications.
- 3.14.7 Conduct construction inspections as needed until completion.
- 3.14.8 Document key steps with photographs and submit with Progress Reports.
- 3.14.9 Verify that all work completed was in accordance with Plans and Specifications.
- 3.14.10 Prepare and submit As-Built drawings electronically.
- 3.14.11 Establish monitoring requirements in accordance with the MP, QAPP, and PAEP.
- 3.14.12 Conduct periodic and final site inspections with the Grant Manager.
- 3.14.13 Submit the Notice of Completion to the Grant Manager electronically.

**3.15 Vandenberg Village Community Services District – Lompoc Regional Wastewater (\$4,000,000)
(Component ~~4514~~)**

The ~~proposed~~ Vandenberg Village Community Services District (VVCSD) project is an upgrade to the Lompoc Regional Wastewater Reclamation Plant (LRWRP), Component ~~45-14 (C45C14)~~. The LRWRP upgrade project generally consists of constructing new headwork, a new oxidation ditch secondary treatment system, and an UV disinfection system. All work submitted to the State Water Board as part of the State Revolving Fund Loan (SRF Loan) between the State Water Board and the City of Lompoc applies to VVCSD; therefore, VVCSD shall submit electronic copies of all documents submitted to the State Water Board for the SRF Loan.

- 3.15.1 Submit all Design Plans and Specifications electronically to the Grant Manager. Submit one hundred percent (100%) Design Plans and Specifications prior to implementation.
- 3.15.2 Submit all required permits to the Grant Manager electronically prior to implementation.
- 3.15.3 Submit Report of Operations annually for term of agreement.
- 3.15.4 Submit the awarded bid documents electronically to the Grant Manager. Notify the Grant Manager in writing of the awarded prime construction contractor and Initiation of Construction date.
- 3.15.5 Complete construction in accordance with Plans and Specifications.
- 3.15.6 Conduct construction inspections as needed until completion.
- 3.15.7 Document key steps with photographs and submit with Progress Reports.
- 3.15.8 Verify that all work completed was in accordance with Plans and Specifications.
- 3.15.9 Prepare and submit As-Built drawings electronically.
- 3.15.10 Establish monitoring requirements in accordance with the MP[KLL5], QAPP, and PAEP.
- 3.15.11 Conduct periodic and final site inspections with the Grant Manager.
- 3.15.12 Submit the Notice of Completion to the Grant Manager electronically.

TABLE OF ITEMS FOR REVIEW

COMPONENT 4: PROJECT GRANT ADMINISTRATION

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 90	
	Assessment of PAEP Status		Annually by 12/15
1.7	Financial Statements		
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 90	
6.3	NRPI	Before final Component invoice	
6.4 6.3	Draft Project Report		<u>12/2011</u> 12/09
6.5 6.4	Final Project Report		<u>02/2012</u> 3/10

COMPONENT 21: CACHUMA OPERATION AND MAINTENANCE BOARD (COMB) SOUTH COAST CONDUIT (SCC) – UPPER REACH RELIABILITY PIPELINE

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	Day 90 after agreement execution
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	Day 30 after agreement execution
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.3	Monitoring Plan (MP)		
1.4	Quality Assurance Project Plan (QAPP)		
1.5	GAMA Data		
1.6	Copy of CEQA/NEPA Documentation		7/2009 12/08
1.7	Financial Statements		2/2009 10/08
1.8	Landowner Agreement(s)		9/2009 1/09
1.9	Applicable Permits		10/2009 2/09
3.	WORK TO BE PERFORMED BY GRANTEE		
3.2.1	Feasibility Study		
3.2.12	100% Design Plans and Specifications Submit all permits and Right of Way and/or Land Acquisition Documents		10/2009
3.2.2	100% Design Plans and Specifications		5/2009 10/08
3.2.3	Submit Report of Operations		Annually by 01/15
3.2.4	Awarded Bid Documents		9/2009 03/09
3.2.4	Written notification of Awarded Prime Construction Contractor and Initiation of Construction		10/2009 05/09
3.2.9	As-Built Drawings		12/2010 10/10
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 30 90	Day 90
6.3	NRPI	Before final component invoice	
6.4	Draft Component Report		12/2011 10/10
6.5	Final Component Report		02/2012 10/10

COMPONENT 32: CARPINTERIA SANITARY DISTRICT (CSD) BLUFFS SEWER RELOCATION PROJECT

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	Day 90 after agreement execution
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	Day 30 after agreement execution
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.6	Copy of CEQA/NEPA Documentation		7/15/09
1.7	Financial Statements		02/2009
1.8	Landowner Agreement(s)		9/15/09
1.9	Applicable Permits		10/15/09
3.	WORK TO BE PERFORMED BY GRANTEE		
3.3.1	100% Design Plans and Specifications		5/15/09
3.3.2	Submit all permits and Right of Way and/or Land Acquisition Documents		10/15/09
3.3.3	Submit Report of Operations		Annually by 01/15
3.3.4	Awarded Bid Documents		9/30/09
3.3.4	Written notification of Awarded Prime Construction Contractor and Initiation of Construction		10/30/09
3.3.9	As-Built Drawings		12/31/10
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 3090	Day 90
6.3	NRPI	Before final component invoice	
6.4	Draft Component Report		12/2011 12/31/10
6.5	Final Component Report		02/2012 2/15/11

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**COMPONENT 43: CARPINTERIA VALLEY WATER DISTRICT CENTRAL ZONE PIPELINE IMPROVEMENTS
 AND DEMONSTRATION ASR WELL PROJECT**

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	<u>Day 90 after agreement execution</u>
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	<u>Day 30 after agreement execution</u>
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.3	Monitoring Plan (MP)		<u>Day 90</u>
1.4	Quality Assurance Project Plan (QAPP)		<u>Day 90</u>
1.5	GAMA Data		<u>01/09</u>
1.6	Copy of CEQA/NEPA Documentation		<u>01/2009</u> <u>02/09</u>
1.7	Financial Statements		<u>02/09</u>
1.8	Landowner Agreement(s)		<u>05/09</u>
1.9	Applicable Permits		<u>04/09</u>
3.	WORK TO BE PERFORMED BY GRANTEE		
3.4.13.1.1	100% Design Plans and Specifications		<u>06/09</u>
3.4.23.1.2	Submit all permits		<u>06/09</u>
3.4.33.1.3	Submit Report of Operations		Annually by 01/15
3.4.43.1.4	Submit testing, engineering, inspection, and hydrologic reports		Well <u>09/09</u> Pipeline <u>02/10</u>
3.4.53.1.5	Awarded Bid Documents		Well <u>06/09</u> Pipeline <u>09/09</u>
3.4.53.1.6	Written notification of Awarded Prime Construction Contractor and Initiation of Construction		Well <u>06/09</u> Pipeline <u>09/09</u>
3.4.93.1.9	Submit Groundwater Monitoring Reports semi-annually		<u>01/09</u>
3.4.11 3.1.11	As-Built Drawings		Well <u>12/09</u> Pipeline <u>06/09</u>
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 30 90	<u>Day 90</u>
6.3	NRPI	Before final component invoice	<u>02/11</u>
6.4	Draft Component Report		<u>12/11</u>
6.5	Final Component Report		<u>02/12</u>

COMPONENT 54: CASMALIA COMMUNITY SERVICES DISTRICT WATER SYSTEM RETROFIT PROJECT

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	<u>Day 90 after agreement execution</u>
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	<u>Day 30 after agreement execution</u>
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.6	Copy of CEQA/NEPA Documentation		<u>01/2009</u> <u>03/01/09</u>
1.7	Financial Statements		<u>02/09</u>
1.8	Landowner Agreement(s)		
1.9	Applicable Permits		
3.	WORK TO BE PERFORMED BY GRANTEE		
3.5.1	100% Design Plans and Specifications		<u>04/01/09</u>
3.5.2	Submit permits and Right of Way and/or Land Acquisition Documents		<u>04/01/08</u>
3.5.3	Submit Report of Operations		Annually by 01/15
3.5.4	Awarded Bid Documents		<u>05/01/09</u>
3.5.4	Written notification of Awarded Prime Construction Contractor and Initiation of Construction		<u>06/01/09</u>
3.5.9	As-Built Drawings		<u>06/01/10</u>
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 3090	Day 90
6.3	NRPI	Before final component invoice	
6.4	Draft Component Report		<u>12/11</u>
6.5	Final Component Report		<u>02/12</u>

COMPONENT 65: CITY OF GUADALUPE WASTEWATER TREATMENT PLANT IMPROVEMENT PROJECT

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	Day 90 after agreement execution
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	Day 30 after agreement execution
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.3	Monitoring Plan (MP)		05/10
1.4	Quality Assurance Project Plan (QAPP)		05/10
1.5	GAMA Data		05/10
1.6	Copy of CEQA/NEPA Documentation		01/2008 02/10
1.7	Financial Statements		02/2009 06/09
1.8	Landowner Agreement(s)		09/09
1.9	Applicable Permits		04/10
3.	WORK TO BE PERFORMED BY GRANTEE		
3.6.1	All Design Plans and Specifications		03/10
3.6.2	Submit All Permits		06/10
3.6.3	Submit Report of Operations		Annually by 01/15
3.6.4	Awarded Bid Documents		06/10
3.6.4	Written notification of Awarded Prime Construction Contractor and initiation of Construction		07/10
3.6.9	As-Built Drawings		04/12
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 3090	Day 90
6.3	NRPI	Before final component invoice	
6.4	Draft Component Report		12/11
6.5	Final Component Report		02/12

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COMPONENT 76: CITY OF SANTA BARBARA LOWER MISSION CREEK FLOOD CONTROL AND RESTORATION PROJECT

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	Day 90 after agreement execution
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	Day 30 after agreement execution
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.3	Monitoring Plan (MP)		
1.4	Quality Assurance Project Plan (QAPP)		
1.5	SWAMP Data		
1.6	Copy of CEQA/NEPA Documentation		01/09
1.7	Financial Statements		01/09
1.8	Landowner Agreement(s)		
1.9	Applicable Permits		07/09
3.	WORK TO BE PERFORMED BY GRANTEE		
3.7.1	All Design Plans and Specifications		11/09
3.7.2	Submit All Permits		12/09
3.7.3	Submit Report of Operations		Annually by 01/15
3.7.4	Awarded Bid Documents		01/10
3.7.4	Written notification of Awarded Prime Construction Contractor and Initiation of Construction		02/10
3.7.9	As-Built Drawings		12/10
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 3090	Day 90
6.3	NRPI	Before final component invoice	
6.4	Draft Component Report		12/11
6.5	Final Component Report		02/12

