

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

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

Monday, May 24, 2010

Approximate Start Time

3:30 p.m.

AGENDA

1. **COMB CALL TO ORDER, ROLL CALL** (COMB Board of Directors.)
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.)
3. **CONSENT AGENDA** (For Board action by vote on one motion unless member requests separate consideration.)
 - a. Minutes March 8, 2010 Special Board Meeting and April 26, 2010 Regular Board Meeting
 - b. Investment of Funds
 - Financial Reports
 - Investment Reports
 - c. Payment of Claims
4. **CONSIDER APPROVAL OF RESOLUTIONS NO. 502 AND NO. 503**
 - a. Resolution No. 502 Consenting to Enter the Joint Protection Programs of the Association of California Water Agencies/Joint Powers Insurance Authority
 - b. Resolution No. 503 Authorizing Application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self Insure Workers' Compensation Liabilities
5. **REPORTS FROM THE MANAGER**
 - a. Cachuma Water Reports
 - b. Operations Report
 - c. Proposition 50 and 84 Activities
 - d. County-Member Unit Issues Meeting (also see CCRB 5c)
 - e. **Verbal Report** - Cachuma Reservoir Current Conditions

6. **COMB CAPITAL IMPROVEMENT PROGRAM**
 - a. Second Pipeline Project
 - 1) Financing and Project Expenditure Approvals Schedule
 - 2) Construction Bids
 - 3) Project Status
 - 4) Permit Status

7. **CACHUMA RENEWAL FUND/WARREN ACT TRUST FUND MEETING AND COUNTY'S PUBLIC MEETING ON CACHUMA PROJECT \$100,000 BETTERMENT FUND, MAY 13, 2010**
 - a. Recommended Uses of Renewal Fund/Trust Fund for FY 2010-2011
 - b. Recommended Uses of County Water Agency's Cachuma Project \$100,000 Betterment Fund for FY 2010-2011

8. **OPEB LIABILITY PRESENTATION – Geoff Kischuk, Total Compensation Systems, Inc. (15 minutes)**

9. **PROPOSED PRELIMINARY FY 2010-2011 COMB BUDGET (30 minutes)**

10. **CONSIDERATION OF LICENSE AGREEMENT FOR KIMBALL-GRIFFITH FOR USE OF FEDERAL RIGHT-OF-WAY AT ORTEGA RESERVOIR RIDGE ROAD**

11. **DIRECTORS' REQUEST FOR AGENDA ITEMS FOR NEXT MEETING**

12. **MEETING SCHEDULE**
 - June 9, 2010 Special Board Meeting at 2:00 P.M., COMB Office
 - June 28, 2010 following CCRB at 2:15 P.M., COMB Office
 - Board Packages Available on COMB Website
www.cachuma-board.org

13. **GENERAL MANAGER'S PERFORMANCE REVIEW**
 - a. [CCRB & COMB JOINT CLOSED SESSION – CCRB RECONVENE] CONFERENCE WITH BOARDS REGARDING GENERAL MANAGER'S PERFORMANCE, PURSUANT TO GOVERNMENT CODE SECTION 54957 (a)

 - b. GENERAL MANAGER'S SALARY AND BENEFITS REVIEW – CCRB RECONVENE

14. **CCRB ADJOURNMENT**

15. **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 SPECIAL MEETING
of the
CACHUMA OPERATION & MAINTENANCE BOARD
held at
3301 Laurel Canyon Road
Santa Barbara, CA
Monday, March 8, 2010**

1. Call to Order, Roll Call

The COMB meeting was called to order at 2:38 p.m. by President Williams, who chaired the meeting. Those in attendance were:

Directors Present:

Das Williams	City of Santa Barbara
Lee Bettencourt	SYR Water Conservation Dist., ID#1
Lauren Hanson	Goleta Water District
Doug Morgan	Montecito Water District
Robert Lieberknecht	Carpinteria Valley Water District

Others present

Kate Rees	Tony Trembley
Bert Bertrando	John McInnes
Alex Keuper	Sarah Knecht
Rebecca Bjork	Janet Gingras
Bill Rosen	Fran Farina
Chip Wullbrandt	Tim Robinson
Chris Dahlstrom	Gary Kvistad

2. Public Comment

There were no comments from the public.

3. Consider Approval of an MOU Between COMB and Santa Ynez River Water Conservation District, ID No. 1 to Limit Activities During Organizational Restructuring

At the February 22, 2010 COMB Board meeting, ID No. 1 had proposed a standstill agreement whereby ID No. 1 would approve the COMB bond and the 2nd Pipeline Project if COMB would agree to not perform any fisheries program work indefinitely in the Santa Ynez River. The COMB Board would not agree to an indefinite time period

ITEM # 3a
PAGE 1

for a standstill agreement but did indicate it would agree to a finite term to July 1, 2010 which was unacceptable to ID No. 1. Director Bettencort from ID No.1 informed the COMB Board that at a special meeting of the ID No. 1 Trustees, they unanimously approved a Memorandum of Understanding (MOU) formalizing the proposed standstill agreement and suggested a finite term to December 31, 2010. Also at that same meeting the ID No. 1 Board approved the bond indemnification agreement and approved the COMB bond by resolution.

Included in the board packet was the MOU that ID No. 1 had approved and one other version proposed by the Goleta Water District. Also version number three was handed out at the Board meeting that had been prepared by ID No. 1 counsel to include language that was important to both GWD and ID No. 1. Director Hanson and Director Bettencourt had worked on the language to be included in the MOU.

Director Morgan moved to approve the draft Memorandum of Understanding number three between Santa Ynez River Water Conservation District, Improvement District No. 1 and Cachuma Operation and Maintenance Board to limit activities during organizational restructuring, seconded by Director Bettencourt, passed 7/0/0.

ID No. 1 will prepare the final MOU for signatures of the Board Presidents.

4. Consider Approval of a Portion of FY 2008-09 Unexpended Funds for AECOM to Rebid the 2nd Pipeline Project and Carry Out Related Project Management, Environmental Monitoring, and Right of Way Services

If approval of the COMB bond for the construction of the 2nd Pipeline project occurs on March 22nd, AECOM will need to resume work on the project which includes re-bidding services, carrying out related project management, environmental monitoring, and right of way services work. AECOM's scope of work for these items was included in the board packet. Staff recommended that the Board approve \$85,800 in FY 2008-09 unexpended funds be used for AECOM's continued work. The remaining unexpended fund balance would be returned to the Member Units.

Director Morgan requested that invoices for the various tasks be provided for the Directors and all work done by AECOM be vetted through the Operations Committee.

Director Morgan moved to approve \$85,800 in FY 2008-09 unexpended funds for AECOM Task Order 18, Amendment 5 for engineering consulting services to rebid the SCC Upper Reach Reliability Project (2nd Pipeline Project) and related activities, seconded by Director Hanson, passed 6/0/1, Director Bettencourt abstained.

Director Hanson moved to approve the return of the remaining FY 2008-09 unexpended fund balance of \$376,476 to the Member Units, seconded by Director Morgan, passed 7/0/0.

5. COMB Adjournment

There being no further business, the COMB meeting was adjourned at 3:02 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Das Williams, President

sec.comb/boardminutes/03.08.2010COMB Minutes.doc

Approved _____

Unapproved _____ ✓

ITEM # 3a

PAGE 3

**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, April 26, 2010

1. Call to Order, Roll Call

The meeting was called to order at 4:37 p.m. by President Williams who chaired the meeting. Those in attendance were:

Directors present:

Das Williams	City of Santa Barbara
Bob Lieberknecht	Carpinteria Valley Water District
W. D. Morgan	Montecito Water District
Lauren Hanson	Goleta Water District
Lee Bettencourt	SYR Conservation Dist ID#1

Others present:

Kate Rees	William Hair
Chris Dahlstrom	Tom Mosby
Janet Gingras	Charles Hamilton
Rebecca Bjork	Gary Kvistad
Ales Keuper	Sonia Fernandez
Isaiah Brookshire	Ben Preston
Ruth Snodgrass	

2. Public Comment

There were no comments from the public.

3. Consent Agenda

- a. Minutes:**
March 22, 2010 Regular Board Meetings
- b. Investment Funds**
Financial Reports
Investment Report
- c. Payment of Claims**

Director Hanson moved to approve the consent agenda as presented, seconded by Director Lieberknecht, 7/0/0.

4. Quagga Mussel Inspection Program at Lake Cachuma – Presentation by Liz Gaspar, Park Naturalist

Liz Gaspar was not available to give a presentation for today's meeting. Director Bettencourt moved to table Item #4 the Quagga Mussel Inspection Program at Lake Cachuma, seconded by Director Morgan, passed 7/0/0.

5. Reports From the Manager

a. Cachuma Water Reports

These reports were included in the board packet.

b. Operations Report

The Operations Report was included in the board packet.

c. COMB Operating Committee

The approved March 3rd minutes and the draft April 7th minutes were included in the board packet for information.

d. Quagga Mussel Inspection Report – County of Santa Barbara

The monthly report from the County for the Quagga Mussel inspection program was included in the board packet.

e. Proposition 50 and 84 Activities

Ms. Rees reported that the State Water Resources Control Board representatives will be coming to the Santa Barbara area to meet with representatives for Prop 50 projects that have requested a change in their schedule, which COMB has done. Ms Rees will meet with Kelley List and Scott Couch in May.

Included in the board packet was a schedule for Prop 84 process workshops. The focus has been to put together a priority list of projects for participating in an implementation grant application for Round 1 funding. COMB does not have a project on the list.

f. Process to Address County-Member Unit Issues

This was discussed during the CCRB meeting and there was nothing further to add.

g. Rejection of ARRA Funding from Reclamation

Ms. Rees reported that COMB was not eligible for the ARRA funding because operation and maintenance projects do not qualify for stimulus funding.

h. Briefing on Proposed License Agreement for Loma Griffith for Use of Right-of-Way at Ortega Reservoir Ridge Road

Bill Hair briefed the Board on the requested access license agreement from the Griffith family to use the federal right-of-way at Ortega Reservoir Ridge Road. This will come before the Board at a later date to consider.

i. Presentation at ACES Meeting, April 1, 2010

A meeting announcement was included in the board packet for the ACES meeting April 1, 2010, Ms. Rees was invited to be the guest speaker at the meeting.

j. Cachuma Reservoir Current Conditions

Date 04/26/2010

Lake Elevation	747.00 feet
Storage	177,931 acre feet
Rain (for the month to date)	3.1 inches
Rain YTD (for the season to date)	26.75 inches
Fish Release-Hilton	346.7 acre feet per month
Month to Date Fish Release	1726.7 acre feet
Month to Date Spill	0 acre feet
Year to Date Spill	0 acre feet

6. COMB Capital Improvement Program

a. Second Pipeline Project

1) Financing and Project Expenditure Approvals Schedule

Included in the board packet was an updated schedule for the financing and project expenditure approvals. Ms. Rees reported that there will be a COMB Special Board meeting on June 9th at 2:00 p.m. to select the lowest qualified bidder and to approve the expenditure for the 2nd Pipeline Project. Following COMB approval, each Member Unit will need to ratify this action during the month of June. Any schedule changes in the MU Board meeting dates should be confirmed with Janet Gingras.

Director Bettencourt requested that at the June 9th Special Board meeting COMB also approve the SYRWCD ID#1 Project Indemnification Agreement. It will be included on the agenda for that meeting.

2) Rebid Schedule

Included in the board packet was a letter from AECOM to each of the pre-qualified contractors regarding the schedule for the bid process. Bids will be opened on May 18, 2010.

3) Project Status

This report was included in the board packet.

4) Permit Status

This report was included in the board packet.

7. Consider Approval of COMB Encroachment Permit Program: Application and Permit Forms

- a. General Encroachment Permit Guidelines and Special Provisions**
- b. Draft Encroachment Permit, Recording Memorandum and Acknowledgment**
- c. Temporary Encroachment Permit**
- d. Instructions and Permit Application**

ITEM # 3a

PAGE 6

Ms. Rees reported that in the past any encroachment permits were issued by the Bureau of Reclamation. However, several years ago, Reclamation informed COMB that they would not withhold an encroachment permit for construction activities within the SCC easements if the landowner owned the underlying property in fee. COMB disagreed with Reclamation's position that these permits should be automatically granted, and that approval should depend on the proposed activity and what potential impact it may have to the integrity of the SCC. We have received formal authorization from Reclamation that it has no objection to COMB issuing encroachment permits and that it has the authority to do so under the terms of the Transfer of Operation and Maintenance Agreement. Included in the board packet were draft application and permit forms for the Boards approval, these had been reviewed by legal counsel.

After discussion and some concerns expressed by the Board, Director Bettencourt moved that the draft permit documents should be taken to the Operating Committee for review and then brought back to the COMB Board for approval, seconded by Director Hanson, passed 7/0/0. The concerns were noted by staff and these will be taken to the Operating Committee for discussion and consideration.

8. Directors' Request for Agenda Items for Next Meeting

There were no requests from the Directors.

9. Meeting Schedule

The next regular Board meeting will be held May 24, 2010 following the CCRB meeting at 2:15 P.M.

A Special Board meeting will be held June 9, 2010 at 2:00 p.m.

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

10. COMB Adjournment

There being no further business, the meeting was adjourned at 5:20 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Das Williams, President

Approved _____

Disapproved _____ ✓

ITEM # 3a

PAGE 7

COMB
Statement of Net Assets
 As of April 30, 2010

	Apr 30, 10
ASSETS	
Current Assets	
Checking/Savings	
1050 · GENERAL FUND	145,216.56
1100 · REVOLVING FUND	10,202.69
TRUST FUNDS	
1210 · WARREN ACT TRUST FUND	119,308.05
1220 · RENEWAL FUND	5,037.01
Total TRUST FUNDS	124,345.06
Total Checking/Savings	279,764.31
Other Current Assets	
1010 · PETTY CASH	400.00
1200 · LAIF	930,089.18
1300 · DUE FROM CCRB	84,282.13
1303 · Bradbury SOD Act Assmnts Rec	59,192.00
1304 · Lauro Dam SOD Assesmnt Rec	18,299.00
1400 · PREPAID INSURANCE	13,456.72
1401 · W/C INSURANCE DEPOSIT	6,529.00
Total Other Current Assets	1,112,248.03
Total Current Assets	1,392,012.34
Fixed Assets	
1500 · VEHICLES	338,973.52
1505 · OFFICE FURN & EQUIPMENT	219,801.66
1510 · TRAILERS	97,803.34
1515 · FIELD EQUIPMENT	366,549.49
1525 · PAVING	22,350.00
1550 · ACCUMULATED DEPRECIATION	-768,209.21
Total Fixed Assets	277,268.80
Other Assets	
1910 · LT Bradbury SOD Act Assess Rec	5,686,239.07
1920 · LT Lauro SOD Act Assess Rec	976,048.00
Total Other Assets	6,662,287.07
TOTAL ASSETS	8,331,568.21

COMB
Statement of Net Assets
As of April 30, 2010

Apr 30, 10

LIABILITIES & NET ASSETS**Liabilities****Current Liabilities****Accounts Payable**

2200 · ACCOUNTS PAYABLE

144,426.50

Total Accounts Payable

144,426.50**Other Current Liabilities**

2550 · VACATION/SICK

73,628.67

2561 · BRADBURY DAM SOD ACT

59,192.60

2562 · SWRCB-WATER RIGHTS FEE

-0.26

2563 · LAURO DAM SOD ACT

18,299.00

2590 · DEFERRED REVENUE

124,345.06

Payroll-DepPrm Admin

5.00

Payroll-CCRB DepPrm

9.24

Payroll-DepPrm Ops

9.24

Total Other Current Liabilities

275,488.55

Total Current Liabilities

419,915.05

Long Term Liabilities

2602 · LT SOD Act Liability-Bradbury

5,686,239.07

2603 · LT SOD Act Liability - Lauro

976,048.00

Total Long Term Liabilities

6,662,287.07

Total Liabilities

7,082,202.12

NET ASSETS

Invested in capital assets, net of related debt

277,268.80

Restricted

124,345.06

Unrestricted

847,752.23

Total Net Assets

1,249,366.09**TOTAL LIABILITIES & NET ASSETS**8,331,568.21

COMB Statement of Revenues and Expenditures Budget vs. Actual

July 2009 through April 2010

TOTAL

	Jul '09 - Apr 10	Budget	\$ Over/Under Budget	% of Budget
Income				
3000 REVENUE				
3001 - O&M Budget (Qtrly Assessments)	2,550,712.65	2,265,727.00	284,985.65	112.58%
3005 - Assessments Returned to Member	-825,000.00			
3007 - Renewal Fund	0.00			
3010 - Interest Income	5,304.09			
3020 - Misc Income	8,814.48			
3021 - Grant Income	0.00			
3031 - Ins. Reimbrsmnt - Jesusita Fire	203,234.85			
Total 3000 REVENUE	<u>1,943,066.07</u>	<u>2,265,727.00</u>	<u>-322,660.93</u>	<u>85.76%</u>
Total Income	<u>1,943,066.07</u>	<u>2,265,727.00</u>	<u>-322,660.93</u>	<u>85.76%</u>
Gross Profit	<u>1,943,066.07</u>	<u>2,265,727.00</u>	<u>-322,660.93</u>	<u>85.76%</u>
Expense				
4000 - Reconciliation Discrepancies	3.16			
3100 LABOR				
3101-A - Ops Supervisor	24,891.79			
3101-H - Holiday Leave	12,647.97			
3101-S - Sick Leave	9,242.31			
3101-V - Vacation Leave	12,269.46			
3102 - Meter Reading	3,288.90			
3103 - SCC Ops	210,549.79			
3104 - Veh & Equip Mtce	4,101.70			
3105 - SCADA	2,473.60			
3106 - Rodent Bait	3,329.03			
3107 - NORTH PORTAL				
3107-1 - NP INTAKE TOWER				
3107-1a - Maintenance	175.19			
3107-1b - Cleaning	1,132.37			
3107-1f - Operations	116.80			
3107-1g - Road	116.80			
3107-1j - Rehabilitation	526.74			
Total 3107-1 - NP INTAKE TOWER	<u>2,067.90</u>			

ITEM # 36
PAGE 3

Statement of Revenues and Expenditures

Budget vs. Actual

July 2009 through April 2010

TOTAL

	Jul '09 - Apr 10	Budget	\$ Over/Under Budget	% of Budget
3107-2 · NP CONTROL STATION				
3107-2a · Maintenance	1,315.88			
3107-2b · Cleaning	178.04			
3107-2d · Weed Management	520.16			
3107-2e · Landscaping	62.85			
3107-2f · Operations	109.05			
3107-2g · Road	62.85			
<u>Total 3107-2 · NP CONTROL STATION</u>	<u>2,248.83</u>			
3107-3 · NP TECOLOTE TUNNEL				
3107-3a · Maintenance	157.13			
<u>Total 3107-3 · NP TECOLOTE TUNNEL</u>	<u>157.13</u>			
<u>Total 3107 · NORTH PORTAL</u>	<u>4,473.86</u>			
3108 · GLEN ANNE				
3108-1 · GA SOUTH PORTAL				
3108-1a · Maintenance	848.48			
3108-1b · Cleaning	94.28			
3108-1d · Weed Management	2,282.51			
3108-1g · Road	2,432.87			
3108-1h · Inspection	212.12			
<u>Total 3108-1 · GA SOUTH PORTAL</u>	<u>5,870.26</u>			
3108-2 · GA RESERVOIR				
3108-2d · Weed Management	4,265.01			
3108-2g · Road	204.39			
<u>Total 3108-2 · GA RESERVOIR</u>	<u>4,469.40</u>			
3108-4 · GA TURNOUT				
3108-4b · Cleaning	157.13			
3108-4d · Weed Management	1,578.51			
<u>Total 3108-4 · GA TURNOUT</u>	<u>1,735.64</u>			

ITEM # 36
 PAGE 4

COMB Statement of Revenues and Expenditures Budget vs. Actual

July 2009 through April 2010

	Jul '09 - Apr 10	Budget	TOTAL	\$ Over/Under Budget	% of Budget
Total 3108 · GLEN ANNE	12,075.30				
3109 · CORONA DEL MAR					
3109-1 · TURNOUT					
3109-1g · Road	741.54				
3109-1h · Inspection	131.68				
Total 3109-1 · TURNOUT	873.22				
Total 3109 · CORONA DEL MAR	873.22				
3110 · LAURO					
3110-1 · YARD					
3110-1a · Maintenance	3,582.94				
3110-1b · Cleaning	9,925.01				
3110-1d · Weed Management	2,210.31				
3110-1e · Landscaping	1,388.68				
3110-1f · Operations	619.62				
3110-1g · Road	722.78				
3110-1j · Rehabilitation	157.13				
Total 3110-1 · YARD	18,606.47				
3110-2 · CONTROL STATION					
3110-2a · Maintenance	319.47				
3110-2d · Weed Management	808.85				
3110-2h · Inspection	29.20				
Total 3110-2 · CONTROL STATION	1,157.52				
3110-3 · RESERVOIR					
3110-3a · Maintenance	1,893.96				
3110-3b · Cleaning	282.83				
3110-3c · Fencing	87.24				
3110-3e · Landscaping	1,491.67				
3110-3d · Weed Management	4,211.53				
3110-3g · Road	1,652.19				

ITEM # 36
PAGE 5

Statement of Revenues and Expenditures

Budget vs. Actual

July 2009 through April 2010

	Jul '09 - Apr 10	Budget	\$ Over/Under Budget	% of Budget
3110-3h · Inspection	157.13			
Total 3110-3 · RESERVOIR	9,776.55			
3110-4 · DEBRIS BASINS				
3110-4a · Maintenance	125.70			
3110-4b · Cleaning	89.02			
3110-4e · Landscaping	98.76			
3110-4f · Operations	188.55			
3110-4h · Inspection	436.20			
Total 3110-4 · DEBRIS BASINS	938.23			
Total 3110 · LAURO	30,478.77			
3111 · OFFICE				
3111-1 · CREW OFFICE				
3111-1a · Maintenance	125.70			
Total 3111-1 · CREW OFFICE	125.70			
3111-3 · MAIN OFFICE				
3111-3f · Operations	32.72			
Total 3111-3 · MAIN OFFICE	32.72			
3111-4 · SHOPS				
3111-4a · Maintenance	262.79			
3111-4b · Cleaning	356.08			
3111-4j · Engineering	1,020.55			
Total 3111-4 · SHOPS	1,639.42			
Total 3111 · OFFICE	1,797.84			
3112 · SHEFFIELD				
3112-1 · CONTROL STATION				
3112-1a · Maintenance	305.35			
3112-1d · Weed Management	146.00			
Total 3112-1 · CONTROL STATION	451.35			

ITEM # 36
PAGE 6

COMB Statement of Revenues and Expenditures Budget vs. Actual

July 2009 through April 2010

	TOTAL		
Jul '09 - Apr 10		Budget	\$ Over/Under Budget
			% of Budget

Total 3112 · SHEFFIELD 451.35

3113 · ORTEGA

3113-1 · CONTROL STATION

- 3113-1a · Maintenance 62.85
- 3113-1c · Fencing 219.98
- 3113-1d · Weed Management 801.23
- 3113-1f · Operations 125.70

Total 3113-1 · CONTROL STATION 1,209.76

3113-2 · RESERVOIR

- 3113-2a · Maintenance 208.85
- 3113-2d · Weed Management 1,044.23
- 3113-2f · Operations 1,415.72
- 3113-2h · Inspection 233.60

Total 3113-2 · RESERVOIR 2,902.40

Total 3113 · ORTEGA 4,112.16

3115 · CARPINTERIA

3115-1 · CONTROL STATION

- 3115-1a · Maintenance 504.22
- 3115-1b · Cleaning 94.28
- 3115-1c · Fencing 128.24
- 3115-1d · Weed Management 377.10
- 3115-1f · Operations 191.09

Total 3115-1 · CONTROL STATION 1,294.93

3115-2 · RESERVOIR

- 3115-2a · Maintenance 908.02
- 3115-2b · Cleaning 4,763.23
- 3115-2c · Fencing 94.28
- 3115-2d · Weed Management 886.12
- 3115-2f · Operations 318.74

ITEM # 36
PAGE 7

Statement of Revenues and Expenditures

Budget vs. Actual

July 2009 through April 2010

	Jul '09 - Apr 10	Budget	\$ Over/Under Budget	% of Budget
3115-2h · Inspection	29.20			
Total 3115-2 · RESERVOIR	6,999.59			
Total 3115 · CARPINTERIA	8,294.52			
3116 · GOLETA REACH				
3116-1 · STRUCTURES				
3116-1a · Maintenance	149.72			
3116-1b · Cleaning	106.87			
3116-1g · Road	251.40			
3116-1j · Engineering	502.80			
Total 3116-1 · STRUCTURES	1,010.79			
3116-2 · LATERAL METERS				
3116-2h · Inspection	32.92			
Total 3116-2 · LATERAL METERS	32.92			
Total 3116 · GOLETA REACH	1,043.71			
3117 · CARPINTERIA REACH				
3117-1 · STRUCTURES				
3117-1j · Rehabilitation	377.10			
Total 3117-1 · STRUCTURES	377.10			
3117-2 · LATERAL METERS				
3117-2a · Maintenance	350.39			
3117-2i · Engineering	98.76			
3117-2j · Rehabilitation	131.68			
Total 3117-2 · LATERAL METERS	580.83			
3117-4 · CONDUIT				
3117-4h · Inspection	456.41			
Total 3117-4 · CONDUIT	456.41			
Total 3117 · CARPINTERIA REACH	1,414.34			

ITEM # 36
PAGE 8

COMB Statement of Revenues and Expenditures Budget vs. Actual

July 2009 through April 2010

TOTAL

	Jul '09 - Apr 10	Budget	\$ Over/Under Budget	% of Budget
3150 · Health & Workers Comp	120,806.66			
3155 · PERS	55,837.37			
3160 · Payroll Comp FICA Ops	24,030.02			
3165 · Payroll Comp MCARE Ops	5,619.92			
3100 LABOR - Other	0.00	886,401.00	-886,401.00	0.0%
Total 3100 LABOR	554,103.59	886,401.00	-332,297.41	62.51%
3200 VEH & EQUIPMENT				
3201 · Vehicle/Equip Mtce	19,647.37	40,000.00	-20,352.63	49.12%
3202 · Fixed Capital	1,251.19	40,000.00	-38,748.81	3.13%
3203 · Equipment Rental	2,554.02	5,000.00	-2,445.98	51.08%
3204 · Miscellaneous	2,986.08	15,000.00	-12,013.92	19.91%
Total 3200 VEH & EQUIPMENT	26,438.66	100,000.00	-73,561.34	26.44%
3300 · CONTRACT LABOR				
3301 · Conduit, Meter, Valve & Misc	8,600.39	12,000.00	-3,399.61	71.67%
3302 · Buildings & Roads	5,661.43	16,000.00	-10,338.57	35.38%
3303 · Reservoirs	3,675.50	52,000.00	-48,324.50	7.07%
3304 · Engineering, Misc Services	0.00	20,000.00	-20,000.00	0.0%
Total 3300 · CONTRACT LABOR	17,937.32	100,000.00	-82,062.68	17.94%
3400 · MATERIALS & SUPPLIES				
3401 · Conduit, Meter, Valve & Misc	141.13	25,000.00	-24,858.87	0.57%
3402 · Buildings & Roads	7,039.95	25,000.00	-17,960.05	28.16%
3403 · Reservoirs	7,319.33	10,000.00	-2,680.67	73.19%
Total 3400 · MATERIALS & SUPPLIES	14,500.41	60,000.00	-45,499.59	24.17%
3500 · OTHER EXPENSES				
3501 · Utilities	4,015.25	6,500.00	-2,484.75	61.77%
3502 · Uniforms	483.42	6,500.00	-6,016.58	7.44%
3503 · Communications	14,180.12	20,000.00	-5,819.88	70.9%
3504 · USA & Other Services	2,246.65	4,000.00	-1,753.35	56.17%
3505 · Miscellaneous	8,745.13	8,000.00	745.13	109.31%
3506 · Training	475.00	8,000.00	-7,525.00	5.94%

ITEM # 36
PAGE 9

COMB
Statement of Revenues and Expenditures
Budget vs. Actual
July 2009 through April 2010

	Jul '09 - Apr 10	Budget	\$ Over/Under Budget	% of Budget
Total 3500 · OTHER EXPENSES	30,145.57	53,000.00	-22,854.43	56.88%
4999 · GENERAL & ADMINISTRATIVE				
5000 · Director Fees				
5001 · Director Mileage	966.88			
5000 · Director Fees - Other	9,856.00	12,000.00	-2,144.00	82.13%
Total 5000 · Director Fees	10,822.88	12,000.00	-1,177.12	90.19%
5100 · Legal	87,747.68	63,000.00	24,747.68	139.28%
5101-1 · Audit	12,000.00	12,000.00	0.00	100.0%
5150 · Unemployment Tax	1,800.00	7,567.00	-5,767.00	23.79%
5200 · Liability Insurance	36,927.00	40,000.00	-3,073.00	92.32%
5201 · Health & Workers Comp	62,994.59	72,310.00	-9,315.41	87.12%
5250 · PERS	33,235.71	39,760.00	-6,524.29	83.59%
5260 · Company FICA Admin	12,039.84	15,658.00	-3,618.16	76.89%
5265 · Company MCARE Admin	3,075.78	3,662.00	-586.22	83.99%
5300 · Manager Salary	61,115.28	73,000.00	-11,884.72	83.72%
5301 · Administrative Manager	81,398.24	96,198.00	-14,799.76	84.62%
5306 · Administrative Assistant	50,365.38	59,421.00	-9,055.62	84.76%
5310 · Postage/Office Exp	4,949.21	9,000.00	-4,050.79	54.99%
5311 · Office Equip/Leases	4,920.27	6,200.00	-1,279.73	79.36%
5312 · Misc Admin Expenses	7,815.84	12,000.00	-4,184.16	65.13%
5313 · Communications	3,081.50	6,000.00	-2,918.50	51.36%
5314 · Utilities	5,779.95	6,000.00	-220.05	96.33%
5315 · Membership Dues	5,713.00	6,050.00	-337.00	94.43%
5316 · Admin Fixed Assets	0.00	5,000.00	-5,000.00	0.0%
5318 · Computer Consultant	14,313.09	10,000.00	4,313.09	143.13%
5325 · Emp Training/Subscriptions	1,573.66	4,500.00	-2,926.34	34.97%
5330 · Admin Travel/Conferences	2,611.72	5,000.00	-2,388.28	52.23%
5331 · Public Information	421.77	6,000.00	-5,578.23	7.03%
5332 · Transportation	969.85	1,000.00	-30.15	96.99%
Total 4999 · GENERAL & ADMINISTRATIVE	505,672.24	571,326.00	-65,653.76	88.51%
5510 · Integrated Reg. Water Mgt Plan	0.00	70,000.00	-70,000.00	0.0%
6000 · SPECIAL PROJECTS				

ITEM # 36
PAGE 10

Statement of Revenues and Expenditures

Budget vs. Actual

July 2009 through April 2010

TOTAL

	Jul '09 - Apr 10	Budget	\$ Over/Under Budget	% of Budget
6062 · SCADA	10,946.90	50,000.00	-39,053.10	21.89%
6090-1 · COMB Bldg/Grounds Repair	5,707.50	50,000.00	-44,292.50	11.42%
6092 · SCC Improv Plan & Design	285,292.08	360,800.00	-75,507.92	79.07%
6092-1 · SCC Improv Plan & Design - UF	0.00	-185,800.00	185,800.00	0.0%
6096 · SCC Structure Rehabilitation	1,593.44	100,000.00	-98,406.56	1.59%
6097 · GIS and Mapping	9,739.54	50,000.00	-40,260.46	19.48%
Total 6000 · SPECIAL PROJECTS	313,279.46	425,000.00	-111,720.54	73.71%
6400 · STORM DAMAGE				
6403 · Jesusita Fire Damage	244,683.14	375,000.00	-130,316.86	65.25%
6403-1 · Jesusita Fire Damage - UF	0.00	-375,000.00	375,000.00	0.0%
Total 6400 · STORM DAMAGE	244,683.14	0.00	244,683.14	100.0%
PAYROLL				
Gross	-0.09			
Gross-CCRB	0.13			
Total PAYROLL	0.04			
Total Expense	1,706,763.59	2,265,727.00	-558,963.41	75.33%
Net Income	236,302.48	0.00	236,302.48	100.0%

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

www.treasurer.ca.gov/pmia

-laif

May 11, 2010

CACHUMA OPERATION AND MAINTENANCE BOARD

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

PMIA Average Monthly Yields

Transactions

Tran Type Definitions

April 2010 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
4/7/2010	4/6/2010	RW	1265195	KATHLEEN REES	-50,000.00
4/15/2010	4/14/2010	QRD	1265980	SYSTEM	1,731.72 ✓

Account Summary

Total Deposit:	1,731.72	Beginning Balance:	978,357.46
Total Withdrawal:	-50,000.00	Ending Balance:	930,089.18

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 April, 2010, 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 Rees
 Secretary

ITEM # 36
 PAGE 12

**SANTA BARBARA
BANK & TRUST**

P.O. Box 60839, S.B., CA, 93160-0839

5782

Cachuma Operation & Maintenance Board
Master Contract Renewal Fund
3301 Laurel Canyon Rd
Santa Barbara CA 93105-2017

Banking Statement

Statement Period: 04/01/2010 to 04/30/2010

Customer Number:

Customer Service Representative
(888) 400-SBBT (400-7228)

BANKLINE-24-HOUR AUTOMATED INFORMATION
(800) 287-SBBT (287-7228)

www.sbbt.com

UNLAWFUL INTERNET GAMBLING NOTICE

Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

Business Money Market

Checking Summary

Cachuma Operation & Maintenance Board

Master Contract Renewal Fund

Account Number	102335072
Interest Paid YTD	7.06
Interest Paid Last Year	49.13

Deposit Account Recap

Beginning Balance as of		
April 1, 2010	5,035.77	✓
1 Deposits (Plus)	1.24	
Ending Balance as of		
April 30, 2010	5,037.01	
Interest Paid	1.24	

Handwritten: K-Stoolw

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 April, 2010, 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 Santa Barbara Bank & Trust investments of this agency for the period indicated.

Kathleen Rees
Secretary

ITEM # 36
PAGE 13

**SANTA BARBARA
BANK & TRUST**

P.O. Box 60839, S.B., CA, 93160-0839

5783

Cachuma Operation & Maintenance Board
Cachuma Project Trust Fund
3301 Laurel Canyon Rd
Santa Barbara CA 93105-2017

Banking Statement

Statement Period: 04/01/2010 to 04/30/2010

Customer Number:

Customer Service Representative
(888) 400-SBBT (400-7228)

BANKLINE-24-HOUR AUTOMATED INFORMATION
(800) 287-SBBT (287-7228)

www.sbbt.com

NOTICE: FUNDS AVAILABILITY POLICY CHANGE

Effective immediately, Pacific Capital Bank, N.A. has amended its Funds Availability Policy. In some cases this will reduce the number of days the bank may place holds on your deposits. For more information, please contact your local branch or call a service representative at the number above.

Public Capital Tiered MMDA

Checking Summary

Cachuma Operation & Maintenance Board

Cachuma Project Trust Fund

Account Number	102335080
Interest Paid YTD	245.12
Interest Paid Last Year	846.73

Deposit Account Recap

Beginning Balance as of		
April 1, 2010	115,131.71	✓
2 Deposits (Plus)	4,176.34	
Ending Balance as of		
April 30, 2010	119,308.05	
Interest Paid	48.34	

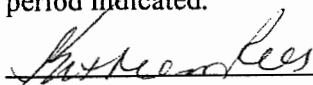
125/10/11

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 April, 2010, 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 Santa Barbara Bank & Trust investments of this agency for the period indicated.


Secretary

ITEM # 36
PAGE 14

2:41 PM
05/17/10
Accrual Basis

comb2
Payment of Claims
As of April 30, 2010

Date	Num	Name	Memo	Split	Amount
1050 · GENERAL FUND					
4/7/2010	18839	A-OK Mower Shops, Inc.	Blades	2200 · ACC...	-54.32
4/7/2010	18840	Acorn Landscape Manage...	Scheduled mtce	2200 · ACC...	-253.17
4/7/2010	18841	ACWA Health Benefits Au...	May EAP	2200 · ACC...	-46.02
4/7/2010	18842	AECOM USA Inc.		2200 · ACC...	-20,170.95
4/7/2010	18843	Aqua-Flo Supply		2200 · ACC...	-36.75
4/7/2010	18844	AT&T	Mar statement	2200 · ACC...	-327.29
4/7/2010	18845	Business Card		2200 · ACC...	-3,482.64
4/7/2010	18846	CDW Government, Inc.	Netgear switch PO#8951	2200 · ACC...	-145.21
4/7/2010	18847	CIO Solutions, LP		2200 · ACC...	-2,547.79
4/7/2010	18848	City of Santa-Barbara	Refuse/recycle 2/25-3/30/10	2200 · ACC...	-158.12
4/7/2010	18849	Coastal Copy, LP	Lease/mtce agmt KM-C4035 2/9-...	2200 · ACC...	-345.27
4/7/2010	18850	County of Santa Barbara	Hazmat waste disposal	2200 · ACC...	-185.96
4/7/2010	18851	Cox Communications	Business internet 3/18-4/17/10	2200 · ACC...	-195.00
4/7/2010	18852	Crop Production Services		2200 · ACC...	-2,182.55
4/7/2010	18853	Culligan Water	RO system Apr	2200 · ACC...	-24.95
4/7/2010	18854	Das Williams	Mar mtg fees	2200 · ACC...	-264.29
4/7/2010	18855	Department of Industrial R...	Elevator Inspection fee (NP)	2200 · ACC...	-210.00
4/7/2010	18856	Draganchuk Alarm Systems	Alarm monitoring Apr-Jun 2010	2200 · ACC...	-82.50
4/7/2010	18857	ECHO Communications	Answering service	2200 · ACC...	-62.00
4/7/2010	18858	Famcon Pipe & Supply	Chlorine tablets PO#8953	2200 · ACC...	-3,425.83
4/7/2010	18859	GE Capital	Copies lease Billing ID#90133933...	2200 · ACC...	-499.16
4/7/2010	18860	Growing Solutions		2200 · ACC...	-128.28
4/7/2010	18861	J&C Services	Ofc cleaning 2/26, 3/5,12,19	2200 · ACC...	-500.00
4/7/2010	18862	Lauren W. Hanson	Mar mtg fees	2200 · ACC...	-266.00
4/7/2010	18863	Lee F. Bettencourt	Mar mtg fees	2200 · ACC...	-312.71
4/7/2010	18864	MarBorg Industries		2200 · ACC...	-328.62
4/7/2010	18865	Melinda L. Fournier	Nov-Mar 2010 services PO#09-10...	2200 · ACC...	-19,965.00
4/7/2010	18866	Nextel Communications	Cellular	2200 · ACC...	-603.66
4/7/2010	18867	O'Reilly Automotive, Inc.	Oil filter-equip	2200 · ACC...	-9.48
4/7/2010	18868	Perry Ford	CCRB F-150 X-oil/rotate tires/fix s...	2200 · ACC...	-380.28
4/7/2010	18869	PG&E		2200 · ACC...	-217.79
4/7/2010	18870	Pitney Bowes Global Fina...	Lease 4/10-7/10/10	2200 · ACC...	-446.97
4/7/2010	18871	Praxair Distribution, Inc	Cylinder rental	2200 · ACC...	-40.32
4/7/2010	18872	Prudential Overall Supply		2200 · ACC...	-292.04
4/7/2010	18873	Republic Elevator Co.	Scheduled mtce	2200 · ACC...	-256.90
4/7/2010	18874	Reserve Account	Postage refill	2200 · ACC...	-400.00
4/7/2010	18875	Robert Lieberknecht	Mar mtg fees	2200 · ACC...	-284.29
4/7/2010	18876	Santa Barbara News Press		2200 · ACC...	-1,141.66
4/7/2010	18877	Science Applications Inter...	SCC/Goleta Reach Env. Consulti...	2200 · ACC...	-1,359.92
4/7/2010	18878	Sound Billing LLC		2200 · ACC...	-209.49
4/7/2010	18879	Southern California Edison	Main ofc/outlying stations	2200 · ACC...	-1,409.80
4/7/2010	18880	Staples Credit Plan	Office supplies	2200 · ACC...	-287.42
4/7/2010	18881	State Compensation Insur...	Payroll Report Mar 2010	2200 · ACC...	-4,892.48
4/7/2010	18882	Underground Service Alert...	Mar tickets	2200 · ACC...	-96.00
4/7/2010	18883	UPS	Shipping	2200 · ACC...	-10.27
4/7/2010	18884	Verizon Wireless	Cellular	2200 · ACC...	-180.31
4/7/2010	18885	W. Douglas Morgan	Mar mtg fees	2200 · ACC...	-276.00
4/7/2010	18886	WFCB-OSH Commercial ...		2200 · ACC...	-108.06
4/7/2010	18887	COMB-Petty Cash	Replenish petty cash	2200 · ACC...	-326.91
4/7/2010	18888	Home Depot Credit Services	Weed abatement supply	2200 · ACC...	-4.32
4/8/2010	18889	CIO Solutions, LP	Support	2200 · ACC...	-525.00
4/8/2010	18890	County of Santa--Barbara		2200 · ACC...	-58.88
4/8/2010	18891	Fleet Services	Fuel	2200 · ACC...	-3,549.45
4/8/2010	18892	Nordman, Cormany, Hair ...	Gen Counsel Mar services	2200 · ACC...	-6,750.00
4/8/2010	18893	Paychex, Inc.	3/5,19, 4/2 payrolls/taxes	2200 · ACC...	-382.35
4/8/2010	18894	SB Home Improvement C...		2200 · ACC...	-15.19
4/12/2010	18895	Western Ventura County ...	Seminar	2200 · ACC...	-90.00
4/12/2010	18896	ACWA Health Benefits Au...	4/1-6/1/10 coverage	2200 · ACC...	-12,642.86
4/12/2010	18897	City of Santa Barbara-Cen...	Various gloves/flag	2200 · ACC...	-174.64
4/12/2010	18898	Hydrex Pest Control Co.		2200 · ACC...	-140.00
4/12/2010	18899	Lee Central Coast Newsp...	Engineer ad	2200 · ACC...	-666.00

2:41 PM
05/17/10
Accrual Basis

comb2
Payment of Claims
As of April 30, 2010

Date	Num	Name	Memo	Split	Amount
4/12/2010	18900	Southern California Edison		2200 · ACC...	-43.68
4/12/2010	18901	Verizon California		2200 · ACC...	-465.87
4/15/2010	18903	Assoc. of California Water...	Engineer ad	2200 · ACC...	-300.00
4/15/2010	18904	Powell Garage		2200 · ACC...	-1,027.31
4/15/2010	18905	Premiere Global Services	Conf. calls Mar	2200 · ACC...	-55.82
4/15/2010	18906	Schwan Brothers Excavati...	Equip relocation	2200 · ACC...	-230.00
4/15/2010	18907	Southern California Edison	Foothill Rd	2200 · ACC...	-29.71
4/16/2010	18908	Verizon California	SCADA	2200 · ACC...	-525.69
4/16/2010	18909	Federal Express	Mailing	2200 · ACC...	-14.77
4/30/2010	18910	Business Card		2200 · ACC...	-1,130.19
4/30/2010	18911	Cox Communications	Business internet 4/18-5/17/10	2200 · ACC...	-195.00
4/30/2010	18912	The Gas Company	Main ofc	2200 · ACC...	-23.31
Total 1050 · GENERAL FUND					-98,470.47
TOTAL					-98,470.47

ITEM # 3c

PAGE 2

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: May 24, 2010
TO: Board of Directors
FROM: Kate Rees, General Manager
RE: **WORKERS COMPENSATION INSURANCE**

RECOMMENDATION:

- 1) Approve resolution No. 502 consenting to enter the joint protection programs of the ACWA/JPIA.
- 2) Approve resolution No. 503 authorizing application to the Dept. of Industrial Relations, State of California, for a certificate of consent to self insure workers compensation liabilities.