COMPONENT 87: CITY OF SANTA MARIA WASTEWATER TREATMENT PLANT EXPANSION PHASE II PROJECT

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS information	Day 90 Prior to first disbursement	Day 90 after <u>agreement</u> <u>execution</u>
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	Day 30 after <u>agreement</u> <u>execution</u>
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.3	Monitoring Plan (MP) and Waste Discharge Requirements (WDRs)		<u>12/01/09</u>
1.4	Quality Assurance Project Plan (QAPP)		<u>12/01/09</u>
1.5	GAMA Data		<u>12/01/09</u>
1.6	Copy of CEQA/NEPA Documentation		<u>08/28/08</u>
1.7	Financial Statements		<u>01/09/09</u>
1.8	Landowner Agreement(s)		<u>01/09/09</u>
1.9	Applicable Permits		<u>01/09/09</u>
3.	WORK TO BE PERFORMED BY GRANTEE		
3.8.1	All Design Plans and Specifications		<u>01/09/09</u>
3.8.2	Submit All Permits		<u>01/09/09</u>
3.8.3	Submit Report of Operations		Annually by 01/15
3.8.4	Awarded Bid Documents		<u>01/09/09</u>
3.8.4	Written notification of Awarded Prime Construction Contractor and Initiation of Construction		<u>01/09/09</u>
3.8.9	As-Built Drawings		<u>01/09/09</u>
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 3090	Day 90
6.3	NRPI	Before final component invoice	<u>12/10</u>
6.4	Draft Component Report		<u>12/2011</u> <u>02/10</u>
6.5	Final Component Report		<u>02/2012</u> <u>10/10</u>

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**COMPONENT 98: COUNTY OF SANTA BARBARA AGRICULTURAL COMMISSIONER'S OFFICE SANTA
 YNEZ RIVER TAMARISK AND ARUNDO PROJECT**

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	Day 90 after <u>agreement</u> <u>execution</u>
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	Day 30 after <u>agreement</u> <u>execution</u>
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.3	Monitoring Plan (MP)		12/08
1.4	Quality Assurance Project Plan (QAPP)		12/08
1.6	Copy of CEQA/NEPA Documentation Phase 1 Survey		09/08
1.6a	Copy of CEQA/NEPA Documentation Phase 2 Control		12/09
1.7	Financial Statements		12/08
1.8	Landowner Agreement(s)		12/09
1.9	Applicable Permits		12/09
3.	WORK TO BE PERFORMED BY GRANTEE		
3.9.1	Aerial and Primary Survey		12/08
3.9.2	Submit All Permits		12/09
3.9.3	Submit Landowner Agreements		Annually by 01/15
3.9.6	Meeting Announcements, Minutes, and Materials for Public Outreach		Annually by 01/15
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 90	Day 90
6.3	NRP!	Before final component invoice	
6.4	Draft Component Report		12/11
6.5	Final Component Report		02/12

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**COMPONENT 409: CUYAMA COMMUNITY SERVICES DISTRICT WASTEWATER TREATMENT PLANT
 EFFLUENT DISINFECTION PROJECT**

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	Day 90 after agreement execution
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	Day 30 after agreement execution
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
4.5	GAMA Data		
1.63	Copy of CEQA/NEPA Documentation		12/31/08
1.74	Financial Statements		12/31/08
4.85	Landowner Agreement(s)		
1.96	Applicable Permits		12/09
32.	WORK TO BE PERFORMED BY GRANTEE		
32.10.1	100% Design Plans and Specifications		09/09
32.10.2	Submit All Permits		12/09
32.10.3	Submit Report of Operations		Annually by 01/15
32.10.4	Awarded Bid Documents		12/09
32.10.4	Written notification of Awarded Prime Construction Contractor and Initiation of Construction		02/10
32.10.9	As-Built Drawings		06/10
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
63.12	Grant Summary Form	Day 90	Day 90
6.33.2	NRPI	Before final component invoice	
6.43.3	Draft Component Report		12/2011 12/10
6.53.4	Final Component Report		02/2012 01/11

COMPONENT 4410: CUYAMA COMMUNITY SERVICES DISTRICT WATER SUPPLY IMPROVEMENT PROJECT

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	Day 90 after agreement execution
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	Day 30 after agreement execution
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.6	Copy of CEQA/NEPA Documentation		12/31/08
1.7	Financial Statements		12/31/08
1.8	Landowner Agreement(s)		
1.9	Applicable Permits		12/09
3.	WORK TO BE PERFORMED BY GRANTEE		
3.11.1	100% Design Plans and Specifications		10/09
3.11.2	Submit All Permits		12/09
3.11.3	Submit Report of Operations		Annually by 01/15
3.11.4	Awarded Bid Documents		01/10
3.11.4	Written notification of Awarded Prime Construction Contractor and Initiation of Construction		03/10
3.11.9	As-Built Drawings		12/10
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 3090	Day 90
6.3	NRPI	Before final component invoice	
6.4	Draft Component Report		12/2011 01/11
6.5	Final Component Report		02/12 02/12

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**COMPONENT 4211: GOLETA SANITARY DISTRICT FAIRVIEW AVENUE/SAN PEDRO CREEK SEWER LINE
 RELOCATION PROJECT**

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	<u>Day 90 after agreement execution</u>
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	<u>Day 30 after agreement execution</u>
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.6	Copy of CEQA/NEPA Documentation		<u>10/08</u>
1.7	Financial Statements		<u>02/09</u>
1.8	Landowner Agreement(s)		
1.9	Applicable Permits		<u>03/09</u>
3.	WORK TO BE PERFORMED BY GRANTEE		
3.12.1	All Design Plans and Specifications		<u>02/09</u>
3.12.2	Submit All Permits and Stormwater Pollution Prevention Plans		<u>04/09</u>
3.12.3	Submit Geotechnical Reports, Feasibility Studies, Biological Surveys, and Other Preliminary Research Documents		<u>04/09</u>
3.12.4	Submit Project Performance Certification		<u>03/10</u>
3.12.5	Awarded Bid Documents		<u>04/09</u>
3.12.5	Written notification of Awarded Prime Construction Contractor and Initiation of Construction		<u>05/09</u>
3.12.10	As-Built Drawings		<u>11/09</u>
3.12.13	Submit Notice of Completion		<u>11/09</u>
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 3090	<u>Day 90</u>
6.3	NRPI	Before final component invoice	
6.4	Draft Component Report		<u>12/11</u>
6.5	Final Component Report		<u>02/12</u>

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COMPONENT 4312: GOLETA WATER DISTRICT ASR SAN RICARDO WELL REHABILITATION PROJECT

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	<u>Day 90 after agreement execution</u>
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	<u>Day 30 after agreement execution</u>
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.3	Monitoring Plan (MP)		
1.4	Quality Assurance Project Plan (QAPP)		
1.5	GAMA Data		
1.6	Copy of CEQA/NEPA Documentation		<u>9/09/08</u>
1.7	Financial Statements		<u>12/31/08</u>
1.8	Landowner Agreement(s)		<u>N/A</u>
1.9	Applicable Permits		<u>8/14/09</u>
3.	WORK TO BE PERFORMED BY GRANTEE		
3.13.1	Submit All Permits		<u>8/14/09</u>
3.13.2	Submit Preliminary Engineering Data and/or Reports		<u>6/19/09</u>
3.13.3	Submit Down-hole Rehabilitation Plan		Annually by 01/15
3.13.4	Awarded Bid Documents		<u>7/31/09</u>
3.13.4	Written notification of Awarded Prime Construction Contractor and Initiation of Construction		<u>8/3/09</u>
3.13.8	Submit Well Completion Report and Well Diagrams		<u>2/1/11</u>
3.13.9	Submit Groundwater Monitoring Report		<u>Semi-annual by 1/15 & 7/15</u>
3.13.10	Submit Training Materials and Documentation of Training		<u>02/14/11</u>
3.13.13	Submit Operations and Maintenance Manual		<u>02/14/11</u>
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 930	Day 90
6.3	NRPI	Before final component invoice	
6.4	Draft Component Report		<u>12/11</u>
6.5	Final Component Report		<u>02/12</u>

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**COMPONENT 1413: LAGUNA COUNTY SANITATION DISTRICT RECYCLED WATER SYSTEM
 IMPROVEMENT PROJECT**

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	<u>Day 90 after agreement execution</u>
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	<u>Day 30 after agreement execution</u>
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.3	Monitoring Plan (MP)		<u>12/31/08</u>
1.4	Quality Assurance Project Plan (QAPP)		<u>12/31/08</u>
1.5	GAMA Data		<u>12/31/08</u>
1.6	Copy of CEQA/NEPA Documentation		<u>01/30/09</u>
1.7	Financial Statements		<u>12/31/08</u>
1.8	Landowner Agreement(s)		<u>12/31/09</u>
1.9	Applicable Permits		<u>02/27/09</u>
3.	WORK TO BE PERFORMED BY GRANTEE		
3.14.1	All Design Plans and Specifications		<u>02/27/09</u>
3.14.2	Submit All Permits and Stormwater Pollution Prevention Plans		<u>02/27/09</u>
3.14.3	Submit Geotechnical Reports, Feasibility Studies, and Other Preliminary Research Documents		<u>10/31/08</u>
3.14.4	Submit Report of Operations		Annually by 01/15
3.14.5	Awarded Bid Documents		<u>04/30/09</u>
3.14.5	Written notification of Awarded Prime Construction Contractor and Initiation of Construction		<u>05/29/09</u>
3.14.10	As-Built Drawings		<u>12/31/09</u>
3.14.13	Submit Notice of Completion		<u>05/31/09</u>
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 90	<u>Day 90</u>
6.3	NRPI	Before final component invoice	
6.4	Draft Component Report		<u>12/11</u>
6.5	Final Component Report		<u>02/12</u>

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**COMPONENT 4514: VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT LOMPOC REGIONAL
 WASTEWATER RECLAMATION PLANT UPGRADE PROJECT**

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
1.	PLANS AND COMPLIANCE REQUIREMENTS		
1.1	GPS Information	Day 90 Prior to first disbursement	Day 90 after agreement execution
1.2	Project Assessment and Evaluation Plan (PAEP)	Day 30	Day 30 after agreement execution
	Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status		Annually by 01/15
1.3	Monitoring Plan (MP)		09/02/08
1.4	Quality Assurance Project Plan (QAPP)		03/31/09
1.5	GAMA Data		03/31/09
1.6	Copy of CEQA/NEPA Documentation		09/02/08
1.7	Financial Statements		12/31/08
1.8	Landowner Agreement(s)		N/A
1.9	Applicable Permits		09/02/08
3.	WORK TO BE PERFORMED BY GRANTEE		
3.16.1	All Design Plans and Specifications		03/31/09
3.16.2	Submit All Permits and Stormwater Pollution Prevention Plans		09/02/08
3.16.3	Submit Report of Operations		Annually by 01/15
3.16.4	Awarded Bid Documents		03/31/09
3.16.4	Written notification of Awarded Prime Construction Contractor and Initiation of Construction		03/31/09
3.16.9	As-Built Drawings		03/31/09
3.16.12	Submit Notice of Completion		12/31/09
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
6.2	Grant Summary Form	Day 3090	Day 90
6.3	NRPI	Before final component invoice	12/31/09
6.4	Draft Component Report		12/11
6.5	Final Component Report		02/12

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EXHIBIT B
INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS

1. INVOICING:

- 1.1 Invoices shall be submitted in the format provided by the State Water Board. The invoice must be itemized based on the line items specified in the Budget. The original invoice shall be submitted to the State Water Board's Grant Manager on a quarterly basis consistent with the reporting schedule in Section 6.1 of this exhibit. The address for submittal is:

Kelley L. List, Grant Manager
State Water Resources Control Board
1001 I Street, 16th Floor
Sacramento, CA 95814

- 1.2 Receipt of invoices in any other format than the one provided by the State Water Board will cause an invoice to be disputed. In the event of an invoice dispute, the State Water Board's Grant Manager will notify the Grantee by initiating an "Invoice Dispute Notification" form. Payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided above may result in return of the invoice to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Invoices not approved by the State Water Board's Grant Manager will be deemed incomplete.
- 1.3 Supporting documentation (e.g., receipts) must be submitted with each invoice to request reimbursement for grant funds as well as to support matching funds invoiced. The amount claimed for the Personnel Services line item and Professional and Consultant Services line item must include a calculation formula (i.e. hours or days worked times the hourly or daily rate = total amount claimed). Invoice payment shall be made only after receipt of a complete, adequately supported, properly documented and accurately addressed invoice.
- 1.4 The Grantee shall not request disbursement for any cost until such cost has been incurred and has been paid by or is due and payable by the Grantee. Although it is agreed that actual payment of such cost by the Grantee is not required as a condition of the grant disbursement, all grant disbursements received by the Grantee shall be paid to sub-grantees, contractors, and vendors within thirty (30) days from receipt of the funds. In the event that the Grantee fails to disburse grant funds to sub-grantees, contractors, or vendors within thirty (30) days from receipt of the funds, the Grantee shall immediately return such funds to the State Water Board. Interest shall accrue on such funds from the date of disbursement through the date of mailing of funds to the State Water Board. If the Grantee held such funds in interest-bearing accounts, any interest earned on the funds shall also be due to the State Water Board.
- 1.5 Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the Federal Government, or any loss of tax-free status on state bonds, pursuant to any Federal statute or regulation.
- 1.6 Notwithstanding any other provision of this Agreement, the Grantee agrees that the State Water Board may retain 10 percent of the grant amount specified in this Agreement until completion of the Project to the reasonable satisfaction of the State Water Board. The pro rata amount retained for individual components will be promptly disbursed to the Grantee, without interest, upon completion of each individual component's Final Component Report. The pro rata distribution for the final component will not be released until that component is complete and submission of the Final Component Report and Final Project Report as specified in Section 6.5 of this Exhibit. Upon completion of the Final Project Report, the remaining grant funds will be disbursed without interest.
- 1.7 The invoice shall contain the following information:
- 1.7.1. The date of the invoice;
- 1.7.2. The time period covered by the invoice, i.e., the term "from" and "to";
- 1.7.3. The total amount due; and
- 1.7.4. Original signature and date (in ink) of the Grantee or its authorized representative.
- 1.7.5. Final invoice shall be clearly marked "FINAL INVOICE" and submitted NO LATER THAN
 MAY 1, 2013.

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2. BUDGET CONTINGENCY CLAUSE:

If the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any payments under this Agreement. In this event, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Agreement and the Grantee shall not be obligated to perform any provisions of this Agreement. Nothing in this Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to Grantee to reflect the reduced amount.

3. GRANTEE COSTS:

The reasonable costs of the Project are estimated to be \$66,688,801.67 67,719,593. Grantee agrees to fund the difference between the estimate of Project cost in its grant application and the grant amount specified in Paragraph 3, if any. The Grantee's cost share is estimated to be \$41,888,801.67 42,719,593.

4. LINE ITEM BUDGET:

	PROP. 50	MATCH	TOTAL
Component-Project			
<u>Grant Administration</u>	<u>\$200,000</u>	<u>\$0</u>	<u>\$200,000</u>
Components-Project			
<u>C1</u> South Coast Conduit Upper Reach Reliability Pipeline	<u>\$3,200,000</u>	<u>\$5,431,200</u>	<u>\$8,631,200</u>
C2C 3 Bluffs Sewer Relocation	<u>\$1,250,000</u>	<u>\$1,198,108.50</u>	<u>\$2,448,108.50</u>
C3G 4 CZP Improvements and Demonstration ASR Well	<u>\$2,000,000</u>	<u>\$1,044,151.50</u>	<u>\$3,044,151.50</u>
C4C 6 Casmalia CSD Water System Retrofit	<u>\$631,700</u>	<u>\$28,511</u>	<u>\$660,211</u>
C5G 6 City of Guadalupe WWTP Improvement	<u>\$4,750,000</u>	<u>\$3,500,000</u>	<u>\$8,250,000</u>
C6G 7 Lower Mission Creek Flood Control and Restoration Project	<u>\$1,000,000</u>	<u>\$1,310,435.93</u>	<u>\$2,310,435.93</u>
C7G 8 City of Santa Maria WWTP Expansion Phase 2	<u>\$4,800,000</u>	<u>\$13,485,287.14,7</u> <u>04,550.74</u>	<u>\$189,285,287.504</u> <u>550.74</u>
C8G 9 Santa Ynez River Tamarisk and Arundo Project	<u>\$100,000</u>	<u>\$160,690</u>	<u>\$260,690</u>
C9G 10 Cuyama CSD WWTP Effluent Disinfection	<u>\$279,800</u>	<u>\$38,859</u>	<u>\$318,659</u>
C10 C11 Cuyama CSD Water Supply Improvements	<u>\$363,500</u>	<u>\$19,429.70</u>	<u>\$382,929.70</u>
C12 C13 Fairview Ave/San Pedro Creek Sewer Line Relocation	<u>\$1,500,000</u>	<u>\$1,744,395.33</u>	<u>\$3,244,395.33</u>
C14 C15 Goleta Water District ASR San Ricardo Well Rehabilitation	<u>\$400,000</u>	<u>\$649,437.50</u>	<u>\$1,049,437.50</u>
C16 C17 Laguna County Sanitation District, Recycled Water System	<u>\$525,000</u>	<u>\$1,278,295.50</u>	<u>\$1,803,295.50</u>
C18 C19 Lompoc Regional Wastewater Reclamation Plant Upgrade	<u>\$4,000,000</u>	<u>\$11,611,533.12,0</u> <u>00,000</u>	<u>\$165,000611,000</u> <u>533</u>
		<u>\$10,851,167.00</u>	<u>14,851,167.00</u>
TOTAL	<u>\$25,000,000</u>	<u>\$41,888,801.674</u> <u>2,719,593</u>	<u>\$66,688,801.677</u> <u>49,593.67</u>
		<u>\$41,851,167</u>	<u>\$66,959,227.00</u>

5. BUDGET LINE ITEM FLEXIBILITY:

5.1 Line Item Adjustment(s). Subject to the prior review and approval of the State Water Board's Grant Manager, adjustments between existing line item(s) may be used to defray allowable direct costs up to fifteen percent (15%) of the total grant amount including any amendment(s) thereto. Line item adjustments in excess of fifteen percent (15%) shall require a formal Agreement amendment.

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- 5.2 Procedure to Request an Adjustment. The Grantee may submit a request for an adjustment in writing to the Grant Manager. Such adjustment may not increase or decrease the total grant amount. The Grantee shall submit a copy of the original Agreement Budget sheet reflecting the requested changes. Changes shall be noted by striking the original amount(s) followed with revised change(s) in bold and underlined. Budget adjustments deleting a budget line item or adding a new budget line item requires a formal amendment and are not permissible under this provision. The State Water Board may also propose adjustments to the budget.
- 5.3 Remaining Balance. In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State Water Board will mail a Notice of Project Completion letter to the Grantee stating that the project file is closed, the final invoice is being processed for payment, and any remaining balance will be disencumbered and unavailable for further use under the Grant Agreement.

6. REPORTS:

- 6.1 The Grantee shall submit quarterly progress reports for each component and for the Project to the State Water Board's Grant Manager by the twentieth (20th) of the month following the end of the calendar quarter (March, June, September, and December).
 - 6.1.1 The progress reports shall provide a brief description of the work performed, accomplishments during the quarter, milestones achieved, monitoring results (if applicable), and any problems encountered in the performance of the work under this Agreement. The Grantee shall document all sub-grantee and contractor activities and expenditures in progress reports.
 - 6.1.2 The invoice shall accompany the progress report. The invoice should reflect charges for the work completed during the reporting period covered by the progress report. The invoice cannot be paid prior to submission of a progress report covering the invoice reporting period.
- 6.2 Grantee shall complete a one (1) page Grant Summary Form (<http://www.waterboards.ca.gov/funding/docs/grantinfo/grantsum.doc>) for each project component within three (3) months of the Agreement execution. A hard copy shall be submitted to the Grant Manager and an electronic copy to the Program Analyst for State Water Board website posting.
- 6.3 At the completion of this Project, the Grantee shall complete and submit electronically a Natural Resource Project Inventory (NRPI) Project Survey Form for each component (http://www.ice.ucdavis.edu/nrpi_forms/default.asp). A hard copy shall be submitted to the Program Analyst prior to final payment.
- 6.4 For each component and for the Project, the Grantee shall prepare and submit to the Grant Manager a draft Component or Project Report for review and comment that includes and addresses the following narrative sections and items:
 - 6.4.1 A summary of the component or Project, describing the purpose, scope and goals, activities completed, techniques used, and partners involved.
 - 6.4.2 A report of all management practices or management measures implemented, together with their corresponding locations. The report shall be in a format that enables the Grant Manager to find the physical location of each implemented practice or measure in a quick and efficient manner. Acceptable formats include, but are not limited to:
 - 6.4.2.1 Map of locations – The map of practices or measures implemented shall consist of dots placed on a USGS 7.5-minute quadrangle map at the implementation location. Lead lines shall be connected to a text box description of the practice or measure. The dots shall have a small enough diameter to enable the Grant Manager to locate the measure or practice within a 50-foot radius.
 - 6.4.2.2 Component coding system – The component coding system shall explain the coding used to describe each implemented practice or measure, together with its corresponding latitude and longitude.
 - 6.4.3 Describe component or Project performance, including benefits, successes and shortcomings, consistent with the PAEP. Enumerate specific quantifiable environmental changes and results of the component or Project. As appropriate, include 1) behavioral results such as the amount of management practices or measures implemented, 2) estimates or measurements of the amount of pollutants prevented from reaching surface or groundwater, and 3) documented changes in water quality based on monitoring.
 - 6.4.4 Identify lessons learned in carrying out the component or Project. Describe what worked and what did not work, and how similar efforts could be utilized within the component or Project area, as well as in other watersheds.

- 6.4.5 Describe the extent of outreach that has been conducted and if there are plans to further promote the results of the component or Project to achieve additional implementation.
- 6.4.6 Describe the component's or Project's funding. Include the projected cost and actual cost of the component or Project, how much of the grant funds were spent, and how much funding was put into the component or Project. Identify funding sources that have been "leveraged" by the component or Project and plans for funding future activities.
- 6.4.7 Identify planned or potential follow-up activities, such as any additional steps necessary to achieve the water quality objectives, Total Maximum Daily Loads (TMDL), or local watershed plans.
- 6.4.8 Include appropriate photos and graphics.
- 6.4.9 A list of items submitted as outlined in the Table of Items for Review.
- 6.4.10 Any additional information that is deemed appropriate by the Project Director or Grant Manager.

- 6.5 For each component and for the Project, the Grantee shall prepare a final Component or Project Report that addresses, to the extent feasible, comments made by the Grant Manager on the draft final Component or Project Report. Submit one (1) reproducible master, two (2) copies, and an electronic copy of the final.
- 6.6 The Grantee agrees to expeditiously provide, during work on the Project and throughout the term of this Agreement, such reports, data, information, and certifications as may be reasonably required by the State Water Board.

7. PAYMENT OF PROJECT COSTS:

The Grantee agrees that it will provide for payment of its full share of Project costs and that all costs connected with the Project will be paid by the Grantee on a timely basis.