DISCUSSION:

Recently staff submitted an application to ACWA/JPIA for a quotation on workers compensation insurance to compare rates and premiums before renewing the existing State Compensation Insurance Fund Policy in effect which expires on June 30, 2010. The quotation received from ACWA/JPIA was quite favorable and resulted in a savings of over \$15,000 annually. In the past, the quotations were not a considerable savings and did not warrant changing our carrier to ACWA/JPIA for this coverage.

The ACWA/JPIA Executive Committee approved COMB's application for membership into the Worker's Compensation program on March 30, 2010. To complete this process, the approval by the COMB Board of two resolutions are required along with an additional application for a public entity certificate of consent to self insure which will be submitted to the State of California.

It is my recommendation to approve resolutions No. 502 and 503 to complete the process for application to ACWA/JPIA.

Respectfully submitted,



Kate Rees
General Manager

RESOLUTION NO. 502

**A RESOLUTION OF THE CACHUMA OPERATION AND MAINTENANCE BOARD
CONSENTING TO ENTER THE JOINT PROTECTION
PROGRAMS OF THE ASSOCIATION OF CALIFORNIA
WATER AGENCIES/JOINT POWERS INSURANCE AUTHORITY**

WHEREAS, the Cachuma Operation and maintenance Board is a public entity organized and existing under laws of the State of California; and

WHEREAS, pursuant to the provisions of Section 3700 of the California Labor Code, said District may self-insure for Workers' Compensation Liabilities in a joint protection program; and

WHEREAS, said District desires to participate in the ACWA/Joint Powers Insurance Authority joint protection program for Workers' Compensation coverage.

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

Section 1. That the District hereby elects to join the Workers' Compensation Program sponsored by the Authority.

Section 2. That the District hereby selects \$5,000 as its Retrospective Allocation Point (RAP) for the Authority's cost allocation formula for Workers' Compensation.

Section 3: That the Treasurer of this District is hereby authorized to pay to the ACWA/Joint Powers Insurance Authority its first deposit premium.

Section 4. That the Secretary of the Board of Directors of this District is directed to certify a copy of this resolution and to forward the same resolution to the Association of California Water Agencies/ Joint Powers Insurance Authority, 5620 Birdcage Street, Suite 200, Citrus Heights, California, 95610, at which time coverage will commence the 1st day of July, 2010.

PASSED, APPROVED, AND ADOPTED this 24th day of May, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

President of the Board

Secretary

ITEM # 4a
PAGE 1

**RESOLUTION NO. 503
MAY 24, 2010**

**A RESOLUTION OF THE
CACHUMA OPERATION AND MAINTENANCE BOARD AUTHORIZING
APPLICATION TO THE DIRECTOR OF INDUSTRIAL RELATIONS, STATE
OF CALIFORNIA FOR A CERTIFICATE OF CONSENT TO SELF INSURE
WORKERS' COMPENSATION LIABILITIES**

WHEREAS, At a meeting of the Board of Directors of the Cachuma Operation and Maintenance Board a Joint Powers Authority organized and existing under the laws of the State of California held on the 24th day of May, 2010, the following resolution was adopted:

RESOLVED, that the **General Manager and Administrative Manager** are hereby severally authorized and empowered to make application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self Insure workers' compensation liabilities on behalf of the Cachuma Operation and Maintenance Board and to execute any and all documents required for such application.

I, Das Williams, the undersigned President of the Board of the said Cachuma Operation and Maintenance Board a Joint Powers Authority, hereby certify that I am the President of the Board of said Joint Powers Authority, that the foregoing is a full, true and correct copy of the resolution duly passed by the Board at the meeting of said Board held on the day and at the place therein specified and that said resolution has never been revoked, rescinded, or set aside and is now in full force and effect.

IN WITNESS WHEREOF: I HAVE SIGNED MY NAME AND AFFIXED THE SEAL OF THIS JOINT POWERS AGENCY, THIS 24TH DAY OF MAY, 2010.

[SEAL]

President of the Board

ITEM # 46
PAGE 2

09-10 ENTITLEMENT

CACHUMA OPERATION AND MAINTENANCE BOARD

WATER PRODUCTION AND WATER USE REPORT

FOR THE MONTH OF APRIL 2010 AND THE WATER YEAR TO DATE

(All in rounded Acre Feet)

			MONTH TOTAL	YTD TOTAL		
WATER PRODUCTION:						
Cachuma Lake (Tec. Diversion)			1,844	12,755		
Tecolote Tunnel Infiltration			174	915		
Glen Anne Reservoir			0	0		
Cachuma Lake (County Park)			2	22		
State Water Diversion Credit			57	418		
Gibraltar Diversion Credit			0	0		
Bishop Ranch Diversion			0	0		
Meter Reads			1,937	12,810		
So. Coast Storage gain/(loss)			(44)	(76)		
Total Production			2,021	13,692		
Total Deliveries			1,951	13,152		
Unaccounted-for			70	539		
% Unaccounted-for			3.46%	3.94%		
	GWD	SB CITY	MWD	CVWD	SYRWCD	TOTAL
					I.D. #1	
M&I	759	618	210	114	3	1,704
Agricultural	139		9	85		233
TOTAL FOR MONTH	898	618	219	199	3	1,937
Same Mo/prev. yr	645	725	416	215	5	2,006
M&I Yr to date	4,908	4,607	1,329	540	21	11,405
Ag. Yr to date	869	0	107	424	0	1,400
TOTAL YTD	5,777	4,607	1,436	964	21	12,805
USAGE % YTD	46.1%	35.1%	37.0%	25.5%	1.5%	35.4%
Previous Year/YTD	5,396	2,985	1,617	917	29	10,944
Evaporation	0	5	0	1	5	11
Evaporation, YTD	30	77	12	15	23	157
Entitlement	9,322	8,277	2,651	2,813	2,651	25,714
Carryover	3,088	4,937	1,129	944	839	10,937
Carryover Balances Spilled YTD	0	0	0	0	0	0
Surplus^^	0	0	0	0	0	0
State Water Exchange^	197	131	131	89	(548)	0
Transfers*/Adjustment***	0	0	0	0	0	0
Passthrough H2O**	0	0	0	0	0	0
TOTAL AVAILABLE	12,607	13,345	3,911	3,846	2,942	36,651
REMAINING BALANCE	6,800	8,662	2,463	2,867	2,898	23,689

** City is operating under pass through mode declared November 2008.

State Water Deliveries for APRIL to Lake Cachuma were MWD 0 AF; CVWD 0 AF
GWD 0 AF (Morehart 0 AF); City of S.B. 0 AF; and LaCumbre 57 AF; (Ratheon 0 AF).

^ Per SWP Exchange Agrmt GWD received 31 AF; MWD received 20;
City of SB received 20 AF; and CVWD received 14 AF from ID#1 in APRIL 2010.

CACHUMA OPERATION AND MAINTENANCE BOARD
WATER STORAGE REPORT

MONTH: April 2010

GLEN ANNIE RESERVOIR

Capacity at 385' elevation:	518 Acre Feet
Capacity at sill of intake at 334' elevation:	21 Acre Feet
Stage of Reservoir Elevation	348.00 Feet
Water in Storage	94.74 Acre Feet

LAURO RESERVOIR

Capacity at 549' elevation:	600 Acre Feet
Capacity at sill of intake at 512' elevation:	84.39 Acre Feet
Stage of Reservoir Elevation	541.50 Feet
Water in Storage	443.88 Acre Feet

ORTEGA RESERVOIR

Capacity at 460' elevation:	65 Acre Feet
Capacity at outlet at elevation 440':	0 Acre Feet
Stage of Reservoir Elevation	445.50 Feet
Water in Storage	14.88 Acre Feet

CARPINTERIA RESERVOIR

Capacity at 384' elevation:	45 Acre Feet
Capacity at outlet elevation 362':	0 Acre Feet
Stage of Reservoir Elevation	375.90 Feet
Water in Storage	25.47 Acre Feet

TOTAL STORAGE IN RESERVOIRS

Change in Storage	-43.53 Acre Feet
-------------------	------------------

CACHUMA RESERVOIR*

Capacity at 750' elevation:	186,636 Acre Feet
Capacity at sill of tunnel 660' elevation:	25,668 Acre Feet

Stage of Reservoir Elevation	747.03 Feet
Water in Storage	178,017 AF
Area	2,871
Evaporation	930.8 AF
Inflow	6,466.3 AF
Downstream Release WR8918	0 AF
Fish Release	400.6 AF
Spill/Seismic Release	0 AF
State Project Water	57.1 AF
Change in Storage	2,717 AF
Tecolote Diversion	1,844.4 AF

Rainfall: Month: 3.15 Season: 23.98 Percent of Normal: 112%

* New capacity table adopted Dec. 1 as a result of the Bathymetric Study completed in Sept. 2008, results in 1110 AF reduction of storage.

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

MONTH	DELVRD TO LAKE	CVWD		Transf to SC to MW	MWD		Evap/Spill	Delvd to SC		S.B. Delvd to Lake	GWD		Delvd to Lake	LCMWC		Delvd to SC	RSYS		Delvd to Lake	MLC			
		Delvd to Lake	Delvd to Lake		Delvd to Lake	Delvd to Lake		Delvd to Lake	Delvd to Lake		Delvd to Lake	Delvd to Lake		Delvd to Lake	Delvd to Lake		Delvd to Lake	Delvd to Lake		Delvd to Lake	Delvd to Lake	Delvd to Lake	Delvd to Lake
2009																							
Bal. Fwvd		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January	143	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	122	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	166	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	332	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	715	0	0	0	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	460	0	0	0	363	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	134	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	95	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	98	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	72	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2537	0	0	0	763	0	0	0	763	0	0	705	0	705	0	1047	0	1047	0	22	0	22	0

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

MONTH	DELVRD TO LAKE	CVWD		Transf to SC to MW	MWD		Evap/Spill	Delvd to SC		S.B. Delvd to Lake	GWD		Delvd to Lake	LCMWC		Delvd to SC	RSYS		Delvd to Lake	MLC			
		Delvd to Lake	Delvd to Lake		Delvd to Lake	Delvd to Lake		Delvd to Lake	Delvd to Lake		Delvd to Lake	Delvd to Lake		Delvd to Lake	Delvd to Lake		Delvd to Lake	Delvd to Lake		Delvd to Lake	Delvd to Lake	Delvd to Lake	Delvd to Lake
2010																							
Bal. Fwvd		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	57	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	153	0	0	0	0	0	0	0	0	0	0	0	0	153	0	153	0	0	0	0	0	0	0

SUMMARY OF WATER USED

CACHUMA PROJECT - CONTRACT #175R-1802

Contract Year: 10/1/09 to: 9/30/10

Contract Entity: Goleta Water District
Last updated by C.O.M.B. 4/30/10

Month	Approved Schedule Current Year		Carryover Previous Year	TOTAL WATER USED			WATER USED CHARGED TO CARRYOVER BALANCES			WATER USED CHARGED TO CURRENT ENTITLEMENT			
	9322	3088		3088	M & I	Agr	Total	Evap	Div	Total	M & I	Agr	Total
Oct				744	227	971	19	971	990	759	231	0	0
Nov				821	219	1,040	8	1,040	1,048	828	221	0	0
Dec				543	121	664	2	664	666	545	121	0	0
Jan				670	69	739	1	383	383	348	36	323	356
Feb				560	33	593	0	0	0	0	0	560	593
Mar				811	61	872	0	0	0	0	0	811	872
Apr				759	139	898	0	0	0	0	0	759	898
May				0	0	0	0	0	0	0	0	0	0
Jun				0	0	0	0	0	0	0	0	0	0
Jul				0	0	0	0	0	0	0	0	0	0
Aug				0	0	0	0	0	0	0	0	0	0
Sep				0	0	0	0	0	0	0	0	0	0
Total				4,908	869	5,777							

CONVERSIONS

STORAGE WATER	M & I	Agr
	0	0
	0	0
	0	0
	345	-345
	-1	1
	1	-1
	-1	1

SCHEDULES AND REVISIONS

	Total	M&I	AG	Total	M&I	AG
Begin Bal	3,088	2,135	953	6,756	2,566	9,322
ID#1 Ex+55	0	0	0	55	0	55
ID#1 Ex+18	0	0	0	18	0	18
ID#1 Ex+17	0	0	0	17	0	17
ID#1 Ex+23	0	0	0	23	0	23
ID#1 Ex+21	0	0	0	21	0	21
ID#1 Ex+32	0	0	0	32	0	32
ID#1 Ex+31	0	0	0	31	0	31
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0

REMAINING BALANCES

Month	Total	M&I	AG	Total	M&I	AG
Oct	2098	1376	722	6811	2566	9377
Nov	1049	548	501	6829	2566	9395
Dec	383	3	380	6846	2566	9412
Jan	0	0	-1	6546	2533	9079
Feb	0	-1	0	6007	2500	8507
Mar	0	0	-1	5228	2439	7667
Apr	0	-1	0	4500	2300	6800
May						
Jun						
Jul						
Aug						
Sep						

TOTAL 7.667

ITEM # 5a
PAGE 6

SUMMARY OF WATER USED
CACHUMA PROJECT - CONTRACT #175R-1802

Contract Year: 10/1/09 to: 9/30/10

Contract Entity: Montecito Water District
 Last updated by C.O.M.B. 4/30/10

Approved Schedule Current Year 2651
 Carryover Previous Year 1129

Month	TOTAL WATER USED		WATER USED CHARGED TO CARRYOVER BALANCES				WATER USED CHARGED TO CURRENT ENTITLEMENT	
	M & I	Agr	Evap	Div	Total	Allocation		Total
						M & I	Agr	
Oct	178	165	343	7	350	182	168	0
Nov	252	40	292	3	295	254	40	0
Dec	133	8	141	1	142	134	8	0
Jan	152	6	158	1	159	153	6	0
Feb	91	3	94	0	94	91	3	0
Mar	177	12	189	0	89	83	6	100
Apr	210	9	219	0	0	0	0	210
May	0	0	0	0	0	0	0	9
Jun	0	0	0	0	0	0	0	0
Jul	0	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0	0
Total	1,193	243	1,436					

CONVERSIONS

STORAGE WATER		CURRENT SCHEDULE	
M & I	Agr	M & I	Agr
-168	168	0	0
-40	40	0	0
-8	8	0	0
-6	6	0	0
-3	3	0	0
-6	6	0	0
0	0	0	0

SCHEDULE AND REVISIONS

	Total		M & I		Agr	
	M & I	Agr	M & I	Agr	M & I	Agr
Begin Bal	1,129	0	1,129	0	2,386	265
ID#1 Ex+37	0	0	0	0	37	37
ID#1 Ex+12	0	0	0	0	12	12
ID#1 Ex+12	0	0	0	0	12	12
ID#1 Ex+15	0	0	0	0	15	15
ID#1 Ex+14	0	0	0	0	14	14
ID#1 Ex+21	0	0	0	0	21	21
ID#1 Ex+20	0	0	0	0	20	20
May	0	0	0	0	0	0
Jun	0	0	0	0	0	0
Jul	0	0	0	0	0	0
Aug	0	0	0	0	0	0
Sep	0	0	0	0	0	0

REMAINING BALANCES

Month	Total		M & I		Agr	
	M & I	Agr	M & I	Agr	M & I	Agr
Oct	779	0	779	0	2423	265
Nov	484	0	485	0	2435	265
Dec	342	0	343	0	2447	265
Jan	183	0	184	0	2462	265
Feb	89	0	90	0	2476	265
Mar	0	0	1	0	2403	259
Apr	0	0	1	0	2213	250
May	0	0	0	0	0	0
Jun	0	0	0	0	0	0
Jul	0	0	0	0	0	0
Aug	0	0	0	0	0	0
Sep	0	0	0	0	0	0

TOTAL 2,463

SUMMARY OF WATER USED

CACHUMA PROJECT - CONTRACT #175R-1802

Contract Year: 10/1/09 to: 9/30/10

Contract Entity: City of Santa Barbara
Last updated by C.O.M.B. 4/30/10

Approved Schedule Current Year 8277
Carryover Previous Year 4937

Month	TOTAL WATER USED		WATER USE CHARGED TO CARRYOVER BALANCES				WATER USE CHARGED TO CURRENT ENTITLEMENT		
	M & I	Agr	Evap	Div	Total	M & I	Agr	M & I	Agr
Oct	735	0	735	31	766	766	0	0	0
Nov	899	0	899	17	916	916	0	0	0
Dec	615	0	615	6	621	621	0	0	0
Jan	762	0	762	6	768	768	0	0	0
Feb	532	0	532	5	537	537	0	0	0
Mar	446	0	446	7	453	453	0	0	0
Apr	618	0	618	5	623	623	0	0	0
May	0	0	0	0	0	0	0	0	0
Jun	0	0	0	0	0	0	0	0	0
Jul	0	0	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0	0	0
Total	4,607	0	4,607	0	4,607	4,607	0	8,277	0

Month	STORAGE WATER		CONVERSIONS CURRENT SCHEDULE	
	M & I	Agr	M & I	Agr
Oct	0	0	0	0
Nov	0	0	0	0
Dec	0	0	0	0
Jan	0	0	0	0
Feb	0	0	0	0
Mar	0	0	0	0
Apr	0	0	0	0
May	0	0	0	0
Jun	0	0	0	0
Jul	0	0	0	0
Aug	0	0	0	0
Sep	0	0	0	0
Total	0	0	0	0

Month	SCHEDULE AND REVISIONS	
	M & I	Agr
Begin Bal	8,277	0
ID#1 Ex+37	37	0
ID#1 Ex+12	12	0
ID#1 Ex+12	12	0
ID#1 Ex+15	15	0
ID#1 Ex+14	14	0
ID#1 Ex+21	21	0
ID#1 Ex+20	20	0
Oct	0	0
Nov	0	0
Dec	0	0
Jan	0	0
Feb	0	0
Mar	0	0
Apr	0	0
May	0	0
Jun	0	0
Jul	0	0
Aug	0	0
Sep	0	0
Total	8,277	0

Month	REMAINING BALANCES	
	M & I	Agr
Oct	4171	0
Nov	3256	0
Dec	2635	0
Jan	1866	0
Feb	1330	0
Mar	876	0
Apr	253	0
May	0	0
Jun	0	0
Jul	0	0
Aug	0	0
Sep	0	0
Total	4,937	0

ITEM # 5a
PAGE 8

TOTAL 8,661

SUMMARY OF WATER USED
CACHUMIA PROJECT - CONTRACT #175R-1802

Contract Year: 10/1/09 to: 9/30/10

Contract Entity: Santa Ynez River Water Conservation District, ID#1
 Last updated by C.O.M.B. 4/30/10

Month	Approved Schedule		Current Year		Previous Year		TOTAL WATER USED			WATER USE CHARGED TO CARRYOVER BALANCES			WATER USE CHARGED TO CURRENT ENTITLEMENT			
	M & I	Agr	M & I	Agr	M & I	Agr	Total	Evap	Div	Total	M & I	Agr	Total	M & I	Agr	Total
Oct	6	0	6	0	6	0	6	5	11	11	11	0	0	0	0	0
Nov	5	0	5	0	5	0	3	5	9	9	9	0	0	0	0	0
Dec	2	0	2	0	2	0	2	2	4	4	4	0	0	0	0	0
Jan	2	0	2	0	2	0	2	2	4	4	4	0	0	0	0	0
Feb	1	0	1	0	1	0	1	2	3	3	3	0	0	0	0	0
Mar	2	0	2	0	2	0	4	4	6	6	6	0	0	0	0	0
Apr	3	0	3	0	3	0	5	5	8	8	8	0	0	0	0	0
May	0	0	0	0	0	0										
Jun	0	0	0	0	0	0										
Jul	0	0	0	0	0	0										
Aug	0	0	0	0	0	0										
Sep	0	0	0	0	0	0										
Total	22	0	22	0	22	0										

2651 839

2651 839

CONVERSIONS

STORAGE WATER	CURRENT SCHEDULE		CURRENT SCHEDULE	
M & I	Agr	M & I	Agr	Month
0	0	0	0	Oct
0	0	0	0	Nov
0	0	0	0	Dec
0	0	0	0	Jan
0	0	0	0	Feb
0	0	0	0	Mar
0	0	0	0	Apr
0	0	0	0	May
				Jun
				Jul
				Aug
				Sep

SCHEDULE AND REVISIONS

Total	M & I	Agr	Total	M & I	Agr	Total
839	340	499	881	2651	1,770	2,651
Begin Bal	(25)	(128)	(25)	(128)	(153)	(153)
Ex cwwd-24/gwd-55/city-37/mwd-37	(29)	(34)	(29)	(34)	(49)	(49)
Ex cwwd-8/gwd-18/city-12/mwd-12	(34)	(10)	(34)	(10)	(64)	(64)
Ex cwwd-8/gwd-17/city-12/mwd-12	(54)	(4)	(54)	(4)	(89)	(89)
Ex cwwd-11/gwd-23/city-15/mwd-15	(42)	(27)	(42)	(27)	(85)	(85)
Ex cwwd-9/gwd-21/city-14/mwd-14					0	0
Ex cwwd-15/gwd-32/city-21/mwd-21					0	0
Ex cwwd-14/gwd-31/city-20/mwd-20					0	0

COUNTY PARKS

A. F. Used	Total	M & I	Agr	Total	M & I	Agr	Total
6.45	828	329	499	856	1642	2498	2498
5.28	819	320	499	827	1621	2448	2448
2.49	815	316	499	793	1606	2399	2399
1.99	811	312	499	739	1596	2335	2335
1.40	808	309	499	685	1592	2277	2277
2.1	801	303	499	643	1545	2188	2188
3.0	793	295	499	616	1487	2103	2103

REMAINING BALANCES

Month	Total	M & I	Agr	Total
Oct	828	329	499	856
Nov	819	320	499	827
Dec	815	316	499	793
Jan	811	312	499	739
Feb	808	309	499	685
Mar	801	303	499	643
Apr	793	295	499	616
May				
Jun				
Jul				
Aug				
Sep				

TOTAL 2,896

ITEM # 5a
 PAGE 9

Operations Report – April 2010

The average flow from Lake Cachuma into the Tecolote Tunnel for April was 57 acre-feet per day. Lake elevation was 746.03 feet at the beginning of the month and 747.03 feet at the end. 62 acre-feet of State Water Project water was wheeled through Cachuma Project facilities and delivered to South Coast Member Units during the month.

Conditions at Ortega Reservoir have remained consistent over the month, with weekly monitoring of drain flow, piezometer elevations and site conditions.

Other activities conducted this month include:

- Jesusita Fire recovery efforts at Lauro Reservoir during April continued with field maintenance and monitoring for the oak seedlings and honeysuckle planted at Lauro Reservoir for mitigation associated with the Lauro Retention Basin project. The late spring rains this year have yielded oak seedlings at all 100 planting sites, increasing the opportunity of long-term survival candidates to meet mitigation criteria. Project development and planning began for the replacement of 6916' of perimeter fencing around Lauro Reservoir damaged during the fire. Fire recovery efforts have taken place in interconnected, phased tasks, leaving the fence as the last item for replacement due to accessibility requirements and the importance of leaving the slopes undisturbed after hydroseeding.
- In preparation for an upcoming Tecolote Tunnel inspection, testing was performed on the blower system used to circulate air through the tunnel, utilizing the natural convection flow from the South Portal to the North Portal.
- Earthquake emergency planning at Lauro Reservoir was investigated by USBR, with a site visit by Dave Copeland on 4/23/2010 to explore the possibility of installing new seismic sensors on either side of the Lauro Dam face. A fault line runs under the dam face.
- Progress continued on the 2nd Pipeline. A complete status of the project is included in the board packet for the April COMB board meeting. The operations crew continued weed abatement and spraying efforts at Glen Anne canyon along the 2nd Barrel alignment in preparation for the 2nd Barrel project.

Routine operation and maintenance activities conducted during the month included:

- Sampled water at North Portal Intake Tower
- Monitored conduit right-of-way and responded to Dig Alert reports
- Read piezometers and underdrains at Glen Anne, Lauro and Ortega Dams
- Read meters, conducted monthly dam inspections, and flushed venturi meters
- Storm damage clean up of rock slides on the South Portal road.



Proposition 84 Planning Grant Fact Sheet

What is Proposition 84?

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond, was passed by the voters in 2006. Of the \$5.388 billion provided through Prop 84, \$1 billion of which is reserved for Integrated Regional Water Management (IRWM); including \$900 million for the 11 Funding Area (Regions) and \$100 million allocated inter-regionally) for multi-regional needs or issues of statewide importance.

What types of projects are eligible for funding under the Proposition 84 Planning Grant Program?

Eligible projects are planning actions related to the development, updating, or improvement of an existing IRWM Plan. Planning efforts may include focused, topic-specific planning efforts such as salt/nutrient management planning or enhanced integration of flood management issues into an IRWM Plan.

The Santa Barbara County IRWM region adopted its IRWM Plan in 2007 which made the region eligible to apply for IRWM grant funding under Proposition 50. Santa Barbara County successfully obtained \$25 million in grant funding under Prop 50 for projects included in the 2007 IRWM Plan.

How much funding is available for planning in Proposition 84?

DWR is proposing two rounds of funding for Proposition 84 Planning grants. The first round will provide approximately \$20 million in funding statewide with a \$1 million cap for each IRWM region. Planning grants will be funded 50%-50% from the Regional and Interregional funds authorized by Proposition 84 and California Water Code (CWC) Section 83002.(b)(3)(A)(ii).

What are the IRWM Regions in the Central Coast Funding Area?

In the Central Coast funding area which includes the entire counties of Santa Cruz, Monterey, San Benito, San Luis Obispo & Santa Barbara, and portions of San Mateo, Santa Clara & Ventura counties, the IRWM Planning regions are the:

- Greater Monterey County IRWM region
- Monterey Peninsula, Carmel Bay & South Monterey Bay IRWM region
- Pajaro River Watershed IRWM region
- San Luis Obispo County IRWM region
- Santa Barbara County IRWM region
- Santa Cruz County IRWM region

Each of the regions listed above can submit applications of up to \$1 million for planning efforts.

SBC IRWMP

Santa Barbara County

Proposition 84 Implementation Grant Fact Sheet

What is Proposition 84?

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond, was passed by the voters in 2006. Of the \$5.388 billion provided through Prop 84, \$1 billion of which is reserved for Integrated Regional Water Management (IRWM); including \$900 million for the 11 Funding Area (Regions) and \$100 million allocated inter-regionally) for multi-regional needs or issues of statewide importance.

What are the 11 Funding Regions Statewide?

In general, the funding areas correspond to each hydrologic region of the state, with a few modifications. The Funding Areas are:

- North Coast
- San Francisco Bay
- Central Coast – including the entire counties of Santa Cruz, Monterey, San Benito, San Luis Obispo & Santa Barbara, and portions of San Mateo, Santa Clara & Ventura counties
- Los Angeles
- Santa Ana
- Sacramento River
- San Joaquin River
- Tulare/Kern (Tulare Lake)
- North/South Lahontan
- Colorado River

How much money is allocated for the Central Coast Funding Area?

The Central Coast Prop 84 allocation amounts to \$52 million, which will be dispersed through four separate funding cycles. In Round 1 of Prop 84, DWR will make between \$5.8 and \$11.5 available to the Region for a variety of projects.

What type of projects are eligible for funding?

Projects eligible for funding must be part of an adopted IRWM Plan (Santa Barbara has an adopted IRWMP) Eligible projects include:

- Water supply reliability, water conservation and water use efficiency
- Stormwater capture, storage, clean-up, treatment & management
- Removal of invasive, non-native species, the creation & enhancement of wetlands, and the acquisition, protection & restoration of open space & watershed lands
- Non-point source pollution reduction, management & monitoring
- Groundwater recharge & management
- Contaminant & salt removal through reclamation, desalting, other treatment technologies & conveyance of reclaimed water for distribution to users
- Water banking, exchange, reclamation & water quality improvement
- Planning & implementation of multi-purpose flood management programs
- Watershed protection & management
- Drinking water treatment & distribution
- Ecosystem & fisheries restoration & protection

ITEM # 5c
PAGE 2



Proposition 1E Fact Sheet

What is Proposition 1E?

The Disaster Preparedness and Flood Protection Bond Act of 2006 (Proposition 1E) authorizes \$4.09 billion in general obligation bonds to rebuild and repair California's most vulnerable flood control structures to protect homes and prevent loss of life from flood-related disasters, including levee failures, flash floods, and mudslides and to protect California's drinking water supply system by rebuilding delta levees that are vulnerable to earthquakes and storms.

What is the Stormwater Flood Management Allocation under Prop 1E?

The total Stormwater Flood Management (SWFM) portion of Prop 1E is a \$300 million statewide allocation. In this grant round, a total of \$212 million is available, however, the grant competition is statewide, not funding area related, and there are required funding mandates. Of the \$212 million:

- \$100 million is for projects that address immediate public health & safety needs & strengthening existing flood control facilities to address seismic safety
- \$20 million is for local agencies to meet immediate water needs related to combined municipal sewer & stormwater systems to prevent sewage discharge to state waters
- \$20 million is for urban stream SWFM projects that reduce the frequency & impacts of flooding in watersheds that drain into the San Francisco Bay

Grant funding shall not exceed \$30 million per project and a 50% project cost share (local match) is legislatively required.

What type of projects are eligible for funding?

Projects that are eligible under the SWFM Grant Funding must be:

- 1) consistent with an adopted IRWM Plan;
- 2) designed to manage stormwater runoff to control flooding;
- 3) yield multi-benefits, including one of the following elements
 - groundwater recharge
 - water quality improvement
 - ecosystem restoration & benefit
 - reduction of instream erosion and sedimentation

Santa Barbara adopted its IRWM Plan in 2007. Projects that will compete for Prop 1E funding have been included in the IRWMP by the process outlined in the adopted IRWMP.

April 22, 2010

Mr. Joe Yun
DWR
Division of Integrated Regional Water Management
PO BOX 942836
Sacramento, CA 94236-0001

RE: DWR Draft Guidelines for IRWM Grant Program Funded by Prop 84 and Prop 1-E

Dear Mr. Yun

On behalf of the Cooperating Partners that comprises the Regional Management Group for the Santa Barbara county area-wide IRWM Region, I offer my appreciation for the excellent set of draft guideline prepared by you and the DWR team and released in March of this year. They are comprehensive and well crafted. Based on our review and discussions with the five other members of the Central Coast funding area we provide the comments below.

Our comments are provided in several sections: first general comments and then in turn comments on the Draft Program Guidelines, the Planning Grant Guidelines and the Implementation Guidelines. If there are any clarifications that would help in your utilization of these comments, please contact me at this office.

General Comments

The draft guidelines are each well organized and well written.

DWR is requiring greater amounts of project information and setting higher standards through the proposed guidelines. Examples include more data management and analysis, substantial economic analysis and more detail on who implements plans and projects. We have concerns that the level of effort associated with these and other requirements would serve to limit what could/would be put in any plan and would potentially reduce the diversity of the participants. In addition, this level of effort may discourage smaller communities, particularly Disadvantaged Communities (DACs) from proposing projects. In particular, the higher level of analysis required of projects would tend to discourage inclusion of conceptual projects to address emerging concerns: i.e. long term planning. This limitation would reduce the utility of the IRWMP to support other grant applications.

ITEM # 5c
PAGE 4

Letter to Mr. Yun
April 22, 2010

Further, the level of effort and risk involved in developing and maintaining an IRWM process and making successful grant proposals in a competitive environment will begin to discourage investment in the IRWP process because Regions may not view the potential return as commensurate with the effort. DWR needs to keep in mind that, in the main, RMG participants are public agencies with competing priorities.

We urge DWR to provide more time, perhaps several more weeks, between the submittal dates of the various grant applications.

Comments on Draft Program Guidelines

Page 11 Section D

How much funding will be allocated for interregional projects in Round 1?

Page 12 Section F

Do these preferences apply to Planning Grants? Will acknowledgement and commitment be enough, along with a discussion of evaluation process or will a detailed demonstration be expected? See Planning Grant Application criteria.

Have recreation projects been deliberately left out of the Prop 84 project discussions? Will water related recreation projects be considered on equal basis?

Can private water companies apply for an implementation grant?

Pages 13, 22 and others

Climate change discussion in IRWM Plans could prove to be a work intensive item. Duplication among closely spaced regions would be wasteful. We suggest strongly that DWR provide funding area-wide grants to prepare a common analysis for the multi-region funding areas such as the Central Coast. We also suggest that DWR consider what beyond the discussion in the State Water Plan is necessary.

Page 22

Can DWR clarify the types of performance measures and monitoring and also clarify how these interact with the specific projects' performance measures?

Page 34

Please clarify whether State-mandated projects are eligible (e.g., by SWRCB, RWQCB, Superior Court, or other judicial or quasi-judicial entity) ? For example, DAC projects to address critical water quality issues may be as a result of RWQCB order or mandate. Are projects that would partially or fully address a State order be eligible for funding?

Page 36

Will Appendix C become the final guidelines for development of IRWMP?

General comment on Appendix C

DWR is setting higher IRWMP standards through the proposed guidelines. Examples include more data management and analysis, substantial economic analysis and more detail on who implements plan as well as how the plan is to be implemented. We have concerns that the level of effort associated with these and other requirements would serve to limit what could/would be put in any plan and would potentially reduce the diversity of the participants. In particular, the

Letter to Mr. Yun
April 22, 2010

higher level of analysis required of projects would tend to discourage inclusion of conceptual projects to address emerging concerns: i.e. long term planning. This limitation would reduce the utility of the IRWMP to support other grant applications.

In particular we urge DWR to reduce the level of effort necessary to prepare acceptable economic analysis in both the IRWM standards and in the application guidelines.

Page 51 Sections G through K

Clarify meaning of "viable Project" since requiring too much detail of all projects will stifle inclusion of forward looking problem statement and the conceptual projects to address future issues.

• We suggest the language referring to purchasing of water supplies be restructured so as to allow importation of new supplies for one of two distinct primary benefits:

1. Imported water to restore the hydraulic balance within a groundwater basin.
2. Imported water to restore the balance of salt loading with a groundwater basin management system.

In addition, we request the DWR consider increased permanent allocations within existing contract terms as an acceptable use of implementation grant resources.

Page 64 Relation to Local Land Use Planning

The requirement to demonstrate reciprocal communication and coordination between water management organizations and planning organizations could be onerous, especially in planning regions with a large number of planning entities. The previous section "Relation to Local Water Planning" adequately addresses the need to incorporate local planning efforts into an IRWM Plan. We recommend that the "Relation to Local Land Use Planning" be revised so that IRWM Plan developers consider whether reciprocal communication is feasible and what actions could be taken to encourage reciprocal communication. We agree that, at a minimum, all local land use planning organizations should be informed of the development and adoption of an IRWM Plan and invited to give input and that an effort to communicate to planning agencies should be documented.

Comments on Draft Planning Grant Guidelines

We believe a 50% match for planning grants is unreasonable, particularly for areas that have received no prior grants. Thus we suggest that, at a minimum, DWP reduce the match for Planning Grants to 25% for those areas that have not received state financial support (i.e. Proposition 50 planning grant). This would be both equitable and likely extend the benefits of Planning Grants to more regions.

Page 5 Section II B

How much detailed planning may be proposed/accomplished with Planning Grant support?

Which of these categories would be eligible:

- Salt/Nutrient management;
- Ground-water storage modeling for ground-water banking; and/or
- Winter storm operations and optimization of downstream releases for fish habitat?

Page 8, Table 2

3
ITEM # 5c
PAGE 4

Letter to Mr. Yun
April 22, 2010

We strongly suggest a minimum of 10 weeks for development of the Planning Grant application. Since several key elements of the guidelines affect the scope and focus of the use of Planning Grant funds, we suggest DWR hold a minimum of 3-4 workshops as early in the process as possible in order to discuss planning grant applications in detail.

Page 9 First line
Why are both electronic copies and paper copies necessary?

Page 9 Bottom paragraph
It is unclear how these supplemental materials are relevant to a Planning Grant.

Page 12 Application questionnaire, .01, Proj. Descript
This language seems more appropriate for an Implementation Grant.

Page 13, section A
This new process seems confusing. (See earlier comment.)

Page 17, AB 1420 compliance
Is it necessary to submit this information if no urban suppliers

Page 17, last paragraph
Do the extra points count as "extra credit?" It appears that regions that have included many of the IRWM Program Preferences in their IRWM Plan face an unfair handicap compared with regions that did not adequately address these with plans developed under Prop. 50 IRWM Guidelines. Also, the draft Grant Program Guidelines include eight Program Preferences, but the scoring criteria for Planning Grants allow one point for each Program Preference up to a maximum of 10 points. Are some Program Preferences weighted more than others?

Page 18
It seems, given the nature of the scoring, the weighting factor for schedule is too high. Meeting deadlines is a mandate. Each Region should be presumed responsible for meeting the deadlines.

Comments on draft Implementation Grant Program guidelines

We strongly suggest a minimum of 12 weeks days for development of the Implementation Grant application. Since several key elements of the guidelines affect the scope and focus of the use of Implementation Grant funds, we suggest DWR hold a minimum of 3-4 workshops as early in the process as possible in order to discuss implementation grant applications in detail.

Page 9
Is the impression that 10% of funding in an area and/or Region must go to DAC projects correct?

Page 9, Section III, first funding target
What baseline is used to determine the 20% reduction target? ? Some planning regions, such as those along the Central Coast, began implementing comprehensive water conservation programs in the late 1980's that have dramatically reduced per capita water consumption when compared with other regions that have only recently begun such programs.

Page 10
Do SRF funds qualify as matching funds?

ITEM # 5c
PAGE 5

Letter to Mr. Yun
April 22, 2010

Page 10

Is there a distinction between State agency budget line items and other funding sources in qualifying for match? How may applicants determine which could be used as the source of project funding match?

Page 10

Do Federal ARRA funds ("stimulus") qualify as a match?

Page 21, Attachment 13, paragraph 4

Term "Both certification documents" is unclear. (It appears both 1) AB 1420 and 2) Water Meter Compliance is due for each project.)

Page 22 table 5, Funding Area Balance Points

Does the term "existing IRWM grants active" mean Prop 50 grants, whether or not they have been completed?

Page 22 table 5

Can DWR clarify the rationale behind the scoring criteria "Funding Area Balance Points" giving DWR discretion in awarding 5 points?

Page 24, Monitoring, Assessment etc

If BP is applicable, is demonstration of consistency with the Basin Plan to be included in the application for each project? If so, at what level of detail?

Page 24

The scoring of water supply projects seemed high since Prop 84 and enabling legislation did not emphasize water supply.

Page 24 Economic Analysis

Whether DWR is focused on the quality of demonstration vs. actual benefit(s) of project is not clear. Specifically what are the points awarded for a good project versus a good economic analysis?

Page 25

Why are a few preferences called out specifically for higher weighting (see right hand column, top and second boxes)?

By what date is CEQA compliance necessary: grant application submittal, contract, or at the time of the each projects' implementation?

Are consultant fees incurred after 9/30/08 eligible for matching funds (criteria, feasibility, IRWMP reporting etc) for implementation grants and/or planning grants?

Page 34

The discount rate of 6% seems high. Is this intended to be a nominal rate for comparison among projects?

Page 48

Can environmental benefits be factored into this element of the analysis?

ITEM # 5
5c
PAGE 6

Letter to Mr. Yun
April 22, 2010

Page 57 (Exhibit G)

There is a need to clarify the nature and process of allocation of grants to DACs. Will DAC funding need to follow the % funding allocated for each funding area (such as the Central Coast) or will the allocation be counted at the Region level?

Please feel free to contact me at (805) 568-3542 or mnaftal@cosbpw.net if you have any questions.

Sincerely,

Matt Naftaly
Santa Barbara County Water Agency
Water Agency Manager

Cc: Jerry Snow, DWR

6
ITEM # 5c
PAGE 7

**PROPOSITION 84
Steering Committee Meeting**

**Tuesday, April 27, 2010
1:00 p.m. – 3:00 p.m.**

**BOS Conference Room, 4th Floor,
105 E. Anapamu Street, Santa Barbara, CA 93101**

**Conference Phone Number: 805.681.5400
Passcode: 418901#**

AGENDA

**1:00
Welcome and Introductions**

**1:05
Purpose of the Meeting**

**1:10
DWR Feedback on project eligibility and matching funds
Prop 84 versus Prop IE
Total grant request amount targets for Santa Barbara Region**

**1:40
Project information (MODA)**

**2:10
Decision Time (eliminate projects or reduce request amounts)
Draft Final Project List to Cooperating Partners**

**2:55
Next Steps
Project Selection Process Workshop #3, May 4, 2010 at CCWA,
155 Industrial Way, Buellton, CA 93427**

Adjourn

Draft Meeting Minutes
PROPOSITION 84 STEERING COMMITTEE MEETING
Tuesday, April 27, 2010
1:00 p.m. – 3:00 p.m.

Location: BOS Conference Room, 4th Floor, 105 East Anapamu, Santa Barbara, CA
Conference Phone Number: 805.681.5400
Passcode: 418901#

Attendees

Bruce Wales, SYRWCD; Teresa Reyburn, City of Santa Maria; Steve Kahn, City of Santa Maria; Susan Segovia, City of Lompoc; Kate Rees, COMB; Matt Van der Linden, Goleta Water District; Marti Schultz, City of Goleta; Hillary Hauser, Heal the Ocean; Matt Naftaly, Santa Barbara County Water Agency; Kathy Caldwell, CH2MHill; Michael Maxwell, CH2MHill; Jane Gray, Dudek

On the Conference Line

Rob Almy, GEI; Dan Pitzler, CH2MHill; Drew Dudley, CCWA

Proceedings

The meeting began at 1:10 and was brought to order by Matt Naftaly. Everyone introduced themselves and Matt began the meeting by discussing the site visit with Jerry Snow. He indicated that Jerry had been very impressed by our region, its process and the projects that he toured. Matt also indicated that Jerry had been very responsive to questions asked of him, specifically that the Goleta Sanitary District's project was eligible, and that the State was still discussing CCWA's reacquisition project. Kate Rees brought up an administrative item pursuant to the Agricultural Commissioner's office, indicating that COMB had been asked to cover costs for the Ag. Commissioner's Office, but she was uncomfortable doing that. She did not know what needed to be done to keep them in. Teresa Reyburn and Steve Kahn indicated that they had been talking to the Twitchell Management Authority (TMA) and stated that they were interested in joining the Cooperating Partners group. The TMA thought this was a good opportunity to become involved, especially in consideration of the opportunities to address some salt/nutrient management issues. This led to a brief discussion of the MOU; it was mentioned that there would be minor adjustments to the costs since it was still unclear if MWD was participating, the County was determining whether Laguna Sanitation was going to join, however, Golden State was not participating. Agencies asked to be invoiced and Matt agreed to the County sending out invoices.