8. ELIGIBLE PROJECT COSTS:

The Grantee shall apply State funds received only to eligible Project costs in accordance with applicable provisions of the law and Project Budget. Costs that are not eligible for reimbursement include, but are not limited to:

- 8.1 Costs incurred prior to effective date of this Agreement;
- 8.2 Replacement of existing funding sources for ongoing programs;
- 8.3 Support of existing agency requirements and mandates;
- 8.4 Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible Project costs; and,
- 8.5 Costs not directly related to Project (e.g., overhead).

9. AUDIT DISALLOWANCES:

The Grantee agrees it shall return any audit disallowances to the State Water Board.

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EXHIBIT C
GENERAL CONDITIONS – PROP. 50 IRWM IMPLEMENTATION GRANTS

1. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.
2. **APPROVAL:** The Grantee will not proceed with any work on the Project until authorized in writing by the State Water Board.
3. **ASSIGNMENT:** This grant is not assignable by the Grantee, either in whole or in part, without the consent of the State Water Board.
4. **AUDIT:** The Grantee agrees that the awarding department, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Grantee agrees to maintain such records for a possible audit for a minimum of ~~twenty-three~~ 23thirty-five (35) years after final payment, unless a longer period of records retention is stipulated. The Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Grantee agrees to include a similar right of the State to audit records and interview staff in any contract related to performance of this Agreement.
5. **BONDING:** Where contractors are used, the Grantee shall not authorize construction to begin until each such contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$20,000.00.
6. **CALFED PROGRAM CONSISTENCY:** If this Project assists in meeting any of the CALFED Bay-Delta Program Goals, this Project shall be consistent with the CALFED Programmatic Record of Decision and must be implemented, to the maximum extent possible, through local and regional programs.
7. **CEQA/NEPA:**
 - a. No work that is subject to the California Environmental Quality Act (CEQA) or National Environmental Policy Act (NEPA) may proceed under this Agreement until documents that satisfy the CEQA/NEPA process are received by the Grant Manager and the State Water Board has given environmental clearance. No work that is subject to an Environmental Impact Report or a Mitigated Negative Declaration may proceed until and unless approved by the Deputy Director of the State Water Board's Division of Financial Assistance (Division). Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required.
 - b. If any component includes modification of a river or stream channel, it must fully mitigate environmental impacts resulting from the modification. The Grantee must provide documentation that the environmental impacts resulting from such modification will be fully mitigated considering all of the impacts of the modification and any mitigation, environmental enhancement, and environmental benefit resulting from the component, and whether, on balance, any environmental enhancement or benefit equals or exceeds any negative environmental impacts of the component.
8. **COMPLIANCE WITH LAW, REGULATIONS, ETC.:** The Grantee agrees that it will, at all times, comply with and require its contractors, subcontractors, and sub-grantees to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, the Grantee agrees that, to the extent applicable, the Grantee will comply with the provisions of the adopted environmental mitigation plan for the term of this Agreement, or the useful life of the Project, whichever is longer.
9. **COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
10. **CONFLICT OF INTEREST:** The Grantee certifies that it is in compliance with applicable state and/or federal conflict of interest laws.
11. **CONTINUOUS USE OF PROJECT; LEASE OR DISPOSAL OF PROJECT:** The Grantee agrees that, except as provided in the Agreement, it will not abandon, substantially discontinue use of, lease, or dispose of the Project, of any component, or any significant part or portion thereof during the useful life of the Project without prior written approval of the Division. Such approval may be conditioned as determined to be appropriate by the Division, including a condition requiring repayment of all grant funds or any portion of all remaining grant funds covered by this Agreement together with accrued interest and any penalty assessments which may be due.

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12. **DAMAGES FOR BREACH AFFECTING TAX EXEMPT STATUS:** In the event that any breach of any of the provisions of this Agreement by the Grantee shall result in the loss of tax exempt status for any state bonds, or if such breach shall result in an obligation on the part of the State to reimburse the federal government by reason of any arbitrage profits, the Grantee shall immediately reimburse the state in an amount equal to any damages paid by or loss incurred by the state due to such breach.
13. **DATA MANAGEMENT:** This Project includes appropriate data management activities so that Project data can be incorporated into appropriate statewide data systems.
14. **DISPUTES:** The Grantee shall continue with the responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement which is not otherwise disposed of by agreement shall be decided by the Deputy Director, or his or her authorized representative. The decision shall be reduced to writing and a copy thereof furnished to the Grantee and to the State Water Board's Executive Director. The decision of the Division shall be final and conclusive unless, within thirty (30) calendar days after mailing of the Division decision to the Grantee, the Grantee mails or otherwise furnishes a written appeal of the decision to the State Water Board's Executive Director. The decision of the State Water Board's Executive Director shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal under this clause, the Grantee shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Grantee shall continue to fulfill and comply with all the terms, provisions, commitments, and requirements of this Agreement. This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.
15. **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Agreement. The Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
16. **GOVERNING LAW:** This grant is governed by and shall be interpreted in accordance with the laws of the State of California.
- ~~17. GRANT MODIFICATIONS: The State Water Board may, at any time, without notice to any sureties, by written order designated or indicated to be a "grant modification," make any change for the work to be performed under this Agreement so long as the modified work is within the general scope of work called for by this Agreement, including but not limited to changes in the specifications or in the method, manner, or time of performance of work. If the Grantee intends to dispute the change, the Grantee must, within ten (10) days after receipt of a written "grant modification," submit to the State Water Board a written statement setting forth the disagreement with the change.~~
- ~~18-17. GRANTEE'S RESPONSIBILITY FOR WORK: The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, sub-grantees, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors, subcontractors, and sub-grantees. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.~~
- ~~19-18. GROUNDWATER MANAGEMENT PLAN: If applicable, the Grantee certifies that this Project or any component thereof complies with the local Groundwater Management Plan that meets the requirements of Water Code § 10753.7 or conforms to the requirements of an adjudication of water rights in the subject groundwater basin. This shall constitute a condition precedent to this Agreement.~~
- ~~20-19. INCOME RESTRICTIONS: The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement.~~
- ~~24-20. INDEPENDENT ACTOR: The Grantee, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.~~
- ~~22-21. INSPECTION: Throughout the life of the Project, the State Water Board shall have the right to inspect any component areas to ascertain compliance with this Agreement. Grantee acknowledges that Project and component records and locations are public records.~~
- ~~23-22. INSURANCE: Throughout the life of the Project, the Grantee shall provide and maintain insurance against fire, vandalism, and other loss, damage, or destruction of the facilities or structures constructed pursuant to this Agreement, if any. This insurance shall be issued by a company or companies admitted to transact business in the State of California. The insurance policy shall contain an endorsement specifying that the policy will not be cancelled or reduced in coverage without thirty (30) days' prior written notice to the State Water Board. In the event of any damage to or destruction of the~~

Project, a component, or any larger system of which it is a part, the net proceeds of insurance shall be applied to the reconstruction, repair, or replacement of the damaged or destroyed parts of the Project, component or its larger system. The Grantee shall begin such reconstruction, repair, or replacement as expeditiously as possible and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair, or replacement so that the same shall be completed and the larger system shall be free of all claims and liens.

24.23. **NONDISCRIMINATION:** During the performance of this Agreement, the Grantee, its sub-grantees, and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, religion, color, national origin, ancestry, disability, sexual orientation, medical condition, marital status, age (over 40), or denial of family-care leave, medical-care leave, or pregnancy-disability leave. The Grantee, its sub-grantees, and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment.

25.24. **NO THIRD PARTY RIGHTS:** The parties to this grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this grant Agreement, or of any duty, covenant, obligation or undertaking established herein.

26.25. **NOTICE:**

- a. The Grantee shall notify the State Water Board prior to conducting construction, monitoring, demonstration, or other implementation activities such that State Water Board and/or Regional Water Board staff may observe and document such activities.
- b. The Grantee shall promptly notify the State Water Board of events or proposed changes that could affect the scope, budget, or work performed under this Agreement. The Grantee agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to the State Water Board, and the State Water Board has given written approval for such change.
- c. The Grantee shall notify the State Water Board at least ten (10) working days prior to any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by State Water Board representatives.
- d. The Grantee shall promptly notify the State Water Board in writing of completion of work on the Project.
- e. The Grantee shall promptly notify the State Water Board in writing of any cessation of all major construction work on any component where such cessation of work is expected to or does extend for a period of thirty (30) days or more and of any circumstance, combination of circumstances, or condition, which is expected to or does delay completion of construction for a period of ninety (90) days or more beyond the estimated date of completion of construction previously provided.

27.26. **OPERATIONS & MAINTENANCE:** The Grantee or applicable sub-grantee shall maintain and operate any facility and structure constructed or improved as part of the Project throughout the life of the Project, consistent with the purposes for which this Grant was made. The Grantee or applicable sub-grantee assumes all operations and maintenance costs of the facilities and structures; the State Water Board shall not be liable for any cost of such maintenance, management, or operation. The Grantee may be excused from operations and maintenance only upon the written approval of the Grant Manager. For purposes of this Agreement, "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses. "Maintenance costs" include ordinary repairs and replacements of a recurring nature necessary to prolong the life of capital assets and basic structures, and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures.

29.27. **PERMITS, CONTRACTING, WAIVER, REMEDIES, AND DEBARMENT:** The Grantee shall procure all permits and licenses necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Any contractors, outside associates, sub-grantees, or consultants required by the Grantee in connection with the services covered by this Agreement shall be limited to such individuals or firms as were specifically identified and agreed to during negotiations for this Agreement, or as are specifically authorized by the State Water Board's Grant Manager during the performance of this Agreement. Any substitutions in, or additions to, such sub-grantees, contractors, associates, or consultants, shall be subject to the prior written approval of the State Water Board's Grant Manager. Any waiver of rights with respect to a default or other matter arising under the Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Agreement are in addition to any other rights and remedies provided by law. The Grantee shall not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension." The Grantee shall not contract with any individual or organization on USEPA's List of Violating Facilities. (40 CFR, Part 31.35; Gov. Code § 4477) www.epis.gov. The Grantee certifies to the best of its knowledge and belief, that it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or Grantee;
- b. Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and
- d. Have not within a three (3)-year period preceding this application/proposal had one or more public transactions (federal, state, or local) terminated for cause or default.

29-28. PREVAILING WAGES AND LABOR COMPLIANCE: If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Agreement to assure that the prevailing wage provisions of State Labor Code are being met. The Grantee certifies that it has a labor compliance program in place pursuant to section 1771.8 of the Labor Code, where applicable.

30-29. PROFESSIONALS: The Grantee agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for.

31-30. RECORDS: Without limitation of the requirement to maintain Project accounts in accordance with generally accepted accounting principles, the Grantee agrees to:

- a. Establish an official file for the Project which shall adequately document all significant actions relative to the Project;
- b. Establish separate accounts which will adequately and accurately depict all amounts received and expended on this Project, including all grant funds received under this Agreement;
- c. Establish separate accounts which will adequately depict all income received which is attributable to the Project, especially including any income attributable to grant funds disbursed under this Agreement;
- d. Establish an accounting system which will adequately depict final total costs of the Project, including both direct and indirect costs;
- e. Establish such accounts and maintain such records as may be necessary for the state to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
- f. If a Force Account is used by the Grantee for any phase of the Project, establish an account that documents all employee hours, and associated tasks charged to the Project per employee.

32-31. RELATED LITIGATION: Under no circumstances may a Grantee use funds or permit use of funds from any disbursement under this Grant Agreement to pay costs associated with any litigation the Grantee or sub-grantee pursues against the State Water Board or any Regional Water Quality Control Board (Regional Water Board). Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Grantee agrees to complete the Project funded by this Agreement or to repay all of the grant funds plus interest.

33-32. RIGHTS IN DATA: The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement shall be in the public domain. The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Agreement, subject to appropriate acknowledgement of credit to the State Water Board for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.

34-33. STATE REVIEWS AND INDEMNIFICATION: The parties agree that review or approval of Project applications, documents, permits, plans and specifications, or other Project information by the State Water Board is for administrative purposes only and does not relieve the Grantee of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, the Grantee agrees to indemnify, defend and hold harmless the State Water Board and the State against any loss or liability arising out of any claim or action brought against the State Water Board and/or the State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with (1) the Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation or construction, of the Project, any component or any part thereof;

(2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and California Water Code § 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near any component site; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Grantee for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement. To the fullest extent permitted by law, the Grantee agrees to pay and discharge any judgment or award entered or made against the State Water Board and/or the State with respect to any such claim or action, and any settlement, compromise, or other voluntary resolution. The provisions of this section shall survive the term of this Agreement.

- | 35-34. SUPPLEMENTAL ENVIRONMENTAL PROJECTS: Grant Funds shall not be used for supplemental environmental projects required by Regional Water Boards.
- | 36-35. STATE WATER BOARD ACTION, COSTS, AND ATTORNEY FEES: The Grantee agrees that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Grantee, whether such breach occurs before or after completion of the Project or any component, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.
- | 37-36. TERMINATION, IMMEDIATE REPAYMENT, INTEREST: This Grant Agreement may be terminated by written notice at any time prior to completion of the Project, at the option of the State Water Board, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the State Water Board. In the event of such termination, the Grantee agrees, upon demand, to immediately repay to the State Water Board an amount equal to the amount of grant funds disbursed to the Grantee prior to such termination. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Grantee to the date of full repayment by the Grantee.
- | 39-37. TIMELINESS: Time is of the essence in this Agreement. The Grantee shall proceed with and complete the Project in an expeditious manner.
- | 39-38. TRAVEL AND PER DIEM: Any reimbursement for necessary travel shall be at rates not to exceed those set by the California Department of Personnel Administration. These rates may be found at <http://www.dpa.ca.gov/jobinfo/statetravel.shtml>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred by the Grantee. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the Grant Manager.
- | 40-39. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement shall continue to have full force and effect and shall not be affected thereby.
- | 41-40. URBAN WATER MANAGEMENT PLAN: The Grantee certifies that this Project or any component thereof complies with the Urban Water Management Planning Act (Water Code § 10610 et seq.). This shall constitute a condition precedent to this grant agreement.
- | 42-41. USEFUL LIFE OF PROJECT: For the purpose of this Agreement, the useful life of any constructed portions of this Project or any component thereof begins upon completion of construction and continues until fifty (50) years thereafter for pipelines and structures and twenty (20) years for all else.
- | 43-42. VENUE: The State Water Board and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
- | 44-43. WITHHOLDING OF GRANT DISBURSEMENTS: The State Water Board may withhold all or any portion of the grant funds provided for by this Agreement in the event that the Grantee has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this Agreement; or the Grantee fails to maintain reasonable progress toward completion of the Project or any component thereof.

EXHIBIT D
SPECIAL CONDITIONS – PROP. 50 IRWM IMPLEMENTATION GRANTS

1. The Grantee hereby warrants, represents, and covenants that this Project shall protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water.
2. The Grantee hereby warrants, represents, and covenants that this Project does not include an on-stream surface water storage facility or an off-stream surface water storage facility other than percolation ponds for groundwater recharge in urban areas.
3. The Grantee hereby warrants, represents, and covenants that this Project or any component thereof is not a river or stream channel modification project whose construction or operation causes any negative environmental impacts unless those impacts are fully mitigated.
4. The Grantee hereby warrants, represents, and covenants that this Project includes one or more of the following elements:
 - a. Programs for water supply reliability, water conservation, and water use efficiency.
 - b. Storm water capture, storage, treatment, and management.
 - c. Removal of invasive non-native plants, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space and watershed lands.
 - d. Non-point source pollution reduction, management, and monitoring.
 - e. Groundwater recharge and management projects.
 - f. Contaminant and salt removal through reclamation, desalting, and other treatment technologies.
 - g. Water banking, exchange, reclamation, and improvement of water quality.
 - h. Planning and implementation of multipurpose flood control programs that protect property; and improve water quality, storm water capture and percolation; and protect or improve wildlife habitat.
 - i. Watershed management planning and implementation.
 - j. Demonstration projects to develop new drinking water treatment and distribution methods.
5. The Grantee hereby warrants, represents, and covenants that this Project is consistent with an adopted integrated regional water management plan designed to improve regional water supply reliability, water recycling, water conservation, water quality improvement, storm water capture and management, flood management, recreation and access, wetlands enhancement and creation, and environmental and habitat protection and improvement.
6. The Grantee hereby warrants, represents, and covenants that this Project includes matching funds or donated services from non-state sources.
7. The Grantee hereby warrants, represents, and covenants that its matching funds shall constitute at least 10 percent of the total Project costs.
8. The Grantee hereby warrants, represents, and covenants that it meets the eligibility requirements set forth in the Integrated Regional Water Management Grant Program Guidelines adopted by the State in November 2004.
9. The Grantee hereby warrants, represents, and covenants that if this Project or any component thereof affects groundwater, it shall include groundwater monitoring requirements consistent with the Groundwater Monitoring Act of 2001 (Wat. Code, § 10780 et seq.).
10. The Grantee hereby warrants, represents, and covenants that watershed protection activities are consistent with the applicable, adopted, local watershed management plans and the applicable Regional Water Quality Control Plan (Basin Plan) adopted by the Regional Water Board.
- ~~11. The Grantee hereby warrants, represents, and covenants that acceptance of grant funds constitutes a waiver of litigation rights (including pending actions) to challenge any State Water Board or Regional Water Board regulation or order, which is reasonably related to the purpose of the grant.~~
11. The Grantee certifies that any work carried out under this Agreement is consistent with the applicable local General Plan under Government Code Section 65402.
12. The Grantee certifies that it has complied with all provisions of Title 1, Division 7, Chapter 16 of the California Government Code.
13. The Grantee certifies that if the transfer of title (or easement) to the Grantee or applicable sub-grantee has not been completed prior to the start of any activity under this Agreement, the Grantee or applicable sub-grantee has secured a signed right-of-entry from the owner(s) of the required property(s).

Memorandum of Understanding
for
Administration of Santa Barbara Countywide
Proposition 50 Grant Funding and Reporting

This Memorandum of Understanding (MOU) is entered into on _____, 2008, by and between Santa Barbara County Water Agency (hereinafter "the Agency"); and a group of local government agencies and special districts within Santa Barbara County, California, hereinafter "Project Proponents".

Recitals

1. The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (also known as "Proposition 50", and hereinafter "Prop 50") provides grant funding to promote regional assessment and planning for water supply and water quality issues; and
2. Because preparation of a comprehensive Integrated Regional Water Management Plan ("IRWMP") is a required step for obtaining Prop 50 grants, the Cooperating Partners (as defined in their October 23, 2007 MOU) have completed a comprehensive IRWMP with the goal of obtaining Prop 50 Round 2 grant funding for water projects in the Santa Barbara Countywide Region; and
3. Consistent with the State's Proposition 50 IRWMP Grant Program Guidelines and Proposal Solicitation Package for Round 2 (issued June 2007), an application for a Round 2 grant was submitted in January 2008.
4. Project Proponents, as listed in Appendix A, are a subset of Cooperating Partners and are those entities whose projects were accepted by the State Board for inclusion in the Round 2 grant funding.
5. In announcing final grant awards in May 2008, the State requires that a single entity from Santa Barbara County contract for the funds on behalf of local project partners, and the Agency is willing and able to provide this representation on the terms stated in this MOU.
6. The Agency expressed its intent to enter into a Prop 50 contractual agreement with the State of California on behalf of the Project Proponents, provided that they would sign a separate MOU which: (1) provides for reimbursing the Agency for costs it incurs in administering the State grant agreement, and (2) indemnifies the Agency and holds it harmless against loss or liability due to administration and implementation of the Prop 50 grant.

NOW, THEREFORE, IT IS AGREED:

1. The Agency's Duties for Administering Proposition 50 Grant Funds.

The Agency will:

- a. Upon approval of this MOU by all Project Proponents, approve and execute a contract with the State of California to obtain funding from Round 2 Step 2 of Proposition 50.
- b. Upon approval of this MOU by all Project Proponents, hire expert consultant(s) to prepare an administrative framework by which to track expenditures and report progress on funded projects and provide reports to the State of California pursuant to the Grant contract.
- c. Prior to accepting the proposed administrative scope of work developed by the consultants, forward for review and approval by Project Proponents a draft administrative scope of work containing all of the elements required by the State contract, as well as any additional components as agreed by Project Proponents.
- d. Administer the consultant contract in an efficient manner.
- e. Administer the Grant contract in an efficient manner including timely submittals to the State on behalf of its partners.
- f. All of Agency's duties hereunder are contingent upon timely receipt of information, approvals and funding from Project Proponents.

2. Project Proponents' Duties for Prop 50 Grant and Project Implementation:

Each Project Proponent will:

- a. Promptly review and comment to the Agency concerning the expert consultant(s) qualifications and form of consultant agreement(s).
- b. Promptly cooperate with the Agency and its consultant(s) to supply required data, project progress reports and financial information consistent with State requirements and in a form developed by the consultant and/or agreed to by Agency and Project Proponents.
- c. Submit information consistent with a schedule stipulated by the Agency pursuant to its Contract with the State
- d. Coordinate substantial project modifications, including schedule changes, with Agency and the State prior to established deadlines for consideration of such changes.
- e. Agree that, in the event the State, for any reason reduces the total awarded grant amount for the Santa Barbara County region, the new reduced total amount shall be prorated proportionally among the projects based on the amounts requested in the original application.
- f. Agree that if any project(s) receives reduced funding from the State due to poor performance or for any other reason specific to that project, then the proponent of that project shall be responsible for reimbursing the State and that further the Agency or other project proponents shall have no liability in such circumstances.

g. Agree that in the event a State audit results in reduced funding or a demand for return of funds to the State due to any reason, that the proponent of that project shall be responsible for reimbursing the State and that further the Agency or other project proponents shall have no liability in such circumstances.