Kathy Caldwell then led the discussion on project selection by reminding the group that there was \$5.8 million dollars available in Round 1 for the Central Coast. While there was provision to increase the amount to \$11.5 million, no one was sure now likely that was, so it was better to focus on the \$5.8 million. She stated that she and Rob Almy were recommending an overall grant request of \$3 million based on: 1) the overall pot; 2) the number of other regions likely to seek Round 1 funding; and 3) the types of projects the other potential regions seeking funding were looking at. Rob stated that while the CC region was discussing an overall split of the \$5.8 and that discussions had and would continue to occur, all the IRWM region representatives did not have a clear picture of what a carved up \$5.8 million would look like. A comment was also made that even after the draft final list was completed at the end of the SC meeting, it would likely not be the final list.

At this point, Dan Pitzler gave everyone another overview of the weighing process and the 3 blocks of information represented in the tables, specifically, the project ranks. He gave an description of what the project ranks were and how they were derived and asked everyone to focus on the shaded columns. A question was raised about whether or not the rank had taken the total project costs into consideration or had they taken in out the amount of money being requested. The commentor, Hillary Hauser, stated that she thought the grant request as opposed to the overall project should be the basis upon which the ranking was made. In addition, she wondered if match percentages had taken the whole project into consideration or only the amount being requested, but made it clear that there needed to be an apples to apples comparison, so the methodology needed to be uniform.

Before everyone got into the actual business of choosing projects, SC members suggested: 1) due to the limited amount of money, everyone should use the lowest amount request; 2) the group should also choose a high ranking project from each of the objective categories; and 3) regional balance should also be taking into consideration. The group also asked the City of Goleta to reduce their grant amount since they had a \$3 million request. The City reduced their request to \$1 million.

The proceedings of the selection process were as follows:

A line was drawn separating all the projects that ranked over 30 with those ranking under 30; this was the first division.

- 1) A motion was made to remove the Casmalia project because it was not ready to compete;
- 2) The CCWA Reacquisition project was removed because it was \$5 million and because its eligibility was unclear;
- 3) City of Santa Maria volunteered to remove one of its projects, so it chose the higher scoring project that is more inter-regional;
- 4) The City of Guadalupe was included because the project has a high value to cost ratio, because recycled water is a high priority and because the City is a DAC and needs help;

After the larger projects were eliminated, the lower grant request amounts were utilized and the City of Goleta reduced its request, the group still needed to trim to get to the \$3 million target.. Thus, the group asked GWD to reduce their request by \$50,000, which they did; the group shaved \$61,000 off the Ag, Commissioner's project; \$50,000 off the CCWA pipeline project. The City of Carpinteria's project was eliminated because the group already had a SWFM project and the project also rated under 20. The Steering Committee also expressed its wish should any projects fall out of the recommended list to increase the amounts for agency requests.

A motion was made to accept the final recommendation by the SC and present the list at the Workshop on May, 4, 201; the motion passed.

Appeals on the project list, if any, should to be submitted to Rob Almy: ralmy@geiconsultants.com by noon on Monday, May 3, 2010

The meeting adjourned at 3:30 p.m.

Santa Barbara IRWM
Prop 84 Project Selection Process
Workshop #3 Agenda

Tuesday, May 4, 2010
9:00 a.m. – 1:00 p.m.
Central Coast Water Authority, 255 Industrial Way
Buellton, CA 93427

AGENDA

9:00 a.m.

Welcome and Introductions
Comment for Items not on the Agenda

9:10 a.m.

Proposition 84 – General News
- MOU – Cost Distribution
- DWR Schedule

9:20 a.m.

Project Selection – Overview of the Steering Committee's Process
- review of DWR Statewide Priorities
- review of how the SC came it decisions
- SC's recommended list of projects

9:40 a.m.

Developments since the May, 27, 2010 Steering Committee Meeting
- projects that have been withdrawn
- projects that reduced their grant amount requests
- appeals process & projects that have submitted appeals & Appeals Committee determination

10:10 a.m.

Strategies for Finalizing the Project List
- increase grant request amounts for all remaining projects, add projects to list? hybrid of both? SC recommendation
- strengthening the Implementation Application per the Guidelines
- Move to next highest scoring projects from list

11:20

Next Steps

- What to do if projects drop out
- Cost of Implementation Application
- Cost – sharing for Implementation Application
- Timeline

Adjourn

ITEM # 5c

PAGE 11

Proposition 84 Project Selection Prioritization Model
Summary Results

Sorted by Ratio of Value to Reduced Grant Request

Project	Grant Funding Request		Project Rank		Project Type				Prop 1E Eligible? (Y/N)	% Match From Long Form for subsequent email	Cumulative Grant Funding	
	Initial Capital Cost	Lowest	On Ratio of Value to Reduced Grant Request	Total Value Score	Water Reuse and Conservation	Operational Eff.	Groundwater Management	Flood Management				Water Quality
10. LOMPCC Leak	\$145,000	\$145,000	1	32.9	✓						4%	\$1,762,000
16. GUARD RW Sdy	\$50,000	\$50,000	2	2	✓						0%	\$1,062,000
Recycled Water Feasibility Study	\$50,000	\$50,000	3	8.7	✓						0%	\$1,062,000
Affordable Source Development Project	\$52,000	\$52,000	4	6			✓				70%	\$1,012,000
Via Real Stormwater Management Project	\$250,000	\$150,000	5	11	✓						50%	\$8,061,000
Radio Water Conservation Metering Project - LeakWatch	\$700,000	\$400,000	6	42.9	✓						50%	\$8,061,000
Water Quality Improvement Project	\$500,000	\$250,000	7	10	✓						60%	\$7,361,000
Secondary Water Efficiency System	\$1,762,000	\$550,000	8	24.9	✓						60%	\$13,304,000
Cathedral Oaks Rd - Hwy 101 Overcrossing Waterline & Recycled Waterline Project (Phase 2)*	\$332,000	\$300,000	9	8	✓						50%	\$5,300,000
Pipeline Erosion Damage Repair Project, Santa Ynez River	\$300,000	\$300,000	10	9	✓						70%	\$12,762,000
Wastewater Treatment Plant Upgrade Project	\$1,000,000	\$357,000	11	4	✓						70%	\$11,762,000
San Jose Creek Capacity Improvement and Fish Passage Project	\$1,000,000	\$1,000,000	12	12	✓						75%	\$5,000,000
Reacquisition of Suspended Table A Amounts of State Water	\$5,000,000	\$5,000,000	13	25.6	✓						0%	\$5,000,000
Santa Ynez River Tamiasik and Arundo Project	\$361,000	\$361,000	14	3	✓						0%	\$5,361,000

Sorted by Ratio of Value to Reduced Grant Request

Project	Grant Funding Request		Project Rank		Project Type				Prop 1E Eligible? (Y/N)	% Match From Long Form for subsequent email	Cumulative Grant Funding	
	Initial Capital Cost	Lowest	On Ratio of Value to Reduced Grant Request	Total Value Score	Water Reuse and Conservation	Operational Eff.	Groundwater Management	Flood Management				Water Quality
5. SM WE/FI	\$1,762,000	\$472,000	1	10	✓						60%	\$7,361,000
Secondary Water Efficiency System	\$700,000	\$400,000	2	7	✓						50%	\$5,000,000
Radio Water Conservation Metering Project - LeakWatch	\$2,200,000	\$5,000,000	3	37.4	✓						75%	\$5,000,000
Reacquisition of Suspended Table A Amounts of State Water	\$5,000,000	\$5,000,000	4	12	✓						70%	\$12,762,000
Wastewater Treatment Plant Upgrade Project	\$1,000,000	\$1,000,000	5	10	✓						41%	\$8,762,000
Lompoc Valley Regional Leak Detection Program	\$145,000	\$145,000	6	32.9	✓						70%	\$11,762,000
San Jose Creek Capacity Improvement and Fish Passage Project	\$3,000,000	\$1,000,000	7	30.3	✓						60%	\$13,304,000
Santa Ynez River Tamiasik and Arundo Project	\$361,000	\$361,000	8	25.6	✓						50%	\$13,304,000
San Jose Creek Capacity Improvement and Fish Passage Project (Phase 2)*	\$830,000	\$332,000	9	6	✓						60%	\$13,304,000
Cathedral Oaks Rd - Hwy 101 Overcrossing Waterline & Recycled Waterline Project (Phase 2)*	\$600,000	\$300,000	10	23.4	✓						50%	\$8,500,000
Pipeline Erosion Damage Repair Project, Santa Ynez River	\$500,000	\$250,000	11	8	✓						70%	\$13,012,000
Water Quality Improvement Project	\$2,000,000	\$500,000	12	18.4	✓						0%	\$8,500,000
Via Real Stormwater Management Project	\$642,000	\$150,000	13	15.4	✓						0%	\$13,012,000
Affordable Source Development Project	\$55,000	\$52,000	14	3	✓						0%	\$8,615,000
Recycled Water Feasibility Study	\$50,000	\$50,000	15	2	✓						0%	\$13,065,000

Steering Committee Recommendation - Sorted by Value

Project	Grant Funding Request		Project Rank		Project Type				Prop 1E Eligible? (Y/N)	% Match From Long Form for subsequent email	Cumulative Grant Funding	
	Initial Capital Cost	Lowest	On Ratio of Value to Reduced Grant Request	Total Value Score	Water Reuse and Conservation	Operational Eff.	Groundwater Management	Flood Management				Water Quality
5. SM WE/FI	\$1,762,000	\$472,000	1	10	✓						60%	\$550,000
Secondary Water Efficiency System	\$700,000	\$400,000	2	7	✓						70%	\$1,050,000
Wastewater Treatment Plant Upgrade Project	\$1,000,000	\$357,000	3	4	✓						50%	\$2,050,000
San Jose Creek Capacity Improvement and Fish Passage Project	\$3,000,000	\$1,000,000	4	11	✓						41%	\$2,195,000
Lompoc Valley Regional Leak Detection Program	\$145,000	\$145,000	5	32.9	✓						60%	\$2,440,000
Cathedral Oaks Rd - Hwy 101 Overcrossing Waterline & Recycled Waterline Project (Phase 2)*	\$332,000	\$300,000	6	8	✓						50%	\$2,640,000
Pipeline Erosion Damage Repair Project, Santa Ynez River	\$500,000	\$250,000	7	23.4	✓						0%	\$2,690,000
Recycled Water Feasibility Study	\$50,000	\$50,000	8	2	✓						0%	\$2,690,000

Steering Committee - Not Recommended

Project	Grant Funding Request		Project Rank		Project Type				Prop 1E Eligible? (Y/N)	% Match From Long Form for subsequent email	Cumulative Grant Funding	
	Initial Capital Cost	Lowest	On Ratio of Value to Reduced Grant Request	Total Value Score	Water Reuse and Conservation	Operational Eff.	Groundwater Management	Flood Management				Water Quality
6. SM Meter	\$700,000	\$400,000	9	42.9	✓						50%	\$4,000,000
Radio Water Conservation Metering Project - LeakWatch	\$2,200,000	\$5,000,000	10	37.4	✓						75%	\$1,000,000
Reacquisition of Suspended Table A Amounts of State Water	\$5,000,000	\$5,000,000	11	12	✓						0%	\$4,500,000
Wastewater Treatment Plant Upgrade Project	\$1,000,000	\$1,000,000	12	3	✓						50%	\$4,400,000
San Jose Creek Capacity Improvement Project	\$830,000	\$332,000	13	25.6	✓						60%	\$4,400,000
Via Real Stormwater Management Project	\$642,000	\$150,000	14	15.4	✓						70%	\$5,135,000
Affordable Source Development Project	\$55,000	\$52,000	15	3	✓						0%	\$5,135,000
Recycled Water Feasibility Study	\$50,000	\$50,000	16	2	✓						0%	\$5,135,000

Draft Workshop Minutes
PROPOSITION 84 Project Selection Workshop #3
Tuesday, May 4, 2010
9:00 a.m. – 1:00 p.m.

Location: CCWA, 255 Industrial Way, Buellton, CA 93427
Conference Phone Number: 1-866-203-7023
Passcode: 2707428710#

Attendees

John Brady, CCWA; Drew Dudley, CCWA; Teresa Reyburn, City of Santa Maria; Steve Kahn, City of Santa Maria; Susan Segovia, City of Lompoc; Matt Van der Linden, Goleta Water District; Marti Schultz, City of Goleta; Hillary Hauser, Heal the Ocean; Erin Maker, City of Carpinteria; Tom Fayram, Santa Barbara County Public Works; Matt Naftaly, Santa Barbara County Water Agency; Cindy Allen, Vandenberg Village CSD; Dennis Delzeit, City of Guadalupe; Kent Yankee, City of Buellton; Barbara O'Grady, W.E. (Women's Environmental) Watch; Rob Almy, GEI; Kathy Caldwell, CH2MHill; Michael Maxwell, CH2MHill; Jane Gray, Dudek

On the Conference Line

Kathleen Werner, Goleta Sanitary District; Juan Beltranena, Santa Barbara County Parks Department; Craig Murray, Carpinteria Sanitary District; Dan Pitzler, CH2MHill

Proceedings

The meeting began at 9:08 and was brought to order by Matt Naftaly. After going around the room for introductions, Matt discussed the MOU worksheet that was handed out. He explained that in general, everyone's cost share had been reduced from previous drafts since the City of Guadalupe and Laguna Sanitation had rejoined in the Cooperating Partners. Jane Gray then gave a brief overview of DWR's sequencing schedule of PSPs for planning, implementation and Prop IE grant applications. She also indicated that the proposed application preparation times were 6 weeks and 8-10 weeks, respectively for planning and implementation grants. The Prop IE PSP would follow immediately on the heels of the implementation application with a preparation period of 6-8 weeks.

Kathy Caldwell introduced the main topic for the workshop which was the recommendation from the steering committee on the final project list. She indicated that this was the last workshop in the series and that it was probably the last meeting on projects before preparation of the implementation application. Kathy gave an overview of what Steering Committee was thinking about when making the decisions on projects. She reminded the CP of some of the State's objectives such as: drought preparedness, water use and re-use and climate change. Further, she stated that Rob had had several phone calls with the other regions in the funding area. She stated that based on the \$5.8 that was guaranteed in the 1st Round for our funding area and the potential for other regions to put forward 1st Round applications, a \$3 million cap was a good target for an application. As such, that was the number that the Steering Committee used. Dan Pitzler gave a brief discussion on the project grouping that was reflected in the handouts and clarified that the match amounts were taken from the long forms.

Ms. Caldwell stated that in consideration of the \$3million target, the methodology used by the steering committee included: 1) looking at the top ranking projects across the category project types; and 2) using the lowest grant amount requests for each project. Immediately, some projects were eliminated. She explained that the Casmalia project was eliminated because it was incomplete, however, it was suggested to Casmalia that they seek funding under the Local

Groundwater Assistance grant program. The CCWA reacquisition project was removed because the grant request amount of \$5 million was too large, and also because there were still some outstanding questions on the project's eligibility. Rob Almy stated that even though the CCWA project was eliminated, it was also important to get a clear answer from DWR as to the eligibility. John Brady agreed with this and indicated that they had made the own independent inquiries to DWR on this issue, so they expected an unequivocal answer from DWR. Kathy Caldwell then resumed the conversation on project selection by saying that the City of Santa Maria had two projects which were ranked highly, but in the spirit of cooperation withdrew the Leak Watch project in favor of the Water Efficiency project which has inter-regional benefits. The City of Guadalupe's project was also included because it benefits a DAC, has a very high value to cost ratio and because it focused on water reuse, which is a State priority. Continuing down the list, the SC asked GWD to trim \$50,000 off of their project, which they did and the SC also took \$61,000 off of the Ag. Commissioner's project; the City of Goleta's project had been selected because it ranked well and had a greater SWFC benefit than the City of Carpinteria's project. The City of Goleta had also been asked to reduce their request amount and did agree to reduce their request amount by \$2 million or from \$3 million to \$1 million. The SC also reduced the CCWA pipeline project by \$100,000 to a \$200,000 grant amount.

At this point, Matt Naftaly updated the group on developments since the SC meeting,, namely: 1) the Ag. Commissioner's office had withdrawn their project because of an inability to participate in the overall effort and potential lack of ability to share in the costs for an implementation grant application; while not necessarily a key point in the decision, they also had no match for the project; and 2) Goleta Water District withdrew their project because the district had some financial constraints. Matt also stated that because the City of Goleta had reduced their grant request from \$3 million to \$1 million creating a \$2 million gap, there were some questions about where the additional funding would come from, and if they did indeed have all the funding they needed to deliver the project. He elaborated by sharing that the project involves County Flood Control, and that the BOS had authorized up to and not over \$4 million for the project.

Rob Almy interjected by pointing out that while the nuances of previous discussion were particular to the City of Goleta, that all projects were being held to the same standard. All projects would need to hold up in an application to the State level and under State scrutiny. He also emphasized that the projects would need to bear costs of the preparation of an application for grant funding, so all projects that had been included on the list need to make firm commitments. Hillary Hauser asked about the projects that had dropped out like the City of Santa Barbara's projects and it was explained that one was not eligible because it was going to use SRF money as match, and that was not acceptable. The other project was a study and was not eligible on those grounds. Overall, all the projects that dropped out were on the out list because of the scrutiny they had been given. Rob was quick to add that all the projects were good projects, and that it was his interest in seeing as much money as possible come to the region; as such if a project had been eliminated and there was other appropriate funding available, projects were directed to those other funding sources. Hillary then asked specifically about the projects on the "pink list" at the bottom of one of the handouts and whether or not those had been scrutinized as well. The answer was yes, that those projects had been scrutinized. Further, there was the ability to add some projects from the "pink list" to the list for implementation if that was what pleased the CP.

Before moving forward with that discussion, however, Tom Fayram wanted an update from Marti Schultz on the funding for the City of Goleta's project. Ms. Schultz explained that the City was committed to the project and that they were pursuing other funding, i.e. from the RDA as well as the other grants. Tom Fayram reiterated the County BOS's commitment of \$4 million, but also stated that they would not be able to commit to any other funding beyond that, thus if there was a \$2 million shortfall, the County would not be in any position to cover that. Marti's

response was that the City understood the County's position and was not asking for more funding from them. She also stated that the City had never asserted that the project was fully funded, and asked when they needed to give the group assurance that the project is fully funded. Rob Almy indicated that the consultant team preparing the application needed to be able to best characterize a secure funding scenario to the State, and to that end, needed critical project information such as: 1) is there sufficient funding for the project?; 2) do the decision makers in Goleta have the ability to move funds around to fill the gaps? Again, the reason the topic is being broached is because the application and all parts of the application need to have certainty. Matt Naftaly stated that the group could also consider options for a funding scenario, such as with the City of Goleta and without the City of Goleta. Kathy Caldwell indicated that the certainty of the project's funding should have been assured by [today] May 4. Tom Fayram posed a question to the group about increasing the grant request for the project under Prop 84 so that funding would be secure. He wondered what that would do to the other projects. Rob indicated that the project mix would be heavily weighted towards the Goleta project with over 1/3 of the overall request resting with one project.

Matt Van der Linden suggested that the \$250,000 for the withdrawn GWD project be reallocated to the existing projects on the project list. He suggested that since there was so little funding available, it was not cost effective to add more projects since the grant request amounts were so small and there would still be application costs. He also suggested that the group put a project on a contingency list in case another project dropped out or more funding became available. Kathy Caldwell indicated that there would be a discussion on contingency projects in the latter half of the meeting. Hillary Hauser asked if City of Goleta project could go to Round 2 since the point of the meeting was to get a workable list and Susan Segovia asked if the project could be phased so that perhaps the RDA could fund a portion right now and then wait for 2nd Round funding. Marti indicated that she did not know if that was possible and Tom Fayram and Rob Almy seemed to think that it was not feasible if it only bought the City 6-10 months or so. Mike Maxwell pointed out that Prop 1E funding was also available.

In response to the GWD's project being removed, leaving \$250,000, the group began discussing the other projects that could be included into the application. Teresa Reyburn stated that the Leak Watch project was approved by the City Council and included in their 2-year budget. She also said that there was no outstanding environmental work that needed to be done, Phase I of the project had been completed and an antennae had already been installed leading to 1 AF of water already having been saved.

Rob asked where the Vandenberg Village project was. Cindy Allen said that the District did have the money in reserve for the project, but they also had a delay and would be back on track in mid-May. She indicated that the pilot project would be starting at the end of May and the feasibility study would be available at the end of June, which was just too late for this 1st round of Prop 84 funding, the way the timeline has been put forward.

Rob Almy asked about the CCWA pipeline project. Before responding, John Brady pointed out that he understood the wisdom behind removing the reacquisition project from the mix and then went on to clarify that on the long form, CCWA was asking for \$4.9 million for the pipeline with the ability to go as low as \$600,000. They then further reduced the amount to \$420,000 and finally to \$300,000. He stated that when he learned that the SC had reduced the project to \$200,000, he was not sure that was feasible, so was at least requesting \$300,000. Further, he informed the group that CCWA had budget for engineering and analysis, the survey, geotechnical work and permitting, they would be doing detailed design and construction budgets thereafter, but did not have the budgets yet in hand. He assured the group that the Board would be approving the 2nd year budget, the need to move forward with the project was clear and that they were proceeding with permitting. Matt Naftaly asked if this was an O&M project, to which John replied, no, it was a capital project. He explained that the pipeline had been

constructed in the early 1960's and was acquired in the mid-1990's from SYRWCD ID#1. He imparted that the pipeline had been previously repaired, but that this was a new project by virtue of the fact that they were completely redesigning and engineering the pipeline, and that CEQA was being done. Kathy Caldwell inquired about the design life of the pipeline. It was imparted that it was probably 20-30 years, but no one knew for certain. He also stated that he thought the overall pipeline was no where near its design end, and an overall pipeline replacement project would cost somewhere in the neighborhood of \$250 million, so that executing this project now was necessary to forestall some larger problems. To that, Kathy expressed she was satisfied and thought the project was eligible.

Rob Almy asked if there were any other questions that needed to be asked regarding projects, such as the Goleta Sanitary District or the City of Lompoc's project. Susan Segovia from the City of Lompoc volunteered that all the cooperating agencies/districts were committed, that the grant request was for the capital costs and that the feasibility study was paid for separately from the enterprise fund. Rob asked if all the money had been budgeted to which Susan answered yes. Matt Van der Linden inquired if the City of Guadalupe would be able to come up with a match and Dennis Delzeit expressed that they would be able to find some match. Steve Kahn asked Dennis to give an overview of the project. Dennis told the group that the study was to determine if there was any potential use for recycled water in the community. He explained that the current WWTP went to a secondary treatment level, it was located adjacent to agricultural fields, hence there were potential ag. customers, city parks and others, but the City really needed to know if it was financially feasible to recycle water and a cost estimate would result from the study. Rob Almy went on to mention the ability that DACs such as Guadalupe had in proposing studies as projects. He also reminded everyone that DACs are not required to have a match and that their inclusion in the process demonstrates that the CPs are inclusive and equitable.

Erin Maker from the City of Carpinteria spoke next identifying that the Via Rea project was a capital project, on the CIP list and was also being funded with Measure A. They would possibly be downsizing the project by working in concert with CalTrans since they also had a project going on at that location. She talked about the benefit of the project to water quality, Erin also mentioned that there was a slight potential of an archaeological site being present but that issue was likely minor since a study had already been conducted and Public Works was just waiting for a determination from Community Development. Steve Kahn asked if there were any pending ROW issues or environmental issues, to which Erin replied no and further explicated that a Cat Ex had been processed.

As all the projects had been discussed, Rob Almy raised the following: 1) did the CP want to consider the SC's recommendation to give all the present projects on the list more funding?; or 2) in consideration of the projects that did drop out, did the cooperating partners want to revisit the projects which were dropped and bring any back? John Brady responded by requesting the \$300,000 amount for CCWA. Kathy Caldwell expressed she thought there was an error in the meeting minutes that quoted the SC recommending \$250,000 for the project, instead of the \$200,000 shown in the table. John Brady reiterated that CCWA had already lowered its request from \$4.9 million to \$600,000, then to \$420,000 and finally to \$300,000. Steve Kahn asked what the overall dollar amount to reallocate was, was it \$550,000?; if so, if they gave \$100,000 to CCWA that would leave \$450,000. Hillary Hauser asked if it was too early to propose. Kathy Caldwell reminded the group of the State's priorities and asked them to look back at that list; since drought preparedness was at the top of the State's list, the group should be looking at those kinds of projects. Rob Almy verbalized that there were two projects that met that requirement and Marti Schultz suggested that since Santa Maria's Leak Watch project fit that category that should be added back into the list. Steve Kahn stated that they would be happy with a reduced amount, and suggested \$170,000. Erin and Marti wanted assurance that including the Santa Maria project was a good decision in making the group's

application more competitive. Kathy responded by saying that the more projects the group had that met the State's highest priorities, such as drought preparedness and water re-use, the better the application would compete. Marti Schultz suggested the Vandenberg Village project, but Rob countered that the present schedule was problematic. Marti then argued for a better balance on the types of projects. Rob inquired about the run-off associated with the City of Carpinteria's project. Erin clarified that presently water ran-off from a residential development to a large ag field, then across Via Real and finally into the very overwhelmed stormdrain which emptied into Carpinteria Creek, which was a naturally preserved channel and also a channel that supported steelhead trout and tidewater goby. Rob ventured that that project would greatly reduce erosion. Hillary Hauser liked the idea of including Carpinteria. Mike Maxwell asked if CCWA's project was being considered at \$300,000, to which Rob replied that he was not sure they were going to make that decision just yet. Teresa Reyburn posed a generic question which was at this same point in the Prop 50 process, the ability to compete well was discussed and so she wanted to ask Rob and Kathy if the projects on the current list were competitive and if the list was lacking anything? Rob stated that he though the projects represented the State's priorities well with the exception of a comprehensive groundwater project. Tom Fayram asked if there was a very small project that could be added, in the amount of ~\$10,000 for the Cuyama groundwater basin. Rob indicated that yes, groundwater projects are necessary, but right now these types of issues were more suited to the update to the IRWMP and because there would be more of a discussion of these things in the plan, there would be a better platform for future funding. Hillary Hauser asked if any of the projects on the long list could be brought back, however, it was again explained that most of those project had eligibility issues or were not ready.

Kathleen Werner said she knew that Bruce Wales was not there, but in bringing up a familiar conversation that Bruce likes to have, she expressed that the group should be looking at the actual issues within the Santa Barbara region. She verbalized that if there weren't any groundwater projects, then maybe it was not a need in our region and so even though we wanted to hit all the bullet points for the State, if it is not important or necessary in our region right now, maybe we should not be having a conversation about it. Rob Almy agreed with this sentiment. Matt Van der Linden also concurred and stated that he thought that the group did have a good breadth of projects that met State priorities. Kathy Caldwell went on to say that although the region did not have a host of projects that 1) reach across regional boundaries; 2) resolved serious conflicts within the region; and 3) address critical water supply in DACs; there were still opportunities to develop these projects for the next rounds. In accord, Rob asserted that the update to the IRWMP would touch on all those issues and in particular with regard to groundwater, there were on-going projects in the Cuyama groundwater basin.

Thus, back to the question of reallocation of funding, Steve Kahn moved to include the City of Carpinteria's Via Real project back into the application and also moved increase funding to CCWA for \$300,000. The motion passed, hence CCWA received \$300,000 for their project and the City of Carpinteria received \$150,000 for theirs. Rob asked what the group wanted to do with the remaining money. Did the group want to redistribute to the listed projects or did they want to add the City of Santa Maria's Leak Watch back into the list. Erin asked for clarification on what was a more competitive application, more projects or more funding? Matt Naftaly pointed out that the more projects were involved, the more expensive the application was likely to be. Rob Almy reminded everyone that each applicant would bear a portion of the costs for the implementation application and that in the Prop 50 process, the application consisted of three 6" binders; he also underscored the importance of the variety and range of projects over the number. Steve Kahn highlighted that no one project fulfilled all the priorities. Teresa Reyburn asked for a further clarification from CH2M-Hill as to whether or not they had done a project appropriateness audit on all the projects similar to what had been done in Prop 50. Kathy Caldwell answered yes.

Marti brought up the topic of other potential projects that may drop out and wondered what to do in that scenario. She went on to suggest that if that happened, the City of Santa Maria's project should be brought in at \$400,000 and then if there was anymore money available, that the projects under \$1 million should get a proportionate share equally distributed, then if there was still remaining funding, those projects over \$1 million should get equitably distributed funding. Before any action was made, Rob encouraged the group to look at the original project ranking list and to the highest ranking projects, such as the City of Santa Maria's leak watch project and the also consider the smaller projects like the City of Lompoc, the City of Carpinteria and the City of Santa Maria's Water Efficiency project; and then finally, if there was still funding, that the larger project might receive funding. Hillary Hauser asked whether the Santa Maria Leak Watch project was going in at \$170,000 and if it so, could it be added. Matt Vander Linden said that although he did not like metering projects, that he would be fine having the project in and re-distributing the rest of the money. Steve Kahn declared that he would be fine taking \$100,000 off their water efficiency project and adding it to the leak watch project for a total of \$270,000 for the leak watch project. Matt Van der Linden felt that the City of Goleta needed funding and expressed that the group should be doing what they could to help them out. Teresa Reyburn disclosed that the water efficiency project already had a 60% match, but because of an installation of a \$50,000 pipeline for the project, the match would increase. Rob posed the question again to the group and asked if they wanted to go with Matt Van der Linden's suggestion or if they wanted an alternate proposal. Matt Van der Linden repeated that he though the City of Goleta should get the remaining money after other the projects that were previously included were funded. Kathleen Werner opined that she liked the original proposal of spreading the remaining money to the smaller projects and then adding any remaining money to the City of Goleta's San Jose Creek project, however, if the City of Goleta was in such dire straits, the she would not object to San Jose Creek project receiving more money. Rob drew the groups attention to the economic balance of the proposal; if the City of Goleta, which was already seeking the largest amount of fund, by increasing their request, over 1/3 of the money requested in the application would potentially be going to San Jose Creek, but also stated that it did have a benefit to an endangered species. Teresa Reyburn asked how ready the project was, and Marti explained that the project was in design.

Steve Kahn proposed that since the guidelines were not final and because Rob Almy was going to have an inter-regional call on the 11th, that the group should reconvene at that time so if there was a change in the amount of funding, the Cooperating Partners could take action. Hillary Hauser wanted to know what the next steps were. Rob Almy outlined the process: 1) CH2MHill would prepare a scope of work and cost estimate for the implementation application; 2) once our regional project list is final, the discussion with the other regions in our funding area would be more informed; the goal is to have the other central coast interests agree to the funding scenario proposed by the Santa Barbara region. Thus, Hillary summarized, the CP would have another chance to refine the list after the meeting on the 11th. Kathy pointed out that CH2MHill would not be able to scope out an application cost without a completed project list. Rob did return to Steve Kahn's comment, however, by saying that we as a region did need to be nimble and that he would keep the group in the loop on the potential changes pursuant to the central coast call on the 11th. At this time, however, it did not appear that SLO county would be applying since their list of projects was old and they had not updated it or included a mechanism whereby they could update the list.

Matt Van der Linden made a motion to allocate the remaining \$181,000 to the City of Goleta's project. John Brady of CCWA seconded the motion and it carried, thus, the list of projects that resulted from the Cooperating Partners meeting was:

- 1) City of Santa Maria – Secondary Water Efficiency System project
- 2) City of Santa Maria – Radio Water Conservation Metering project – Leak Watch
- 3) Goleta Sanitary District - Wastewater Treatment Plan Upgrade

- 4) City of Goleta - San Jose Creek Capacity Improvement project
- 5) City of Lompoc - Lompoc Valley Regional Leak Detection program
- 6) CCWA - Pipeline Erosion Damage Repair project
- 7) City of Carpinteria - Via Real Stormwater Management project
- 8) City of Guadalupe – Recycled Water Feasibility Study

Rob Almy asked the group if and how they wanted to deal with an increase in funding it that happened. Steve Kahn suggested that no decision be made; the group should wait for Rob to have a conversation with the other regions. With that, the next steps were for CH2MHill to come up with a SOW for the application. Kathy informed the CP that in Prop 50, the application had cost \$310,000 and in comparison, this application was greater in complexity, especially in consideration of analysis associated with the cost/benefit analysis. Matt Naftaly indicated that a methodology for cost sharing needed to be agreed upon; they may pro-rate the cost based on grant amount request as was the case in Prop 50, but there were other ways of accomplishing that. Rob Almy indicated that the group would be deferring the question of additional funding and proposed the following: he moved that if there was < \$500,000 to decide upon, that the decision would be given to the SC, however if there was > \$500,000, the decision would be brought to the CP. Both Marti and Susan seconded the motion and it passed. Matt Naftaly asked for a clarification on the timeline and Kathy Caldwell said that CH2MHill would have SOWs for both the planning and implementation grant application for consideration in 2 weeks.

The meeting adjourned at 11:28 a.m.



Financing and Approval Schedule For 2nd Pipeline Project (As of May 24, 2010)

Date	Activity	Responsibility
March 22, 2010	COMB approved bond documents, MWD Contribution Agreement (substantially the same form), and Bond Indemnification Agreement, and authorizes sale of bonds contingent upon approval of qualified lowest bidder	COMB
April 21, 2010	Construction Bid Requests Issued	COMB
May 4, 2010	Redistribute GWD and Santa Barbara POS Appendices	SYCR
May 18, 2010	Receive Construction Bids	COMB
May 19, 2010	Comments due on GWD and Santa Barbara POS Appendices	All
May 25, 2010	Send POS to Rating Agencies for Update Send POS to Assured Guarantee for Insurance Quote	SYCR
May 25, 2010	Distribute Final Draft of POS including Appendices	SYCR
June 4, 2010	Receive Updated Confirmation on Ratings	FA
June 9, 2010	COMB Special Board Meeting to approve Expenditure (Project, Selection of Lowest Qualified Bidder, Approval of ID-1's Indemnification Agreement)	COMB
June 9, 2010	Carpinteria Board ratifies Expenditure	CVWD, COMB
June 9, 2010	Insurance Bid and Commitment Package Due	FA
June 15, 2010	Goleta Board ratifies Expenditure	GWD, COMB
June 15, 2010	Santa Barbara Council ratifies Expenditure Approves Contribution Agreement	SB, COMB
June 15, 2010	Montecito Board ratifies Expenditure Approves Contribution Agreement	MWD, COMB
June 15, 2010	Santa Ynez River WCD, ID No. 1 Board ratifies Expenditure SYRWCD approves final Project Indemnification Agreement	SYRWCD, ID#1, COMB
June 16, 2010	Sign off on POS	All
June 16, 2010	Print and Distribute Preliminary Official Statement	SYCR
June 22, 2010	Pre-Price Bonds	CITI, COMB, FA

June 23, 2010	Price Bonds and Sign Purchase Contract	CITI, COMB, FA
June 28, 2010	COMB approves MWD Final Contribution Agreement COMB approves SB City Contribution Agreement COMB approves SYRWCD ID#1 Project Indemnification Agreement	COMB
June 30, 2010	Print Final Official Statement	SYCR
July 6, 2010	Pre-close	All
July 7, 2010	Closing and Delivery of Funds	All
July 26, 2010	Award Construction Contract	COMB
July 27, 2010	Issue Notice to Proceed	COMB

Responsible Parties

Cachuma O&M Board	COMB	Bond Counsel	SYCR
Carpinteria Valley WD	CVWD	Financial Advisor	FA
Goleta Water District	GWD	Underwriter	CITI
Montecito Water District	MWD	Underwriter's Counsel	BALLARD
Santa Barbara	SB	Trustee	BNY

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: May 24, 2010
TO: Members of the Board of Directors
FROM: Kate Rees, General Manager
RE: **Construction Bids for 2nd Pipeline Project**

RECOMMENDATION:

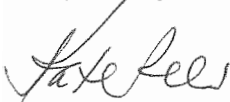
For information only.

DISCUSSION:

Construction bids for the 2nd Pipeline Project were received on May 18, 2010. Five contractors submitted bids on the project and they are listed below. The bids are being reviewed for completeness by staff and COMB's consulting engineer, AECOM. Selection of the lowest qualified bidder will be considered by the COMB Board at a Special Board meeting on June 9, 2010.

Blois	\$7,940,734
Woods	\$7,955,555
ARB	\$9,213,380
Kelley	\$8,661,420
Rasic	\$8,254,000

Respectfully submitted,



Kate Rees
General Manager

Project Status Report: South Coast Conduit Upper Reach Reliability Project (2nd Barrel)

Project	Engineering Design	CEQA/NEPA Environmental Compliance	Land Access/Easement Acquisition	Revegetation/Weed Abatement	Mitigation Plans	Bid Process	Construction Management Services	Award Contract for Construction
South Coast Conduit/Upper Reach Reliability Project (2nd Barrel)	Technical Specifications and Design completed 7/30/09.	Final Environmental Impact Statement/Environmental Impact Report completed February 2009.	1. Permit to Enter, Right of Way Agreement and Easement Deed completed for all impacted private landowners. 2. Permit easement acquisition of USBR and Goleta Water District property within the 2nd Barrel alignment currently in process to be completed 6/2010.	1. Revegetation plan in progress by SALC. 2. Weed abatement of 2nd barrel alignment completed 7/30/09 for 2009 growing season. 3. Weed Abatement for 2010 growing season began January 2010.	Weed Identification and Removal Manual completed March 2009. Draft Special Status Species Protection Plan complete April 2009.	1. COMB Bond funding approved at March 22nd board meeting- bid documents to be re-issued on 4/20/2010.	Construction Management Services awarded to AECOM/Boyle and approved by board 6/22/09.	1. Contractor bid scheduled to take place on 5/18/2010 pending COMB Bond funding approval. 2. Bids received 5/18/2010. 3. AECOM reviewing bids. 4. Special board meeting scheduled for 6/9/10 to approve lowest qualified bidder. 5. Award Contract 7/26/10.

*Red italic text indicates update

Permit Status: South Coast Conduit/Upper Reach Reliability Project (2nd Barrel)			
Agency	Permit	Status	Notes
U.S. Fish and Wildlife Service (USFWS)	Section 7 of the Endangered Species Act Consultation	1. Complete 9/1/09 Waiting for consultation note. 2. Received Consultation note at COMB on 11/4/09	Part of 404 - no separate application.
Regional Water Quality Control Board (RWQCB)	Section 401 of the CWA certification: General Permit for Storm Water Discharges Associated with Construction Activity (CWA Section 402) Note: Section 402 Notice of Intent will not be submitted until just before construction.	Issued 5/20/2009 (expires March 2011)	Water Quality Certification#34209WQ06 issued. Contractor - 401-SSWP 402 Dewatering discharge.
California Department of Fish and Game (CDFG)	Streambed Alteration Agreement	Issued 7/13/2009 Doesn't "expire". Must have a copy of the letter, application and all attachments available at the work site at all times.	Notification# 1600-2009-0064-R5 issued- CDFG action period expired 7/1/2009 and agreement was issued automatically as a result of expired action period. Standard Permit conditions.
Santa Barbara Air Pollution Control District	Authority for enforcing dust control measures	Not required.	Permits "not required" was determined during 8-6-09 conference call. Covered in EIR.
Santa Barbara County	Finding of consistency with the General Plan under California Government Code 65402	Not required.	Permits "not required" was determined during 8-6-09 conference call. Covered in EIR.
National Marine Fisheries Service (NMFS)	Section 7 of the Endangered Species Act Consultation	Pending - Target Date June 2010.	1. USACE has requested responses to NMFS questions on 20 July; responses sent July 30th. Part of 404 - no separate application. 2. Revegetation Plan is accepted. 3. Clarification for maintenance, revegetation and construction easement width at main stem of Glen Anne creek crossing sent by COMB to Darren Brumback at NOAA on 10/8/09 and 10/19/09. 4. Steelhead Survey completed on 3/29/10 resulting in no sign of steelhead- report sent to USACE on 3/31/10. USACE will submit survey to NMFS to issue a letter of no-effect with informal consultation.
U.S. Army Corps of Engineers (USACE) Section 404 Permit	Section 404 of the Clean Water Act (CWA) permit	Pending - Target Date July 2010.	Waiting on Sections 106 and 7 consultation completion with NMFS. Application dated 2-2009. Nationwide Permits 12 & 33.
U.S. Bureau of Reclamation	MP620 permit for additions and alternations, approval for land use	Pending	USBR reviewing MP620 application.
State Historic Preservation Office	Section 106 of the National Historic Preservation Act review	Pending	1. Draft CA-SBA-1775 Testing Report completed by Applied Earthworks June 2009. Report concludes that site is not eligible for the National Register, and pipeline may be constructed through it. 2. USBR review of Draft CA-SBA-1775 complete, with changes requested from Applied Earthworks. AE to complete 10/2009. 3. AE completed requested edits and forwarded back to USBR- USBR to accept changes, approve and send to SHPO. 4. Conference Call on 1-14-2010 resulted in USBR giving urgency to finish processing CA-SBA-1755 report. 5. Site visit scheduled 4-6-10 by local Chumash Tribal members-Testing Report CA-SBA-1775 can then be finalized and sent to SHPO after comments are received and evaluated. Section 106 permit can then be issued. 6. Site visit took place, members of tribe in process of submitting comments to USBR for evaluation. 7. <i>Comments from the Barbareno and Santa Ynez Chumash Indians received the week of 5/17/10. USBR reviewing.</i>

ITEM # 604
PAGE 1

CACHUMA OPERATION AND MAINTENACE BOARD

MEMORANDUM

DATE: May 24, 2010

TO: COMB Board of Directors
CCRB Board of Directors
Santa Ynez River Water Conservation District, ID No. 1

FROM: Kate Rees, General Manager

RE: **Cachuma Project Renewal Fund/Trust Fund Committee Annual Meeting**

RECOMMENDATION:

None at this time. For information only.

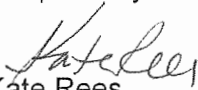
DISCUSSION:

The annual meeting of the Cachuma Renewal Fund/Trust Fund Committee was held on May 13, 2010. The Fund Committee consists of Kate Rees, representing the Cachuma Member Units, and Matt Naftaly, representing the County Water Agency. No Advisory Committee members were present. Tim Robinson - CCRB Senior Resources Scientist, chaired the meeting.

The Trust Fund/Renewal Fund Committee authorized the funds to again be used for the Lower Santa Ynez River Fisheries Program. FY 2010-2011 funds are expected to total \$272,700, \$166,288 from the Cachuma Project Renewal Fund and \$109,091 from the Warren Act Trust Fund. All interest accrued in the COMB and CCRB accounts are added to the amount available for expenditures. Authorized programs approved for next year were the Fisheries Monitoring Program (\$222,700), Hilton Creek Channel Enhancement Study (\$5,000), and the Oak Tree Restoration Program (\$45,000), being carried out as mitigation for surcharging Lake Cachuma. Mr. Naftaly concurred that these were appropriate uses of the funds.

The CCRB FY 2010-11 Budget reflects the Trust/Renewal Fund revenue to offset expenses for these approved activities. The full amount of the Renewal Fund will be applied to the first six month budget. The Trust Fund revenue is equally split between the two six-month budgets because Trust Fund payments from CCWA are made quarterly.

Respectfully submitted,


Kate Rees
General Manager

Attachments

Meeting of the

**CACHUMA PROJECT
RENEWAL FUND AND TRUST FUND
COMMITTEE AND ADVISORY COMMITTEE**

To be held on Thursday, May 13, 2010 at 2:00 p.m.
Cachuma Operation and Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, California

AGENDA

- A. Call To Order
- B. Changes to the Agenda
- C. Public Comment (*See "Notice to the Public" below*)
- D. Explanation of Purpose and Procedures for Committee Activities
- E. Review of Expenditures for 2010 Annual Plan
 - 1. Amount Spent To Date
 - 2. Projected Amount of Carry Over and Accumulation of Funds
- F. Evaluation of Total Money Available for 2011 Annual Plan
- G. Discussion and Working Session for Plan Development
 - 1. 2011 Annual Work Plan
 - 2. Updated Five-Year Plan
- I. Adjournment

**Note: A Public Meeting for Use of the County Water Agency's \$100,000 Cachuma Betterment Fund Allocation will Immediately Follow the Renewal/Trust Fund Meeting.*

NOTICE TO THE PUBLIC

Public Comment: The public is welcome to attend and observe the meeting. A public comment period will be included at the end of the meeting where any member of the public may address the Committee on any subject within the Committee's jurisdiction. The total time for this item will be limited by the Chair.

Americans with Disabilities Act: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Cachuma Operation & Maintenance Board (COMB) at 569-1391 at least 48 hours prior to the meeting to enable staff to make reasonable arrangements.

[This agenda was Posted at County of Santa Barbara offices, 123 East Anapamu Street, Santa Barbara, CA, COMB, 3301 Laurel Canyon Road, Santa Barbara, CA and Noticed and Delivered in Accordance with Section 54954.1 and .2 of the Government Code.]

YEAR 2011 ANNUAL PLAN AND FIVE YEAR PLAN CACHUMA PROJECT CONTRACT RENEWAL FUND AND CACHUMA PROJECT TRUST FUND

The Cachuma Project Trust Fund (Trust Fund) and Cachuma Project Master Contract Renewal Fund (Renewal Fund) are two separate funds that have been established through contracts with the U.S. Bureau of Reclamation (Reclamation) (Table 1). These two funds have similar but not identical purposes, which will be explained below.

The **Trust Fund** is a requirement of the Warren Act contract that the Central Coast Water Authority (CCWA) negotiated with Reclamation for the use of the Cachuma Project for transport of State Water Project (SWP) water through Cachuma Project facilities. A memorandum of understanding (MOU) executed with the Warren Act contract established a charge of \$43 per acre foot (AF) (\$58 initially with a \$15 service charge by Reclamation), which is not indexed. Payments are required upon delivery of SWP water to Cachuma Reservoir. CCWA makes quarterly payments based on the prior quarter's deliveries. The South Coast CCWA participants (the Cachuma Project member agencies except the Santa Ynez River Water Conservation District, Improvement District Number 1 (ID No. 1), plus La Cumbre Mutual Water Company, Morehart Land Company, and Santa Barbara Research Center), have a total entitlement of 15,750 AFY. These participants, except Morehart Land Company and Santa Barbara Research Center, have an obligation to exchange their SWP water for ID No. 1's Cachuma Project water on an annual basis. ID No. 1's current Cachuma entitlement is 2,651 AFY. ID No. 1 currently delivers approximately 50 AFY to Cachuma Lake County Park, which reduces the amount available for exchange to approximately 2,600 AFY. This makes the maximum annual amount under current Cachuma yield conditions that will be assessed for the Cachuma Project Trust Fund approximately 13,150 AF. SWP water was initially delivered into Cachuma Reservoir (excepting minor testing deliveries) in November 1997. From 1997 through 2009 calendar years, a total of 39,074 AF have been delivered (Table 2). Because the 1990's experienced an extended wet period, SWP water deliveries were modest. 2000 through 2004 saw an increase in SWP water deliveries due to dry weather conditions. SWP orders will, therefore, fluctuate according to varying rainfall patterns. In general, it is likely that full SWP water entitlements will not be ordered unless drought conditions exist.

The MOU creating the Trust Fund established a two person Fund Committee with one representative from Reclamation and one representative from the Cachuma Project member agencies. It also established an Advisory Committee including representatives from Santa Barbara County, California Department of Fish and Game, U.S. Fish and Wildlife Service, and three public members.

The **Renewal Fund** is a requirement of the renewal Master Contract for water service from the Cachuma Project to the five Cachuma Project member agencies, which are the City of Santa Barbara, the Goleta Water District, the Montecito Water District, the Carpinteria Valley Water District, and the ID No. 1. The Master Contract requires the payment of \$10 per acre foot of water made available by

the Cachuma Project. This charge escalates according to the Consumer Price Index with a May 1995 price level base. The Renewal Fund itself is capped at \$257,100, which is related to the current annual operational yield of 25,714 AF, at which yield the indexing is moot. However, at lower yields the indexing may have an effect. The Cachuma Project member agencies are obligated to order (and pay for) all of the operational yield in every water year, which is defined as October 1 through September 30 of the following water year.

Payments into the Renewal Fund are made prior to the beginning of each water year (October through September) and are reduced by the prior full calendar year (cy) payments to the Trust Fund. For example in water year 2009, the prior calendar year is 2007, because that is the nearest prior full calendar year to water year 2009. Payments to the Renewal Fund are reduced *pro rata* based on the formula: $1 - \frac{\text{prior calendar year Trust Fund payment}}{\$300,000}$ (RF = $[1 - \text{prior cy TF payment}/\$300,000] \times \$257,100$). For example, if the prior calendar year Trust Fund payment was \$225,000, the ratio is 0.75; $1 - 0.75$ is 0.25; 0.25 times \$257,100 is \$64,275, which would be the Renewal Fund payment requirement for that water year. The combined total available funds would be the sum of those two amounts, or \$289,275. When the Trust Fund amount in the calendar year prior to a Cachuma Project water year is greater than \$300,000, the ratio would be greater than 1; $1 -$ that amount is less than zero, so there would be no Renewal Fund payment required. This was the situation for water year 2006, which was the first year that this occurred.

The Cachuma Project Renewal Master Contract is mostly silent on the process for managing the Renewal Fund, other than stating that the Fund Committee must agree on its use. The Fund Committee is comprised of one representative from Reclamation and one representative from the Cachuma Project member agencies. The Cachuma Project Renewal Master Contract specified that five years after adoption of the first Annual Plan, a County representative would take the place of Reclamation on the Fund Committee, and Reclamation would participate on the Advisory Committee. This change in representation began in water year 2003.

The Trust Fund and Renewal Fund require annual and five-year plans. Reclamation and the Cachuma Project member agencies agreed to use the committee process for both funds and to have common annual and five-year plans. The member agencies appoint their committee representative through the Cachuma Operation and Maintenance Board (COMB) or the Cachuma Conservation Release Board (CCRB). COMB manages both the Trust Fund and the Renewal Fund accounts. The Santa Barbara County representative is appointed from the Water Agency by the County Board of Supervisors.

It should also be noted that the Water Agency collects \$100,000 per year (Cachuma Betterment Fund) that must be used for Cachuma Project-related activities as specified in the contracts between the Water Agency and the Cachuma Project member agencies. The Cachuma Project member agencies and the Water Agency must mutually agree on the use of these funds. The member agencies and the Water Agency have agreed that use of these funds should be coordinated with the Renewal Fund and Trust Fund process.

Purposes of the Funds

Article 27(a) of the Cachuma Project Renewal Master Contract describes the Renewal Fund. The purposes of the Renewal Fund include:

- a. Mitigation activities for the preferred alternative in the Master Contract Renewal EIS/EIR. No mitigation activities were identified, so this section does not apply.
- b. Activities which may be required of the Contracting Officer by State Water Resources Control Board orders affecting the Project Water Rights.
- c. Studies described in subarticle 7 (b). These studies are the same as identified for Section b above.
- d. Studies relating to modifications in the Cachuma Project operations pursuant to subarticle 9 (g).
- e. Restoration of riparian or other habitat of the Santa Ynez River.
- f. Activities pursuant to subarticle 27 (i).

The MOU for the Cachuma Project Trust Fund established the following purposes for the fund:

- a. Environmental Restoration.
- b. Wastewater Reclamation.
- c. Water Conservation.
- d. Innovative Water Management Techniques.
- e. Cachuma Project Betterment.

Summarizing the purposes of the two funds, money is available for three general categories:

1. Environmental studies and projects related to the Santa Ynez River. (This includes water rights-related studies).
2. Water conservation and wastewater reclamation by Cachuma Project members.
3. Cachuma Project betterment.

Objectives of the Funds

There has been general consensus reflected in each of the Annual and Five-Year Plans to date, that the combined funds should be used for environmental studies or projects related to the Cachuma Project water rights hearings before the State Water Resources Control Board (SWRCB) and the Lower Santa Ynez River Fisheries Program. These studies, which investigate various environmental issues related to the Santa Ynez River, have been required by the SWRCB or are believed by the parties to be helpful in resolving issues for the SWRCB. The annual cost of the SWRCB and fisheries activities has always been in excess of the funding available through the two funds. The Biological Opinion for Cachuma Project Operations (BO), issued by the National Marine Fisheries Service (NMFS) in September 2000, has identified a number of fish enhancement projects, and the SWRCB hearings (concluded in late

2003 and a water rights decision expected in 2010??) will likely identify other studies for which the funds may be used. The Committee may also agree to a broader use of the funds, including the other purposes identified in the Cachuma Project Renewal Master Contract, the 2001 Fish MOU to Support Implementation of the Cachuma Project Biological Opinion (2000) and the Lower Santa Ynez River Fish Management Plan (FMP) (2000), or Adaptive Management Committee studies and reports.

Revenue Estimates

Table 2, *Trust Fund and Renewal Fund Revenues Based on Requested State Water Deliveries and Constant Cachuma Project Deliveries*, shows the revenue estimates for the funds through the water year 2015. Fund amounts through water year 2009 are based on actual prior calendar year SWP water deliveries; subsequent years' revenues are based on estimated SWP water deliveries. It is important to remember that SWP water orders can be changed on a monthly basis, so the actual amount delivered in any year may be quite different from what was ordered in advance. Calendar year 1998 is a good example of how orders can change. 3,888 AF of state water was ordered. However, there were no actual deliveries made into the lake because Lake Cachuma was spilling into July. Deliveries were not possible after that time because fish releases were being made through the dam outlet works. Typically, advance orders will be greater than actual deliveries. The SWP water orders are first subject to an exchange with ID No. 1 for approximately 2,600 AFY (ID No. 1 has a current Cachuma Project entitlement of 2,651 AF, and approximately 50AF of that goes to Cachuma Lake County Park). The SWP water delivery amounts shown in Table 1 are after the subtraction of the ID No. 1 exchange. The Cachuma Project member agencies take and must pay for the entire supply available from the Cachuma Project each year, which is currently 25,714 AFY.

The Renewal Fund contributions are \$163,609 for water year 2011 because the calendar year payments (2009) to the Trust Fund were \$109,091 (based on 3,694 AF delivered). The total Renewal/Trust Fund amount for this year is \$272,700. We expect these funds to be fully used in this water year, and do not anticipate any carryover of funds into water year 2012.

**Table 1: CACHUMA PROJECT TRUST FUND and RENEWAL FUND
CALCULATION OF CONTRIBUTION AND ASSESSMENTS WATER YEAR 2010-2011**

TRUST FUND (T) (Warren Act) - State Water

GIVEN: Q = Acre-Feet of State Water Project Deliveries to Cachuma Reservoir in 2009

Q = 2,537 Acre-Feet used in 2009

T = Warren Act Trust Fund Contribution = Q x \$43 per Acre-Foot

THEN: T = 2,537 x \$43

T = \$109,091

TRUST FUND REVENUE FOR CALENDAR YEAR 2008

CCWA PARTICIPANTS	USED (af)	AMOUNT DUE (\$)
GOLETA WATER DISTRICT	705	\$30,315
CITY OF SANTA BARBARA	0	\$0
CARPINTERIA VALLEY WD	0	\$0
MONTECITO WATER DISTRICT	763	\$32,809
LA CUMBRE MUTUAL WATER COMPANY	1,047	\$45,021
MOREHART LAND COMPANY	0	\$0
SB RESEARCH CENTER (RAYTHEON)	22	\$946
TOTAL	2,537	\$109,091

RENEWAL FUND (R) - Cachuma Water

GIVEN: W = Annual Operations Yield of 25,714 af x \$10 = \$257,140

Renewal Fund cap: \$257,100

R = Renewal Fund Contribution = [1 - (T/\$300,000)] x W

THEN: R = [1 - (\$109,091/\$300,000)] x \$257,140

R = \$163,609

**RENEWAL FUND ALLOCATION FOR WATER YEAR 2010 - 2011
(PAYMENT DUE OCTOBER 1, 2009)**

MEMBER UNIT	COST SHARE* (%)	AMOUNT DUE (\$)
GOLETA WATER DISTRICT	36.25	\$59,308
CITY OF SANTA BARBARA	32.19	\$52,666
CARPINTERIA VALLEY WD	10.94	\$17,899
MONTECITO WATER DISTRICT	10.31	\$16,868
SANTA YNEZ RWCD ID#1	10.31	\$16,868
TOTAL	100.00	\$163,609

* based on Cachuma Entitlement

TOTAL FUNDS AVAILABLE FOR WATER YEAR 2010-2011:

\$272,700

ITEM # 9a
PAGE 7

Table 2. Trust Fund and Renewal Fund Revenues Based on Requested State Water Deliveries and Constant Cachuma Project Deliveries. The funds were initiated in 1997.

Trust Fund			Renewal Fund			Total Available	Expected Expenditures
Calendar Year	SWP Deliveries (AF)	Funds	Water Year	Cachuma Deliveries (AF)	Funds	Water Year	Funds
1995	-	\$0	1997	25,714	\$257,100	1997	\$257,100
1996	-	\$0	1998	25,714	\$257,100	1998	\$257,100
1997	1,502	\$64,586	1999	25,714	\$201,750	1999	\$266,336
1998	0	\$0	2000	25,714	\$257,100	2000	\$257,100
1999	505	\$21,715	2001	25,714	\$238,490	2001	\$260,205
2000	2,334	\$100,362	2002	25,714	\$171,090	2002	\$271,452
2001	809	\$34,787	2003	25,714	\$227,288	2003	\$262,075
2002	6,708	\$288,444	2004	25,714	\$9,903	2004	\$298,347
2003	4,568	\$196,424	2005	25,714	\$88,765	2005	\$285,189
2004	8,836	\$379,948	2006	25,714	\$0	2006	\$379,948
2005	506	\$21,758	2007	25,714	\$238,453	2007	\$260,211
2006	759	\$32,637	2008	25,714	\$229,130	2008	\$261,767
2007	6,316	\$271,588	2009	25,714	\$24,349	2009	\$295,937
2008	3,694	\$158,842	2010	25,714	\$120,972	2010	\$279,814
2009	2,537	\$109,091	2011	25,714	\$163,609	2011	\$272,700
2010	6,977	\$300,000	2012	25,714	\$0	2012	\$300,000
2011	6,977	\$300,000	2013	25,714	\$0	2013	\$300,000
2012	6,977	\$300,000	2014	25,714	\$0	2014	\$300,000
2013	6,977	\$300,000	2015	25,714	\$0	2015	\$300,000
2014	6,977	\$300,000	2015	25,714	\$0	2016	\$300,000
2015	6,977	\$300,000	2015	25,714	\$0	2017	\$300,000
39,074 1997-2009 total SWP Delivered							

Notes:

- Calendar years 1998 through 2009 show actual State Water deliveries to Cachuma Reservoir; following years are requested deliveries.
- State Water deliveries are based on calendar year.
- Cachuma Project deliveries are based on water year (October 1 through September 30).
- Trust Fund charge is \$43 per AF;
- Renewal fund charge is \$10 per AF (in 1995 dollars).
- Renewal Fund is reduced by prior full calendar year Trust Fund revenue, for example, 2002 Renewal Fund amount is reduced by 2000 Trust Fund revenue.
- Total Available is current year Renewal Fund plus full prior year Cachuma Project Trust Fund (for example, 2002 Trust Fund plus 2004 Renewal Fund).
- Total Available will be increased by any accrued interest in the fund accounts.

(Please see Financial Statement attached.)

Milestones

Below are important milestones of the Lower Santa Ynez River Fisheries Program that have been accomplished since Water Year 2000.

Water Year 2000 (October 1999 – September 2000)

- December 1999 - Completion of Hilton Creek Water Supply System** and Fish Management Plan Inaugural Ceremony
- September 2000- Steelhead Biological Opinion for Cachuma Project Operations Issued by National Marine Fisheries Service
- October 2000 - Final Lower Santa Ynez River Fish Management Plan

Water Year 2001 (October 2000 – September 2001)

- November 2000 - SWRCB Hearings on Cachuma Project Water Rights Permits (Phase 1).

Water Year 2002 (October 2001 – September 2002)

- January 2002 - Completion of Salsipuedes Creek/Highway 1 Fish Passage Enhancement*
- June 2002 - Administrative Draft EIR/EIS for Fish Management Plan and Biological Opinion

Water Year 2003 (October 2002 – September 2003)

- December 2002 - Cachuma Project Settlement Agreement between CCRB, ID#1, SYRWCD & City of Lompoc
- April 2003 - Installation of Variable Depth Intake for Hilton Creek Watering System**
- May 2003 - Pre-Hearing Conference for SWRCB Hearings on Cachuma Project Water Rights Permits
- June 2003 - Draft EIR/EIS for Fish Management Plan and Biological Opinion
- August 2003 - Draft State Water Resources Control Board EIR on Cachuma Operations

Water Year 2004 (October 2003 – September 2004)

- Oct-Nov 2003 - SWRCB Hearings on Cachuma Project Water Rights Permits (Phase 2)
- January 2004 - Cachuma Park Boat Launch Ramp Raised to Accommodate 1.8 ft Surcharge
- January 2004 - Completion of Salsipuedes Creek/Jalama Road Fish Passage Enhancement*
- February 2004 - Completion of El Jaro Creek Streambank Stabilization Projects*
- February 2004 - MOU Regarding Surcharge of Lake Cachuma and Protection of Cachuma Park Facilities
- March 2004 - Completion of Final EIR/EIS for Fish Management Plan and Biological Opinion
- March 2004 - Reclamation ROD for Final EIS for Fish Management Plan and Biological Opinion
- April 2004 - Installation of Bradbury Dam Gate Extensions for Cachuma Reservoir Surcharge Project
- May 2004 - Revised Cachuma Project Fish Passage Supplementation Program (Bio Op Term & Condition)
- June 2004 - WR 89-18 Releases Monitoring Plan (Bio Op Term & Condition)
- August 2004 - Upper Basin Analysis - initiated

Water Year 2005 (October 2004 – September 2005)

- November 2004 - COMB Certification of Final EIR for Fish Management Plan and Biological Opinion
- November 2004 - Modeling Protocol for Target Flow Monitoring Approved and Implemented
- December 2004 - Crawford-Hall Filed CEQA Lawsuit Against COMB for Final FMP/BO EIR
- December 2004 - Flow Capacity Modifications for Hilton Creek Watering System and Installation of Pump**
- January 2005 - Lake Cachuma Spilled
- March 2005 - Amended MOU Regarding Surcharge of Lake Cachuma and Protection of Park Facilities
- April 2005 - Installation of Pumping System for Hilton Creek Watering System**
- April 2005 - Surcharge Lake Cachuma by 2.5 feet (~7700 acre feet) for Steelhead Fishery Downstream
- July 2005 - Summer 2005 (First) Santa Ynez River Fish Management Plan Newsletter

- June 2005 - Completion of Year 1 Oak Tree Restoration Program
- September 2005- Senior Resources Scientist Hired for Fisheries Program

Water Year 2006 (October 2005 – September 2006)

- October 2005 - Approval Letter from NMFS for Revised Cachuma Project Fish Passage Supplementation Program
- November 2005 - Crawford-Hall Filed NEPA Lawsuit Against United States for Final FMP/BO EIS
- November 2005 - Fall 2005 Santa Ynez River Fish Management Plan Newsletter
- December 2005 - Construction of Hilton Creek Cascade/Chute Fish Passage Enhancement (Reclamation Project)
- January 2006 - Completion of Year 2 Oak Tree Restoration Program – First year planting 375 oak trees
- February 2006 - Conducted passage supplementation during two storms
- February 2006 - Distribution of Fish Projects Brochure
- Feb-April 2006 - Supplemental Passage Flow Releases (from 2005 surcharge)
- April 2006 - Lake Cachuma Spilled
- April 2006 - Interim Agreement with County to Surcharge Lake Cachuma up to 3.0 feet
- June 2006 - Preliminary Redesign of Quiota Creek Fish Passage Project*
- July 2006 - Summer 2006 Santa Ynez River Fish Management Plan Newsletter
- May 2006 - Preliminary Design of El Jaro San Julian Fish Passage
- Sept 2006 - Preliminary Design of El Jaro Cross Creek Fish Passage*

Water Year 2007 (October 2006 – September 2007)

- October 2006 - Development of GIS for Santa Ynez River Fisheries Program
- January 2007 - Winter 2007 Santa Ynez River Fish Management Plan Newsletter
- January 2007 - Completion of Year 3 Oak Tree Restoration Program – Second year planting 375 oak trees
- February 2007 - Winter 2007 Santa Ynez River Fish Management Plan Newsletter
- March/April 2007- Crawford-Hall Petition to Add Caltrans to CEQA Lawsuit Against COMB for Final FMP/BO EIR and Hearing on Petition (unsuccessful – petition denied)
- May 2007 - Completion of Quiota Creek Watershed Draft Report
- December 2007 - Final Design of El Jaro San Julian Fish Passage
- July 2007 - State Water Resources Control Board Revised Draft EIR on Cachuma Operation
- September 2007- Preliminary Design of El Jaro Cross Creek Fish Passage
- September 2007- Completion of Various AMC Reports to meet Biological Opinion Terms & Conditions

Water Year 2008 (October 2007 – September 2008)

- December 2007 - Submitted to NMFS the 2006 Fish Passage Supplementation Report
- January 2008 - Completion of Year 4 Oak Tree Restoration Program – Third year planting 375 oak trees
- March 2008 - Draft Ramp-Down after Spill Protocol
- April 2008 - Agreement with County to Surcharge Lake Cachuma up to 3.0 feet
- June 2008 - Summer 2008 Lower Santa Ynez River Fish Management Plan Newsletter
- July 2008 - Construction of El Jaro San Julian Fish Passage Project*
- August 2008 - NMFS Draft Recovery Plan Outline for Southern Steelhead
- August 2008 - Completion of the Santa Ynez River Genetics Analysis (NOAA Research Lab at UCSC)
- September 2008- Draft Resource Management Plan EIS for Cachuma Recreation Area

Water Year 2009 (October 2008 – September 2009)

- October 2008 - Construction of the Quiota Creek Fish Passage Bottomless Arched-Culver at Crossing 6*
- December 2008 - Completion of Draft 1993-2004 Santa Ynez River Fisheries Synthesis Report
- January 2009 - Completion of Year 5 Oak Tree Restoration Program
- February 2009 - Completion of Management Report for Santa Ynez River Genetics Analysis

- March 2009 - Completion of El Jaro San Julian Fish Passage Project*
- March 2009 - Completion of the Quiota Creek Fish Passage Bottomless Arched-Culver at Crossing 6*
- August 2009 - Construction of Creek Ranch Fish Passage Enhancement Project on El Jaro Creek Cross
- August 2009 - Negotiations of Conservation Easements on Salsipuedes and El Jaro Creeks
- September 2009- Completion of Various AMC Reports to meet Biological Opinion Terms & Conditions

Water Year 2010 (October 2009 – September 2010) (dates after April 2010 are projected)

- November 2010- Completion of Cross Creek Ranch Fish Passage Enhancement Project on El Jaro Creek
- January 2010 - Completion of Year 6 Oak Tree Restoration Program
- February 2010 - Conducted passage supplementation during two storms
- April 2010 - Completion of the Surcharge Operations Protocol
- May 2010 - Completion of the 1.5 cfs Target Flow Operations Guidelines at Alisal Bridge
- June 2010 - Submitted to NMFS the BO Compliance Reports
- June 2010 - Submitted to NMFS the 2010 Fish Passage Supplementation Report
- July 2010 - Summer 2010 Lower Santa Ynez River Fish Management Plan Newsletter
- July 2010 - Reclamation began reconsultation with NMFS regarding the Cachuma Project Biological Opinion
- August 2010 - Construction of a Fish Passage Project at Crossing 7 on Quiota Creek
- August 2010 - Feasibility Analysis & Design Development of Hilton Creek Enhancement Study
- September 2010- Completion of Various AMC Reports to meet Biological Opinion Terms & Conditions

* Full or partial grants were/are in place for these projects.

** Funded from Federal Safety of Dams Program for Bradbury Dam Seismic Retrofit.

**ANNUAL PLAN
WATER YEAR 2011**

Below are listed the activities to be funded by the 2011 Annual Plan which covers activities from October 2010 through September 2011. The Lower Santa Ynez River Fish Management Plan and the Cachuma Project Biological Opinion gives good guidance on likely projects for the Trust and Renewal Funds. Even though some of the fish enhancement projects will be grant funded, the sum of these activities is still greater than the funding available from the Trust and Renewal Funds. A prudent approach used to date has been to fund the listed fishery-related activities, in coordination with the Santa Barbara County Water Agency, and consider funding other SWRCB related studies or projects as the funding need arises. We will also look to use the Trust and Renewal Funds to provide matching funds for other sources of money to fund the fish enhancement projects. Table 3 presents a detailed Annual Plan for 2010, followed by a Five-Year Plan from 2011 through 2015.

Table 3: The Annual Plan for Water Year 2011.

2011 Revenues:	
Trust Fund (calendar year 2009)	\$109,091
Renewal Fund (water year 2011)	\$163,609
Total Funds Available	\$272,700

2011 Expenditures for the Cachuma Project BO & FMP:	
Fisheries Program - Project Biologists & Senior Resources Scientist	\$222,700
Hilton Creek Channel Enhancement Study (50%)	\$5,000
Oak Tree Restoration Program (30%)	\$45,000
Total Expenditures	\$272,700

**Five-Year Plan
2011 THROUGH 2015**

The Cachuma Project Renewal Master Contract requires the preparation of annual and five-year plans. As noted above, there appears to be consensus that the funds be used for studies and projects that may be required by the SWRCB, or identified in the Lower Santa Ynez River FMP and BO through the 2001 Fisheries MOU. There is also consensus that use of the funds be coordinated with the County Water Agency's \$100,000 Cachuma Project Betterment Fund. A Final SWRCB decision on Cachuma Project operations should give direction for use of the funds beyond 2009. Below is the Five-Year Plan for the funds. The estimated funds available through 2014 are those identified in Table 2.

Year 1: 2011 (October 2010 - September 2011)

Funds Available	\$272,700	
Carryover from 2009	<u>0</u>	
Fisheries Program Expenditures	\$222,700	see 2011 Annual Plan above
Hilton Creek Channel Enhancement Study	\$ 5,000	see 2011 Annual Plan above
Oak Tree Restoration Program	<u>\$ 45,000</u>	see 2011 Annual Plan above
	\$272,700	

Year 2: 2012 (October 2011 - September 2012)

Estimated Funds Available	\$300,000
Possible Expenditures:	
Quiota Creek Fish Passage Project	\$150,000
Oak Tree Restoration Program	\$ 50,000
Fisheries Monitoring Program	\$100,000

Year 3: 2013 (October 2012 - September 2013)

Estimated Funds Available	\$300,000
Possible Expenditures:	
Bradbury Dam Fish Passage Feasibility Study	\$100,000
Quiota Creek Fish Passage Project	\$125,000
Fisheries Monitoring Program	\$ 75,000

Year 4: 2014 (October 2013 - September 2014)

Estimated Funds Available	\$300,000
Possible Expenditures:	
Hilton Creek Channel Enhancement Construction	\$125,000
Quiota Creek Fish Passage Project	\$125,000
Fisheries Monitoring Program	\$100,000

Year 5: 2015 (October 2014 - September 2015)

Estimated Funds Available **\$300,000**

Possible Expenditures:

Santa Ynez River Watershed Analysis	\$ 50,000
Fisheries Monitoring Program	\$150,000
Quiota Creek Fish Passage Project	\$100,000

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: May 24, 2010
TO: BOARD OF DIRECTORS
FROM: Kate Rees, General Manager
RE: **Recommended Use of County Water Agency's Cachuma Project \$100,000 Betterment Fund for Fiscal Year 2010-2011**

RECOMMENDATION:

Approve the expenditure of the County Water Agency's Cachuma Project \$100,000 Betterment Fund for Fiscal Year 2010-2011 to support the following activities:

Stream Gage Monitoring for Fisheries Program for Fiscal Year 2010-2011 U.S. Geological Survey	\$ 73,000
Final Surcharge Operations Report prepared by Stetson Engineers	<u>\$ 27,000</u>
Total:	\$100,000

DISCUSSION:

Article 8 (b) of the Cachuma Project Member Unit Contracts with Santa Barbara County Water Agency requires the County Water Agency to provide \$100,000 per year for beneficial purposes consistent with the Water Agency Act and within the Santa Ynez River watershed or the Cachuma Project service area. All decisions relating to the expenditure of such funds must be agreed to by both the County Water Agency and COMB, acting by unanimous vote.

Since the Cachuma Project Master Contract was renewed in 1995, along with the Member Units contracts, the County Water Agency's \$100,000 Cachuma Betterment contribution has been used in total each year for expenditures within the lower Santa Ynez River watershed to support the fisheries activities specified in the Fisheries MOU, the Lower Santa Ynez Fish Management Plan, or the Cachuma Project Biological Opinion. For FY 2010-11, Mr. Naftaly, the County Water Agency Manager, and Ms. Rees concurred that these were appropriate uses of the fund, and agreed to recommend funding the expenditures listed above. However, because there was a difference of opinion regarding how the Betterment Fund could be used for this year, a broader discussion will take place with County executive staff to determine future authorized uses of the annual \$100,000 contribution.

The County Water Agency conducted a public workshop on its annual \$100,000 Cachuma Betterment Fund contribution on May 13, 2010 following the Trust Fund/Renewal Fund meeting. This recommendation will be presented to the Water Agency Board of Directors (Board of Supervisors) as part of the County Water Agency's FY 2010-11 Budget during the

ITEM # 76
PAGE 1

County budget sessions.

Staff has sent a letter to Mr. Naftaly recommending concurrent approval by the County Water Agency Board of Directors for the recommended uses of the fund. At the public workshop, Mr. Naftaly and agreed to include this funding in his FY 2010-11 budget. The 2010-11 CCRB Budget reflects expenditures and revenues for these approved activities.

Respectfully submitted,



Kate Rees
General Manager

KR.COMB/admin/Boardmemo/052410_100K COMB memo

ITEM # 7b
PAGE 2

COMB FINANCE COMMITTEE

MEMORANDUM

DATE: April 30, 2010
TO: Board of Directors
FROM: Kate Rees, General Manager
RE: **OPEB LIABILITY AND PRE-FUNDING OPTIONS**

RECOMMENDATION:

- 1) Record OPEB Liability effective June 30, 2010 according to GASB 45 standards

DISCUSSION:

GASB accounting principles provide that the cost of retiree benefits should be "accrued" over employees' working lifetime. For this reason, in 2004, the Governmental Accounting Standards Board (GASB) issued Accounting Standards 43 and 45 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees.

Statement No. 45 (GASB 45), titled Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions, establishes standards for the measurement, recognition, and display of OPEB expense/expenditures, and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of State and local governmental employers.

A phased-in approach was utilized for the requirements to initially record the liability which is based on an agency's revenue level. COMB's obligation to record the liability connected with our Other Post Employment Benefits is due FY ending June 2010. Prior to recording the liability, an actuarial is required in order to calculate the appropriate liability. The actuarial study was completed by Geoffrey L. Kischuk, Total Compensation Systems, Inc. in December 2009 as suggested by our auditors, Bartlett Pringle Wolf. I have attached a copy for your information.

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need to budget for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used here is called an "actuarial cost method."

The following estimates were calculated for active employees and retirees:

- 1) The Total Liability created (Actual Present Value of Total Projected Benefits or APVTPB) - \$1,679,957
- 2) The ten year "pay-as-you-go" cost to provide current retirees health benefits - \$24,937 for 2010
- 3) The Actuarial Accrued Liability (AAL) – The AAL is the portion of the APVTPB attributable to employee's service prior to the valuation date - \$1,164,773
- 4) The amount necessary to amortize the Unfunded Actuarial Accrued Liability (UAAL) over a period of 30 years (assuming a 5% discount rate) - \$51,591
- 5) The annual contribution required to fund retiree benefits over the working lifetime of eligible employees (the "normal cost") - \$69,459
- 6) The Annual Required Contribution (ARC) which is the basis of calculating the annual OPEB cost and net OPEB obligation under GASB 45 - \$121,050

Essentially, COMB is obligated to record the OPEB liability on our financial statements prior to the end of Fiscal Year June 2010. However, it is optional for COMB to actually pre-fund the liability.

There are many dimensions to consider on whether to fund or not to fund the liability. If the decision is to fund, the options include funding in a qualified trust account, or funding without using a trust account.

Examples of funding not using a trust account would be making contributions directly to an internal reserve fund or a bank account. The advantage for this type of investment account is that these funds would not be considered qualified plan assets and could be used for other purposes. The disadvantage is that these funds could be subject to agency creditors and typically do not offer a high return on investment.

If funding to a qualified trust account, the contributions are considered plan assets and the investment income is non-taxable. There are several advantages to funding to a qualified trust account. GASB will only recognize an employer contribution if it is irrevocably transferred to a qualifying trust or equivalent, and is solely used to provide OPEB benefits. In this way, these funds are legally protected from creditors. The assumption is that there would be a greater investment return as well. As a side note, funding in a qualified trust account looks favorable to rating agencies as well.

CalPERS implemented a Section 115 Trust Fund three years ago known as **California Employers' Retiree Benefit Trust Fund (CERBT)**. The purpose of the CalPERS CERBT Fund (multi-employer trust fund) is to provide California government employers with a trust through which they may pre-fund retiree medical costs and other post-employment benefits. The objective of the Fund is to seek favorable returns that reflect the broad investment performance of the financial markets through moderate capital appreciation and reasonable investment income.

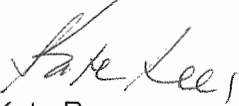
A few thoughts on pre-funding:

- Prefunding enables you to make actuarially determined periodic contributions to partially or completely fund your future obligations
- Earnings on assets reduce employer contributions
- Investment return assumptions, known as discount rate assumptions, will be higher, making the annual required contribution and unfunded liability lower
- May prevent your net OPEB obligation from becoming a significant liability on your balance sheet
- Can contribute to a positive credit rating
- Enhances financial security for retirees

The CalPERS Board will be meeting in December 2010 to evaluate the projected discount rate that has been included in their forecasting model (currently 7.75%). If an adjustment to the rate occurs, it then becomes a requirement for all participating agencies to perform an additional actuarial study to reflect the new discount data. Also, under GASB 57, the CalPERS Trust (which is a multi employer trust) will require all participating CERBT employers to obtain a valuation report dated 6/30/2011, and biennially thereafter, for valuation alignment. These valuations cost from \$2,000 to \$4,000 to be completed.

The COMB Finance Committee has reviewed the actuarial along with pre-funding options at the meeting held on April 30, 2010. It was suggested that the COMB board record the liability effective June 30, 2010, and postpone budgeting for the pre-funding option at this time.

Respectfully submitted,


Kate Rees

Total Compensation Systems, Inc.

**Cachuma Operations and Maintenance Board
Actuarial Study of
Retiree Health Liabilities
As of December 1, 2009**

*Prepared by:
Total Compensation Systems, Inc.*

Date: December 24, 2009

ITEM # 8
PAGE 4

Total Compensation Systems, Inc.

Table of Contents

PART I: EXECUTIVE SUMMARY	3
A. INTRODUCTION.....	3
B. GENERAL FINDINGS.....	4
C. DESCRIPTION OF RETIREE BENEFITS	4
D. RECOMMENDATIONS.....	5
PART II: BACKGROUND.....	7
A. SUMMARY.....	7
B. ACTUARIAL ACCRUAL.....	7
PART III: LIABILITIES AND COSTS FOR RETIREE BENEFITS	9
A. INTRODUCTION.....	9
B. MEDICARE.....	9
C. LIABILITY FOR RETIREE BENEFITS.....	9
D. COST TO PREFUND RETIREE BENEFITS	10
1. <i>Normal Cost</i>	10
2. <i>Amortization of Unfunded Actuarial Accrued Liability (UAAL)</i>	11
3. <i>Annual Required Contributions (ARC)</i>	11
4. <i>Other Components of Annual OPEB Cost (AOC)</i>	12
PART IV: "PAY AS YOU GO" FUNDING OF RETIREE BENEFITS	13
PART V: RECOMMENDATIONS FOR FUTURE VALUATIONS	14
PART VI: APPENDICES.....	15
APPENDIX A: MATERIALS USED FOR THIS STUDY.....	15
APPENDIX B: EFFECT OF ASSUMPTIONS USED IN CALCULATIONS	16
APPENDIX C: ACTUARIAL ASSUMPTIONS AND METHODS.....	17
APPENDIX D: DISTRIBUTION OF ELIGIBLE PARTICIPANTS BY AGE	21
APPENDIX E: CALCULATION OF GASB 43/45 ACCOUNTING ENTRIES.....	22
APPENDIX F: GLOSSARY OF RETIREE HEALTH VALUATION TERMS.....	24

**Cachuma Operations and Maintenance Board
Actuarial Study of Retiree Health Liabilities**

PART I: EXECUTIVE SUMMARY

A. Introduction

Cachuma Operations and Maintenance Board engaged Total Compensation Systems, Inc. (TCS) to analyze liabilities associated with its current retiree health program as of December 1, 2009 (the valuation date). The numbers in this report are based on the assumption that they will first be used to determine accounting entries for the fiscal year ending June 30, 2010. If the report will first be used for a different fiscal year, the numbers will need to be adjusted accordingly.

This report does not reflect any cash benefits paid unless the retiree is required to provide proof that the cash benefits are used to reimburse the retiree's cost of health benefits. Costs and liabilities attributable to cash benefits paid to retirees are reportable under Governmental Accounting Standards Board (GASB) Standards 25 and 27.

This actuarial study is intended to serve the following purposes:

- » To provide information to enable Cachuma Operations and Maintenance Board to manage the costs and liabilities associated with its retiree health benefits.
- » To provide information to enable Cachuma Operations and Maintenance Board to communicate the financial implications of retiree health benefits to internal financial staff, the Board, employee groups and other affected parties.
- » To provide information needed to comply with Governmental Accounting Standards Board Accounting Standard 12s 43 and 45 related to "other postemployment benefits" (OPEB's).

Because this report was prepared in compliance with GASB 43 and 45, as appropriate, Cachuma Operations and Maintenance Board should not use this report for any other purpose without discussion with TCS. This means that any discussions with employee groups, governing Boards, etc. should be restricted to the implications of GASB 43 and 45 compliance.

This actuarial report includes several estimates for Cachuma Operations and Maintenance Board's retiree health program. In addition to the tables included in this report, we also performed cash flow adequacy tests as required under Actuarial Standard of Practice 6 (ASOP 6). Our cash flow adequacy testing covers a twenty-year period. We would be happy to make this cash flow adequacy test available to Cachuma Operations and Maintenance Board in spreadsheet format upon request.

We calculated the following estimates separately for active employees and retirees. We estimated the following:

- the total liability created. (The actuarial present value of total projected benefits or APVTPB)
- the ten year "pay-as-you-go" cost to provide these benefits.

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- the "actuarial accrued liability (AAL)." (The AAL is the portion of the APVTPB attributable to employees' service prior to the valuation date.)
- the amount necessary to amortize the UAAL over a period of 30 years.
- the annual contribution required to fund retiree benefits over the working lifetime of eligible employees (the "normal cost").
- The Annual Required Contribution (ARC) which is the basis of calculating the annual OPEB cost and net OPEB obligation under GASB 43 and 45.

We summarized the data used to perform this study in Appendix A. No effort was made to verify this information beyond brief tests for reasonableness and consistency.

All cost and liability figures contained in this study are estimates of future results. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. Normal costs and liabilities could easily vary by 10 - 20% or more from estimates contained in this report.

B. General Findings

We estimate the "pay-as-you-go" cost of providing retiree health benefits in the year beginning December 1, 2009 to be \$24,937 (see Section IV.A.). The "pay-as-you-go" cost is the cost of benefits for current retirees.

For current employees, the value of benefits "accrued" in the year beginning December 1, 2009 (the normal cost) is \$69,459. This normal cost would increase each year based on covered payroll. Had Cachuma Operations and Maintenance Board begun accruing retiree health benefits when each current employee and retiree was hired, a substantial liability would have accumulated. We estimate the amount that would have accumulated to be \$1,164,773. This amount is called the "actuarial accrued liability" (AAL).

We calculated the annual cost to amortize the unfunded actuarial accrued liability using a 5% discount rate. We used a 30 year amortization period. The current year cost to amortize the unfunded "actuarial accrued liability" is \$51,591.

Combining the normal cost and UAAL amortization costs in the first year produces a total first year annual required contribution (ARC) of \$121,050. The ARC is used as the basis for determining expenses and liabilities under GASB 43/45. The ARC is used in lieu of (rather than in addition to) the "pay-as-you-go" cost.

We based all of the above estimates on employees as of November, 2009. Over time, liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees.