3. Financial Arrangements for Grant Administration Process:

a. Projects proponents shall pay 100% of any direct and administrative costs for consultant preparation and administration of the Proposition 50 grant funding process as discussed above and which are not otherwise provided by the Proposition 50 grant. The year 1 costs are estimated to be \$211,016.00 for development of the reporting process and first year of reporting to the state. \$200,000 of consultant contract administrative costs will be treated as a "project" and Proposition 50 Grant proceeds will be applied to year 1 costs as allowed by the State.

b. The Agency shall establish a separate account for handling monetary contributions from Project Proponents toward the grant administration process. The Agency shall provide quarterly summaries to Project Proponents concerning contributions received and amounts paid or credited.

c. Each Project Proponent shall initially contribute funds to this grant administration account in amounts according to Appendix B, recognizing that contributions are subject to specific approval by each Project Proponent's respective governing board. Each Project Proponent will be reimbursed for payment of consultant grant administration costs reimbursed by the State subsequent to such reimbursement by the State.

d. The Agency shall maintain the grant administration process account until full completion of the project construction process and audit approval of its expenditures by the Project Proponents, if such audit is requested in a timely manner.

e. Project Proponents shall pay their respective contributions for year 1 administrative costs as shown in Appendix B to the Agency no later than 30 days following the execution of the Grant Agreement. Payment will be sent to: Public Works Department, Santa Barbara Agency, 123 E. Anapamu St., Santa Barbara, CA 93101. RE: Proposition 50 Grant Administration.

f. If funds received are in excess of the actual direct and administrative costs for a consultant to administer the grant administration process, then the Agency shall refund monies or apply as credit to subsequent grant administration process related activities according to direction from individual Project Proponents. Such refunds or credits shall be on a proportional basis according to each entity's contribution. The Agency shall complete the refunds or credits no later than three months following the State's approval of a final project report and invoice per the State's grant contract. The Agency, at its own option, may choose to refund any unspent funds for administration of the grant implementation process upon completion of an individual project and acceptance of that project's final report by the State.

g. In the event that a Project Proponent declines to fund its share of administrative costs, then such Proponent is excluded from direct participation in

this Prop 50 grant funding process. Under such circumstances, the State will be notified of the Project Proponent's non participation.

h. Costs shown in Appendix B are good faith estimates, however if insufficient funds are collected to meet the estimated costs to prepare and administer the grant administration process, then the Agency will notify each Project Proponent that it must provide supplemental funds. Such additional funding shall be paid by project proponents in a timely manner in the same proportion as previously paid under this MOU.

i. Prior to completion of year 1 and initiation of subsequent year administration activities, the Agency will estimate future administrative costs and provide those estimates to the Project Proponents. The Agency will update the table shown as Appendix C with said estimates. Administrative costs in future years will be spread among the Partners by the same proportional method as shown in year 1 (Appendix B).

i. The Agency will not issue a "notice to proceed" to the consultant until Proponents' Board/Councils have approved this MOU and authorized payments as stipulated in this MOU.

k. The Agency and Project Proponents shall retain records pertaining to the account in accordance with State requirements.

4. The Agency's Ongoing IRWMP Administration Duties:

Activities associated with the IRWMP are subject to a separate MOU agreement and any amendments thereto.

5. Termination of Participation:

a. Due to the nature of the State Grant funding contract with the Agency, any Project Proponent may terminate its participation in this MOU only with written independent concurrence by the State.

b. Any individual termination shall not terminate this agreement with regard to the remaining parties.

c. Any terminating Project Proponent will give notice of its termination to all remaining Project Proponents.

7. Term of this MOU:

a. The provisions of this MOU that pertain to the Prop 50 grant administration process will end upon acceptance of the final project report by the State, when all funds have been disbursed, and final audits have been completed by the State and/or Project Proponents.

8. Defend and Hold Harmless:

Each Party to this agreement shall cooperate in the defense of and hold harmless each other from all actions, claims or judgments by, or in favor of, third parties arising out of any act or omission of such Project Proponent, its officers, employees, or agents in connection with the performance of this MOU.

9. Notices:

All notices or other official correspondence relating to this MOU between the Project Proponents shall be addressed to:
Matt Naftaly, Interim Manager, Santa Barbara County Water Agency, 123 E. Anapamu St., Santa Barbara, CA 93101

10. Counterparts:

This MOU may be executed in counterparts. Each counterpart shall have the same effect as an original.

11. No Waiver:

The waiver of any breach by any party of any provision of this MOU shall not constitute a continuing waiver or a waiver of any subsequent breach of this agreement.

12. Time of Essence:

Time is of essence in the performance of this MOU for this reason: The opportunity to receive significant grant funding depends entirely on timely agreements between the Agency and the Project Proponents, executed in a manner consistent with the Agency's Prop 50 grant contract with the State.

13. Ownership/retention of documents and copies:

The Agency shall retain the official original of all documents created under this MOU. The Agency shall provide each of the Project Proponents with a copy of each document by regular mail or email attachment.

14. Governing Law and Venue.

This MOU and all matters relating to it shall be governed by the laws of the State of California in force at the time any decision or holding concerning this agreement arises. Any action or proceeding arising out of or relating to this MOU or the parties' relationship shall be brought in a state court situated in Santa Barbara County.

15. Integration and Amendments:

This MOU (including any original counterparts executed by the parties) constitutes the sole and entire agreement between the parties with respect to the subject matter hereof. This MOU correctly sets forth the obligations of the parties hereto to each other as of the date of this agreement. All agreements or representations respecting the subject matter of this MOU not expressly set forth or referred to in this MOU are null and void. Amendments to this MOU shall be made only with the mutual written consent of all of the parties to this agreement.

16. Due Authority:

The Parties hereby represent that the individuals executing this MOU are expressly authorized to do so on and in behalf of the parties.

17. Construction:

The Parties agree that each Party and their counsel have reviewed and negotiated this MOU and that any rule of construction to effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this MOU or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provisions to which they relate.

SANTA BARBARA COUNTY WATER AGENCY
SCOTT MCGOLPIN
PUBLIC WORKS DIRECTOR

By: _____

Date: _____

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

BY: _____
Deputy

APPROVED AS TO INSURANCE:
RAY AROMATORIO, ARM, AIC
RISK PROGRAM ADMINISTRATOR

By: _____

APPROVE AS TO ACCOUNTING:
ROBERT W. GEIS, CPA

BY: _____
Deputy

Signatures of Project Proponents

By: _____

Name: C. Charles Evans

Title: President

Organization: Cachuma Operation & Maintenance Board

Date: _____

Appendix A: List of Project Proponents

County Agencies:

SB County Public Works Department, Laguna Sanitation District
SB County Agricultural Commissioners Office

Cities:

City of Guadalupe
City of Santa Barbara
City of Santa Maria

Water Districts:

Carpinteria Valley Water District
Goleta Water District

Sanitary Districts:

Carpinteria Sanitary District
Goleta Sanitary District

Community Service Districts:

Casmalia Community Service District
Cuyama CSD
Vandenberg Village CSD

Joint Powers Agencies:

Cachuma Operation and Maintenance Board

Appendix B

Cost Share for Proposition 50 Grant Administration Year 1

Project Proponents	Prop 50 Grant Request	Grant as a % of \$24.8 M	Kennedy/Jenks Admin Costs	Agency Grant Admin Costs	Dudek Grant Admin Costs	Project Partner Payment
SB Co. Ag Com'r	100,000	0.004032	850.87	181.45	208.02	1,240.35
SB Co. Laguna San	525,000	0.021169	4,467.07	952.62	1,092.13	6,511.82
Carp Valley WD	2,000,000	0.080645	17,017.42	3,629.03	4,160.48	24,806.94
Carp San	1,250,000	0.050403	10,635.89	2,268.15	2,600.30	15,504.33
Goleta WD	400,000	0.016129	3,403.48	725.81	832.10	4,961.39
Goleta San	1,500,000	0.060484	12,763.06	2,721.77	3,120.36	18,605.20
VVCSD	4,000,000	0.161290	34,034.84	7,258.06	8,320.97	49,613.87
City of Sta Barbara	1,000,000	0.040323	8,508.71	1,814.52	2,050.24	12,403.47
City of Guadalupe	4,750,000	0.191532	40,416.37	8,618.95	9,881.15	58,916.47
City of Sta Maria	4,800,000	0.193548	40,841.81	8,709.68	9,985.16	59,536.65
Casmalia CSD	631,700	0.025472	5,374.95	1,146.23	1,314.09	7,835.27
Cuyama CSD	643,300	0.025940	5,473.65	1,167.28	1,338.22	7,979.15
COMB	3,200,000	0.129032	27,227.87	5,806.45	6,656.77	39,691.10
Total	24,800,000	1.000000	211,016.00	45,000.00	51,590.00	307,606.00

Note: There is \$200,000.00 of grant funding that is available for payment of the Kennedy/Jenks Year 1 contract. The Project Proponents will be reimbursed for their share of \$200,000.00 as the Water Agency receives the money.

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Appendix C

Potential Cost Share for Proposition 50 Grant Administration Year 2

Project Proponents	Prop 50 Grant Request	Grant as a % of \$24.8 M	Kennedy/Jenks Admin Costs	Agency Grant Admin Costs	Dudek Grant Admin Costs	Project Partner Payment
SB Co. Ag Com'r	100,000	0.004032	201.61	80.65	80.65	362.90
SB Co. Laguna San	525,000	0.021169	1,058.47	423.39	423.39	1,905.24
Carp Valley WD	2,000,000	0.080645	4,032.26	1,612.90	1,612.90	7,258.06
Carp San	1,250,000	0.050403	2,520.16	1,008.06	1,008.06	4,536.29
Goleta WD	400,000	0.016129	806.45	322.58	322.58	1,451.61
Goleta San	1,500,000	0.060484	3,024.19	1,209.68	1,209.68	5,443.55
VVCSD	4,000,000	0.161290	8,064.52	3,225.81	3,225.81	14,516.13
City of Sta Barbara	1,000,000	0.040323	2,016.13	806.45	806.45	3,629.03
City of Guadalupe	4,750,000	0.191532	9,576.61	3,830.65	3,830.65	17,237.90
City of Sta Maria	4,800,000	0.193548	9,677.42	3,870.97	3,870.97	17,419.35
Casmalia CSD	631,700	0.025472	1,273.59	509.44	509.44	2,292.46
Cuyama CSD	643,300	0.025940	1,296.98	518.79	518.79	2,334.56
COMB	3,200,000	0.129032	6,451.61	2,580.65	2,580.65	11,612.90
Total	24,800,000	1.000000	50,000.00	20,000.00	20,000.00	90,000.00

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CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: October 27, 2008
TO: MEMBERS OF THE BOARD OF DIRECTORS
FROM: Kate Rees, General Manager
RE: **Lake Cachuma Bathymetric Survey**

RECOMMENDATION:

None. For information only.

DISCUSSION:

The Cachuma Lake Bathymetric Study was completed in September 2008. The survey itself was completed in June 2008. Enclosed you will find a summary of the survey report along with the 2000/2008 Capacity Comparison table.

In summary, the new lake capacity at 750 ft is 186,636 acre-ft, which is a loss in capacity of 1,394 acre-ft compared to the survey completed in 2000. This loss is due to siltation from storm runoff between 2000 and 2008 and only a portion is the result of the ZACA Fire. Another bathymetric survey is planned for 2010 to determine the total siltation from the Zaca Fire. Electronic copies will be supplied to the Member Unit managers and are available on request.