C. Description of Retiree Benefits

Following is a description of the current retiree benefit plan:

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	<u>All Employees</u>
Benefit types provided	Medical, dental and vision
Duration of Benefits	Lifetime
Required Service	12 years
Minimum Age	50
Dependent Coverage	Yes
Agency Contribution %	100%
Agency Cap	None

D. Recommendations

It is outside the scope of this report to make specific recommendations of actions Cachuma Operations and Maintenance Board should take to manage the substantial liability created by the current retiree health program. Total Compensation Systems, Inc. can assist in identifying and evaluating options once this report has been studied. The following recommendations are intended only to allow the Agency to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of Cachuma Operations and Maintenance Board’s practices, it is possible that Cachuma Operations and Maintenance Board is already complying with some or all of our recommendations.

- We recommend that Cachuma Operations and Maintenance Board inventory all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, Cachuma Operations and Maintenance Board should determine whether the benefit is material and subject to GASB 43 and/or 45.
- We recommend that Cachuma Operations and Maintenance Board conduct a study whenever events or contemplated actions significantly affect present or future liabilities, but no less frequently than every two or three years, as required under GASB 43/45.
- We recommend that the Agency communicate the magnitude of these costs to employees and include employees in discussions of options to control the costs.
- Under GASB 45, it is important to isolate the cost of retiree health benefits. Cachuma Operations and Maintenance Board should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – *even on a retiree-pay-all basis* – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, Cachuma Operations and Maintenance Board should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.
- Cachuma Operations and Maintenance Board should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for Agency -paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.
- Several assumptions were made in estimating costs and liabilities under Cachuma

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Operations and Maintenance Board's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Appendices B and C for a list of assumptions and concerns.) For example, Cachuma Operations and Maintenance Board should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for Cachuma Operations and Maintenance Board to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

Respectfully submitted,

Geoffrey L. Kischuk, FSA, MAAA, FCA
Consultant
Total Compensation Systems, Inc.
(805) 496-1700

Total Compensation Systems, Inc.

PART II: BACKGROUND

A. Summary

Accounting principles provide that the cost of retiree benefits should be “accrued” over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in 2004 Accounting Standards 43 and 45 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees).

B. Actuarial Accrual

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an “actuarial cost method.”

Under most actuarial cost methods, there are two components of actuarial cost - a “normal cost” and amortization of something called the “unfunded actuarial accrued liability.” Both accounting standards and actuarial standards usually address these two components separately (though alternative terminology is sometimes used).

The normal cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. This report will not discuss differences between actuarial cost methods or their application. Instead, following is a description of a commonly used, generally accepted actuarial cost method that will be permitted under GASB 43 and 45. This actuarial cost method is called the “entry age normal” method.

Under the entry age normal cost method, the actuary determines the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. This amount is the normal cost. Under GASB 43 and 45, normal cost can be expressed either as a level dollar amount or a level percentage of payroll.

The normal cost is determined using several key assumptions:

- The current **cost of retiree health benefits** (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the normal cost.
- The “**trend**” rate at which retiree health benefits are expected to increase over time. A higher trend rate increases the normal cost. A “cap” on Agency contributions can reduce trend to zero once the cap is reached thereby dramatically reducing normal costs.
- **Mortality rates** varying by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce normal costs, the mortality assumption is not likely to vary from employer to employer.
- **Employment termination rates** have the same effect as mortality inasmuch as higher termination rates reduce normal costs. Employment termination can vary considerably between public agencies.
- The **service requirement** reflects years of service required to earn full or partial retiree benefits.

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While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

- **Retirement rates** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase normal costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.
- **Participation rates** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.
- The **discount rate** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets. For example, employer funds earning money market rates in the county treasury are likely to earn far less than an irrevocable trust containing a diversified asset portfolio including stocks, bonds, etc. A higher discount rate can dramatically lower normal costs. GASB 43 and 45 require the interest assumption to reflect likely *long term* investment return.

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. The actuary selects the assumptions which - taken together - will yield reasonable results. It's not necessary (or even possible) to predict individual assumptions with complete accuracy.

If all actuarial assumptions are exactly met and an employer expensed the normal cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the actuarial accrued liability or AAL. The excess of AAL over the **actuarial value of plan assets** is called the *unfunded* actuarial accrued liability (or UAAL). Under GASB 43 and 45, in order for assets to count toward offsetting the AAL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

The actuarial accrued liability (AAL) can arise in several ways. At inception of GASB 43 and 45, there is usually a substantial UAAL. Some portion of this amount can be established as the "transition obligation" subject to certain constraints. UAAL can also increase as the result of operation of a retiree health plan - e.g., as a result of plan changes or changes in actuarial assumptions. Finally, AAL can arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience.

Under GASB 43 and 45, employers have several options on how the UAAL can be amortized as follows:

- The employer can select an amortization period of 1 to 30 years. (For certain situations that result in a reduction of the AAL, the amortization period must be at least 10 years.)
- The employer may apply the same amortization period to the total combined UAAL or can apply different periods to different components of the UAAL.
- The employer may elect a "closed" or "open" amortization period.
- The employer may choose to amortize on a level dollar or level percentage of payroll method.

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PART III: LIABILITIES AND COSTS FOR RETIREE BENEFITS

A. Introduction.

We calculated the actuarial present value of projected benefits (APVPB) separately for each employee. We determined eligibility for retiree benefits based on information supplied by Cachuma Operations and Maintenance Board. We then selected assumptions for the factors discussed in the above Section that, based on plan experience and our training and experience, represent our best prediction of future plan experience. For each employee, we applied the appropriate factors based on the employee's age, sex and length of service.

We summarized actuarial assumptions used for this study in Appendix C.

B. Medicare

The extent of Medicare coverage can affect projections of retiree health costs. The method of coordinating Medicare benefits with the retiree health plan's benefits can have a substantial impact on retiree health costs. We will be happy to provide more information about Medicare integration methods if requested.

C. Liability for Retiree Benefits.

For each employee, we projected future premium costs using an assumed trend rate (see Appendix C). To the extent Cachuma Operations and Maintenance Board uses contribution caps, the influence of the trend factor is further reduced.

We multiplied each year's projected cost by the probability that premium will be paid; i.e. based on the probability that the employee is living, has not terminated employment and has retired. The probability that premium will be paid is zero if the employee is not eligible. The employee is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's premium cost and the probability that premium will be paid equals the expected cost for that year. We discounted the expected cost for each year to the valuation date December 1, 2009 at 5% interest.

Finally, we multiplied the above discounted expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan.

For any current retirees, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 1.0000).

We added the APVPB for all employees to get the actuarial present value of total projected benefits (APVTPB). The APVTPB is the estimated present value of all future retiree health benefits for all **current** employees and retirees. The APVTPB is the amount on December 1, 2009 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last current employee or retiree dies or reaches the maximum eligibility age.

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Actuarial Present Value of Total Projected Benefits

December 1, 2009

	<u>All Employees</u>
Active: Pre-65	\$349,280
Post-65	\$1,002,819
Subtotal	<u>\$1,352,099</u>
Retiree: Pre-65	\$73,492
Post-65	\$254,367
Subtotal	<u>\$327,859</u>
Grand Total	<u>\$1,679,957</u>
Subtotal Pre-65	\$422,772
Subtotal Post-65	\$1,257,186

The APVTPB should be accrued over the working lifetime of employees. At any time much of it has not been "earned" by employees. The APVTPB is used to develop expense and liability figures. To do so, the APVTFB is divided into two parts: the portions attributable to service rendered prior to the valuation date (the past service liability or actuarial accrued liability under GASB 43 and 45) and to service after the valuation date but prior to retirement (the future service liability).

The past service and future service liabilities are each funded in a different way. We will start with the future service liability which is funded by the normal cost.

D. Cost to Prefund Retiree Benefits

1. Normal Cost

The average hire age for eligible employees is 38. To accrue the liability by retirement, the Agency would accrue the retiree liability over a period of about 22 years (assuming an average retirement age of 60). We applied an "entry age normal" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated normal cost.

Normal Cost Year Beginning

December 1, 2009

	<u>All Employees</u>
# of Employees	13
Per Capita Normal Cost	
Pre-65 Benefit	\$1,638
Post-65 Benefit	\$3,705
First Year Normal Cost	
Pre-65 Benefit	\$21,294
Post-65 Benefit	\$48,165
Total	<u>\$69,459</u>

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Accruing retiree health benefit costs using normal costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. This normal cost would increase each year based on covered payroll.

2. Amortization of Unfunded Actuarial Accrued Liability (UAAL)

If actuarial assumptions are borne out by experience, the Agency will fully accrue retiree benefits by expensing an amount each year that equals the normal cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the actuarial accrued liability (AAL). We calculated the AAL as the APVTPB minus the present value of future normal costs.

The initial UAAL was amortized using a closed amortization period of 30 years. The Agency can amortize the remaining or residual UAAL over many years. The table below shows the annual amount necessary to amortize the UAAL over a period of 30 years at 5% interest. (Thirty years is the longest amortization period allowable under GASB 43 and 45.) GASB 43 and 45 will allow amortizing the UAAL using either payments that stay the same as a dollar amount, or payments that are a flat percentage of covered payroll over time. The figures below reflect the level percentage of payroll method. This amortization payment would increase each year based on covered payroll. Payments would continue for 30 years, after which time amortization payments would end.

Actuarial Accrued Liability as of December 1, 2009

	<u>All Employees</u>
Active: Pre-65	\$191,340
Post-65	\$645,574
Subtotal	<hr/> \$836,914
Retiree: Pre-65	\$73,492
Post-65	\$254,367
Subtotal	<hr/> \$327,859
Subtot Pre-65	<hr/> \$264,832
Subtot Post-65	<hr/> \$899,941
Grand Total	\$1,164,773
Funded at December 1, 2009	\$0
Unfunded AAL	<hr/> \$1,164,773
1st Year UAAL Amortization at 5.0% over 30 Years	\$51,591

3. Annual Required Contributions (ARC)

If the Agency determines retiree health plan expenses in accordance with GASB 43 and 45, costs will include both normal cost and one or more components of UAAL amortization costs. The sum of normal cost and

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UAAL amortization costs is called the Annual Required Contribution (ARC) and is shown below.

Annual Required Contribution (ARC) Year Beginning

December 1, 2009

	<u>All Employees</u>
Normal Cost	\$69,459
UAAL Amortization	\$51,591
ARC	<hr/> \$121,050
Pay-As-You-Go Cost	\$24,937
Added Cost of GASB 43/45	<hr/> \$96,113

The normal cost remains as long as there are active employees who may some day qualify for Agency -paid retiree health benefits. This normal cost would increase each year based on covered payroll.

4. Other Components of Annual OPEB Cost (AOC)

Once GASB 43 and 45 are implemented, the expense and liability amounts may include more components of cost than the normal cost plus amortization of the UAAL. This will apply to employers that don't fully fund the Annual Required Cost (ARC) through an irrevocable trust.

- The annual OPEB cost (AOC) will include assumed interest on the net OPEB obligation (NOO). The annual OPEB cost will also include an amortization adjustment for the net OPEB obligation. (It should be noted that there is no NOO if the ARC is fully funded through a qualifying "plan".)
- The net OPEB obligation will equal the accumulated differences between the (AOC) and qualifying "plan" contributions.

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PART IV: "PAY AS YOU GO" FUNDING OF RETIREE BENEFITS

We used the actuarial assumptions shown in Appendix C to project ten year cash flow under the retiree health program. Because these cash flow estimates reflect average assumptions applied to a relatively small number of employees, estimates for individual years are certain to be *inaccurate*. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the Agency share of retiree health premiums.

Year Beginning December 1	<u>All Employees</u>
2009	\$24,937
2010	\$29,125
2011	\$35,336
2012	\$38,128
2013	\$40,839
2014	\$47,761
2015	\$53,161
2016	\$60,503
2017	\$68,990
2018	\$76,525

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PART V: RECOMMENDATIONS FOR FUTURE VALUATIONS

To effectively manage benefit costs, an employer must periodically examine the existing liability for retiree benefits as well as future annual expected premium costs. GASB 43/45 require biennial or triennial valuations. In addition, a valuation should be conducted whenever plan changes, changes in actuarial assumptions or other employer actions are likely to cause a material change in accrual costs and/or liabilities.

Following are examples of actions that could trigger a new valuation.

- An employer should perform a valuation whenever the employer considers or puts in place an early retirement incentive program.
- An employer should perform a valuation whenever the employer adopts a retiree benefit plan for some or all employees.
- An employer should perform a valuation whenever the employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- An employer should perform a valuation whenever the employer introduces or changes retiree contributions.

We recommend Cachuma Operations and Maintenance Board take the following actions to ease future valuations.

- We have used our training, experience and information available to us to establish the actuarial assumptions used in this valuation. We have no information to indicate that any of the assumptions do not reasonably reflect future plan experience. However, the Agency should review the actuarial assumptions in Appendix C carefully. If the Agency has any reason to believe that any of these assumptions do not reasonably represent the expected future experience of the retiree health plan, the Agency should engage in discussions or perform analyses to determine the best estimate of the assumption in question.

PART VI: APPENDICES

APPENDIX A: MATERIALS USED FOR THIS STUDY

We relied on the following materials to complete this study.

- We used paper reports and digital files containing employee demographic data from the Agency personnel records.
- We used relevant sections of collective bargaining agreements provided by the Agency .

APPENDIX B: EFFECT OF ASSUMPTIONS USED IN CALCULATIONS

While we believe the estimates in this study are reasonable overall, it was necessary for us to use assumptions which inevitably introduce errors. We believe that the errors caused by our assumptions will not materially affect study results. If the Agency wants more refined estimates for decision-making, we recommend additional investigation. Following is a brief summary of the impact of some of the more critical assumptions.

1. Where actuarial assumptions differ from expected experience, our estimates could be overstated or understated. One of the most critical assumptions is the medical trend rate. The Agency may want to commission further study to assess the sensitivity of liability estimates to our medical trend assumptions. For example, it may be helpful to know how liabilities would be affected by using a trend factor 1% higher than what was used in this study. There is an additional fee required to calculate the impact of alternative trend assumptions.
2. We used an "entry age normal" actuarial cost method to estimate the actuarial accrued liability and normal cost. GASB will allow this as one of several permissible methods under its upcoming accounting standard. Using a different cost method could result in a somewhat different recognition pattern of costs and liabilities.

APPENDIX C: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The Agency should carefully review these assumptions and methods to make sure they reflect the Agency 's assessment of its underlying experience. It is important for Cachuma Operations and Maintenance Board to understand that the appropriateness of all selected actuarial assumptions and methods are Cachuma Operations and Maintenance Board's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 43 and 45, applicable actuarial standards of practice, Cachuma Operations and Maintenance Board's actual historical experience, and TCS's judgement based on experience and training.

ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: Entry age normal. The allocation of OPEB cost is based on years of service. We used the level percentage of payroll method to allocate OPEB cost over years of service.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The present value of future benefits and present value of future normal costs are determined on an employee by employee basis and then aggregated.

To the extent that different benefit formulas apply to different employees of the same class, the normal cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees).

AMORTIZATION METHODS: We used the level percentage of payroll method to allocate amortization cost by year. We used a closed 30 year amortization period for the initial UAAL. We used an open 30 year amortization period for any residual UAAL.

SUBSTANTIVE PLAN: As required under GASB 43 and 45, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Cachuma Operations and Maintenance Board regarding practices with respect to employer and employee contributions and other relevant factors.

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ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 3% per year.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 5% per year. This is based on assumed long-term return on employer assets. We used the "Building Block Method" as described in ASOP 27 Paragraph 3.6.2. Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

TREND: We assumed 4% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 3% per year. This assumption applies only to the extent that either or both of the normal cost and/or UAAL amortization use the level percentage of payroll method. For purposes of applying the level percentage of payroll method, payroll increase must not assume any increases in staff or merit increases.

ACTUARIAL ASSET VALUATION: There were no plan assets.

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NON-ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35).

MORTALITY: CalPERS mortality for Miscellaneous employees for all employees.

RETIREMENT RATES: CalPERS retirement rates for the 2 %@ 55 pension formula for all employees.

VESTING RATES:

	<u>All Employees</u>
Vesting Percentage	100%
Vesting Period	12 years

COSTS FOR RETIREE COVERAGE:

There was not sufficient information available to determine whether there is an implicit subsidy for retiree health costs. Based on ASOP 6, there can be justification for using "community-rated" premiums as the basis for the valuation where the insurer is committed to continuing rating practices. This is especially true where sufficient information is not available to determine the magnitude of the subsidy. However, Cachuma Operations and Maintenance Board should recognize that costs and liabilities in this report could change significantly if either the current insurer changes rating practices or if Cachuma Operations and Maintenance Board changes insurers.

First Year costs are as shown below. Subsequent years' costs are based on first year costs adjusted for trend and limited by any Agency contribution caps.

All Employees

Current Retirees: based on actual costs

Current Plan:

Future Retirees Pre-65	\$10,722
Future Retirees Post-65	\$7,505

PARTICIPATION RATES: 100%

TURNOVER: CalPERS turnover for all employees.

SPOUSE PREVALENCE: To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

SPOUSE AGES: To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

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AGING FACTORS:

<u>Attained Age</u>	<u>Medical Annual Increases</u>
50-64	3.5%
65-69	3.0
70-74	2.5
75-79	1.5
80-84	0.5
85+	0.0

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APPENDIX D: DISTRIBUTION OF ELIGIBLE PARTICIPANTS BY AGE

ELIGIBLE ACTIVE EMPLOYEES:

<u>Age</u>	<u>All Employees</u>
Under 25	0
25-29	0
30-34	3
35-39	0
40-44	1
45-49	1
50-54	5
55-59	1
60-64	2
65 and older	0
Total	<hr/> 13

ELIGIBLE RETIREES:

<u>Age</u>	<u>Total</u>
Under 50	0
50-54	0
55-59	0
60-64	2
65-69	0
70-74	0
75-79	0
80-84	0
85-89	0
90 and older	0
Total	<hr/> 2

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APPENDIX E: CALCULATION OF GASB 43/45 ACCOUNTING ENTRIES

This report is to be used to calculate accounting entries rather than to provide the dollar amount of accounting entries. How the report is to be used to calculate accounting entries depends on several factors. Among them are:

- 1) The amount of prior accounting entries;
- 2) Whether individual components of the ARC are calculated as a level dollar amount or as a level percentage of payroll;
- 3) Whether the employer using a level percentage of payroll method elects to use for this purpose projected payroll, budgeted payroll or actual payroll;
- 4) Whether the employer chooses to adjust the numbers in the report to reflect the difference between the valuation date and the first fiscal year for which the numbers will be used.

To the extent the level percentage of payroll method is used, the employer should adjust the numbers in this report as appropriate to reflect the change in OPEB covered payroll. It should be noted that OPEB covered payroll should only reflect types of pay generating pension credits for plan participants. Please note that plan participants do not necessarily include all active employees eligible for health benefits for several reasons. Following are examples.

- 1) The number of hours worked or other eligibility criteria may differ for OPEB compared to active health benefits;
- 2) There may be active employees over the maximum age OPEB are paid through. For example, if an OPEB plan pays benefits only to Medicare age, any active employees currently over Medicare age are not plan participants;
- 3) Employees hired at an age where they will exceed the maximum age for benefits when the service requirement is met are also not plan participants.

Finally, GASB 43 and 45 require reporting covered payroll in RSI schedules regardless of whether any ARC component is based on the level percentage of payroll method. This report does not provide, nor should the actuary be relied on to report covered payroll.

GASB 45 Paragraph 26 specifies that the items presented as RSI "should be calculated in accordance with the parameters." The RSI items refer to Paragraph 25.c which includes annual covered payroll. Footnote 3 provides that when the ARC is based on covered payroll, the payroll measure may be the projected payroll, budgeted payroll or actual payroll. Footnote 3 further provides that comparisons between the ARC and contributions should be based on the same measure of covered payroll.

At the time the valuation is being done, the actuary may not know which payroll method will be used for reporting purposes. The actuary may not even know for which period the valuation will be used to determine the ARC. Furthermore, the actuary doesn't know if the client will make adjustments to the ARC in order to use it for the first year of the biennial or triennial period. (GASB 45 is silent on this.) Even if the actuary were to know all of these things, it would be a rare situation that would result in me knowing the appropriate covered payroll

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number to report. For example, if the employer uses actual payroll, that number would not be known at the time the valuation is done.

As a result, we believe the proper approach is to report the ARC components as a dollar amount. It is the client's responsibility to turn this number into a percentage of payroll factor by using the dollar amount of the ARC (adjusted, if desired) as a numerator and then calculating the appropriate amount of the denominator based on the payroll determination method elected by the client for the appropriate fiscal year.

If we have been provided with payroll information, we are happy to use that information to help the employer develop an estimate of covered payroll for reporting purposes. However, the validity of the covered payroll remains the employer's responsibility even if TCS assists the employer in calculating it.

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APPENDIX F: GLOSSARY OF RETIREE HEALTH VALUATION TERMS

Note: The following definitions are intended to help a *non-actuary* understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

<u>Actuarial Accrued Liability:</u>	The amount of the actuarial present value of total projected benefits attributable to employees' past service based on the actuarial cost method used.
<u>Actuarial Cost Method:</u>	A mathematical model for allocating OPEB costs by year of service.
<u>Actuarial Present Value of Total Projected Benefits:</u>	The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation date.
<u>Actuarial Value of Assets:</u>	Market-related value of assets which may include an unbiased formula for smoothing cyclical fluctuations in asset values.
<u>Annual OPEB Cost:</u>	This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Annual Required Contribution plus interest on the Net OPEB obligation minus an adjustment to reflect the amortization of the net OPEB obligation.
<u>Annual Required Contribution:</u>	The sum of the normal cost and an amount to amortize the unfunded actuarial accrued liability. This is the basis of the annual OPEB cost and net OPEB obligation.
<u>Closed Amortization Period:</u>	An amortization approach where the original ending date for the amortization period remains the same. This would be similar to a conventional, 30-year mortgage, for example.
<u>Discount Rate:</u>	Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower normal costs and actuarial accrued liability.
<u>Implicit Rate Subsidy:</u>	The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees.
<u>Mortality Rate:</u>	Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.
<u>Net OPEB Obligation:</u>	The accumulated difference between the annual OPEB cost and amounts contributed to an irrevocable trust exclusively providing retiree OPEB benefits and protected from creditors.
<u>Normal Cost:</u>	The dollar value of the "earned" portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.

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<u>OPEB Benefits:</u>	Other PostEmployment Benefits. Generally medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.
<u>Open Amortization Period:</u>	Under an open amortization period, the remaining unamortized balance is subject to a new amortization schedule each valuation. This would be similar, for example, to a homeowner refinancing a mortgage with a new 30-year conventional mortgage every two or three years.
<u>Participation Rate:</u>	The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower normal cost and actuarial accrued liability. The participation rate often is related to retiree contributions.
<u>Retirement Rate:</u>	The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with vesting rates to reflect both age and length of service). The more likely employees are to retire early, the higher normal costs and actuarial accrued liability will be.
<u>Transition Obligation:</u>	The amount of the unfunded actuarial accrued liability at the time actuarial accrual begins in accordance with an applicable accounting standard.
<u>Trend Rate:</u>	The rate at which the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher normal costs and actuarial accrued liability.
<u>Turnover Rate:</u>	The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce normal costs and actuarial accrued liability.
<u>Unfunded Actuarial Accrued Liability:</u>	This is the excess of the actuarial accrued liability over assets irrevocably committed to provide retiree health benefits.
<u>Valuation Date:</u>	The date as of which the OPEB obligation is determined. Under GASB 43 and 45, the valuation date does not have to coincide with the statement date.
<u>Vesting Rate:</u>	The proportion of retiree benefits earned, based on length of service and, sometimes, age. (Vesting rates are often set in conjunction with retirement rates.) More rapid vesting increases normal costs and actuarial accrued liability.

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: May 24, 2010
TO: Members of the Board of Directors
FROM: Kate Rees, General Manager
RE: **COMB FY 2010-11 Preliminary Budget**

RECOMMENDATION:

None at this time. For review and discussion only.

DISCUSSION:

Attached is the proposed COMB Preliminary Budget for FY 2010-11 for your review and consideration. This memo provides an overview of the preliminary budget and changes from FY 2008-09.

1. Proposed COMB FY 2010-2011 Budget

The budget summary provides details of proposed O&M, General & Administrative, and Special Projects expenses for FY 2010-2011.

The FY 2010-11 proposed budget is \$2,914,378 compared to the FY 2009-10 budget of \$3,365,727. This reflects a 13.4% decrease of about \$451,350 compared to FY 2009-10. Included are summary budget sheets showing the total budget for each category of expenditure, and a comparison to the FY 2009-10 Budget with percentage changes for each account. This is followed by several pages detailing the expenses for each budget category and projected FY 2009-10 expenses through June 30, 2010. Additional back-up materials supporting the budgeted activities are also included, as well as a narrative explanation of each account and preliminary scopes of work (SOW) from the engineering consultants. Several of the SOWs have been reduced which is reflected in the draft budget. Revised final SOWs will be included with the proposed final budget to be considered at the June 28, 2010 meeting.

Contributing factors for the budget difference between the FY 2009-2010 budget and the proposed budget for FY 2010-2011 include: 1) a reduction in O&M expenses because there is no need to purchase a new truck next year, and because staff is recommending that the vacant Water Services Worker I position not be filled to reduce personnel costs; 2) adjustments in PERS, health benefits and workers compensation formulas; 3) and an overall reduction in the Special Projects to be responsive to the Member Units' need to keep budgets as low as possible, as well as the staff time required to support the 2nd Pipeline Project.

A 0% cost of living adjustment for staff is proposed based on an averaged 13 month Consumer Price Index for LA-Riverside and USA. The Board of Directors will consider any adjustments to the General Manager's salary and benefits at the May 24th meeting. The General Manager's salary would normally be split 50% - 50% between the COMB and CCRB budgets. However, because CCRB approved only a six-month budget, 75% of the General Manager's salary and benefits, and 50% of the Administrative Secretary's salary and benefits are included in the proposed FY 2010-11 COMB Budget so that management and Board work can continue through the end of the fiscal year.

2. Debt service for the 2nd Pipeline Project.

Debt service for the 2nd Pipeline Project for the City of Santa Barbara and Goleta Water District is included in the Special Projects section of the budget. A separate budget will be prepared for the 2nd Pipeline Project to track expenditures.

3. Budget Cost Allocations Among the Member Units

This spreadsheet shows the cost allocation of the proposed FY 2010-11 Budget among the Member Units based on Cachuma entitlement percentages. There is also a split between costs paid by all Member Units and costs paid only by the South Coast Member Units for certain categories.

4. Budget Comparisons

This spreadsheet compares the COMB budgets in prior fiscal years to the proposed COMB budget for FY 2010-11.

The preliminary budget has been reviewed by the COMB Operating Committee and the COMB Finance Committee, and was revised (downward) based on their suggested changes. The Finance Committee thoroughly discussed all budgeted items and recommended the proposed budget for the Board's review. Any additional changes will be incorporated into the final budget which will come before the Board at the June 28, 2010 Board meeting.

Respectfully submitted,


Kate Rees
General Manager

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ITEM # 9
PAGE 2

Cachuma Operation & Maintenance Board

Proposed Draft Budget

Fiscal Year 2010 - 2011

05/24/10

Account Number	Account Name	FY 2009 / 10 Approved Budget	Estimated Actuals Thru 6/30/10	FY 2010 / 11 Proposed Budget	Change	Percentage Change
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OPERATION & MAINTENANCE EXPENSES

LABOR						
3100	LABOR OPS	886,401	720,000	821,762	(64,639)	-7.29%
	TOTAL	886,401	720,000	821,762	(64,639)	-7.29%
VEHICLES & EQUIPMENT						
3201	VEHICLE/EQUIP MTCE	40,000	35,000	38,000	(2,000)	-5.00%
3202	FIXED CAPITAL	40,000	35,000	10,000	(30,000)	-75.00%
3203	EQUIPMENT RENTAL	5,000	5,000	5,000	0	0.00%
3204	MISC	15,000	15,000	15,000	0	0.00%
	TOTAL	100,000	90,000	68,000	(32,000)	-32.00%
CONTRACT LABOR						
3301	CONDUIT, METER, VALVE	12,000	12,000	12,000	0	0.00%
3302	BUILDINGS & ROADS	16,000	15,000	16,000	0	0.00%
3303	RESERVOIRS	52,000	50,000	52,000	0	0.00%
3304	ENGINEERING, MISC SERVICES	20,000	20,000	30,000	10,000	50.00%
	TOTAL	100,000	97,000	110,000	10,000	10.00%
MATERIALS & SUPPLIES						
3401	CONDUIT, METER, VALVE & MISC	25,000	20,000	25,000	0	0.00%
3402	BUILDINGS & ROADS	25,000	20,000	25,000	0	0.00%
3403	RESERVOIRS	10,000	10,000	10,000	0	0.00%
	TOTAL	60,000	50,000	60,000	0	0.00%
OTHER EXPENSES						
3501	UTILITIES	6,500	6,500	6,500	0	0.00%
3502	UNIFORMS	6,500	3,000	6,500	0	0.00%
3503	COMMUNICATIONS	20,000	20,000	20,000	0	0.00%
3504	USA & OTHER SERVICES	4,000	3,500	4,000	0	0.00%
3505	MISC	8,000	9,000	8,000	0	0.00%
3506	TRAINING	8,000	5,000	8,000	0	0.00%
	TOTAL	53,000	47,000	53,000	0	0.00%
	TOTAL O & M EXPENSE	1,199,401	1,004,000	1,112,762	(86,639)	-7.22%

ITEM # 9
PAGE 3

Cachuma Operation & Maintenance Board

Proposed Draft Budget

Fiscal Year 2010 - 2011

05/24/10

Account Number	Account Name	FY 2009 / 10 Approved Budget	Estimated Actuals Thru 6/30/10	FY 2010 / 11 Proposed Budget	Change	Percentage Change
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GENERAL AND ADMINSTRATIVE EXPENSES

5000	DIRECTORS FEES	12,000	12,000	12,000	0	0.00%
5100	LEGAL & AUDIT	75,000	87,000	75,000	0	0.00%
5150	UNEMP TAX	7,567	2,000	8,764	1,197	15.82%
5200	LIABILITY & PROPERTY INSURANCE	40,000	37,000	40,000	0	0.00%
5201	HEALTH & WORKERS COMP.	72,310	72,000	88,024	15,714	21.73%
5250	PERS	39,760	39,000	53,171	13,411	33.73%
5339	FICA/MEDICARE	19,320	19,000	25,899	6,579	34.05%
5300,1,6	ADMIN. SALARIES	228,619	228,000	294,248	65,629	28.71%
5310	POSTAGE / OFFICE SUPPLIES	9,000	9,000	9,000	0	0.00%
5311	OFFICE EQUIPMENT / LEASES	6,200	6,200	6,200	0	0.00%
5312	MISC. ADMIN. EXP.	12,000	12,000	12,000	0	0.00%
5313	COMMUNICATIONS	6,000	6,000	6,000	0	0.00%
5314	UTILITIES	6,000	6,000	6,000	0	0.00%
5315	MEMBERSHIP DUES	6,050	6,000	6,050	0	0.00%
5316	ADMIN. FIXED ASSETS	5,000	5,000	5,000	0	0.00%
5318	COMPUTER CONSULTANT	10,000	15,000	14,000	4,000	40.00%
5325	EMPLOYEE EDUCATION/SUBSCRIPTION	4,500	4,500	4,500	0	0.00%
5330	ADMIN TRAV & CONFERENCES	5,000	3,000	5,000	0	0.00%
5331	PUBLIC INFO	6,000	2,000	6,000	0	0.00%
5332	TRANSPORTATION	1,000	1,000	1,000	0	0.00%
TOTAL GENERAL & ADMINISTRATIVE		571,326	571,700	677,856	106,530	18.65%
<u>SPECIAL G & A EXPENSES</u>						
5510	Integrated Regional Water Mgmt Plan	70,000	25,000	25,000	(45,000)	-64.29%
TOTAL SPECIAL G & A		70,000	25,000	25,000	(45,000)	-64.29%
TOTAL O & M and G & A		1,840,727	1,600,700	1,815,618	(25,110)	-1.36%

ITEM # 9
PAGE 4

Cachuma Operation & Maintenance Board

Proposed Draft Budget

Fiscal Year 2010 - 2011

05/24/10

Account Number	Account Name	FY 2009 / 10 Approved Budget	Estimated Actuals Thru 6/30/10	FY 2010 / 11 Proposed Budget	Change	Percentage Change
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SPECIAL PROJECTS

6062	SCADA	50,000	50,000	46,500	(3,500)	-7.00%
6090-1	COMB Bldg/Grounds Repair	50,000	50,000	50,000	0	0.00%
6092	SCC Improv Plan & Design	360,800	325,000	130,000	(230,800)	-63.97%
6092-1	SCC Improv Plan & Design - UF	(185,800)	(185,800)	0	0	0.00%
6095	SCC Valve & Control Sta. Rehabilitation	0	0	35,000	35,000	0.00%
6096	SCC Structure Rehabilitation	100,000	50,000	60,000	(40,000)	-40.00%
6097	GIS and Mapping	50,000	40,000	41,000	(9,000)	-18.00%
6100	Sanitary Survey	0	0	51,260	51,260	100.00%
6102	Lauro Revegetation Mitigation	0	0	35,000	35,000	100.00%
<i>O & M SPECIAL PROJECTS</i>		425,000	329,200	448,760	23,760	5.59%
<i>DEBT SERVICE - GWD/SB City only</i>		1,100,000	0	650,000	(450,000)	-40.91%
TOTAL COMB BUDGET		3,365,727	1,929,900	2,914,378	(451,350)	-13.41%

Notes:

- COLA = 0%
- Reflects additional salary of 25% for GM
- Reflects additional salary of 50% for Admin Sec.
- Health / Dental increases = 9% in January 2011
- PERS EE expense = 7%
- PERS ER expense = 10.671%

ITEM # 9
PAGE 5

Cachuma Operation & Maintenance Board
Operations & Maintenance Expenses
Proposed Draft Budget
Fiscal Year 2010 - 2011

05/24/10

Account Number	Account Name	FY 2009/10 Approved Budget	FY 2010/11 Proposed Budget	Description
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OPERATIONS and MAINTENANCE EXPENSES

LABOR

3100	LABOR OPS	886,401	821,762	Engineer, Ops Supervisor, Operations Field Crew salary/benefits
	TOTAL	886,401	821,762	

VEHICLES & EQUIPMENT

3201	VEHICLE/EQUIP MTCE	40,000	38,000	Ops & mtce costs of vehicles & equip including inspections
3202	FIXED CAPITAL	40,000	10,000	Misc replacement equipment
3203	EQUIPMENT RENTAL	5,000	5,000	Rental equipment
3204	MISC	15,000	15,000	Small tools, supplies for tools & equipment
	TOTAL	100,000	68,000	

CONTRACT LABOR

3301	CONDUIT, METER, VALVE	12,000	12,000	Heavy equip operators, Southwest Services
3302	BUILDINGS & ROADS	16,000	16,000	Republic Elevator; equip relocation; equip repair; heavy equip; lanr
3303	RESERVOIRS	52,000	52,000	Reservoir cleaning/silt vacuuming, etc
3304	ENGINEERING, MISC SERVICE	20,000	30,000	CIP consultants, engineering training, design
	TOTAL	100,000	110,000	

MATERIALS & SUPPLIES

3401	CONDUIT, METER, VALVE & MI	25,000	25,000	Meters, air valves, fill materials, charts, locks, signs
3402	BUILDINGS & ROADS	25,000	25,000	Paint, window, lights, gravel, spray, fencing, etc
3403	RESERVOIRS	10,000	10,000	Gravel, spray, fencing, etc.
	TOTAL	60,000	60,000	

OTHER EXPENSES

3501	UTILITIES	6,500	6,500	Electric; gas
3502	UNIFORMS	6,500	6,500	Uniforms; boots; raingear
3503	COMMUNICATIONS	20,000	20,000	Phones at facilities/Cell Phones/Ops & Mtce
3504	USA & OTHER SERVICES	4,000	4,000	Underground Service Alerts
3505	MISC	8,000	8,000	Miscellaneous operational expenses
3506	TRAINING	8,000	8,000	Certs / classes
	TOTAL	53,000	53,000	

TOTAL O & M EXPENSE	1,199,401	1,112,762	
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ITEM # 9
PAGE 6

Cachuma Operation & Maintenance Board
General and Administrative Expenses
Proposed Draft Budget
Fiscal Year 2010 - 2011

5/24/10

Account Number	Account Name	FY 2009/10 Approved Budget	FY 2010/11 Proposed Budget	
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GENERAL AND ADMINISTRATIVE EXPENSES

5000	DIRECTORS FEES	12,000	12,000	Directors Fees
5100	LEGAL & AUDIT	75,000	75,000	Audit, Legal, Acctg Consultant
5150	UNEMP TAX	7,567	8,764	Unemployment Tax
5200	LIAB INSURANCE	40,000	40,000	General liability premiums
5201	HEALTH & WC	72,310	88,024	Assumes increase in health benefits each January
5250	PERS	39,760	53,171	PERS employer portion increased slightly
5339	FICA / MEDICARE	19,320	25,899	Payroll driven
5300	MGR SALARY	73,000	111,000	75% of GM salary
5301	ADMIN MGR	96,198	96,200	neutral
5306	ADMIN ASST	59,421	59,436	neutral
5304	ADMIN SEC	0	27,612	50% of Admin Sec salary
5310	POST/OFFICE	9,000	9,000	Ofc supplies/postage
5311	OFFICE EQUIP/LEASES	6,200	6,200	Copiers lease / maintenance / Pitney Bowes
5312	MISC ADMIN EXP	12,000	12,000	J&C janitorial / Paychex / misc
5313	COMMUNICATIONS	6,000	6,000	COX / Verizon / ATT
5314	UTILITIES	6,000	6,000	SCE / SC Gas
5315	MEMBERSHIP DUES	6,050	6,050	ACWA / AWWA / CVWP
5316	ADMIN FIXED ASSETS	5,000	5,000	Computers/Office Furniture
5318	COMPUTER CONSULTANT	10,000	14,000	Technical Expertise
5325	EMPLOYEE EDUCATION/SUB	4,500	4,500	Admin Expense
5330	TRAVEL & CONF.	5,000	5,000	COMB travel
5331	PUBLIC INFO	6,000	6,000	Website maintenance / updates
5332	TRANSPORTATION	1,000	1,000	Staff car
TOTAL		571,326	677,856	

ITEM # 9

Cachuma Operation & Maintenance Board
SPECIAL PROJECTS
Proposed Draft Budget
Fiscal Year 2010 - 2011

Account Number	Account Name	FY 2010/11 Proposed Budget	
6062	SCADA	46,500	
	Tesco		10,000 Annual mtce contract; support
	Vendor		36,500 Radio Feasability and benefits analysis
6090-1	COMB Building/Grounds Repair	50,000	
			50,000 Repair and mtce of facilities/grounds
6092	SCC Improvement Plan & Design	130,000	
	AECOM		50,000 Reliability Study - Reach #3
	AECOM		35,000 Ortega Resv to Carp Resv
	AECOM		45,000 Emergency Response Plan
	AECOM		45,000 Vent rehab design to 100%
6095	SCC Valve & Control Station Rehabilitation	35,000	
	AECOM		35,000 Final Design Svcs. Sheffield Flow Control Station
6096	SCC Structure Rehabilitation	60,000	
	Flowers		10,000 Lateral Rehabilitation Engineering Support
			50,000 Pipeline Inspections
6097	GIS and Mapping	41,000	
	Outside Consultant		41,000 Spatial wave and mapplet
6100	Sanitary Survey*	51,260	
	Summers Engineering		51,260 Sanitary Survey
			Total Cost = \$55,000
6102	Lauro Reservoir Revegetation Mitigation	35,000	
	Melinda Fournier		35,000 Year 2 mtce on oak trees
TOTAL Special Projects		<u>448,760</u>	

* Non COMB activiity agreed to by Member Units
City of Lompoc participation of 6.8% = \$3,740

ITEM # 9
PAGE 8

CACHUMA OPERATION & MAINTENANCE BOARD

Proposed Allocation for FY 2010 - 2011 Budget

(Admin costs) \$677,856 / (Total Budget less bond repayment) \$2,264,378 = 30%

G&A Salaries = \$ 470,106 (Salaries, Unempl tax, W/C, Pers, Fica, Health)

COMB (All 5 Member Units) Directors Fees at 20%		
MEMBER UNIT	PERCENT %	DOLLARS \$
Goleta Water District	0.2000	2,400.00
City of Santa Barbara	0.2000	2,400.00
Carpinteria Valley Water District	0.2000	2,400.00
Montecito Water District	0.2000	2,400.00
Santa Ynez River Wtr Consv Dist, ID#1	0.2000	2,400.00
	1.0000	\$12,000.00

COMB (All 5 Member Units) G & A Salaries and Benefits at 40%			
MEMBER UNIT	Cachuma Entitlement %	PERCENT %	DOLLARS \$
Goleta Water District	36.25%	0.3625	\$68,165.37
City of Santa Barbara	32.19%	0.3219	60,530.85
Carpinteria Valley Water District	10.94%	0.1094	20,571.84
Montecito Water District	10.31%	0.1031	19,387.17
Santa Ynez River Wtr Consv Dist, ID#1	10.31%	0.1031	19,387.17
	100%	1.0000	\$188,042.40

G & A Salaries + Benefits = \$470,106 x 40% = \$188,042.40

COMB (All 5 Member Units) Remaining G & A \$282,064			
MEMBER UNIT	Cachuma Entitlement %	PERCENT %	DOLLARS \$
Goleta Water District	36.25%	0.3625	\$30,674.39
City of Santa Barbara	32.19%	0.3219	\$27,238.86
Carpinteria Valley Water District	10.94%	0.1094	\$9,257.32
Montecito Water District	10.31%	0.1031	\$8,724.22
Santa Ynez River Wtr Consv Dist, ID#1	10.31%	0.1031	\$8,724.22
	100%	1.0000	\$84,619.00

30% of \$282,064 = \$84,619.

South Coast Member Units Only G & A			
MEMBER UNIT	Cachuma Entitlement %	So Co Percent %	DOLLARS \$
Goleta Water District	36.25%	0.4042	\$158,929.26
City of Santa Barbara	32.19%	0.3588	\$141,078.22
Carpinteria Valley Water District	10.94%	0.1220	\$47,969.74
Montecito Water District	10.31%	0.1150	\$45,217.38
Santa Ynez River Wtr Consv Dist, ID#1	10.31%	0.0000	\$0.00
	100%	1.0000	\$393,194.60

SCMU only G&A = \$677,856 -12,000 -188,042 - 84,619 = \$393,194.60

Total G & A	DOLLARS \$
Goleta Water District	\$260,169.01
City of Santa Barbara	\$231,247.93
Carpinteria Valley Water District	\$80,198.90
Montecito Water District	\$75,728.77
Santa Ynez River Wtr Consv Dist, ID#1	\$30,511.39
	\$677,856.00

ITEM # 9
PAGE 9

TOTAL O & M, SPECIAL G & A and SPECIAL PROJECTS ASSESSMENT

MEMBER UNIT	So Co Percent %	DOLLARS \$
Goleta Water District	40.42	\$600,298.22
City of Santa Barbara	35.89	533,064.82
Carpinteria Valley Water District	12.20	181,165.86
Montecito Water District	11.50	170,733.09
	100.00	\$1,485,262.00

O&M 1,112,762 + Special G & A \$25,000 + Special projects \$448,760-50,000-51,260 = 1,485,262.

COMB Building & Grounds Repair / Sanitary Survey

MEMBER UNIT	PERCENT %	DOLLARS \$
Goleta Water District	0.3625	\$36,706.75
City of Santa Barbara	0.3219	32,595.59
Carpinteria Valley Water District	0.1094	11,077.84
Montecito Water District	0.1031	10,439.91
Santa Ynez River Wtr ConservDist,ID#1	0.1031	10,439.91
	1.0000	\$101,260.00

Bond Repayment

MEMBER UNIT	PERCENT %	DOLLARS \$
Goleta Water District	0.5297	\$344,279.66
City of Santa Barbara	0.4703	305,720.34
Carpinteria Valley Water District	0.0000	0.00
Montecito Water District	0.0000	0.00
Santa Ynez River Wtr ConservDist,ID#1	0.0000	0.00
	1.0000	\$650,000.00

Bond Assessment (GWD and City of Santa Barbara Only)

MEMBER UNIT TOTALS (Fiscal Year 2010-11)	Actual % Budget	DOLLARS \$
Goleta Water District	42.60%	\$1,241,453.65
City of Santa Barbara	37.83%	\$1,102,628.68
Carpinteria Valley Water District	9.35%	\$272,442.61
Montecito Water District	8.81%	\$256,901.77
Santa Ynez River Wtr Consv Dist, ID#1	1.41%	\$40,951.30
TOTAL	100.00%	\$2,914,378.00

QUARTERLY PAYMENT

MEMBER UNIT TOTALS	DOLLARS \$	Quarterly
Goleta Water District	\$1,241,453.65	\$310,363.41
City of Santa Barbara	1,102,628.68	275,657.17
Carpinteria Valley Water District	272,442.61	68,110.65
Montecito Water District	256,901.77	64,225.44
Santa Ynez River Wtr Consv Dist, ID#1	40,951.30	10,237.82
TOTAL	\$2,914,378.00	\$728,594.50

Formula for allocating costs:

- 1) Directors fees subtracted from admin costs and are allocated equally among all member units using .20 as multiplier
- 2) Admin Costs are divided by total budget to reach percentage
- 3) G & A Salaries are subtracted from admin costs - 40% of that number is used to allocate for all 5 MU's
- 4) Remaining G & A is multiplied by percentage derived above for normal allocation among all member units
- 5) The remaining G & A is allocated at SCMU % only
- 6) O & M is SCMU only
- 7) Bldg/grounds repair/Sanitary Survey - all 5 member units normal allocation
- 8) Bond Repayment - GWD and City of Santa Barbara Only

ITEM # 9
PAGE 10

CACHUMA OPERATION & MAINTENANCE BOARD BUDGET COMPARISON - 2006 TO 2011

5/24/10

	05-06 Adopted	05-06 Actual	06-07 Adopted	06-07 Actual	07-08 Adopted	07-08 Actual	08-09 Adopted	08-09 Actuals	09-10 Adopted	10-11 Proposed
LABOR										
	677,921	663,241	705,332	705,000	826,565	685,821	854,201	842,683	886,401	821,762
OPS & MAINTENANCE										
	265,801	171,589	310,990	294,300	332,000	238,637	333,000	292,309	313,000	291,000
TOTAL O&M EXPENSE	943,722	834,829	1,016,322	999,300	1,158,565	924,458	1,187,201	1,134,991	1,199,401	1,112,762
GENERAL & ADMINISTRATIVE										
	539,581	475,389	509,030	422,607	546,486	440,510	626,213	524,759	641,326	702,856
TOTAL OPS/MTCE & G & A	1,483,303	1,310,218	1,525,352	1,421,907	1,705,051	1,364,968	1,813,414	1,659,751	1,840,727	1,815,618
PERCENT OF CHANGE BY YEAR O&M-G&A	7%	2%	3%	9%	12%	-20%	33%	22%	11%	-1%
COMB SPECIAL PROJECTS										
Seismic Consultant	-	1,200	-	-	-	-	-	-	-	-
COMB Ofc. Bldg.	-	-	-	-	-	-	-	-	-	-
COMB Bldg/Grounds Repair	50,000	62,523	50,000	45,000	50,000	42,455	75,000	33,192	50,000	50,000
SCC Hydrologic Capacity Sty	-	-	-	-	-	-	-	-	-	-
Flow Meter Upgrades & SCADA	60,000	44,339	60,000	30,000	30,000	18,773	50,000	31,192	50,000	46,500
Bradbury Dam Radial Gates	-	2,966	-	-	-	-	-	-	-	-
Bradbury Dam Surcharge	-	-	-	-	-	-	-	-	-	-
Hilton Creek Watering System	-	-	-	-	-	-	-	-	-	-
SCC Improv Plan & Design	95,000	66,471	300,000	200,000	250,000	482,116	800,000	1,058,801	175,000	130,000
SCC Life Expectancy Study	95,000	75,401	-	-	-	-	-	-	-	-
North Portal Rehabilitation	-	-	-	-	-	-	-	-	-	-
SCC Valve & Control Sta. Rehab	600,000	469,553	600,000	585,000	450,000	718,200	450,000	152,607	-	35,000
Lauro Debris Basin Rehabilitation	50,000	14,068	-	15,000	600,000	120,556	-	1,144,345	-	-
SCC Structure Rehabilitation	305,000	275,446	400,000	416,000	450,000	430,821	250,000	92,969	100,000	60,000
GIS and Mapping	75,000	14,275	100,000	100,000	40,000	11,187	50,000	9,148	50,000	41,000
2005 Storm Damage	200,000	109,749	100,000	7,000	100,000	-	-	-	-	-
Zaca Fire Damage	-	-	-	-	-	132,750	-	17,474	-	-
IRWMP	-	-	-	-	-	59,135	-	12,203	-	-
Sanitary Survey	-	-	-	-	-	-	-	-	-	51,260
Lauro Revegetation Mitigation	-	-	-	-	-	-	-	-	-	35,000
Quagga Mussel	-	-	-	-	-	-	-	-	-	-
Hydrology Work	-	-	-	-	-	-	20,000	60,000	-	-
COMB SPECIAL PROJECTS	1,530,000	1,135,992	1,610,000	1,398,000	1,970,000	2,015,992	1,695,000	2,670,744	425,000	446,760
Legal/Litigation										
Spec Counsel Costs /FMP-BO EISR	100,000	58,748	100,000	95,000	100,000	89,801	-	-	-	-
TOTAL LEGAL/LITIGATION	100,000	58,748	100,000	95,000	100,000	89,801	-	-	-	-
COMB Bond Debt repayment										
	3,113,303	2,504,958	3,235,352	2,914,907	3,775,051	3,470,761	3,508,414	4,330,494	3,365,727	2,914,378
TOTAL COMB BUDGET	3,113,303	2,504,958	3,235,352	2,914,907	3,775,051	3,470,761	3,508,414	4,330,494	3,365,727	2,914,378
PERCENT OF CHANGE BY YEAR	0.49%	-11%	4%	16%	17%	19%	-7%	25%	-4%	-13%

CACHUMA OPERATION AND MAINTENANCE BOARD

FISCAL YEAR 2010-2011

BUDGET SUMMARY

The Cachuma Operation and Maintenance Board was formed as a joint powers agency organized by the Cachuma Member Units pursuant to the provisions of Articles 1,2, and 4 of Chapter 5, Division 7, Title 1 of the California Government Code (section 6500 et seq.) And the "1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project - Cachuma Operation and Maintenance Board." The 1996 Amended and Restated Agreement, Contract No. 14-06-200-5222R "Contract for the Transfer of Operation and Maintenance of the Cachuma Transferred Project Works" by and between the United States and COMB, Contract No. 175r-1802R "Contract Between the United States and Santa Barbara County Water Agency Providing for Water Service from the Project," and the "Cachuma Project Member Units Contracts" between the County Water Agency and each of COMB's five Member Units, provide for the rights to, the facilities of, and the operation, maintenance and use of the United States, Department of the Interior, Bureau of Reclamation project known as the Cachuma Project, including storage, treatment, transport and appurtenant facilities, and all necessary tangible and intangible property and rights. COMB is also provided the authority for the financing of "costs" for the capture, development, treatment, storage, transport and delivery of water.

OPERATIONS AND MAINTENANCE:

Program Description

To maintain and support all associated costs of operating and maintaining the Tecolote Tunnel, South Coast Conduit and all appurtenant facilities and four reservoirs; Glen Anne, Lauro, Carpinteria and Ortega reservoirs.

LABOR - 3100

Operation and Maintenance Labor is actual labor costs of the total salaries and benefits for a three member field crew, a SCADA Technician, an Engineering Technician, the Operations Supervisor, and a Professional Engineer position. The benefits include medical, dental and vision insurance coverage, a \$20,000 life insurance policy per employee, social security contributions, mandatory workers' compensation coverage, an employee assistance program (EAP), FICA/Medicare and a CalPERS retirement contribution (2% @55 formula). All position salaries are recorded individually with any appropriate increases considered on a semi-annual basis. For FY 2010-11, a WSW I position will be left vacant due to budget constraints. There is a 0% cola factored in for this fiscal year budget.

Total of this account: \$ 821,762

VEHICLES & EQUIPMENT

Acct 3201 - 3204

The Vehicles and Equipment account is made up of four subaccounts which include funds for the purchase of vehicles, fuel, parts, inspections and maintenance of vehicles, equipment, and rental of equipment for both replacement and upgrading of the system. Account 3201 includes supplies necessary to operate vehicles and equipment such as fuel, oil, tires, parts, inspections and labor, etc. This account reflects amounts determined by historical expense data and projected operational needs. Account 3202 contains funds for the purchase of replacement equipment or large tools as may be necessary in the fiscal year. Account 3203 includes all rental equipment. Account 3204 is utilized for the purchase of small tools, equipment and supplies. These accounts are increased or decreased annually to reflect changes in the price and number of items appropriately designated to be purchased from these accounts.

Totals by Account:	3201 Vehicles	\$ 38,000
	3202 Fixed Capital	10,000
	3203 Equip Rental	5,000
	3204 Misc.	<u>15,000</u>
		\$68,000

CONTRACT LABOR

Accts. 3301 - 3304

The Contract Labor account contains funds for outside services/labor that cannot be supported by COMB staff including elevator repair, tree trimming and removal services, heavy equipment and operators' labor costs for debris basin cleaning, meter calibration and some meter repair, etc. The amounts have been distributed through 3301, 3302 & 3303 to reflect the costs accurately. Account 3304 is used to hire consultants as necessary for non-Special Projects engineering, design or study.

Totals by Account:	3301 Conduit, etc.	\$ 12,000
	3302 Buildings/Roads	16,000
	3303 Reservoirs	52,000
	3304 Engineering, Misc	<u>30,000</u>
		\$110,000

MATERIALS / SUPPLIES

Accts. 3401 - 3403

The Materials and Supplies account covers costs related to operation and maintenance of the conduit, reservoirs, the shop and yard, buildings and roads. This account includes funding for gravel, fencing, charts, locks, paint, fire extinguishers, etc.

Totals by Account:	3401 Conduit, etc.	\$ 25,000
	3402 Bldgs, Rds, Yard	25,000
	3403 Reservoirs, Misc	<u>10,000</u>
		\$ 60,000

OTHER EXPENSES
Accts. 3501 - 3506

The Other Operating Expenses account includes utilities, uniforms, hazardous waste disposal, communications (phones at facilities and cell phones for operations & maintenance), Underground Service Alerts, employee training and certifications. This account is based on actual charges for the above services in FY 09-10 and changes in amounts are made only as necessary.

Totals by Account:	3501 Utilities	\$ 6,500
	3502 Uniforms	6,500
	3503 Communications	20,000
	3504 USA & Otr Servs	4,000
	3505 Misc.	8,000
	3506 Training & Certs	<u>8,000</u>
		\$53,000

TOTAL OPERATION & MAINTENANCE EXPENSES - \$1,112,762

Total Operation & Maintenance Budget decrease of: -7.22%

GENERAL AND ADMINISTRATIVE

Program Description

The General and Administrative accounts reflect costs for support of all administrative functions of COMB. The G& A portion of the budget provides for the time and effort spent by administrative staff in many areas that are to the benefit of all five Member Units of COMB. These include water supply and delivery reports, human resources and risk management, tax and employment law, salary & benefits, accounting and bookkeeping, communications with federal, State and local agencies and the general public on a variety of contractual and informational matters.

DIRECTORS' FEES - 5000

This account reflects Directors' fees at a rate of \$128.00 per meeting and mileage expenses. A special meeting contingency amount of 30% of the total has been included to cover costs for special Board and Committee meetings. The Directors will decide future increases by public meeting and change of ordinance.

Total of this account: \$12,000.

LEGAL & AUDIT - 5100

This account reflects costs for COMB general counsel expenses; and the annual COMB audit.

Total of this account: \$75,000.

UNEMPLOYMENT TAX - 5150

COMB is in the State Unemployment "self-insured" program which means that we do not actually pay unemployment premiums, but we must budget for and have the ability to pay any unemployment claims which might arise. The calculation of this account is payroll driven.

Total of this account: \$8,764.

LIABILITY/PROPERTY INSURANCE - 5200

This account reflects insurance costs for coverage provided by ACWA/JPIA for all property i.e., buildings, structures, computers, modular furniture, copiers, postage meters, vehicles and an increase in replacement costs of all properties belonging to COMB. Also the General Liability portion is based on all salaries.

Total of this account: \$40,000.

HEALTH AND WORKERS' COMPENSATION - 5201

This account reflects costs for all administrative staff health premiums (medical, dental, vision & life), EAP and workers' compensation premiums for administrative staff and eligible retirees. The cost for health premiums is a set premium amount for each employee and their dependents, as well as eligible retirees. The health and life insurance programs were negotiated through ACWA and although there have been substantial increases in the past, the premiums have remained competitive throughout the years. The Workers' Compensation portion is based on salaries at different percentages based on the category of each employee (clerical and outside sales). The estimated percentage rates for FY 2010-2011 have increased only slightly from the previous year and are as follows: Clerical staff is .72% and the General Manager is categorized as outside sales at .87%. These percentages include a 10% discount for using State Fund Preferred Providers and a 12% discount for being an ACWA member.

Total of this account: \$ 88,024

CaIPERS RETIREMENT - 5250

This account reflects costs for the California Public Employees Retirement System. The costs are based on salaries for all COMB administrative staff. COMB pays both employer and employee portions of the retirement plan at 10.671% for the employer portion and 7% for the employee portion. The costs in this account vary from year to year based on our retirement account reserves and actuarial valuations of the entire PERS system. Our employer contribution percentage over the years has ranged between 0% and 11%. The calculation of this account is payroll driven.

Total of this account: \$ 53,171

FICA & MEDICARE - 5339

This account reflects COMB's matching share of social security and medicare taxes for all COMB administrative employees.

Total of this account: \$ 25,899

ADMINISTRATIVE SALARIES - 5300, 5301, 5306

These accounts reflect Board approved salaries for the specified positions. The salaries for all staff contain a 0% cost of living increase. The salary for the General Manager contains the salary set by the COMB & CCRB Boards.

General Manager (50%) - 5300	\$ 111,000 (75% of salary)
Administrative Manager - 5301	96,200
Administrative Assistant - 5306	59,436
Administrative Secretary – 5306	<u>27,612</u> (50% of salary)
Total for these accounts:	\$ 294,248

OFFICE EXPENSE & POSTAGE - 5310

The Office Expense & Postage account reflects the cost of all office supplies and postage for general and administrative tasks.

Total of this account: \$ 9,000

OFFICE EQUIPMENT/LEASES/SERVICES - 5311

The Office Equipment/Leases account includes costs associated with leases and quarterly service agreements for postage machine, copier equipment and any maintenance fees.

Total of this account: \$ 6,200

MISCELLANEOUS ADMINISTRATIVE EXPENSE - 5312

This account contains funds necessary for office cleaning, Board meeting supplies, Paychex payroll costs, outside copy costs and other minor miscellaneous expenses.

Total of this account: \$ 12,000

COMMUNICATIONS - 5313

This account contains funds necessary for the telephone service, long distance service, cable internet service, and administrative staff cell phones.

Total of this account: \$ 6,000

UTILITIES - 5314

This account contains funds necessary to provide utilities to the administrative offices.

Total of this account: \$ 6,000

MEMBERSHIP DUES - 5315

This account reflects membership dues for ACWA, ASME, APWA, AWWA, County News Service, Dept. of Consumer Affairs, Associate member of CVPWA and subscriptions for professional publications.

Total of this account: \$ 6,050

ADMINISTRATIVE FIXED ASSETS - 5316

This fiscal year's fixed assets include the purchase of new computers and replacement office furniture as needed.

Total of this account: \$ 5,000

COMPUTER CONSULTANT - 5318

This account was established to more closely identify costs affiliated with our outside computer consultant services. In the past, these expenses were combined with the communications account. Our outside consultant provides technical support for all of our computer related needs.

Total of this account: \$ 14,000

EMPLOYEE EDUCATION / TRAINING - 5325

This account was established to provide employees with the ability to obtain professional training, required certifications and for management training purposes. This account also provides for human resources and employee related subscriptions.

Total of this account: \$ 4,500

ADMINISTRATIVE TRAVEL - 5330

This account reflects actual travel costs for the COMB staff. This account is also used for attendance at conferences by the General Manager and Administrative Manager.

Total of this account: \$ 5,000

PUBLIC INFORMATION - 5331

This account is available for public information bulletins, website or newsletters in order to communicate with the community in case of emergencies or environmental impacts on the COMB water distribution system or reservoirs.

Total of this account: \$ 6,000

TRANSPORTATION - 5332

This account is for reimbursement of work-related mileage and the cost for maintenance of COMB staff car and the General Manager's vehicle.

Total of this account: \$ 1,000

TOTAL COMB GENERAL AND ADMINISTRATIVE EXPENSES - \$ 677,856

Total General and Administrative Budget increase of: +18.65%

SPECIAL GENERAL AND ADMINISTRATIVE

INTEGRATED REGIONAL WATER MANAGEMENT PLAN DEVELOPMENT - 5510

This account has been established to participate in the development and maintenance of an integrated regional water management plan.

Total of this account: \$ 25,000

SPECIAL PROJECTS

SCADA SYSTEM / FLOW METERS AND VALVE REPAIRS - 6062

The COMB SCADA system was completed and placed into full service in 2003. This line item is for the cost of the annual maintenance contract and support. This line item will provide funds for a Radio System Feasibility Study to establish alternatives for a radio system consisting of COMB, CDMWTP, Barker Pass, Sheffield CS, Ortega CS, and Carpinteria CS sites. The study will include computer analysis and radio testing on the sites.

Total of this account: \$ 46,500

COMB BUILDING AND GROUNDS REPAIR - 6090-1

This account will provide funds for existing mobile unit repair requirements, as well as maintaining and updating additional existing facilities.

Total of this account: \$50,000.

SOUTH COAST CONDUIT IMPROVEMENT PLAN AND DESIGN - 6092

The SCC Improvement Plan and Design consists of collecting existing data on the SCC (reliability studies, as-builts, and original engineering data) and evaluate this information to determine appropriate improvements and their urgency. For the 2010 / 2011 fiscal year, a portion of funds (\$50,000) will be used to complete the reliability study for Reach #3 which stretches from Ortega Reservoir to the Carpinteria Reservoir. Between the CDMWTP and Lauro Reservoir, the SCC crosses 5 creeks. The SCC is exposed in some creeks and is vulnerable to erosion and undercutting in all of them, which puts the SCC at risk. An Emergency Action Plan will be developed in the event of damage or failure of the SCC or the structures within that reach. This work will cost \$35,000. Also included in this line item is the Vent Rehabilitation Design work at the cost of approximately \$45,000.

Total of this account: \$ 130,000.

SOUTH COAST CONDUIT VALVE AND CONTROL STATIONS REHABILITATION - 6095

This program of work includes the rehabilitation of COMB's five control stations and valve pits. The rehabilitation work will include replacement of valves, repair of roofs, electrical, fencing and roads, repainting of building and valve pits, and correcting other deficiencies that exist at these facilities and the installation of 10 new line valves. In the Fiscal Year 2010 / 2011 work to be completed includes Phase I design services which consists of SCC modifications at Sheffield Flow Control Station and to the SCC upstream of the Mission Creek Crossing. These modifications are required to allow for the future installation of an emergency bypass pipeling.

Total of this account: \$ 35,000.

SOUTH COAST CONDUIT STRUCTURE REHABILITATION - 6096

This line item includes funding for the rehabilitation of COMB's approximately 200 air vent, blow-off and lateral structures. In the Fiscal Year 2010 / 2011 work to be completed includes continuation of the examination of a portion of the northerly section of the SCC between the Tecelote Tunnel outlet and Lauro Reservoir. In addition, a small portion of this line item will be attributed to any lateral rehabilitation engineering support work that may be needed.

Total of this account: \$ 60,000.

GIS AND MAPPING - 6097

Previous to the introduction of Geographic Information Systems at COMB, the maps, easements and information systems for the SCC dated back to the 1950's. Very few changes to these maps, easements and the information system had been made since then, but many changes have occurred to the SCC. The organization of the data was difficult and cumbersome to navigate. A Geographic Information System (GIS) assists in capturing, storing, analyzing, managing and organizing data, updating it in a computerized format, and allowing better access to the information. The Geographic Information System (GIS) reorganizes, updates in computerized format, allows better access to the information, and allows the information to be easily updated. With GIS integration at COMB, all maps have now been scanned and filed into the computer, the SCC has been plotted, the location of the SCC is being corrected, drawings have been linked to the system, and other data sets are being collected and imported. The correction of the SCC location is an on-going process, and the alignment location is constantly becoming more accurate. After a map of the SCC was created, the next step was to implement a mobile GIS system to streamline Underground Service Alerts and establish an efficient method for getting information to the field, saving driving time, paper and fuel. A Mobile GIS system providing an Underground Service Alert management capability with remote accessibility linking the office system with field operations was introduced to the field crew in October 2009. The implementation of this mobile GIS system is a significant milestone in the growth of the COMB GIS system. This line item for the 2010/2011 fiscal year will continue to fund the work on the maps and GIS.

Total of this account: \$41,000.

SANITARY SURVEY - 6100

This project includes funding for the engineering services to update the Watershed Sanitary Survey for the Santa Ynez River above Bradbury Dam, the West Fork of Glen Annie Canyon above Glen Annie Dam, Lauro Canyon above Lauro Dam, and the watershed above the city of Lompoc's Frick Springs. This survey was originally prepared by Summers Engineering in 1995 and updated in 2000 and 2005.

Total of this account: \$ 51,260

LAURO RETENTION BASIN ENLARGEMENT PROJECT RESTORATION- CONTINUING FIELD MAINTENANCE AND MONITORING - 6102

This line item is to fund the 2nd year of continued field maintenance and monitoring for the re-vegetation around the Lauro Retention Basin area. The intention of this restoration project is to implement the revegetation and mitigation requirements identified by SAIC relating to replacement of Santa Barbara Honeysuckle and Coast Live Oak which was removed or impacted by construction of the Lauro Retention Basin Enlargement Project.. The planting effort has been completed, and Year 2 tasks will focus on field maintenance and monitoring to ensure that COMB is meeting the mitigation requirements.

Total of this account: \$ 35,000.

SPECIAL PROJECTS TOTAL \$ 448,760

**DEBT SERVICE –
GWD / Santa Barbara City only \$ 650,000**

TOTAL 2010-11 COMB BUDGET: \$2,914,378

Total COMB Budget with Special Projects decrease of: -13.41%

Robert T. Flowers
RCE 18324
Stephen G. Flowers
RCE 26192
Vernon E. Williams
RCE 33690
Eric L. Flavell
RCE 33000
Alan H. Chierici

FLOWERS & ASSOCIATES, INC.
C I V I L E N G I N E E R S
201 NORTH CALLE CESAR CHAVEZ, SUITE 100, SANTA BARBARA, CA 93103
PHONE: 805.966.2224 • FAX: 805.965.3372
www.flowersassoc.com

W.O. 0741
E-mail, Mail

March 26, 2010

Ms. Kate Reese, General Manager
Mr. Robert Dunlap, Operations Foreman
Cachuma Operation and Maintenance Board (COMB)
3301 Laurel Canyon Road
Santa Barbara, CA 93105-2017

Subject: On-Call Engineering Services

Kate/Robert,

Pursuant to your request this is to provide a proposal for the subject services for FY 2010-2011. It is our understanding that these services would be provided when needed and authorized by you or your authorized representative either verbally or by E-mail and confirmed by us by E-mail prior to beginning the work.


The nature of these services is that they are currently undefined but will not be significant in nature and could involve preliminary studies, limited construction observations and/or minor design tasks to include design of structural rehabilitation of some of the South Coast Conduit laterals.

The fee amount for these services is your decision but we recommend not less than \$20,000 for this period. Our services will be billed for at approximately monthly intervals in accordance with our attached current Fee Schedule. Payment is due upon receipt of Statement and unpaid balances are subject to late charges.

We anticipate utilization of the Purchase Order Agreement we have seen in the past for these services and are prepared to sign it when completed with reference to this proposal.

Please contact the undersigned with any questions or comments on this proposal. We appreciate the opportunity to continue our relationship with COMB.

Sincerely,
FLOWERS & ASSOCIATES, INC.

By: 
Vernon E. Williams, P.E.
Vice President

Encl.

ITEM # 9
PAGE 22

FLOWERS & ASSOCIATES, INC.

C I V I L E N G I N E E R S

201 NORTH CALLE CESAR CHAVEZ, SUITE 100, SANTA BARBARA, CA 93103

PHONE: 805.966.2224 • FAX: 805.965.3372

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Robert T. Flowers
RCE 18324
Stephen G. Flowers
RCE 26192
Vernon E. Williams
RCE 33690
Eric L. Flavell
RCE 33000
Alan H. Chierici

FEE SCHEDULE

Effective October 21, 2009
Until Revised

<u>ENGINEERING SERVICES</u>	<u>HOURLY RATE</u>
Principal Engineer	\$167.00
Associate Engineer	\$149.00
Senior Engineer.....	\$134.00
Resident Engineer.....	\$134.00
Project Manager.....	\$120.00
Field Engineer	\$116.00
Design Engineer.....	\$116.00
Senior Inspector	\$112.00
Staff Engineer.....	\$112.00
Senior Technician.....	\$112.00
Inspector.....	\$ 97.00
Technician.....	\$ 97.00
Project Administrator/Agency Coordinator	\$ 88.00
CAD Technician	\$ 88.00
Word Processor	\$ 75.00

EXPERT TESTIMONY

Expert Testimony, Deposition, Court Appearance and Research related thereto will be charged at 3.0 times the applicable hourly rate.

REIMBURSABLE EXPENSE

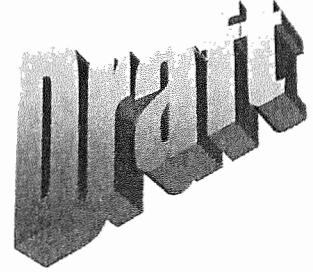
Prints, plots, and other expenses connected with the work will be charged at cost.

CONSULTANTS

Subcontracts administered by Flowers & Associates, Inc. will be charged at cost plus 15%.

ITEM # 9
PAGE 23

March 22, 2010



Ms. Kate Rees
General Manager
CACHUMA OPERATION & MAINTENANCE BOARD
3301 Laurel Canyon Road
Santa Barbara, CA 93105-2017

Dear Ms. Rees:

**Subject: 2010/2011 General Engineering Services for South Coast Conduit (SCC)
(Task Order No. 2010A)**

Transmitted herewith is the draft Task Order No. 2010A for Program Management during Planning and Implementation Phases of Improvements along South Coast Conduit for the period starting in July 1, 2010 and ending on June 30, 2011.

After your review please call to discuss.

We sincerely thank you for the opportunity to continue providing engineering services for COMB.

Sincerely,

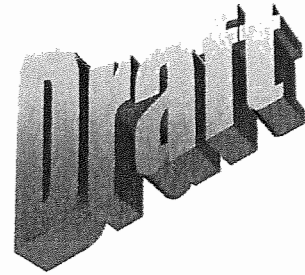
Glen Hille, PE
Vice President/Regional Quality Manager

Enclosure

Agreed and Accepted by:

Kate Rees
General Manager

Scope of Work – Task Order No. 2010A 2010/2011 General Engineering Services for South Coast Conduit (SCC)



Planned Engineering Services

AECOM USA, Inc. will provide the following engineering services (tasks) for the program management (facility coordination) during planning and implementation phases of improvements along the South Coast Conduit. A Task Cost Report is attached to this scope of work identifying the estimated engineering effort and estimated fee for the same.

Task 100 - 2010 – 2011 Coordination Meetings

Attend up to twelve (12) monthly meetings with COMB staff and member agencies. Discuss technical, cost, and schedule specifics of COMB projects.

Task 200 - Miscellaneous Engineering/Technical Support

Provide up to 53 man hours of engineering services (concept development, design and/or construction phase engineering services) to COMB on an "as requested basis" as technical support for COMB implemented projects.

Schedule

Engineering services will be provided on an "as requested basis" for the period starting July 1, 2010 and ending on June 30, 2011.

ITEM # 9
PAGE 25



Task Cost Report
Cachuma Operation and Maintenance Board
2010/2011 General Engineering Services for South Coast Conduit (SCC)
Task Order No. 2010A

The estimated engineering effort and estimated fee are shown below:

Task	Description	Level of Effort Manhours (\$)
100	2010 – 2011 Coordination Meetings	69 (\$11,300)
200	Miscellaneous Engineering/Technical Support	53 (\$8,700)
	Total Estimated Level of Effort	122 (\$20,000)

It is anticipated that an engineering fee of **\$20,000** will be required to accomplish the above-referenced engineering tasks based on an average of \$155 per MH and 8.5% for other costs. Compensation will be on a time and materials basis consistent with the Fee Schedule (attached) and our Engineering Services Agreement, dated February 22, 1999.

ITEM # 9
PAGE 26

EXHIBIT B

AECOM
 FEE SCHEDULE FOR PROFESSIONAL SERVICES
 Effective January 1, 2010

Engineers, Planners, Architects, Scientists:

Student Assistant	\$ 79.00 per hour
Assistant I	\$ 95.00 per hour
Assistant II	\$ 108.00 per hour
Associate	\$ 128.00 per hour
Senior I	\$ 152.00 per hour
Senior II	\$ 174.00 per hour
Principal	\$ 211.00 per hour
Company Officer	\$ 228.00 per hour
Special Consultant	\$ 180.00 per hour

Construction Administration Personnel:

Resident Project Representative	\$ 105.00 per hour
Senior Resident Project Representative	\$ 123.00 per hour
Resident Engineer	\$ 150.00 per hour
Construction Services Manager	\$ 198.00 per hour

Technical Support Staff:

Clerical/General Office	\$ 68.00 per hour
Administrative Specialist	\$ 79.00 per hour
Drafter/CADD Technician	\$ 70.00 per hour
Assistant CADD Operator	\$ 82.00 per hour
Designer/CADD Operator	\$ 93.00 per hour
Senior Designer/Design CADD Operator	\$ 108.00 per hour
Design/CADD Supervisor	\$ 121.00 per hour

General Project Expenses ^{1/}

8.5% of Labor

Direct Project Expenses

Other Reproduction (8 1/2 x11/11x17 Color)	\$1.15/1.50 per page
Plan Sheet Printing - In House Bond/Vellum/Mylar	\$3.00/4.00/7.00 per sheet
Subcontracted Services/Reproduction	Cost + 15%
Subcontracted or Subconsultant Services	Cost + 15%
Auto Mileage for Construction Phase Services	\$0.60 per mile
Travel & Subsistence (other than mileage)	Cost
Miscellaneous Materials	Cost + 15%

If authorized by the Client, an overtime premium multiplier of 1.5 may be applied to the billing rate of hourly personnel who work overtime in order to meet a deadline which cannot be met during normal hours.

Applicable sales tax, if any, will be added to these rates. Invoices will be rendered monthly. Payment is due upon presentation. A late payment finance charge of 1.5% per month (but not exceeding the maximum rate allowable by law) will be applied to any unpaid balance commencing 30 days after the date of the original invoice.

Fee schedule is subject to change annually.

^{1/} *Includes mail, telephone, fax, office photo copies, personal computers and mileage (except as noted).*

March 22, 2010

**Draft
For Review & Comments**

Ms. Kate Rees
Cachuma Operation & Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105

**Subject: Cachuma Operation & Maintenance Board
South Coast Conduit (SCC) Carpinteria Reach
SCADA Modifications Design for Radio Communications
Task Order No. 2010E**

Dear Kate:

Transmitted herewith is the Draft Task Order No. 2010E, dated March 12, 2010. It is our understanding that these services will be completed as an amendment under our Engineering Services Agreement for Investigation and Engineering Study for South Coast Conduit (SCC), dated February 22, 1999. In summary, this task order provides for design of SCADA Modifications for Radio Communications.

After your review of the attached Scope of Work, please call to discuss details. We sincerely appreciate the continued opportunity to provide engineering services to COMB.

Sincerely,

AECOM U.S.A. Inc.

**Approved by:
Cachuma Operations & Maintenance Board**

Glen M. Hille, PE
Vice President

Kate Rees
General Manager

Date

Attachment: Scope of Work, Fee Schedule

ITEM # 9
PAGE 28

Scope of Work – Task Order No. 2010E Cachuma Operation and Maintenance Board SCADA Modifications

Draft
For Review & Comment

Background and Overview

The existing SCADA System for the Cachuma Operation and Maintenance Board (COMB) was commissioned in 2002.

The following facilities have been identified for modifications and/or upgrade:

1. Lauro Reservoir Debris Basin
2. Lauro Seismic Valve
3. Sheffield Control Station
4. Barker Pass Standpipe
5. Radio Communications

The following provides supplemental details of the modifications listed above:

- ▶ Lauro Reservoir Debris Basin – Monitor instruments recently installed.
- ▶ Lauro Reservoir Outlet Seismic Valve Monitoring – Add Seismic Valve closed status signal to existing PLC and SCADA.
- ▶ Sheffield Control Station Modifications:
 - Replace two flowmeters
 - Automate new valve (SCC South Flow)
- ▶ Barker Pass Pressure Monitoring – Monitoring of SCC pressure in the vicinity of Barker Pass pump station.
- ▶ Radio System:
 - Radio System Feasibility Study to establish alternatives for a radio system consisting of COMB, CDMWTP, Barker Pass, Sheffield CS, Cater, Ortega CS, and Carpinteria CS sites. The study will include computer analysis and radio testing on the sites.
 - Radio System Design

Design Phase for Radio Communications

At this time COMB has decided to proceed with only the radio system component of the modifications.

Task __100 – Radio System Study

Conduct radio system feasibility study for the sites identified above.

ITEM # 9
PAGE 29



Task __200 – Radio System Design

Compile drawings and specifications for public bid of the radio system project. Drawings will consist of:

- Title Sheet
- Location Map
- Block Diagram of sites to be connected to the radio system

Task __300 – Update the Following Cost Estimate at the 50% and 90% Level of Design

Opinion of Probable Construction Cost at Pre-Concept Design Level (<2% Engineering)	
Radio System	\$ 200,000
Engineering – Design Phase	\$ 80,000
Engineering – Bid Phase	\$ 25,000
Engineering – Construction Phase	\$ 25,000
Contingency	\$ 70,000
Opinion of Probable Construction Cost at <2% Design	\$ 400,000

Task __400 –50% Design (Drawings and Specification Outline)

- Submit 50% design.

Task __500 – 100% Design (Drawings and Specification Outline)

- Submit 100% design.

Task __600 – Program Management

- Attend up to two meetings with COMB.
- Monitor schedule and cost of design phase services.

ITEM # 9
PAGE 30

6062

Only

TASK COST REPORT

The estimated engineering effort and estimated fee are shown below:

Task	Description	Effort Manhours (\$)		Sub Consultant
__100	Radio System Feasibility Study	80	\$ 16,500	\$ 20,000
__200	Instrumentation Design			
	Radio System Design	180	\$ 30,300	
	Electrical Design	40	\$ 6,700	
__300	Update Cost Estimate at the 50% and 90% Level of Design	6	\$ 1,000	
__400	50% Design (Drawings & Spec Outline)			
	Submit 50% Design	6	\$ 1,000	
__500	100% Design (Drawings & Spec)			
	Submit 100% Design	6	\$ 1,000	
__600	Program Management	21	\$ 3,500	
	Total		\$ 60,000	\$ 20,000

It is anticipated that an engineering fee of \$80,000 will be required to accomplish the above-referenced engineering tasks based on an average of \$155 per MH, and 8.5% for other cost. Compensation will be on a time and materials basis consistent with the 2010 Fee Schedule attached and our Engineering Services Agreement dated February 22, 1999.

Draft
For Client Review & Comment

ITEM # 9
PAGE 31



Project Schedule

It is anticipated that the Scope of Services associated with this proposal will be completed within 120 calendar days from the notice to proceed.

Supplemental Conditions

Construction Safety

COMB agrees that in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the Project, including safety of all persons and property, and that this requirement shall be made to apply continuously and not be limited to normal working hours. AECOM shall not have control over or charge of, and shall not be responsible for, construction means, methods, techniques, sequences or procedures, as these are solely the responsibility of the construction contractor. AECOM shall not have the authority to stop or reject the work of the construction contractor.

Contractor Indemnification/Additional Insured

Client will require that any Contractor performing work in connection with the project for which AECOM is providing professional services, hold harmless, indemnify and defend Client, AECOM, their consultants, and each of their directors, officers, agents and employees from any and all liability, claims, losses, damage and costs, including attorneys' fees, arising out of or alleged to arise from the Contractor's performance of the work described in the construction contract documents, but not including liability that may be due to the sole negligence of Client, AECOM, their consultants, or their directors, officers, agents and employees.

Client will require the Contractor to provide workers' compensation and commercial general liability insurance, including completed operations and contractual liability, with the latter coverage sufficient to insure the Contractor's indemnity, as above required; and such insurance shall include Client, AECOM, their consultants, and each of their directors, officers, agents and employees as additional insureds.

Hazardous Materials

In providing its services hereunder, neither AECOM nor its subconsultants shall be responsible for identification, handling, containment, abatement, or in any other respect, for any asbestos or hazardous material if such is present in connection with the project. In the event that CLIENT becomes aware of the presence of asbestos or hazardous material at the jobsite, CLIENT shall be responsible for complying with all applicable federal and state rules and regulations, and shall immediately notify AECOM, who shall then be entitled to cease any of its services that may be affected by such presence, without any liability to AECOM or its subconsultants arising there from.

ITEM # 9
PAGE 32

Cost Estimate

AECOM has no control over the cost of labor, materials, equipment or services furnished by others or over Contractor's methods of determining prices, or other competitive bidding or market conditions, practices or omissions on the site. Any cost estimates provided by the Consultant will be made on the basis of his experience and judgment. Estimates of probable construction costs may vary from actual construction costs.

Re-Use of Documents

Documents, drawings, specifications, and electronic information/data, including computer aided drafting and design ("CADD"), prepared by CONSULTANT pursuant to this agreement are not intended or represented to be suitable for reuse by CLIENT or others on extensions of the Project or on any other project. Any use of completed documents for other projects and any use of incomplete documents without specific written authorization from CONSULTANT will be at CLIENT's sole risk and without liability to CONSULTANT.

Right to Rely

Consistent with the professional standard of care and unless specifically provided herein, AECOM shall be entitled to rely upon the accuracy of data and information provided by the COMB or others without independent review or evaluation.

Assumptions

In preparing this proposal, the following assumptions were made:

- This scope of work constitutes our current understanding of the project. Other tasks not specifically addressed in this proposal may be required. Certain assumptions have been made in preparing the scope of work and fee estimate. To the extent possible, they are stated herein and are reflected in the estimated fees.
- No right-of-way services are included. It is assumed that all work will be done on existing COMB right-of-way or U.S. Bureau of Reclamation property.
- Right-of-entry permits will be obtained by COMB.
- COMB will submit the plans, specifications, and estimate to the Bureau of Reclamation for MP-620 review.
- No jurisdictional agency reviews or permits are required. It is our understanding that COMB will pay permit fees and review permit applications. COMB will prepare permit applications, follow up with regulatory agencies with field meetings, and follow permits through the process, etc.
- All existing design drawings, as-built drawings, design plans, reports, and specifications for existing, adjacent, and affected facilities will be made available to AECOM by COMB.

ITEM # 9
PAGE 33

Draft
For Client Review & Comment

- No independent check of data furnished by COMB will be made unless specifically described in this scope. AECOM will rely on the accuracy of information provided.
- National standards referenced in the contract plans and specifications will be those issued, approved, and printed as of the date of this proposal.
- Application for, processing, payment of any fees associated with and obtaining any regulatory permits applicable for this project is excluded.
- Preparation of CEQA documents and permits is excluded.
- Structure design for antennas and/or supports is excluded.

ITEM # 9
PAGE 34

AECOM
FEE SCHEDULE FOR PROFESSIONAL SERVICES
 Effective January 1, 2010

Engineers, Planners, Architects, Scientists:

Student Assistant	\$ 79.00 per hour
Assistant I	\$ 95.00 per hour
Assistant II	\$ 108.00 per hour
Associate	\$ 128.00 per hour
Senior I	\$ 152.00 per hour
Senior II	\$ 174.00 per hour
Principal	\$ 211.00 per hour
Company Officer	\$ 228.00 per hour
Special Consultant	\$ 180.00 per hour

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Resident Engineer	\$ 150.00 per hour
Construction Services Manager	\$ 198.00 per hour

Technical Support Staff:

Clerical/General Office	\$ 68.00 per hour
Administrative Specialist	\$ 79.00 per hour
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Assistant CADD Operator	\$ 82.00 per hour
Designer/CADD Operator	\$ 93.00 per hour
Senior Designer/Design CADD Operator	\$ 108.00 per hour
Design/CADD Supervisor	\$ 121.00 per hour

General Project Expenses ^{1/} 8.5% of Labor

Direct Project Expenses

Other Reproduction (8 1/2 x11/11x17 Color)	\$1.15/1.50 per page
Plan Sheet Printing - In House Bond/Vellum/Mylar	\$3.00/4.00/7.00 per sheet
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Miscellaneous Materials	Cost + 15%

If authorized by the Client, an overtime premium multiplier of 1.5 may be applied to the billing rate of hourly personnel who work overtime in order to meet a deadline which cannot be met during normal hours.