Respectfully submitted,

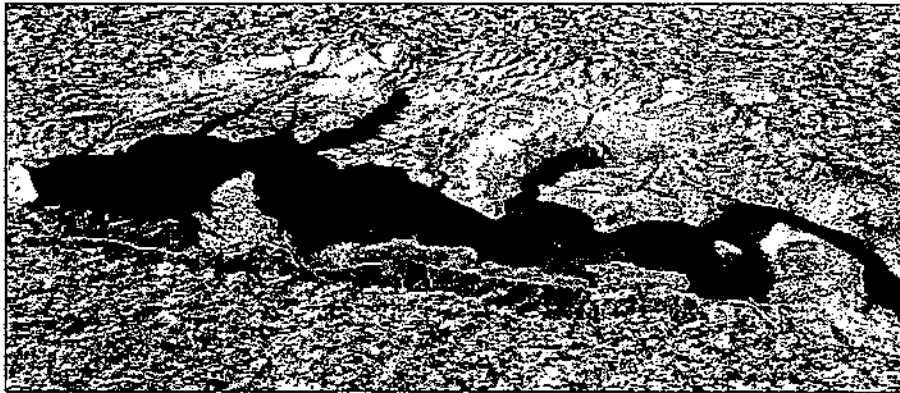


Kate Rees
General Manager

KR.COMB/COMB admin/board memos/1-27-8_Cachuma Bathy Survey

MEM # 8
102708_Cachuma Bathy Survey
-AGG- 1

CACHUMA LAKE BATHYMETRIC STUDY
September 2008



Prepared For:



3301 Laurel Canyon Road
Santa Barbara, CA 93105

Prepared By:
MNS ENGINEERS, INC.
Mark E. Reinhardt, P.L.S.

SANTA BARBARA
4050 Calle Real, Suite 110
Santa Barbara, CA 93110
805.692.6921 Phone



Introduction

The Cachuma Operation & Maintenance Board (COMB) contracted with MNS Engineers, Inc. (MNS) to perform a survey of Cachuma Lake to determine the volume capacity. MNS conducted a previous survey in September, 2000. Since that time, in the Summer of 2008, the second largest recorded wildfire in the State of California and largest in Santa Barbara County occurred. In the Winter of 2008-2009 heavy rains transported tons of ash and debris from the fire and tons of silt which was left exposed and unprotected by the fire, into the lake. COMB requested the updated survey to understand the impact of the combination of fire and flood on the lake capacity.

Bathymetric and Aerial Topographic Survey

In June, 2008 MNS performed an aerial survey of the lake. The lake was mapped at a scale of 1"=100' with 5-foot contour intervals. Contours were mapped from the water level of 750.5 up to the 780 elevation. A digital ortho-photo mosaic was also prepared from this aerial flight.

Also in June, 2008 MNS mapped the lake bed using the technique of Shallow Water Swath Bathymetry (SWSB). This method of data collection is similar to that of LIDAR where swaths of data are collected using a multi-beam swath as opposed to the previously used single-beam collection along cross-sections of the lake. Points were measured and collected on the lake bottom on an approximate 1-meter grid. These data points were then thinned for manageability to a 10' grid, totaling over 1.1 million points.

Data Processing and Mapping

All data was processed using AutoDesk Land Desktop 2007. A topographic map was created combining the aerial mapping with the bathymetric data. One-foot contours were generated and the areas for each contour were measured. These areas were then modified by subtracting or adding area in the cases of the existence of an island or high point (subtract), or in the case of a basin (add).

The results are printed in Appendix A, Pages A-1 and A-2. These numbers were then inserted into an Excel spreadsheet and Elevation vs. Capacity tables were created, interpolating volumes at each 0.01 foot of elevation up to the 760 elevation. These tables are printed in Appendix B. A digital copy of the Appendix B tables and a digital copy of the topographic map will be delivered with this report to COMB.

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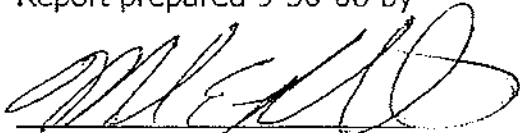
Observations and Conclusions

The tables on Pages A-3 and A-4 in Appendix A shows the comparison of data from 2000 to 2008. These table report the change in area and volume for each five foot contour interval. The overall loss in capacity in the basin up to the 760 contour was 2,200 acre feet or about 1 percent of the total from 2000 to 2008.

The area comparison table indicates that the largest losses in area were at the 600 level, the 750, 755 and 760 levels.

A review of the tables on Pages A-1 and A-2 show the first significant area at the 602 level being 1,314,028 square feet. This is compared to the first significant area from the 2000 study which was 2,114,514 at the 599 level, indicating that an average of over 2 feet of these lower areas were filled in since 2000.

Report prepared 9-30-08 by



Mark E. Reinhardt, P.L.S.



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2000/2008 CAPACITY COMPARISONS (Cumulative Volume in Acre Feet)

ELEVATION	2000	2008	CHANGE	% CHANGE
760	220,052	217,852	-2,200	-1.0%
755	203,642	201,783	-1,859	-0.9%
750	188,030	186,636	-1,394	-0.7%
745	173,336	172,237	-1,099	-0.6%
740	159,637	158,535	-1,102	-0.7%
735	146,715	145,652	-1,063	-0.7%
730	134,559	133,523	-1,036	-0.8%
725	123,058	122,078	-980	-0.8%
720	112,215	111,284	-931	-0.8%
715	102,015	101,179	-836	-0.8%
710	92,452	91,681	-771	-0.8%
705	83,467	82,794	-673	-0.8%
700	75,020	74,509	-511	-0.7%
695	67,163	66,733	-430	-0.6%
690	59,806	59,445	-361	-0.6%
685	52,992	52,604	-388	-0.7%
680	46,647	46,224	-423	-0.9%
675	40,770	40,376	-394	-1.0%
670	35,402	34,981	-421	-1.2%
665	30,540	30,095	-445	-1.5%
660	26,109	25,668	-441	-1.7%
655	22,025	21,536	-489	-2.2%
650	18,214	17,645	-569	-3.1%
645	14,796	14,185	-611	-4.1%
640	11,867	11,255	-612	-5.2%
635	9,449	8,850	-599	-6.3%
630	7,375	6,787	-588	-8.0%
625	5,575	4,994	-581	-10.4%
620	4,042	3,495	-547	-13.5%
615	2,713	2,185	-528	-19.5%
610	1,585	1,107	-478	-30.2%
605	724	289	-435	-60.1%
600	97	0	-97	-100.0%
595	0	0	0	0.0%



ITEM 5

City of Santa Barbara
Public Works Department

Interoffice Memorandum

DATE: October 6, 2008
TO: Mayor and City Council Members
FROM: Christine F. Andersen, Public Works Director
SUBJECT: BATHYMETRIC SURVEY OF GIBRALTAR

As you know the Zaca fire burned much of the Gibraltar watershed, resulting in substantial siltation of the Gibraltar Reservoir. To quantify the loss of capacity, staff commissioned a bathymetric survey to determine the new elevation of the base of the reservoir. We have now received the results of the study and have confirmed a loss of capacity of approximately 1,500 acre feet. While this is not as bad as feared, it represents a 21% loss of storage capacity from last year at Gibraltar.

The City has an existing agreement with other users of Santa Ynez River water that will allow us to use storage capacity in Cachuma to offset the lost capacity in Gibraltar. However, in order to store water in Cachuma, the City needs to negotiate a Warren Act Agreement with the U.S. Bureau of Reclamation (USBR). The 1911 Warren Act specifies that non-project water stored in a Federal water project must pay fees. Staff has met with USBR staff and believes that we will be able to secure an agreement with them, although we will have to pay storage fees.

Please contact Rebecca Bjork, Water Resources Manager, at 897-1914, if you have questions about this matter.

RB/es

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

THIS ITEM WAS CONTINUED FROM THE September 22, 2008 BOARD MEETING.

DATE: October 27, 2008
TO: BOARD OF DIRECTORS
FROM: Kate Rees, General Manager
RE: **Quagga Mussel Prevention Program Cost Sharing**

RECOMMENDATION:

That the Board authorize a one time payment of \$60,000 to the County of Santa Barbara to assist with the Quagga Mussel preventative measures at Lake Cachuma.

DISCUSSION:

Please refer to previous meeting minutes and staff memos regarding discussion of this item at the COMB Board meetings from April 28, 2008 to August 25, 2008.

COMB Board Meeting September 22, 2008

The COMB Board discussed providing \$60,000 as a one time payment to the County Parks Department to offset costs for the Quagga mussel inspection and prevention program. This cost is approximately 1/3 of the revised annual cost for the County's program. Montecito and Carpinteria Valley Water Districts are still considering this item, and not all of the COMB Board members were present. Therefore, the Board deferred action on this item to the October 27th regular Board meeting.

A revised projected expenditure sheet is attached, which was provided by Dan Hernandez, County Parks Director. If the Board agrees to assist with funding, the Member Unit shares would be:

Goleta Water District	36.25%	\$21,750.00
City of Santa Barbara	32.19%	\$19,314.00
Montecito Water District	10.94%	\$ 6,564.00
Carpinteria Valley Water District	10.31%	\$ 6,186.00
SYR Water Conservation District, ID No. 1	10.31%	\$ 6,186.00

About \$210,000 in unexpended funds are still available from FY 06-07 and FY 07-08 if the Board chooses to assist the County with funding the quagga mussel preventative measures. A budget adjustment could be made to transfer funds into a new account for this purpose.

Staff recommends approval of this one time expenditure.

Respectfully submitted,

Kate Rees
General Manager

kr/comb/admin/board memos/102708_quagga prevention.mmo

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Estimated Fiscal Impacts of Quagga Mussel Boat Launch Program at Cachuma Lake

	<u>FY 2007-08</u> <u>(March - June)</u>	<u>FY 2008-09</u> <u>(July - August)</u>	<u>FY 2008-09</u> <u>(Projected)</u>	<u>FY 2008-09</u> <u>(Projected)</u>	<u>Difference</u>
	<u>Initial</u> <u>Inspection,</u> <u>Tagging and</u> <u>Washing</u> <u>Program</u>	<u>Current</u> <u>Inspection,</u> <u>Tagging and</u> <u>Washing</u> <u>Program</u>	<u>Projected</u> <u>Inspection,</u> <u>Tagging and</u> <u>Washing</u> <u>Program</u>	<u>Projected</u> <u>Inspection and</u> <u>Tagging</u> <u>Program</u>	
	<u>Revenue:</u>	<u>Revenue:</u>	<u>Revenue:*</u>	<u>Revenue:*</u>	<u>Revenue:</u>
\$13 Boat Launch Fee, \$20 Boat Wash Fee, and \$120 Annual Boat Launch Fee	\$ -	\$ -	\$ 32,400	\$ 22,300	\$ (10,100)
	<u>Expenditures:</u>	<u>Expenditures:</u>	<u>Expenditures:</u>	<u>Expenditures:</u>	<u>Expenditures:</u>
Direct Administrative Staff (Assistant Director, Business Manager & Office Supervisor)	\$ 3,921.39	\$ 1,733.71	\$ 10,400	\$ 10,400	None
Direct Operations Staff (Operations Manager, Naturalist for mussel monitoring, public education & outreach, Inspectors & Washers)	75,186.62	25,276.71	151,700	101,600	From 5.25 FTE Inspectors and Washers to 1.5 FTE Inspectors
Indirect Cost Rate 49.15%	36,954.22	12,423.50	74,600	49,900	
Services, Supplies, Public Outreach, and Education	11,610.72	141.15	11,500	7,700	2/3 of Services & Supplies
2 Quagga Dogs @ \$12,000 (\$10k + \$2k vet and food estimate each)	-	-	-	-	No Quagga Dogs
State-Linked Record-Keeping Database (\$20k + \$4k SQL Server + \$3k Web Hosting)	-	-	-	-	No State-Linked Record-Keeping Database
Total Expendtrs	\$ 123,751.56	\$ 37,841.36	\$ 237,800.00	\$ 159,200.00	\$ (78,600)
Fiscal Impact	\$ (123,751.56)	\$ (37,841.36)	\$ (205,400)	\$ (136,900)	\$ 68,500
			*Assumes an increase in the boat launch fee from \$8 to \$13 (a 63% increase), a new boat wash fee of \$20 (est. 20% of boats) and an increase in the annual boat launch fee from \$65 to \$120 (an 85% increase).		