Applicable sales tax, if any, will be added to these rates. Invoices will be rendered monthly. Payment is due upon presentation. A late payment finance charge of 1.5% per month (but not exceeding the maximum rate allowable by law) will be applied to any unpaid balance commencing 30 days after the date of the original invoice.

Fee schedule is subject to change annually.

^{1/} Includes mail, telephone, fax, office photo copies, personal computers and mileage (except as noted).

**Draft
For Client Review & Comment**

March 22, 2010

Ms. Kate Rees, General Manager
Cachuma Operation & Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105

Dear Kate:

**Subject: Cachuma Operation & Maintenance Board
Reliability and Alternatives Study for the Upper Reach of South Coast
Conduit from CDMWTP to Lauro Reservoir
Task Order No. 2010C**

Transmitted herewith is a Draft of the Task Order No. 2010C, dated March 15, 2010. It is our understanding that these services will be completed as an amendment under our Engineering Services Agreement for Investigation and Engineering Study for South Coast Conduit (SCC), dated February 22, 1999. In summary, this Task Order provides for the investigation and alternatives study for a fourth section of the South Coast Conduit (SCC).

After your review of the attached Scope of Work please call to discuss details. We sincerely appreciate the continued opportunity to provide engineering services to COMB.

Sincerely,

AECOM

Approved by:
Cachuma Operations and Maintenance Board

Glen M. Hille, PE
Vice President, Regional Quality Manager

Kate Rees
General Manager

Date

Attachment: Scope of Work, Fee Schedule

Scope of Work – Task Order No. 2010C Reliability and Alternatives Study for the Upper Reach of South Coast Conduit from CDMWTP to Lauro Reservoir

**Draft
FOR CLIENT REVIEW & COMMENT**

Planned Engineering Services

AECOM will provide the following engineering services (tasks) for the investigation and alternatives study for a fourth section of the South Coast Conduit (SCC). The focus of the investigation and study is to assess the condition, reliability, and capacity of the section of the South Coast Conduit from the CDMWTP to the Lauro Reservoir. A Task Cost Report is attached to this scope of work identifying the estimated engineering effort and estimated fee for the same.

Task __000 – Kick Off Meeting

Meet with COMB staff to refine tasks, schedules, reliability expectations and future conveyance capacity criteria.

Task __100 – Project Goals and Criteria Evaluation

Summarize the existing capacity limitations and evaluate the benefits and magnitude of costs for varying levels of conveyance capacity and reliability. At a concept level, prioritize various project components consisting of:

- ▶ Right-of-Way/Land Acquisition Issues
- ▶ Life Expectancy as related to Structural Capacity and Corrosion Issues
- ▶ Level of Reliability/Capacity
- ▶ USBR Process
- ▶ Functionality (Operations Mode(s))

Task __200 – Existing Data

__210 – Documents

Compile and review the following existing data relative to the SCC between the CDMWTP and Lauro Reservoir:

- ▶ Original design documents (plans, specifications, and calcs, if available).
- ▶ Shop drawings
- ▶ Original geotechnical report
- ▶ Construction and start-up documents
- ▶ Maintenance Records
- ▶ Note any conditions changed from original plan (new roads, modifications, fills, vegetation, and erosion)

For Client Review & Comment

220 – Field Reconnaissance

- ▶ Walk the pipeline from CDMWTP to Lauro reservoir (where feasible).
- ▶ Observe interior and exterior portions of each structure (approximately 30 structures) that are visible from ground surface.
- ▶ Observe and note general condition of exposed facilities issues (hydraulic vents, ARVs, valves, meters, etc.).

230 – Pipe Pressure (Structural) Analysis

For the pipeline from CDMWTP to Lauro Reservoir review all pipeline design drawings. For the sections of pipe with changed site conditions, review shop drawings to develop an opinion as to the structural impact to the original design. The purpose of the structural analysis is to estimate the anticipated increase or decrease of the pipe stresses.

Task __300 – Initial Geotechnical (Fatal Flaw) Assessments (by Fugro)

- ▶ Conduct geotechnical data review based on available geologic maps and geotechnical reference data along the alignment, which will be input into a GIS database. A preliminary geologic map of the alignment will be prepared.
- ▶ Obtain and review historical aerial photographs of the alignment to help evaluate geologic hazards such as landsliding, faulting, and slope instability that could impact the existing and proposed pipeline alignment.
- ▶ Perform a field reconnaissance (in conjunction with AECOM) to observe the site conditions and update the geohazard map based on field observations.
- ▶ Summarize the findings of the study in a technical memorandum with supporting maps and aerial photographs. The memorandum will describe the geologic and seismic setting, identify and rank geohazards that could impact the pipeline, and recommend areas that may require additional study.
- ▶ Refer to the Fugro proposal (attached) for supplemental data.

Task __400 – Initial Corrosion Analysis

M.J. Schiff and Associates will perform electromagnetic conductivity, soil resistivity and reconnaissance of the pipeline. Where facilities are accessible without excavations, determine pipe to soil potentials to determine if pipeline is at risk for external corrosion. In addition, up to five soil samples will be collected for laboratory testing.

Task __500 – Alternatives Analysis

At a concept level of understanding, conduct an analysis of the following options to modify existing system to increase operational flexibility, reliability, and/or capacity:

510 – Lateral Abandonment

Compile up to two alternatives for abandonment of Lateral at horse corral property.

520 – Second Parallel Pipeline

Add "2nd" parallel pipeline (CDMWTP to Lauro Reservoir) to achieve desired level of reliability.

530 – Analyze Lauro Control Station

Reduce headloss in the Lauro Control Station.

540 – Creek Crossings

Using the record drawing data available for base mapping, develop up to two alternatives (for increased reliability) for each of the following creek crossings:

For Client Review & Comment

- ▶ Carneros Creek (111+85)
- ▶ West Form of Vegas Creek (193+85)
- ▶ Vegas Creek (198+01)
- ▶ Maria Ygnacia Creek (435+03)
- ▶ San Antonio Creek (477+49)

The analysis will consider capacity, reliability, and magnitude of cost issues, which will be summarized in a matrix table.

Task __600 – Work Shop

Prepare for and conduct a one day workshop with COMB and member agencies.

Task __700 – Concept Designs

__710 – Valves and Meters

Concept design and sequence of construction to increase the level of reliability at the five creek crossings identified in Task __540. The concept design is limited to one alternative for each crossing selected by COMB during Task __600 workshop.

__720 – Lateral Abandonment

Concept design of one alternative selected (Task __510) for abandonment of Lateral__ at horse corral property.

Task __800 – Report

Compile a report summarizing the following:

Background, Existing Capacity, Demand, and Reliability

- ▶ Project Goals and Criteria (Realistic Level of Required Reliability)
- ▶ Summary of Record Data and Field Reconnaissance
- ▶ Structural Analysis
- ▶ Geotechnical Initial Assessment
- ▶ Corrosion Assessment
- ▶ Alternative Analysis and Magnitude of Cost Comparison
- ▶ Concept Designs
- ▶ Conclusions

Task __900 – Meetings

Attend up to 4 meetings with COMB and/or the following team members:

- ▶ USBR
- ▶ Member Agencies
- ▶ COMB Board

Task _1000 – Contingency

Additional services that require COMB authorization.

Cachuma Operations Maintenance Board
 Reliability and Alternatives Study for the Carpinteria Reach of South Coast Conduit from
 Ortega Reservoir to Carpinteria Reservoir
Fee Estimate

Task	Description	AECOM Level of Effort		Sub Consultant
		Manhours	(\$)	
__000	Kick Off Meeting	8	\$ 1,300	\$ 500 (Fugro)
__100	Project Goals and Criteria Evaluation	16	\$ 2,700	
__200	Existing Data			
__210	Documents	12	\$ 2,000	
__220	Field Reconnaissance	48	\$ 8,100	\$ 3,000 (Fugro)
				\$ 5,000 (MJ Schiff)
__230	Pipe Pressure (Structural) Analysis	40	\$ 6,700	
__300	Initial Geotechnical (Fatal Flaw) Assessments (by Fugro)	4	\$ 700	\$ 30,000 (Fugro)
__400	Initial Corrosion Analysis	4	\$ 700	\$ 15,700 (MJ Schiff)
__500	Alternatives Analysis			
__510	Lateral Abandonment	24	\$ 4,000	
__520	Second Parallel Pipeline	16	\$ 2,700	
__530	Analyze LauroControl Station	8	\$ 1,300	
__540	(5) Creek Crossings	40	\$ 6,700	
__600	Workshop	32	\$ 5,400	
__700	Concept Designs			
__710	(5) Creek Crossings	100	\$ 16,800	
__720	Lateral Abandonment	24	\$ 4,000	
__800	Report	64	\$ 10,800	
__900	Meetings	40	\$ 6,700	
__1000	Contingency	31	\$ 5,200	
	Total	511	\$ 85,800	\$ 54,200

It is anticipated that an engineering fee of \$140,000 will be required to accomplish the above-referenced engineering tasks based on an average of \$155 per MH, and 8.5% for other direct costs. Compensation will be on a time and materials basis consistent with the 2010 Fee Schedule attached and our Engineering Services Agreement dated February 22, 1999.

**Draft
 for Client Review & Comment**

For Client Review & Comment

Assumptions

- Topographic (base) mapping will be provided by COMB at a scale of 1" = 200' for the SCC alignment with property lines identified based on "county assessor" available data.
- This scope of work constitutes our current understanding of the project. Other tasks not specifically addressed in this proposal may be required. Certain assumptions have been made in preparing the scope of work and fee estimate. To the extent possible, they are stated herein and are reflected in the estimated fees.
- No right-of-way services are included. No additional identification or measurement of the parcels potentially affected by the construction will be made. It is assumed that all work will be done on existing COMB right-of-way or U.S. Bureau of Reclamation property.
- Right-of-entry permits will be obtained by COMB.
- All existing design drawings, as-built drawings, design plans, reports, and specifications for existing, adjacent, and affected facilities will be made available to AECOM by COMB.
- No independent check of data furnished by COMB will be made unless specifically described in this scope. AECOM will rely on the accuracy of information provided.
- National Standards referenced in the contract plans and specifications will be those issued, approved, and printed as of the date of this proposal.

Project Schedule

Supplemental Conditions

Construction Safety

COMB agrees that in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the Project, including safety of all persons and property, and that this requirement shall be made to apply continuously and not be limited to normal working hours. AECOM shall not have control over or charge of, and shall not be responsible for, construction means, methods, techniques, sequences or procedures, as these are solely the responsibility of the construction contractor. AECOM shall not have the authority to stop or reject the work of the construction contractor.

Contractor Indemnification/Additional Insured

Client will require that any Contractor performing work in connection with the project for which AECOM is providing professional services, hold harmless, indemnify and defend Client, AECOM, their consultants, and each of their directors, officers, agents and employees from any and all liability, claims, losses, damage and costs, including attorneys' fees, arising out of or alleged to arise from the Contractor's performance of the work described in the construction contract documents, but not

For Client Review & Comment

including liability that may be due to the sole negligence of Client, AECOM, their consultants, or their directors, officers, agents and employees.

Client will require the Contractor to provide workers' compensation and commercial general liability insurance, including completed operations and contractual liability, with the latter coverage sufficient to insure the Contractor's indemnity, as above required; and such insurance shall include Client, AECOM, their consultants, and each of their directors, officers, agents and employees as additional insureds.

Hazardous Materials

In providing its services hereunder, neither AECOM nor its subconsultants shall be responsible for identification, handling, containment, abatement, or in any other respect, for any asbestos or hazardous material if such is present in connection with the project. In the event that CLIENT becomes aware of the presence of asbestos or hazardous material at the jobsite, CLIENT shall be responsible for complying with all applicable federal and state rules and regulations, and shall immediately notify AECOM, who shall then be entitled to cease any of its services that may be affected by such presence, without any liability to AECOM or its subconsultants arising there from.

Cost Estimate

AECOM has no control over the cost of labor, materials, equipment or services furnished by others or over Contractor's methods of determining prices, or other competitive bidding or market conditions, practices or omissions on the site. Any cost estimates provided by the Consultant will be made on the basis of his experience and judgment. Estimates of probable construction costs may vary from actual construction costs.

Re-Use of Documents

Documents, drawings, specifications, and electronic information/data, including computer aided drafting and design ("CADD"), prepared by CONSULTANT pursuant to this agreement are not intended or represented to be suitable for reuse by CLIENT or others on extensions of the Project or on any other project. Any use of completed documents for other projects and any use of incomplete documents without specific written authorization from CONSULTANT will be at CLIENT's sole risk and without liability to CONSULTANT.

Right to Rely

Consistent with the professional standard of care and unless specifically provided herein, AECOM shall be entitled to rely upon the accuracy of data and information provided by the COMB or others without independent review or evaluation.

AECOM
FEE SCHEDULE FOR PROFESSIONAL SERVICES
 Effective January 1, 2010

Engineers, Planners, Architects, Scientists:

Student Assistant	\$ 79.00 per hour
Assistant I	\$ 95.00 per hour
Assistant II	\$ 108.00 per hour
Associate	\$ 128.00 per hour
Senior I	\$ 152.00 per hour
Senior II	\$ 174.00 per hour
Principal	\$ 211.00 per hour
Company Officer	\$ 228.00 per hour
Special Consultant	\$ 180.00 per hour

Construction Administration Personnel:

Resident Project Representative	\$ 105.00 per hour
Senior Resident Project Representative	\$ 123.00 per hour
Resident Engineer	\$ 150.00 per hour
Construction Services Manager	\$ 198.00 per hour

Technical Support Staff:

Clerical/General Office	\$ 68.00 per hour
Administrative Specialist	\$ 79.00 per hour
Drafter/CADD Technician	\$ 70.00 per hour
Assistant CADD Operator	\$ 82.00 per hour
Designer/CADD Operator	\$ 93.00 per hour
Senior Designer/Design CADD Operator	\$ 108.00 per hour
Design/CADD Supervisor	\$ 121.00 per hour

General Project Expenses ^{1/}

8.5% of Labor

Direct Project Expenses

Other Reproduction (8 1/2 x11/11x17 Color)	\$1.15/1.50 per page
Plan Sheet Printing - In House Bond/Vellum/Mylar	\$3.00/4.00/7.00 per sheet
Subcontracted Services/Reproduction	Cost + 15%
Subcontracted or Subconsultant Services	Cost + 15%
Auto Mileage for Construction Phase Services	\$0.60 per mile
Travel & Subsistence (other than mileage)	Cost
Miscellaneous Materials	Cost + 15%

If authorized by the Client, an overtime premium multiplier of 1.5 may be applied to the billing rate of hourly personnel who work overtime in order to meet a deadline which cannot be met during normal hours.

Applicable sales tax, if any, will be added to these rates. Invoices will be rendered monthly. Payment is due upon presentation. A late payment finance charge of 1.5% per month (but not exceeding the maximum rate allowable by law) will be applied to any unpaid balance commencing 30 days after the date of the original invoice.

Fee schedule is subject to change annually.

^{1/} *Includes mail, telephone, fax, office photo copies, personal computers and mileage (except as noted)*

FUGRO WEST, INC.



4820 McGrath Street, Suite 100
Ventura, California 93003-7778
Tel: (805) 650-7000
Fax: (805) 650-7010

February 25, 2010 (Revised March 17, 2010)
Project No. 2010.077

AECOM
5851 Thille Street, Suite 201
Ventura, California 93003

Attention: Mr. Glen Hille

Subject: Proposed Preliminary Geohazard Evaluation, South Coast Conduit, Corona Del Mar
Water Treatment Plant to Lauro Reservoir, Santa Barbara County, California

Dear Mr. Hille:

Fugro is pleased to present this proposal to provide an evaluation of the geologic conditions and geologic hazards associated with the existing South Coast Conduit (SCC) between the Goleta Water District's Corona Del Mar Water Treatment Plant and the City of Lauro Reservoir. The purpose of the preliminary geohazard study is to identify geologic and seismic hazards that have the potential to impact the existing SCC. The scope of services presented herein includes review of existing geologic and geotechnical data, review of historical aerial photographs, site visit/field reconnaissance, qualitative evaluation of potential geologic hazards (such as landsliding, faults and ground rupture potential, and liquefaction). A review of Minor et al. (2009)¹ indicates that the SCC crosses areas underlain by Sespe, Vaqueros and Rincon Formations, older alluvium, older marine terrace deposits, and older alluvial fan deposits. The alignment also crosses areas underlain by younger alluvium in the valley areas. Much of the terrain in this portion of the SCC alignment between Corona Del Mar and Cater Water Treatment Plants is steeply sloping; Bezore and Wills (1999)² characterize the area as having a high landslide potential. Locally, the Rincon and Sespe Formations are known or considered to be susceptible to both small surficial landslides and larger deep-seated landslides.

This proposal was prepared at your request and it provides our understanding of the project, our proposed scope of services, and estimated fee for the work.

Scope of Work

The scope of work for the project will consist of the following tasks:

¹ Minor, S.A., Kellogg, K.S., Stanley, R.G., Gurrola, L.D., Keller, E.A., and Brandt, T.R. (2009), Geologic Map of the Coastal Plain Area, Santa Barbara County, California, USGS Scientific Investigations Map 3001.

² Bezore, S. and Wills, S.J. (1999) Landslide Hazard Maps of Southeastern Santa Barbara County, California, DMG Open File Report 99-12.



Task 1 - Review of Existing Geotechnical and Geologic Data and Aerial Photographs. Available geologic maps and geotechnical reference data along the alignment will be reviewed and input into a GIS database. Available published data are anticipated to consist of Minor et al. (2009), Gurrola (2004a³, 2004b⁴) and Bezore and Wills (2000). We will review historical aerial photographs of the alignment to help evaluate geologic hazards such as landsliding, faulting, and slope instability that could impact the existing and proposed pipeline alignment. We will prepare preliminary geologic and geohazard maps of the alignment that presents the findings of our geologic and aerial photograph review work.

Task 2 - Field Reconnaissance. We will perform a 2-day field reconnaissance, in conjunction with AECOM and COMB, to observe the site conditions and update the geologic and geohazard maps based on field observations. We anticipate that principal and project level staff from Fugro will participate in the site reconnaissance. Photographs of presumed significant hazards or areas will be taken to document the conditions.

Task 3 - Letter Report. We will summarize the findings of our study in a letter-report with supporting maps, annotated aerial photographs, and selected site photographs. The report will describe the geologic and seismic setting, identify and rank geohazards that could impact the pipeline, and recommend areas that may require additional study.

Task 4 - Meeting. We have provided for preparation and attendance of a half-day meeting by our project manager/engineering geologist to discuss findings of the study. We anticipate that the meeting will be held in the Santa Barbara area and will be attended by AECOM, COMB, and Fugro. Additional time required for meeting attendance will be billed on a time and expense basis in accordance with our current fee schedule.

Fee Estimate

The work can be initiated upon receiving written authorization to proceed assuming a complete execution of a mutually agreeable contract. We estimate the fee to provide the above described services to be about \$29,150. The fees estimated herein remain valid for a period of 90 days from the proposal date. We anticipate that the geotechnical evaluation will be completed under our existing agreement with AECOM using our 2010 Fee Schedule. Fees will be invoiced monthly on a time and material basis assuming prevailing wage. We will not exceed the total estimated fee without prior written consent from AECOM. A breakdown is provided in the following table.

³ Gurrola, L.D. (2004a), Geologic Map of the Western Santa Barbara Fold Belt, Santa Barbara, California, PhD Thesis, University of California Santa Barbara.

⁴ Gurrola, L.D. (2004b), Geologic Map of the Eastern Santa Barbara Fold Belt, Santa Barbara, California, PhD Thesis, University of California Santa Barbara.



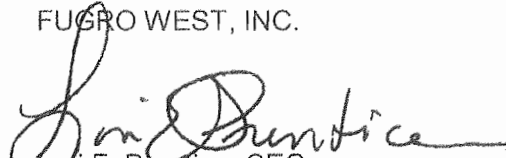
Estimated Man-hours and Fee

Task Description	Corona Del Mar WTP to Cater WTP, Estimated Man-hours	Estimated Fee
Task 1- Data Review/Map Preparation	48	\$9,200
Task 2 - Site Reconnaissance and Mapping	32	10,800
Task 3 - Letter-report	48	7,400
Task 4 - Meeting	8	1,750
Subtotals	136	\$29,150

Closure

Thank you for the opportunity to provide this proposal for the evaluation of the geologic conditions and geologic hazards associated with the existing South Coast Conduit between the Goleta Water District's Corona Del Mar Water Treatment Plant and the City of Santa Barbara's Cater Water Treatment Plant. Please call if you have any questions regarding information presented in this proposal.

Sincerely,
FUGRO WEST, INC.



Lori E. Prentice, CEG
Principal Engineering Geologist

Copies: (Pdf) Addressee

Draft
Final Review & Comments

March 22, 2010

Ms. Kate Rees
Cachuma Operation & Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105

Subject: Cachuma Operation & Maintenance Board
South Coast Conduit (SCC) Lower Reach, SCC Pump Station to Ortega
Reservoir Final Design Phase Services for Vent Structure and Blowoff
Task Order No. 2010B

Dear Kate:

Transmitted herewith is the Draft Task Order No. 2010B, dated March 12, 2010. It is our understanding that these services will be completed as an amendment under our Engineering Services Agreement for Investigation and Engineering Study for South Coast Conduit (SCC), dated February 22, 1999. In summary, this task order provides for Final Design Phase Services for the vent structure and blowoff.

After your review of the attached Scope of Work, please call to discuss. We sincerely appreciate the continued opportunity to provide engineering services to COMB. Please call if clarification is required.

Sincerely,

AECOM U.S.A. Inc.

Approved by:
Cachuma Operations & Maintenance Board

Glen M. Hille, PE
Vice President and Director of Engineering

Kate Rees
General Manager

Date

Attachment: Scope of Work, Fee Schedule

Scope of Work – Task Order No. 2010B
Cachuma Operation and Maintenance Board (COMB)
South Coast Conduit (SCC) Lower Reach, SCC Pump Station
to Ortega Reservoir, Final Design Phase Services for Vent
Structure and Blowoff Modifications



Background and Overview

COMB operates the SCC from the Lake Cachuma north portal to the Carpinteria Reservoir. In 2005, COMB retained Boyle Engineering Corporation (now AECOM) to perform a Phase II Reliability Study for the SCC Upper Reach - Tecolote Tunnel to the Corona Del Mar Water Treatment Plant and Lower Reach – SCC Booster Pump Station to Ortega Reservoir. In that DRAFT report, dated September 2006, recommendations for the SCC Booster Pump Station to Ortega Reservoir reach were made for design engineering tasks. Those tasks were intended to reduce hydraulic constrictions in the system without significant system overstress.

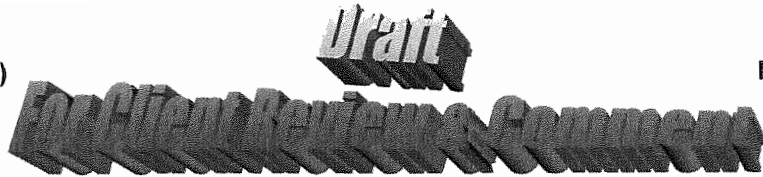
AECOM has previously developed preliminary design level drawings showing proposed vent structure improvements to accommodate the refined hydraulic capacity and surge suppression. In addition, the design modifications addressed increased resistance to contamination for operation as a potable waterline. Preliminary designs were prepared with the understanding that COMB would negotiate construction contracts with select contractors for the following structures:

- Barker Pass Vent Modifications
- Return Pipe to Lauro Reservoir
- Ortega Vent Modification (Station 195+00)

In addition, vent improvements similar to those constructed at Ortega are necessary at Sheffield Tunnel Vent (south portal outlet structure).

Air binding in the vicinity of Sheffield Flow Control Station (FCS) was identified in a letter report dated March 27, 2003 as the possible source of excessive head loss. In that report, installation of an additional air-release valve downstream of the Sheffield FCS was recommended. Final design level drawings for the proposed installation of the air-vacuum valve at this location (the blowoff at Station 83+82) are also necessary.

COMB constructed the Ortega vent improvements, but the others were not constructed. It is understood that COMB intends to bid all four SCC improvements in one contract. This proposal is for the engineering services necessary to prepare final engineering plans and specifications for public bid as one bid package. We have identified the following scope in order to accomplish those means. The anticipated overall project cost is in the magnitude of \$575,000.



Final Design Phase

Task Series 2000 – Final Design Phase

AECOM will prepare CSI-based specifications for the project. Specifications initially will be completed to 90 percent level to allow review by COMB of technical and contractual aspects in relation to bid forms, insurance forms, and bond forms. Provide the following technical specifications:

- Bid documents
- Supplement to General Provisions
- Pipeline materials
- Trenching, backfilling, and compaction
- Connections to existing vents
- Draft Storm Water Pollution Prevention Plan (SWPPP)

Task 2100 – Design

90 Percent Design Progress Plans

Compile site plan and detail sheets for:

- Barker Pass Vent Modifications
- Return Pipe to Lauro Reservoir
- Ortega Vent Modification (Station 195+00)
- Air-Vacuum Valve addition and modifications at blowoff Station 83+82

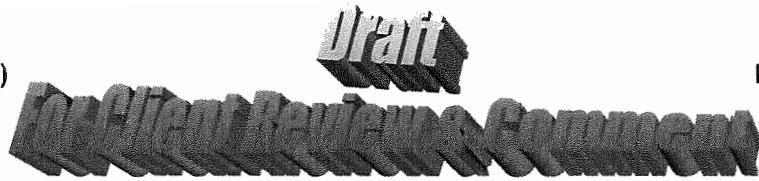
Task 2200 – Specifications

Technical specifications were previously prepared for the Lauro Vent Modifications and Barker Pass Vent Modifications. Those will be the basis for the technical specifications for the vent modifications and for the installation of an air-release valve. Bid documents prepared for the Upper Reach Reliability Project will be the basis for preparation of the general provisions and bid forms. The specification sections included are listed in Attachment A.

90 Percent Design Submittal. Submit eight half size (11" x 17") sets at the 90 percent review and eight copies/sets of the specifications and the cost opinion. Meet with COMB staff to address review comments.

ITEM # 9
PAGE 49

AECOM



Task 2300 – Cost Opinion

Update the following magnitude of overall project cost estimate at 100% design stage:

Magnitude of Overall Project Cost Estimate

No.	Description	Quantity	Unit	Unit/Cost	Cost(\$)
1	Mobilization (6%)	1	LS	\$ 16,000	\$ 16,000
2	Shoring	1	LS	\$ 10,000	\$ 10,000
3	Barker Pass Vent Modifications				
a	Demo Portion of Existing Vent	1	LS	\$ 1,000	\$ 1,000
b	30" BF, Class D two 2/6" Outlet	1	EACH	\$ 2,000	\$ 2,000
c	6" CML&C Piping	8	FT	\$ 150	\$ 1,200
d	6" Steel Elbows	4	EACH	\$ 300	\$ 1,200
e	6"x3" Steel Reducer	2	EACH	\$ 500	\$ 1,000
d	3" CML&C Piping	8	FT	\$ 125	\$ 1,000
g	3" CAV 2/Can	2	EACH	\$ 5,000	\$ 10,000
h	Concrete	25	FT3	\$ 40	\$ 1,000
	Subtotal				\$ 44,400
4	Pipe Return to Lauro Reservoir				
a	36" RCP Pipe	420	LF	\$ 450	\$ 189,000
b	Vent Demolition & Connection Sta 6+82	1	LS	\$ 2,000	\$ 2,000
c	New Air Vent Sta 10+00	1	LS	\$ 5,000	\$ 5,000
d	Conn to Exist Dissipater Sta 11+04 (Penetration, Concrete, Valve)	1	LS	\$ 7,600	\$ 7,600
	Subtotal				\$ 203,600
5	Sheffield Vent				
a	Modify Existing Vent (Install Flanges, Steel Pipe, Vent Cover)	1	LS	\$ 15,000	\$ 15,000
6	Blow Off Sta 83+82				
a	Air Vacuum Valve Addition & Modifications to Blow Off (Flange with 6" outlet, 6" piping, 6" valve and 4" CAV) and air binding reduction modifications	1	LS	\$ 50,000	\$ 50,000
	Bid Item Total				\$ 313,000
	Contractor Profit (15%)				\$ 47,000
	Engineering - Design				\$ 40,000
	Engineering - Bid				\$ 30,000
	Engineering - CPS				\$ 50,000
	Permitting				TBD
	ROW				TBD
	Contingency (30%)				\$ 95,000
	Magnitude of Project Cost				\$ 575,000

Task 2400 – Final Plans

AECOM will compile 22" x 34" contract plans showing the proposed system modifications based upon the reviewed 90 percent design progress submittal. It is anticipated that the plan set will consist of:

- Title Sheet
- Abbreviations, Notes, and Location Maps
- Site Plans (four)

ITEM # 9
 PAGE 50
AECOM

Draft
FOR REVIEW AND COMMENT

- Details (four)
- Structural (five)

Eight half size (11" x 17") sets will be provided at the 90 percent review. The final deliverable will consist of one full size set (mylar) and one bound set.

Task 2500 – Survey

Compile legal description for Lauro Vent pipeline easement.

Task 2600 – Meetings

Prepare for and attend up to two meetings with COMB and member agencies.

Task 2700 – Project Management

- Attend up to two meetings with COMB at COMB headquarters or on-site.
- Attend one COMB Board presentation for the final design.
- Update Project Schedule at bid ready phase.
- Monitor schedule and cost of design phase services.

Task 3000 – Bid Phase Services (Future Task Order)

Task 4000 – Construction Phase Engineering Services (Future Task Order)

Schedule

It is anticipated that the Design Phase Scope of Services associated with this proposal will be completed within 60 calendar days from the notice to proceed.

Supplemental Provisions

Construction Safety

COMB agrees that in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the Project, including safety of all persons and property, and that this requirement shall be made to apply continuously and not be limited to normal working hours. AECOM shall not have control over or charge of, and shall not be responsible for, construction means, methods, techniques, sequences or procedures, as these are solely the responsibility of the construction contractor. AECOM shall not have the authority to stop or reject the work of the construction contractor.

Contractor Indemnification/Additional Insured

Client will require that any Contractor performing work in connection with the project for which AECOM is providing professional services, hold harmless, indemnify and defend Client, AECOM, their consultants, and each of their directors, officers, agents and employees from any and all liability, claims, losses, damage and costs, including attorneys' fees, arising out of or alleged to arise from the Contractor's performance of the work described in the construction contract documents, but not

Draft
Proposed Revision Comment

including liability that may be due to the sole negligence of Client, AECOM, their consultants, or their directors, officers, agents and employees.

Client will require the Contractor to provide workers' compensation and commercial general liability insurance, including completed operations and contractual liability, with the latter coverage sufficient to insure the Contractor's indemnity, as above required; and such insurance shall include Client, AECOM, their consultants, and each of their directors, officers, agents and employees as additional insureds.

Hazardous Materials

In providing its services hereunder, neither AECOM nor its subconsultants shall be responsible for identification, handling, containment, abatement, or in any other respect, for any asbestos or hazardous material if such is present in connection with the project. In the event that CLIENT becomes aware of the presence of asbestos or hazardous material at the jobsite, CLIENT shall be responsible for complying with all applicable federal and state rules and regulations, and shall immediately notify AECOM, who shall then be entitled to cease any of its services that may be affected by such presence, without any liability to AECOM or its subconsultants arising there from.

Cost Estimate

AECOM has no control over the cost of labor, materials, equipment or services furnished by others or over Contractor's methods of determining prices, or other competitive bidding or market conditions, practices or omissions on the site. Any cost estimates provided by the Consultant will be made on the basis of his experience and judgment. Estimates of probable construction costs may vary from actual construction costs.

Re-Use of Documents

Documents, drawings, specifications, and electronic information/data, including computer aided drafting and design ("CADD"), prepared by CONSULTANT pursuant to this agreement are not intended or represented to be suitable for reuse by CLIENT or others on extensions of the Project or on any other project. Any use of completed documents for other projects and any use of incomplete documents without specific written authorization from CONSULTANT will be at CLIENT's sole risk and without liability to CONSULTANT.

Right to Rely

Consistent with the professional standard of care and unless specifically provided herein, AECOM shall be entitled to rely upon the accuracy of data and information provided by the COMB or others without independent review or evaluation.

Opinions of Cost

Any estimate of the project's probable construction cost prepared by AECOM is an opinion representing AECOM's judgment as a design professional. Estimates of probable construction cost are supplied for the general guidance of COMB. Since AECOM has no control over the cost of labor and material or over competitive bidding or market conditions AECOM does not guarantee the accuracy of such estimates as compared to AECOM bids or actual cost to COMB.

Assumptions

In preparing this proposal, the following assumptions were made:

Draft
Client Review Comment

- This scope of work constitutes our current understanding of the project. Other tasks not specifically addressed in this proposal may be required. Certain assumptions have been made in preparing the scope of work and fee estimate. To the extent possible, they are stated herein and are reflected in the estimated fees.
- It is our understanding that these project components are categorically exempt from the CEQA process.
- No right-of-way services are included. No additional identification or measurement of the parcels potentially affected by the construction will be made. It is assumed that all work will be done on existing COMB right-of-way or U.S. Bureau of Reclamation property.
- Right-of-entry permits will be obtained by COMB.
- COMB will submit the plans, specifications, and estimate to the Bureau of Reclamation for MP-620 review.
- All existing design drawings, as-built drawings, design plans, reports, and specifications for existing, adjacent, and affected facilities will be made available to AECOM by COMB.
- No independent check of data furnished by COMB will be made unless specifically described in this scope. AECOM will rely on the accuracy of information provided.
- National Standards referenced in the contract plans and specifications will be those issued, approved, and printed as of the date of this proposal.
- Application for, processing, payment of any fees associated with, and obtaining any regulatory permits applicable for this project is excluded.
- Preparation of archaeological resources or environmental mitigation report is excluded.
- COMB will pay all permit fees and prepare permit applications.
- Engineering services during the bid and construction phases will be authorized in a future task order.

The estimated engineering effort and estimated fee are shown below:

Task	Description	AECOM Level of Effort	
		MH	(\$)
2000	Final Design Phase	28	\$ 4,700
2100	Design	32	\$ 5,300
2200	Specifications	64	\$ 10,800
2300	Cost Opinion	19	\$ 3,200
2400	Final Plans	32	\$ 5,300
2500	Survey	10	\$ 1,700
2600	Meetings	12	\$ 2,000
2700	Program Management	41	\$ 7,000
Total		237	\$ 40,000

It is anticipated that an engineering fee of **\$40,000** will be required to accomplish the above-referenced engineering tasks based on an average of \$155per MH, 8.5 percent for other costs. Compensation will be on a time-and-materials basis consistent with the Fee Schedule attached and our Engineering Services Agreement dated February 22, 1999.

ITEM # 9
PAGE 53
AECOM

AECOM
FEE SCHEDULE FOR PROFESSIONAL SERVICES
 Effective January 1, 2010

Engineers, Planners, Architects, Scientists:

Student Assistant	\$ 79.00 per hour
Assistant I	\$ 95.00 per hour
Assistant II	\$ 108.00 per hour
Associate	\$ 128.00 per hour
Senior I	\$ 152.00 per hour
Senior II	\$ 174.00 per hour
Principal	\$ 211.00 per hour
Company Officer	\$ 228.00 per hour
Special Consultant	\$ 180.00 per hour

Construction Administration Personnel:

Resident Project Representative	\$ 105.00 per hour
Senior Resident Project Representative	\$ 123.00 per hour
Resident Engineer	\$ 150.00 per hour
Construction Services Manager	\$ 198.00 per hour

Technical Support Staff:

Clerical/General Office	\$ 68.00 per hour
Administrative Specialist	\$ 79.00 per hour
Drafter/CADD Technician	\$ 70.00 per hour
Assistant CADD Operator	\$ 82.00 per hour
Designer/CADD Operator	\$ 93.00 per hour
Senior Designer/Design CADD Operator	\$ 108.00 per hour
Design/CADD Supervisor	\$ 121.00 per hour

General Project Expenses ^{1/} 8.5% of Labor

Direct Project Expenses

Other Reproduction (8 1/2 x11/11x17 Color)	\$1.15/1.50 per page
Plan Sheet Printing - In House Bond/Vellum/Mylar	\$3.00/4.00/7.00 per sheet
Subcontracted Services/Reproduction	Cost + 15%
Subcontracted or Subconsultant Services	Cost + 15%
Auto Mileage for Construction Phase Services	\$0.60 per mile
Travel & Subsistence (other than mileage)	Cost
Miscellaneous Materials	Cost + 15%

If authorized by the Client, an overtime premium multiplier of 1.5 may be applied to the billing rate of hourly personnel who work overtime in order to meet a deadline which cannot be met during normal hours.

Applicable sales tax, if any, will be added to these rates. Invoices will be rendered monthly. Payment is due upon presentation. A late payment finance charge of 1.5% per month (but not exceeding the maximum rate allowable by law) will be applied to any unpaid balance commencing 30 days after the date of the original invoice.

Fee schedule is subject to change annually.

^{1/} *Includes mail, telephone, fax, office photo copies, personal computers and mileage (except as noted).*

SCC PUMP STA TO ORTEGA RES, VENT STRUCTURE AND BLOW OFF MAINTENANCE

DRAWING NO	DESCRIPTION	PERCENT COMPLETE	HOURS					TOTAL \$	TOTAL INDIRECT \$
			PRINCIPAL \$215	SENIOR \$150	ASSISTANT \$115	CADD OPERATOR \$88	ADMIN \$83		
G-1	TITLE SHEET	75%	1	2	0	8	0	\$ 1,219	\$ -
G-2	GENERAL NOTES & ABBREVIATIONS	75%	1	2	0	8	0	\$ 1,219	\$ -
G-3	RIGHT-OF-WAY, EASEMENT AND ACCESS MAP	0%	1	6	0	12	0	\$ 2,171	\$ -
C-1	BARKER PASS VENT MODIFICATIONS	90%	1	6	0	2	0	\$ 1,291	\$ -
C-2	LAURO RESERVOIR PLAN AND PROFILE	90%	1	6	0	2	0	\$ 1,291	\$ -
C-3	ORTEGA VENT (STA 195+00)	0%	1	6	0	12	0	\$ 2,171	\$ -
C-4	AIR VAC VALVE ADDITION & MODIFICATIONS AT BLOW OFF STA 83	0%	1	6	0	12	0	\$ 2,171	\$ -
D-1	BARKER PASS VENT MODIFICATIONS DETAILS	90%	1	6	0	2	0	\$ 1,291	\$ -
D-2	LAUREL RESERVOIR DETAILS	90%	1	6	0	2	0	\$ 1,291	\$ -
D-3	LAUREL RESERVOIR VENT DETAILS	90%	1	6	0	2	0	\$ 1,291	\$ -
	SUBTOTAL (DESIGN & PLANS)		10	52	0	62	0	\$ 15,406	\$ -
	SPECIFICATIONS - FRONT END DOCUMENTS							\$ 2,911	\$ -
	SPECIFICATIONS - TECHNICAL							\$ -	\$ -
011100	COORDINATION OF WORK, PERMITS, AND REGULATIONS	50%	2	8	0	0	4	\$ 1,962	\$ -
012000	MEASUREMENT AND PAYMENT	90%	2	4	0	0	2	\$ 1,196	\$ -
013300	SUBMITTALS	90%	0	0.5	0	0	1	\$ 158	\$ -
014210	GENERAL ABBREVIATIONS	90%	0	0.5	0	0	1	\$ 158	\$ -
015100	CONSTRUCTION FACILITIES AND TEMPORARY CONTROLS	90%	0	0.5	0	0	1	\$ 158	\$ -
015526	TRAFFIC REGULATION	90%	0	0.5	0	0	1	\$ 158	\$ -
017410	CLEANING DURING CONSTRUCTION AND FINAL CLEANING	90%	0	0.5	0	0	1	\$ 158	\$ -
020120	PROTECTING EXISTING UNDERGROUND UTILITIES	90%	0	0.5	0	0	1	\$ 158	\$ -
020130	CONNECTIONS TO EXISTING BURIED PIPELINES	90%	0	0.5	0	0	1	\$ 158	\$ -
023219	SUBSURFACE UTILITY LOCATING (POTHOLING)	90%	0	0.5	0	0	1	\$ 158	\$ -
024100	EQUIPMENT, PIPING, AND MATERIALS DEMOLITION	90%	0	0.5	0	0	1	\$ 158	\$ -
030500	GENERAL CONCRETE CONSTRUCTION	90%	0	0.5	0	0	1	\$ 158	\$ -
050520	BOLTS, WASHERS, ANCHORS, AND EYEBOLTS	90%	0	0.5	0	0	1	\$ 158	\$ -
099000	PAINTING AND COATING	90%	0	0.5	0	0	1	\$ 158	\$ -
099752	COLD-APPLIED WAX TAPE COATING	90%	0	0.5	0	0	1	\$ 158	\$ -
099754	POLYETHYLENE SHEET ENCASUREMENT (AWWA C105)	90%	0	0.5	0	0	1	\$ 158	\$ -
311100	CLEARING, STRIPPING, AND GRUBBING	90%	0	0.5	0	0	1	\$ 158	\$ -
312316	TRENCHING, BACKFILLING, AND COMPACTING	90%	0	0.5	0	0	1	\$ 158	\$ -
321216	ASPHALT CONCRETE PAVING	90%	0	0.5	0	0	1	\$ 158	\$ -
331300	DISINFECTION OF PIPING AND STRUCTURES	90%	0	0.5	0	0	1	\$ 158	\$ -
405050	GENERAL PIPING REQUIREMENTS	90%	0	0.5	0	0	1	\$ 158	\$ -
405100	PRESSURE TESTING OF PIPING	90%	0	0.5	0	0	1	\$ 158	\$ -
405200	MANUAL, CHECK, AND PROCESS VALVES	90%	0	0.5	0	0	1	\$ 158	\$ -

9
55

SCC PUMP STA TO ORTEGA RES, VENT STRUCTURE AND BLOW OFF MAINTENANCE

DRAWING NO	DESCRIPTION	PERCENT COMPLETE	PRINCIPAL \$215	SENIOR \$150	HOURS		CADD OPERATOR \$88	ADMIN \$83	TOTAL \$	TOTAL INDIRECT
					ASSISTANT \$115					
400560	AIR-RELEASE AND VACUUM-RELIEF VALVES	90%	0	0.5	0		0	1	\$ 158	\$ -
400775	EQUIPMENT, PIPING, DUCT, AND VALVE IDENTIFICATION	90%	0	0.5	0		0	1	\$ 158	\$ -
402001	GENERAL REQUIREMENTS FOR STEEL PIPING	90%	0	0.5	0		0	1	\$ 158	\$ -
402050	FABRICATED STEEL SPECIALS	90%	0	0.5	0		0	1	\$ 158	\$ -
402051	INSTALLATION OF BURIED STEEL OR CONCRETE PIPE	90%	0	0.5	0		0	1	\$ 158	\$ -
402066	CML&C STEEL PIPE	90%	0	0.5	0		0	1	\$ 158	\$ -
402080	GENERAL REQUIREMENTS FOR CONCRETE PRSSURE PIPE	90%	0	0.5	0		0	1	\$ 158	\$ -
402082	REINFORCED CONCRETE LOW-HEAD PRESSURE PIPE (ASTM C361)	90%	0	0.5	0		0	1	\$ 158	\$ -
APPENDICES										
A	REFERENCE DRAWINGS	90%	0	0.5	0		0	1	\$ 158	\$ -
B	PERMITS	0%	0	0	0		0	0	\$ -	\$ -
SUBTOTAL (SPECIFICATIONS)			4	27	0		0	36	\$ 10,809	\$ -
TOTAL			14	79	0		62	36	\$ 26,215	\$ -

ITEM # 9
 PAGE 56

Robert T. Flowers
RCE 18324
Stephen G. Flowers
RCE 26192
Vernon E. Williams
RCE 33690
Eric L. Flavell
RCE 33000
Alan H. Chierici

FLOWERS & ASSOCIATES, INC.