Ruth Snodgrass

From: Kate Rees
Sent: Thursday, October 09, 2008 12:06 PM
To: Ruth Snodgrass
Subject: FW: Cachuma Mussels

FYI - follow up from Dan

From: Hernandez, Daniel [mailto:Dchernandez@co.santa-barbara.ca.us]
Sent: Thu 10/9/2008 8:39 AM
To: Kate Rees; Maus-Nisich, Terri; Fayram, Tom
Cc: Baker, John; Stone, Jeff; Medeiros, Mitch
Subject: RE: Cachuma Mussels

Kate.

The spreadsheet I sent you shows a couple of scenarios. One with wash stations and one without. You can see that in order to maintain the current system, it would cost us approximately \$237,000. Funding currently have been the sole responsibility of the Parks Department, which we cannot maintain. The second scenario is only for wash and inspection. Basically, a slight expansion of the former program, which is what a vast majority of agencies are currently implementing.

Dan

From: Kate Rees [mailto:KRees@cachuma-board.org]
Sent: Wednesday, October 08, 2008 10:01 PM
To: Maus-Nisich, Terri; Hernandez, Daniel
Subject: FW: Cachuma Mussels

Terri and Dan -

I have asked several times for your written request as to what you are requesting from COMB, the updated inspection program components and revised costs, your staff report, phased boating increases to pay for ongoing costs, and anything else that you think would be helpful to sell cost sharing to the member units. So far, everything has been verbal, and inconsistent. Jan needs the information by 10/17 for the MWD board package and I need it by Oct 21 for the COMB package. Please see Jan's email below.

Thanks
Kate

From: Kate Rees
Sent: Wed 10/8/2008 9:52 PM
To: William Abel
Subject: RE: Cachuma Mussels

Jan -

I did send Terri another email a couple of weeks ago asking for the written materials that we discussed. but have received nothing from her. If it comes in before 10/17, I will forward it to you.

10/9/2008

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Kate

From: William Abel [mailto:wsabel@silcom.com]
Sent: Wed 10/8/2008 3:06 PM
To: Kate Rees
Subject: Cachuma Mussels

Kate,

Just a reminder that I would appreciate you sending anything new " in print" that we receive from the County on the mussel issue before Friday, October 17th - the date our October Board packet is put together and delivered to Directors. If there is nothing, so be it. Please do not waste more time chasing them down. Thank you.

Jan

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Department of Water Resources

California Water News

A daily compilation of significant news articles and comment

October 3, 2008

3. Watersheds –

Safe bacterium found to kill zebra mussels

UPI – 10/2/08

WASHINGTON, Oct. 2 (UPI) -- U.S. scientists say they've created an environmentally safe bacterial toxin to control invasive zebra and quagga mussels.

The new bio-pesticide was derived from a common soil bacterium by researchers at the New York State Museum Field Research Laboratory in Cambridge, N.Y. Scientists in the U.S. Department of Energy-funded study said that when ingested in large quantities, the bacterium is lethal to zebra and quagga mussels but harmless to non-target organisms, including native freshwater mollusks.

Officials said the bio-pesticide achieved a 98 percent kill rate of zebra and quagga mussels in water systems at a New York power plant. Officials said the addition of the bacterium to the plant's water supply showed no effects on humans.

The two non-native species have found their way into the waterways of 25 states during the past two decades, fouling the aquatic environment.

The project was funded by Energy Department's Office of Fossil Energy and managed by the National Energy Technology Laboratory.

The New York State Museum's laboratory and Marrone Organic Innovations Inc., a private laboratory in Davis, Calif., will share a \$500,000 grant from the National Science Foundation to improve the bio-pesticide for an even higher mussel kill rate. #

http://www.upi.com/Science_News/2008/10/02/Safe_bacterium_found_to_kill_zebra_mussels/UPI-32711222974442/

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

MEMORANDUM

DATE: October 27, 2008

TO: MEMBERS OF THE BOARDS OF DIRECTORS

FROM: Kate Rees, General Manager

RE: **Memorandum of Understanding Between CCRB and COMB Regarding Coastal Conservancy Grant for Quiota Creek Crossing 6 Fish Passage Project**

RECOMMENDATION:

Approve the attached Memorandum of Understanding (MOU) describing the relationship between CCRB and COMB for the State Coastal Conservancy contract amendment for the Quiota Creek Crossing 6 Bottomless-Arched Culvert Project.

DISCUSSION:

In 2006, CCRB entered into a grant agreement with the State Coastal Conservancy (SCC) to partially fund replacement a low flow crossing at Crossing 2 on Quiota Creek with a bridge along Refugio Road. Due to unresolved issues raised by one of the landowners, that specific project did not go forward. However, all stakeholders (landowners and Santa Barbara County) were in favor of a similar project upstream at Crossing 6 to remove a damaged low flow crossing and replace a temporary bridge with a bottomless-arched culvert. CCRB staff requested an amendment to the contract with SCC to transfer the project location from Crossing 2 to 6, and to install a bottomless-arched culvert at Crossing 6 instead of a bridge. On September 25, 2008, the SCC Board approved this request, and SCC staff is now finalizing an amendment to the 2006 CCRB contract reflecting the requested changes.

In the past, for several of the fisheries projects in the Lower Santa Ynez River watershed, CCRB has awarded a single-source contract to a specific contractor due to our confidence in his work, and his expertise and sensitivity in working in critical habitat areas. In order to assure that we received competitive cost estimates for the work, and due to rising construction costs for these types of projects, the CCRB Board thought it prudent to seek competitive bids for the Quiota Creek Crossing 6 Project and the El Jaro Creek Cross Creek Ranch Project. In August of 2008, staff, therefore, solicited bids for construction of both of these projects. In doing so, specific legal protocols and insurance documentation were required, that CCRB does not have. This necessitated the bid packages to be distributed by COMB, and for COMB to enter into a construction contract with the selected contractor. In effect, the project then became a COMB project, even though the grant funding and budget for the project was through CCRB.

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The COMB contract for the project was awarded to Schock Contracting Corporation. The County of Santa Barbara Encroachment Permit was issued to COMB, whereas the regulatory permits were issued to CCRB because permit applications were submitted prior to August. Also, CEQA/NEPA compliance for the project is covered under the EIR/EIS for Lower Santa Ynez River Fish Management Plan and Cachuma Project Biological Opinion, for which COMB is the lead CEQA agency.

In the course of amending the grant agreement, the SCC staff carefully reviewed all components of the Quiota Creek Crossing 6 project and noticed the discrepancy and confusion regarding which agency held the grant and which agency was actually going to construct the project. They requested a description of the relationship between CCRB and COMB to assure that all contractual agreements were legal. Bill Hair, COMB's General Counsel, drafted the attached temporary MOU to address this specific grant agreement and provide the SCC legal counsel with the assurances he needs. However, if these overlapping responsibilities between CCRB and COMB are to continue, there needs to be a permanent mechanism to address the sorts of issues raised by the SCC grant agreement. This is not the first time these issues have surfaced.

It has become increasingly difficult to carry out the fisheries projects through CCRB because of liability, insurance, and grant contract requirements that CCRB cannot meet. The overlapping CCRB-COMB responsibilities described above have caused a tremendous amount of difficulty for CCRB staff to keep the Quiota Creek project moving forward in a timely way due to the ambiguity between which of the agencies is the appropriate agency to hold permits, enter into contracts, provide required insurance and liability coverage, and fund the project through grants or budgeted funds.

For the time being, to resolve this legal issue internally, it is necessary to have the funding and construction responsibilities for the fish projects be with one agency. Because COMB has the legal means to provide insurance, indemnification, and other specific grant, permit, and contract requirements to carry out these projects, where CCRB does not, it is staff's opinion that that COMB is the most appropriate agency to do this.

Staff has reviewed Mr. Hair's MOU and recommends that the CCRB and COMB Boards approve the MOU.

Respectfully submitted,



Kate Rees
General Manager

KR/CCRB Admin/board memos/102708_Quiota-X6 MOU CCRB-COMB

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**MEMORANDUM OF UNDERSTANDING BETWEEN
CACHUMA OPERATION AND MAINTENANCE BOARD
AND
CACHUMA CONSERVATION RELEASE BOARD**

RECITALS

1. Cachuma Conservation and Release Board (CCRB) is a California Joint Powers Agency, which is responsible, among other things, for the oversight of fisheries projects on the lower Santa Ynez River.
2. Cachuma Operation and Maintenance Board (COMB) is a California Joint Powers Agency which operates the Cachuma Project water conveyance system and, among other things, constructs physical improvements to the lower Santa Ynez River and its tributaries for the betterment of fisheries habitat.
3. CCRB has applied for and has been approved for a grant of funds from the California Coastal Conservancy (Conservancy) for the purpose of assisting in the construction of certain improvements to Quiota Creek, a tributary to the lower Santa Ynez River to improve the habitat for the endangered Steelhead.
4. COMB has agreed to contract for and oversee the construction of the Quiota Creek improvements and CCRB has agreed to advance the grant funds to COMB to pay the costs of the improvements.

AGREEMENT

1. COMB agrees to be bound by the terms and conditions of the Grant Agreement between CCRB and the Conservancy.
2. CCRB agrees to indemnify and hold harmless, the Conservancy for any acts of COMB or its contractors in carrying out the improvements to Quiota Creek.

Cachuma Operation & Maintenance Board

C. Charles Evans, President

Dated: October ____, 2008

Cachuma Conservation Release Board

Jan Abel, President

Dated: October ____, 2008

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CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: October 27, 2008
TO: MEMBERS OF THE BOARD OF DIRECTORS
FROM: Kate Rees, General Manager
RE: **Historic Santa Barbara, An Illustrated History**

RECOMMENDATION:

1. Enter into an agreement with the Santa Barbara Historical Society to sponsor 2 pages in the profile section of a new book entitled *HISTORIC SANTA BARBARA: An Illustrated History*.
2. Approve an expenditure of approximately \$6,000 for a 2-page spread on the Cachuma Project.

DISCUSSION:

This item was deferred from the September 22, 2008 meeting.

The Cachuma Operation and Maintenance Board has been invited to participate as a sponsor in the publication of a new "coffee table" book entitled *HISTORIC SANTA BARBARA: An Illustrated History*, and provide information for the book regarding the history of the Cachuma Project and its historic significance in the development of the Santa Barbara region. The book will be a publication of the Santa Barbara Historical Museum, and sixth in the California Heritage Series of books to be marketed nationally. The Santa Barbara Historical Society was established in 1932, and is dedicated to the preservation and promotion of Santa Barbara's history.

Construction of a reliable water supply system was an essential, historic component for the development of agricultural and urban development in Santa Barbara County. Therefore, profiling the Cachuma Project in this new book seems very appropriate.

There are many sponsors already committed to this comprehensive project, including public agencies, private companies, and City and County of Santa Barbara. I would recommend that COMB also become a sponsor. There are sufficient budgeted funds in the Public Information and Miscellaneous accounts to fund participation in this project.

Respectfully submitted,



Kate Rees
General Manager

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