C I V I L E N G I N E E R S

201 NORTH CALLE CESAR CHAVEZ, SUITE 100, SANTA BARBARA, CA 93103

PHONE: 805.966.2224 • FAX: 805.965.3372

www.flowersassoc.com

RECEIVED

JAN 14 2010

W.O. 0740
E-mail, Mail

CACHUMA O&M BOARD

January 12, 2010

Ms. Kate Reese, General Manager
Mr. Robert Dunlap, Operations Foreman
Cachuma Operations and Maintenance Board (COMB)
3301 Laurel Canyon Road
Santa Barbara, CA 93105-2017

Subject: South Coast Conduit (SCC) Examination and Repair Project-Northerly Section-Phase III: Fall 2010

Kate and Robert,:

Pursuant to your request we are providing herewith a proposal for engineering services for the subject project.

BASIS OF PROPOSAL

We have reviewed this project with you and have determined the following as a basis for this proposal:

1. The condition of the SCC is assumed to be essentially as found in our Spring 2009 examination.
2. This proposal covers examination of a portion of the northerly section of the SCC only and is assumed to be completed during the Fall of 2010.
3. Our services for this phase will generally consist of assisting COMB with the planning and execution of the examination of a portion or portions of the northern section of the SCC-between the Tecolote tunnel outlet and Lauro Reservoir.
4. We have assumed that the examination of the SCC interior will begin when the demand drops in the Fall probably in early November and last approximately six weeks. This effort will consist of alternating periods when the conduit is shut down for examination and preparation for the shutdowns. The shutdowns will be for a period of 1 week minimum and 10 days maximum with 5 day minimum breaks between shutdowns.

ITEM # 9
PAGE 57

5. The maximum daily work period for our personnel will not exceed 8 hours.
6. As requested, Ric Craig will be performing the examination and documentation of the condition of the SCC. We will also provide a qualified person to serve as Ric's assistant during the pipe examination. Vern Williams will be the Project Manager for the services provided by Flowers and Associates, Inc. and will provide any engineering services required. Flowers and Associates, Inc. clerical staff will be utilized as necessary.
7. COMB will supply all safety equipment and training.

SCOPE OF SERVICES

With the above items as a basis and our experience with the first two phases of this program, we propose the following scope of services for this phase:

- A. Advance planning for shutdowns and training update.
- B. Three five-day examination periods including entry and documentation.
- C. Two five-day recovery and preparation periods
- D. Data consolidation and report preparation.

COMPENSATION

With the assumptions stated, we propose to complete the above described scope of services on a TIME AND MATERIALS basis not to exceed \$49,200. If it appears our services and compensation will exceed that stated we will request authorization for the increased scope and fees before proceeding.

Our services will be billed for at approximately monthly intervals in accordance with our Fee Schedule in effect when the services are rendered. Current Schedule is attached. Payment is due upon receipt of Statement and unpaid balances are subject to late charges.

SPECIFIC EXCLUSIONS

Specifically not included in the scope of services for this proposal are the following:

1. Construction Contract Administration, construction monitoring or observation.
2. Surveying and/or geotechnical services.
3. Safety training and equipment.
4. Any involvement with hazardous waste including detection, evaluation, management and cleanup.

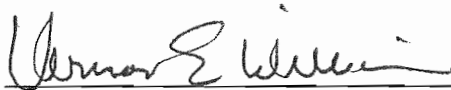
ITEM # 9
PAGE 58

AGREEMENT BETWEEN CLIENT AND CONSULTANT

We anticipate COMB's typical Purchase Order Agreement for this project and are prepared to sign it when completed with references to this proposal.

Please contact the undersigned with any questions or comments on this proposal. We appreciate the opportunity to continue working with you on this project.

Sincerely,
FLOWERS & ASSOCIATES, INC.

By: 
Vernon E. Williams, P.E.
Vice President

VW vw

Encls.

ITEM # 9
PAGE 59

FLOWERS & ASSOCIATES, INC.

C I V I L E N G I N E E R S

201 NORTH CALLE CESAR CHAVEZ, SUITE 100, SANTA BARBARA, CA 93103

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Robert T. Flowers
RCE 18324
Stephen G. Flowers
RCE 33690
Vernon E. Williams
RCE 33690
Eric L. Flavell
RCE 33000
Alan H. Chierici

FEE SCHEDULE

Effective October 21, 2009
Until Revised

<u>ENGINEERING SERVICES</u>	<u>HOURLY RATE</u>
Principal Engineer	\$167.00
Associate Engineer	\$149.00
Senior Engineer.....	\$134.00
Resident Engineer.....	\$134.00
Project Manager.....	\$120.00
Field Engineer	\$116.00
Design Engineer.....	\$116.00
Senior Inspector	\$112.00
Staff Engineer.....	\$112.00
Senior Technician.....	\$112.00
Inspector.....	\$ 97.00
Technician.....	\$ 97.00
Project Administrator/Agency Coordinator	\$ 88.00
CAD Technician	\$ 88.00
Word Processor	\$ 75.00

EXPERT TESTIMONY

Expert Testimony, Deposition, Court Appearance and Research related thereto will be charged at 3.0 times the applicable hourly rate.

REIMBURSABLE EXPENSE

Prints, plots, and other expenses connected with the work will be charged at cost.

CONSULTANTS

Subcontracts administered by Flowers & Associates, Inc. will be charged at cost plus 15%.

ITEM # 9
PAGE 60

SUMMERS ENGINEERING, INC.

CONSULTING ENGINEERS

887 N. IRWIN ST. - P. O. BOX 1122
HANFORD, CALIFORNIA 93232-1122

TELEPHONE
(559) 582-9237

FAX
(559) 582-7632

JOSEPH B. SUMMERS
1923-2006

JOSEPH C. MCGAHAN
ROGER L. REYNOLDS
BRIAN J. SKAGGS
SCOTT L. JACOBSON
JAMES C. LINNEMAN

March 12, 2010

Ms. Susannah Pitman
Cachuma Operations and Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105-2017

Subject: Draft Proposal for Watershed Sanitary Survey Update

Dear Ms. Pitman:

Thank you for contacting Summers Engineering, Inc. for a proposal to update the Watershed Sanitary Survey (originally prepared by our office in 1995 and updated in 2000 and 2005) for the Santa Ynez River above Bradbury Dam, the West Fork of Glen Annie Canyon above Glen Annie Dam, Lauro Canyon above Lauro Dam, and the watershed above the City of Lompoc's Frick Springs. It is our understanding the California Department of Public Health, Drinking Water Program Office has not forwarded a letter discussing any required changes in the preparation of Watershed Sanitary Survey Updates. Summers Engineering, Inc. submits the attached Draft Proposal and Scope of Work for the preparation of a new update. The proposal assumes requirements for the updated survey will be the same as 2005 and the updated report will be due on January 1, 2011.

The anticipated work schedule to complete the tasks listed in the Scope of Work is included in Table 1 along with the name of the key personnel who will perform the tasks. Table 2 includes an estimate of cost for each task as well as an estimated total project cost. Based on our experience and contacts on the original survey and updates, Summers Engineering, Inc. believes the preparation of the updated survey should be fairly straightforward. Impacts from severe fires in the watersheds and any resulting water quality issues will need to be addressed. Our approach in conducting the survey would be to work in close coordination with a subcommittee appointed by the Cachuma Operations and Maintenance Board. Meetings would be held, as needed, to review and discuss the findings.

Please let us know if you have any questions or concerns. We look forward to the opportunity of once again work with the participating water agencies of Santa Barbara County.

Very truly yours,



Roger L. Reynolds

ITEM # 9
PAGE 61

SCOPE OF WORK

TASK 1

Prepare an Executive Summary including findings and recommendations (5-10 pages).

The original 1995 survey and each of the next five-year updates included an Executive Summary with findings and recommendations. This summary will be reproduced, and modified as needed for inclusion in the updated report.

TASK 2

Summarize the progress made on each recommendation in the original survey and the five-year updates.

The participating member agencies and any other public agencies having responsibility over the recommendations made in the original survey and five-year updates will be contacted to review the progress and/or changes made on any of the recommendations.

TASK 3

Evaluate the original survey and five-year updates and provide any updated information on changes or improvements which have occurred in the watersheds since the last survey.

A reconnaissance field survey of all of the watersheds will be made. The owners of the respective surface water supply facilities in each watershed will be contacted to discuss any known changes in the watershed and to provide access to all watershed water supply facilities as appropriate. Information on changes or known physical improvements in the watersheds will be updated.

TASK 4

Provide a summary of the raw and treated water quality data, collected by the applicable water suppliers of the respective watersheds since the 2005 survey.

Water quality data for the 2001 – 2005 period will be obtained from the participating agencies. A summary of the annual raw water quality data collected by (1) the City of Santa Barbara at Gibraltar Reservoir, Lake Cachuma, and the Cater Water treatment

Plant, (2) the Goleta Water District at Corona Del Mar Water Treatment Plant, (3) the Montecito Water District at Jameson Lake, Fox Creek, and the Doulton Tunnel South Portal, and (4) the City of Lompoc at Frick Springs will be prepared. A summary of the annual treated water quality data at each of the respective water treatment plants will also be prepared.

TASK 5

Evaluate the (2006 – 2010) watershed raw water quality data. Provide an analysis of each respective water system’s ability to comply with current and future Enhanced Surface Water Treatment Rules.

The adequacy of the existing water quality monitoring programs will be evaluated and assessed based on their ability to monitor potential contaminants of concern. An evaluation will also be provided on each systems ability to meet the current Surface Water Treatment Rules.

TASK 6

Provide findings, a conclusion and recommendations.

Our approach in conducting this update to the Watershed Sanitary Survey will be to work in close coordination with a subcommittee appointed by the participating members of the water agencies of Santa Barbara County. Meetings would be held, if needed, to review and discuss all of the updated findings. A draft Updated Watershed Sanitary Survey report with key conclusions and recommendations will be forwarded to each subcommittee member and the individual water agencies to obtain concurrence or determine if additional information is required before finalizing the report.

TASK 7

Update as needed the Drinking Water Source Water Assessment Program (DWSAP) documents and forms.

The DWSAP documents and forms prepared for the 2005 Update to the Sanitary Survey will be reviewed and updated as required.

TASK 8

Provide a brief summary of security of the watershed and treatment facilities.

The owners of the respective surface water supply facilities in each watershed and the individual treatment facilities will be contacted to review the security measures in place. A brief summary of the measures being taken will be prepared. This summary will be reviewed with the subcommittee for appropriateness.

TASK 9

Prepare Final Report

Following review of comments on a draft Updated Watershed Sanitary Survey report, a final report will be prepared incorporating the recommended changes for submission to the California Department of Public Health, Drinking Water Program Office, Santa Barbara District, prior to January 1, 2011.

TABLE 1

**WATERSHED SANITARY SURVEY UPDATE
WORK SCHEDULE**

Task	Description	Completion Schedule (From Notice to Proceed)	Key Personnel
1	Prepare summary of original & updated survey	4 Months	Roger Reynolds
2	Summarize progress made on each recommendation from original & updated survey	5 Months	Roger Reynolds Scott Jacobson
3	Reevaluate original & updated field survey of watershed	6 Months	Roger Reynolds Scott Jacobson
4	Provide summary of 2006 - 2010 water quality data	6 Months	Roger Reynolds Scott Jacobson
5	Evaluate 2006 - 2010 water quality data	7 Months	Joseph McGahan Scott Jacobson
6	Provide Key Conclusions and Recommendations in Draft Report	8 Months	Roger Reynolds Scott Jacobson
7	Update as needed the Drinking Water Source Assessment Program documents	8 Months	Roger Reynolds Scott Jacobson
8	Provide a brief summary of security measures in the watershed and at treatment facilities	8 Months	Roger Reynolds Scott Jacobson
9	Prepare Final Report	9 Months	Roger Reynolds Scott Jacobson

TABLE 2

**ENGINEERING COST ESTIMATE
WATERSHED SANITARY SURVEY UPDATE**

Task No.	Description	Cost
1	Prepare summary of original & updated survey	\$2,200
2	Summarize progress made on each recommendation from the original & updated survey	\$2,400
3	Reevaluate field survey of watershed	\$8,400
4	Provide summary of 2006 - 2010 water quality data	\$3,700
5	Evaluate 2006 - 2010 water quality data	\$3,500
6	Provide Key Conclusions and Recommendations in a Draft Report	\$11,000
7	Update, as needed, Drinking Water Source Water Assessment Program documents	\$3,600
8	Provide brief summary of Security of watershed	\$3,500
9	Prepare Final Report	\$10,000
	Subtotal	\$48,300
	10% Contingencies and Incidentals	\$4,700
	Total Estimated Cost	\$53,000

March 22, 2010

Draft
For Client Review & Comment

Ms. Kate Rees
Cachuma Operation & Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105

Subject: Cachuma Operation & Maintenance Board
South Coast Conduit (SCC) Carpinteria Reach
Phase 1 Design Services for SCC Modifications at
Sheffield Flow Control Station
Task Order No. 2010D

Dear Kate:

Transmitted herewith is the Draft Task Order No. 2010D, dated March 12, 2010. It is our understanding that these services will be completed as an amendment under our Engineering Services Agreement for Investigation and Engineering Study for South Coast Conduit (SCC), dated February 22, 1999. In summary, this task order provides for Phase 1 Design Services which consists of SCC modifications at Sheffield Flow Control Station and to the SCC upstream of the Mission Creek crossing. These modifications are required to allow for the future installation of an emergency bypass pipeline.

After your review of the attached Scope of Work, please call to discuss details. We sincerely appreciate the continued opportunity to provide engineering services to COMB.

Sincerely,

AECOM U.S.A. Inc.

Approved by:
Cachuma Operations & Maintenance Board

Glen M. Hille, PE
Vice President

Kate Rees
General Manager

Date

Attachment: Scope of Work, Fee Schedule

Scope of Work – Task Order No. 2010D Cachuma Operation & Maintenance Board (COMB) South Coast Conduit (SCC) Carpinteria Reach Phase 1 Design Services for SCC Modifications at Sheffield Flow Control Station (FCS)

**Draft
For Review & Comment**

Background and Overview

COMB operates the SCC from the Lake Cachuma north portal to the Carpinteria Reservoir. As part of the Phase 2 Reliability Study for the SCC conducted in 2006¹, seven creek crossings, identified as areas of concern in the 2005 Reliability and Alternatives Study², were evaluated. Mission Creek, located at approximately Station 74+00, is crossed under an emergency (retrofitted) concrete cap placed at the then current flow line. The concrete cap is undermined on the downstream side, and the concrete acts as a grade control structure. The Mission Creek crossing was identified as having continued exposure to undermining. The recommended approach was to replace the crossing (along with others) with new pipe encased in structural concrete.

In June 2007, a report³ was prepared for the Santa Barbara County Public Works Department that addressed the Mission Creek at Highway 192. That report concluded that the existing concrete is a barrier to migrating salmonids and should be removed and replaced with a riffle-pool stream bed. The proposed stream improvement cannot practically be constructed without removal and relocation (at greater depth) of the SCC across Mission Creek. COMB is not implementing the relocation project at this time, but is installing SCC modifications to allow for future installation of a temporary bypass pipeline between the north side of Mission Creek and Sheffield FCS to avoid interrupted flow in the conduit for an extended period of time.

This proposal is for the engineering services necessary to prepare engineering plans and specifications for construction of modifications to the SCC to allow future installation of the bypass. We have identified the following scope in order to accomplish those means.

Final Design Phase

Task __100 – Specifications Preparation

AECOM will prepare CSI-based specifications for the project. Specifications initially will be completed to 90 percent level to allow review by COMB of technical and contractual aspects in relation to bid forms, insurance forms, and bond forms. AECOM will provide the following technical specifications:

- Bid documents
- Supplement to General Provisions
- Pipeline materials

¹ Phase 2 Reliability Study for South Coast Conduit Upper Reach Tecolote Tunnel to Corona Del Mar WTP and Carpinteria Reach South Coast Conduit Booster Pump Station to Ortega Reservoir, DRAFT dated August 2006 (Cover dated September 2006), Boyle Engineering Corporation ref: VT-C32-102-05, Section 6.

² Reliability and Alternatives Study for the South Coast Conduit Carpinteria Reach Cater Booster Pump Station to the Ortega Reservoir, FINAL DRAFT dated April 2005, Boyle Engineering Corporation ref: VT-C32-102-03.

³ Highway 192 at Mission Creek Fish Passage Improvement Project, June 2007, by Questa Engineering Corporation, ref: 240100.

Draft
For Client Review & Comment

- Trenching, backfilling, and compaction

Technical specifications were prepared for the Mission Creek pipeline relocation project. Those will be the basis for the technical specifications for the modifications to the Sheffield FCS and plans for the installation of a valve on the SCC with a tee and valve upstream of Mission Creek. Bid documents prepared for the Upper Reach Reliability Project will be the basis for preparation of the general provisions and bid forms. The specification sections included are listed in Attachment A.

Task __200 – Pipeline Design

Plans

Plans for the modifications to the Sheffield FCS were prepared to 90 percent completion in 2009. Those plans were never issued for bid, and specifications were not prepared. Plans for the installation of a valve on the SCC with a tee and valve were included in the Mission Creek plans and specifications prepared in 2009. Those components relative to the installation of the valves will be incorporated in the plans for the modifications to the Sheffield FCS, with the intent that they be bid as one project and constructed during the same limited shutdown of the SCC. The design tasks include:

- Modify/prepare a cover sheet and general notes sheet.
- Modify/prepare plan and profile sheets including minimum requirements for excavation and backfill, ground surface, utilities, easement, pipe laydown, and staging areas.
- Modify/prepare a detail sheet including pipe trench section and backfill requirements.
- Modify/prepare design and related drawings for in-line valve, tee, and outlet installation at Station 72+38.

Task __300 – Cost Opinion and Bid Item Recommendations

- Provide the cost opinion and assumptions and
- Develop recommendations for bid items.

Task __400 – Corrosion Engineering

Schiff Associates, as a subconsultant to AECOM⁴, performed a soil corrosivity assessment on a portion of the SCC that included the Mission Creek crossing. Moderately corrosive to corrosive soils were found along Highway 192. AECOM will include test stations and bond wires for future monitoring of the SCC at Station 72+38. No other cathodic protection design is included.

⁴Reliability and Alternatives Study for the South Coast Conduit Carpinteria Reach Cater Booster Pump Station to the Ortega Reservoir, FINAL DRAFT dated April 2005, Boyle Engineering Corporation ref: VT-C32-102-03, Appendix E, Initial Corrosion Analysis, dated February 13, 2004.

Draft
For Client Review & Comment

Task __500 – Plans

Plans

AECOM will compile 22-inch by 34-inch contract plans showing the proposed alignment. The plans will reflect decisions made in the preliminary design phase. It is anticipated that the plan set will consist of:

- Title sheet (one)
- Abbreviations, notes (one)
- Survey
- Plan and profile (three)
- Details (four)
- Reference drawings (four)

Eight half size (11" x 17") sets will be provided at the 90 percent review. The final deliverable will consist of one full-size set (mylar) and one bound set.

Task __600 – Meeting

Attend one (1) meeting with COMB and/or member agencies.

Task __700 – Program Management

- Attend up to two meetings with COMB.
- Attend one COMB board presentation for the final design.
- Project schedule at 90 percent design phase.
- Permit coordination is excluded.
- Monitor schedule and cost of design phase services.

Schedule

It is anticipated that the Scope of Services associated with this proposal will be completed within 60 calendar days from the notice to proceed.

Supplemental Provisions

Construction Safety

COMB agrees that in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for job site conditions during the



course of construction of the Project, including safety of all persons and property, and that this requirement shall be made to apply continuously and not be limited to normal working hours. AECOM shall not have control over or charge of, and shall not be responsible for, construction means, methods, techniques, sequences or procedures, as these are solely the responsibility of the construction contractor. AECOM shall not have the authority to stop or reject the work of the construction contractor.

Contractor Indemnification/Additional Insured

Client will require that any Contractor performing work in connection with the project for which AECOM is providing professional services, hold harmless, indemnify and defend Client, AECOM, their consultants, and each of their directors, officers, agents and employees from any and all liability, claims, losses, damage and costs, including attorneys' fees, arising out of or alleged to arise from the Contractor's performance of the work described in the construction contract documents, but not including liability that may be due to the sole negligence of Client, AECOM, their consultants, or their directors, officers, agents and employees.

Client will require the Contractor to provide workers' compensation and commercial general liability insurance, including completed operations and contractual liability, with the latter coverage sufficient to insure the Contractor's indemnity, as above required; and such insurance shall include Client, AECOM, their consultants, and each of their directors, officers, agents and employees as additional insureds.

Hazardous Materials

In providing its services hereunder, neither AECOM nor its subconsultants shall be responsible for identification, handling, containment, abatement, or in any other respect, for any asbestos or hazardous material if such is present in connection with the project. In the event that CLIENT becomes aware of the presence of asbestos or hazardous material at the jobsite, CLIENT shall be responsible for complying with all applicable federal and state rules and regulations, and shall immediately notify AECOM, who shall then be entitled to cease any of its services that may be affected by such presence, without any liability to AECOM or its subconsultants arising there from.

Cost Estimate

AECOM has no control over the cost of labor, materials, equipment or services furnished by others or over Contractor's methods of determining prices, or other competitive bidding or market conditions, practices or omissions on the site. Any cost estimates provided by the Consultant will be made on the basis of his experience and judgment. Estimates of probable construction costs may vary from actual construction costs.

ITEM # 9
PAGE 71



Draft
For Client Review & Comment

Re-Use of Documents

Documents, drawings, specifications, and electronic information/data, including computer aided drafting and design ("CADD"), prepared by CONSULTANT pursuant to this agreement are not intended or represented to be suitable for reuse by CLIENT or others on extensions of the Project or on any other project. Any use of completed documents for other projects and any use of incomplete documents without specific written authorization from CONSULTANT will be at CLIENT's sole risk and without liability to CONSULTANT.

Right to Rely

Consistent with the professional standard of care and unless specifically provided herein, AECOM shall be entitled to rely upon the accuracy of data and information provided by the COMB or others without independent review or evaluation.

Opinions of Cost

Any estimate of the project's probable construction cost prepared by AECOM is an opinion representing AECOM's judgment as a design professional. Estimates of probable construction cost are supplied for the general guidance of COMB. Since AECOM has no control over the cost of labor and material or over competitive bidding or market conditions AECOM does not guarantee the accuracy of such estimates as compared to AECOM bids or actual cost to COMB.

Assumptions

In preparing this proposal, the following assumptions were made:

- This scope of work constitutes our current understanding of the project. Other tasks not specifically addressed in this proposal may be required. Certain assumptions have been made in preparing the scope of work and fee estimate. To the extent possible, they are stated herein and are reflected in the estimated fees.
- No right-of-way services are included. The existing rights-of-way have already been identified based upon available APN data. No additional identification or measurement of the parcels potentially affected by the temporary pipe will be made. Penfield and Smith has already provided an initial review of the existing easement documentation⁵.
- No coordination with Caltrans District 5 staff is included. It is assumed that all work will be done on existing COMB right-of-way or U.S. Bureau of Reclamation property.
- Engineering services during the bid and construction phases will be authorized in future task orders.
- Right-of-entry permits will be obtained by COMB.
- COMB will submit the plans, specifications, and estimate to the Bureau of Reclamation for MP-620 review.

⁵ Phase 2 Reliability Study for South Coast Conduit Upper Reach Tecolote Tunnel to Corona Del Mar WTP and Carpinteria Reach South Coast Conduit Booster Pump Station to Ortega Reservoir, DRAFT dated August 2006 (Cover dated September 2006), Boyle Engineering Corporation ref: VT-C32-102-05, Section 7 and Appendix 9.

Draft
Open for Review & Comment

- No jurisdictional agency reviews or permits are required. It is our understanding that COMB will pay permit fees and review permit applications. COMB will prepare permit applications, follow up with regulatory agencies with field meetings, and follow permits through the process, etc.
- All existing design drawings, as-built drawings, design plans, reports, and specifications for existing, adjacent, and affected facilities will be made available to AECOM by COMB.
- No independent check of data furnished by COMB will be made unless specifically described in this scope. AECOM will rely on the accuracy of information provided.
- National standards referenced in the contract plans and specifications will be those issued, approved, and printed as of the date of this proposal.
- Application for, processing, payment of any fees associated with and obtaining any regulatory permits applicable for this project is excluded.
- Preparation of archaeological resources or mitigation report is excluded.

The estimated engineering effort and estimated fee are shown below:

Task	Description	AECOM Level of Effort	
		(MH)	(\$)
FINAL DESIGN PHASE			
__100	Specifications Preparation	61	\$10,300
__200	Pipeline Design	31	\$5,200
__300	Cost Opinion and Bid Item Recommendations	7	\$1,200
__400	Corrosion Engineering	6	\$1,000
__500	Final Plans	31	\$5,300
__600	Meeting	9	\$1,500
__700	Program Management	45	\$7,500
	Total		\$32,000

It is anticipated that an engineering fee of \$32,000 will be required to accomplish the above-referenced engineering tasks based on an average of \$155 per MH, and 8.5% for other direct costs. Compensation will be on a time and materials basis consistent with the 2010 Fee Schedule attached and our Engineering Services Agreement dated February 22, 1999.

ITEM # 9
PAGE 73
AECOM

SCC MODIFICATIONS & SHEFFIELD CONTROL STATION

DRAWING NO.	DESCRIPTION	PERCENT COMPLETE	HOURS				ADMIN \$83	TOTAL \$	TOTAL INDIRECT
			PRINCIPAL \$215	SENIOR \$150	ASSISTANT \$115	CADD OPERATOR \$88			
G-1	TITLE SHEET	75%	1	2	0	6	\$1,043	0	
G-2	ABBREVIATIONS & GENERAL NOTES	90%	1	2	0	6	\$1,043	0	
G-3	MISSION CREEK RIGHT-OF-WAY, EASEMENT AND ACCESS MAP	90%	1	2	0	4	\$867	0	
C-1	SHEFFIELD CONTROL STATION PHASE I MODIFICATIONS	90%	1	2	0	4	\$867	0	
C-2	MISSION CREEK SCC INLINE VALVE LAYOUT	90%	1	2	0	4	\$867	0	
C-3	MISSION CREEK SCC INLINE VALVE ENLARGED PLAN AND PROFILE	90%	1	2	0	2	\$691	0	
D-1	MISSION CREEK - PIPELINE DETAILS	90%	1	2	0	2	\$691	0	
D-2	MISSION CREEK - PIPELINE DETAILS	90%	1	2	0	2	\$691	0	
D-3	MISSION CREEK - PIPE JOINT DETAILS	90%	1	2	0	2	\$691	0	
D-4	CATHODIC PROTECTION	0%	1	2	0	2	\$691	0	
REF DWG NO. 1	MISSION CREEK - AS-BUILT	90%	1	1	0	2	\$541	0	
REF DWG NO. 2	MISSION CREEK - SHOP DRAWING	90%	1	1	0	2	\$541	0	
REF DWG NO. 3	MISSION CREEK - SHOP DRAWING - JOINT DETAIL	90%	1	1	0	2	\$541	0	
REF DWG NO. 4	MISSION CREEK - SHOP DRAWING - JOINT DESIGN DETAIL	90%	1	1	0	2	\$541	0	
	SUBTOTAL (DESIGN & PLANS)		14	24	0	42	\$10,306	\$0	
SPECIFICATIONS - FRONT END DOCUMENTS									
SPECIFICATIONS - TECHNICAL									
011100	COORDINATION OF WORK, PERMITS, AND REGULATIONS	50%	2	8	0	0	\$1,713	0	
012000	MEASUREMENT AND PAYMENT	50%	2	4	0	0	\$1,113	0	
013300	SUBMITTALS	90%	0	1	0	0	\$233	0	
014210	GENERAL ABBREVIATIONS	90%	0	1	0	0	\$233	0	
015100	CONSTRUCTION FACILITIES AND TEMPORARY CONTROLS	90%	0	1	0	0	\$233	0	
015526	TRAFFIC REGULATION	90%	0	1	0	0	\$233	0	
017410	CLEANING DURING CONSTRUCTION AND FINAL CLEANING	90%	0	1	0	0	\$233	0	
020120	PROTECTING EXISTING UNDERGROUND UTILITIES	90%	0	1	0	0	\$233	0	
020130	CONNECTIONS TO EXISTING BURIED PIPELINES	90%	0	1	0	0	\$233	0	
024100	EQUIPMENT, PIPING, AND MATERIALS DEMOLITION	90%	0	1	0	0	\$233	0	
050520	BOLTS, WASHERS, ANCHORS, AND EYEBOLTS	90%	0	1	0	0	\$233	0	
099000	PAINTING AND COATING	90%	0	1	0	0	\$233	0	
099752	COLD-APPLIED WAX TAPE COATING	90%	0	1	0	0	\$233	0	
099754	POLYETHYLENE SHEET ENCASEMENT (AWWA C105)	90%	0	1	0	0	\$233	0	
311100	CLEARING, STRIPPING, AND GRUBBING	90%	0	1	0	0	\$233	0	
312316	TRENCHING, BACKFILLING, AND COMPACTING	90%	0	1	0	0	\$233	0	
329010	LANDSCAPING PLANTING	90%	0	1	0	0	\$233	0	
331300	DISINFECTION OF PIPING AND STRUCTURES	90%	0	1	0	0	\$233	0	
400500	GENERAL PIPING REQUIREMENTS	90%	0	1	0	0	\$233	0	
400520	MANUAL, CHECK, AND PROCESS VALVES	90%	0	1	0	0	\$233	0	
402001	GENERAL REQUIREMENTS FOR STEEL PIPING	90%	0	1	0	0	\$233	0	
402050	FABRICATED STEEL SPECIALS	90%	0	1	0	0	\$233	0	

ITEM # 311100
 PAGE 79
 3/23/2010

SCC MODIFICATIONS & SHEFFIELD CONTROL STATION

DRAWING NO.	DESCRIPTION	PERCENT COMPLETE	HOURS					ADMIN \$	TOTAL \$	TOTAL INDIRECT
			PRINCIPAL \$215	SENIOR \$150	ASSISTANT \$115	CADD OPERATOR \$88				
A	PERMITS	0%	0	0	0	0	0	\$0	0	
	SUBTOTAL (SPECIFICATIONS)		4	32	0	0	22	\$10,300	\$0	
	TOTAL		18	56	0	42	22	\$20,606	\$0	

ITEM # 9
 PAGE 75

AECOM
FEE SCHEDULE FOR PROFESSIONAL SERVICES
 Effective January 1, 2010

Engineers, Planners, Architects, Scientists:

Student Assistant	\$ 79.00 per hour
Assistant I	\$ 95.00 per hour
Assistant II	\$ 108.00 per hour
Associate	\$ 128.00 per hour
Senior I	\$ 152.00 per hour
Senior II	\$ 174.00 per hour
Principal	\$ 211.00 per hour
Company Officer	\$ 228.00 per hour
Special Consultant	\$ 180.00 per hour

Construction Administration Personnel:

Resident Project Representative	\$ 105.00 per hour
Senior Resident Project Representative	\$ 123.00 per hour
Resident Engineer	\$ 150.00 per hour
Construction Services Manager	\$ 198.00 per hour

Technical Support Staff:

Clerical/General Office	\$ 68.00 per hour
Administrative Specialist	\$ 79.00 per hour
Drafter/CADD Technician	\$ 70.00 per hour
Assistant CADD Operator	\$ 82.00 per hour
Designer/CADD Operator	\$ 93.00 per hour
Senior Designer/Design CADD Operator	\$ 108.00 per hour
Design/CADD Supervisor	\$ 121.00 per hour

General Project Expenses ^{1/} 8.5% of Labor

Direct Project Expenses

Other Reproduction (8 1/2 x11/11x17 Color)	\$1.15/1.50 per page
Plan Sheet Printing - In House Bond/Vellum/Mylar	\$3.00/4.00/7.00 per sheet
Subcontracted Services/Reproduction	Cost + 15%
Subcontracted or Subconsultant Services	Cost + 15%
Auto Mileage for Construction Phase Services	\$0.60 per mile
Travel & Subsistence (other than mileage)	Cost
Miscellaneous Materials	Cost + 15%

If authorized by the Client, an overtime premium multiplier of 1.5 may be applied to the billing rate of hourly personnel who work overtime in order to meet a deadline which cannot be met during normal hours.

Applicable sales tax, if any, will be added to these rates. Invoices will be rendered monthly. Payment is due upon presentation. A late payment finance charge of 1.5% per month (but not exceeding the maximum rate allowable by law) will be applied to any unpaid balance commencing 30 days after the date of the original invoice.

Fee schedule is subject to change annually.

^{1/} *Includes mail, telephone, fax, office photo copies, personal computers and mileage (except as noted).*

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: May 24, 2010
TO: Board of Directors
FROM: Kate Rees, General Manager
RE: **Access License for Kimball-Griffith at Ortega Reservoir Ridge Road, Ortega Reservoir**

RECOMMENDATION:

Consider License for Kimball-Griffith family to use Reclamation's Right-Of-Way at Ortega Reservoir Ridge Road for secondary access to their property at 582 Ortega Ridge Road, Summerland, CA

DISCUSSION:

The Kimball-Griffith family owns the undeveloped property at 582 Ortega Ridge Road, Summerland, CA and has requested access to their property along Ortega Reservoir Ridge Road, which runs above Ortega Reservoir to the north. The Ortega Reservoir Ridge Road property is owned by the U.S. Bureau of Reclamation (Reclamation), which has transferred the operation and maintenance responsibilities for the Ortega Reservoir facilities to COMB through the Transfer of O&M Agreement. Prior to Ortega Reservoir being covered, the COMB Board was of the opinion that no public access along Ortega Reservoir Ridge Road should be granted in order to protect the water quality in Ortega Reservoir. However, that objection was removed when the reservoir cover was installed.

The Kimball-Griffith parcel has substantial primary access capabilities along East Valley Road and Ortega Ridge Road, both of which front the property. COMB staff and General Counsel have met several times with David Griffith and/or Loma Griffith over the last year, and they have indicated a desire to construct at least one residence near the top of their property. They are requesting a license from COMB to access their property from the top along Ortega Reservoir Ridge Road as a matter of convenience, and possibly for construction access. Mr. Hair has informed Dr. Griffith that a license is revocable and that even if approved by the Board, would only run concurrent with the term of the Renewal Master Contract (2020). It would be possible to issue a new license when the Master Contract is renewed. Mr. Hair has also informed the property owners that any access from Ortega Reservoir Ridge Road is secondary and cannot be used as the primary access to the property. Even with these constraints, the property owner is still requesting that COMB approve an access license agreement.

In December 2008, the COMB Board approved a license for the Oceanview Home Owners Association (HOA) property owners to access their properties from Ortega Reservoir Ridge Road, also as a matter of convenience. Due to misrepresentation and irregularities within the HOA organization itself, that license has since been rescinded at the request of the Board of Directors for the HOA. However, to be equitable, staff is of the opinion that due consideration should be given to the Kimball-Griffith family for a similar access request.

ITEM # 10
PAGE 1

There are differences. The HOA property owners' houses were constructed in the 1980s, so their access request was not for construction purposes. In addition, there is another property owner who does not belong to the HOA, who objects to any additional traffic through the COMB gate along Ortega Reservoir Ridge Road, as that additional traffic would pass directly in front of his driveway.

During the HOA license process, Reclamation said they could not grant a permanent right-of-way easement because the properties were not landlocked; the owners have another route by which to access their properties. This is also true for the Kimball-Griffith property. The Transfer O&M Agreement allows COMB, acting as Reclamation's agent, to grant a license for access rights, providing there is no impact to the Cachuma Project SCC Pipeline or facilities.

Attached is a draft license for the Board's consideration. Mr. Hair, General Counsel, is satisfied that the license adequately protects COMB's interests. Your General Manager is of the opinion that granting this access request would be an accommodating thing to do, but that is not really necessary as the property is not landlocked and can be accessed from East Valley Road or Ortega Ridge Road. In addition, approval of the license would potentially cause objections to be raised from the other property owners in the area if it were used for construction purposes.

Respectfully submitted,



Kate Rees
General Manager

kr/comb admin/board memos/052410_Kimball-Griffith draft license.mmo

ITEM # 10
PAGE 2

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

DRAFT

NORDMAN CORMANY HAIR & COMPTON LLP
Attn: William H. Hair, Esq.
1000 Town Center Drive, Sixth Floor
Post Office Box 9100
Oxnard, California 93031-9100

[Insert Assessor Parcel Numbers]

LICENSE AGREEMENT FOR USE OF RIGHT-OF-WAY
Ortega Reservoir Road Access—Cachuma Project

THIS LICENSE is given this ____day of _____, 2010, by CACHUMA OPERATION AND MAINTENANCE BOARD (“COMB”), pursuant to its authority under Contract Number 14-06-200-522R dated March 1, 2003 with THE UNITED STATES OF AMERICA (“United States”), acting by and through its Bureau of Reclamation, Department of the Interior (“Reclamation”), in pursuance of the Act of June 7, 1902 (32 Stat. 388 and Acts amendatory thereto) (the “Transfer Contract”), to KIMBALL-GRIFFITH, a California Limited Partnership, with a mailing address at _____ (“Licensee”).

RECITALS:

A. The United States currently owns Assessor’s Parcel No. 005-030-001, as identified in the Assessor’s Records of the County of Santa Barbara, California, which includes certain lands acquired by Reclamation to establish a right-of-way to and access around Ortega Reservoir and other facilities associated with the Cachuma Project (the “Ortega Reservoir Road Access”).

B. By the Transfer Contract, Reclamation transferred to COMB responsibility for the operation and maintenance of certain transferred project works associated with the Cachuma Project, including but not limited to the South Coast Conduit System, appurtenant control stations, Ortega Reservoir, and the Ortega Reservoir Road Access.

C. Under Section 6(c) of the Transfer Contract, Reclamation authorized COMB to enter into license agreements and similar land use instruments that do not grant an interest in real property, subject to the written approval of Reclamation’s Contracting Officer.

D. Because Licensee and its predecessors, own the real property contiguous to the land referred to in Recital A consisting of approximately 45.5 acres adjacent to Ortega Reservoir, Licensee has requested that COMB authorize access over a portion of the Ortega Reservoir Road Access, as described more fully herein, to benefit Licensee.

E. Reclamation has determined that Licensee's requested use is not, at this time, incompatible with the purpose for which the subject land was obtained, and COMB has agreed that the requested use is not incompatible with its rights and obligations pursuant to the Transfer Contract, subject to certain conditions and restrictions.

F. Licensee acknowledges that no representation has been made by the United States, Reclamation or COMB as to the condition of title to the access area that is the subject of this License. Licensee has satisfied itself, through an examination of property title records and an investigation of ownership, that the United States is the owner of the access area that is the subject of this License.

IT IS AGREED:

1. License and License Area. COMB does hereby grant to Licensee a non-exclusive license to use that portion of the Ortega Reservoir Road Access described more fully in Exhibit A hereto and depicted on Exhibit B hereto (the "License Area"). This License shall be considered personal, revocable, and nontransferable. It will neither constitute nor be construed as a diminution or relinquishment of the responsibilities of COMB to Reclamation pursuant to the Transfer Contract, or a surrender of the jurisdiction and supervision by Reclamation over the License Area.

2. Reservation of Rights. This License is granted subject to any and all existing rights in favor of the public or third parties for highways, roads, railroads, telegraph, telephone and electrical transmission lines, canals, laterals, ditches, flumes, siphons, and pipelines on, over, and across the License Area.

3. Permitted Use. Licensee may use the License Area for vehicular, equestrian and pedestrian ingress and egress (the "Permitted Use").

4. Authorized Users. Licensee is hereby authorized to permit its partners and its agents and contractors to use this License (together the "Authorized Users"). All acts and omissions of Authorized Users within or in any manner affecting the License Area shall be deemed, for purposes of this License, the acts and omissions of Licensee. Licensee shall remain solely responsible for compliance with all terms and conditions of this License, and no authorization of use by any other person may be construed as a transfer of any of Licensee's responsibilities hereunder. Any attempted assignment or transfer of responsibility under this License, except to a

bona fide purchaser of property benefited by this License, shall be considered void and of no effect and shall constitute grounds for revocation of this License.

5. Period of Use. This License will become effective on the date above and will continue to September 30, 2020 unless (a) this License is sooner revoked or terminated, or (b) the Transfer Contract is sooner terminated (the "Period of Use"). If the Transfer Contract is extended or renewed beyond September 30, 2020, Licensee shall have the right to renew this License and extend the Period of Use for up to two (2) successive ten (10) year terms, but in no event shall this License be renewed beyond the term of the extended or renewed Transfer Contract, and this License shall remain at all times coterminous with the Transfer Contract.

6. Value of License. COMB, with agreement of Reclamation, has waived the value of the right-of-use fee in accordance with 43 CFR § 429.4.

7. Prohibited Activity. At no time under this License may Licensee engage in any of the following activity:

- (a) Store any hazardous material on the License Area.
- (b) Use water from the Ortega Reservoir for Licensee's activities.
- (c) Leave waste and debris on the License Area.

8. Environmental Requirements. Licensee will comply with all applicable water, ground, and air pollution laws and regulations of the United States, the State of California and local authorities. Licensee also will comply with the following hazardous materials restrictions:

(a) Licensee shall not allow contamination or pollution of Federal lands, waters or facilities for which Licensee has responsibility for care, operation, and maintenance by its employees or agents and shall take reasonable precautions to prevent such contamination or pollution by third parties. Substances causing contamination or pollution shall include but are not limited to hazardous materials, thermal pollution, refuse, garbage, sewage effluent, industrial waste, petroleum products, mine tailings, mineral salts, misused pesticides, pesticide containers, and any other pollutants.

(b) Licensee shall comply with all applicable Federal, State, and local laws and regulations, and Reclamation policies, directives and standards, existing or hereafter enacted or promulgated, concerning any hazardous material that will be used, produced, transported, stored, or disposed of on or in Federal lands, waters or facilities.

(c) "Hazardous material" means any substance, pollutant, or contaminant listed as hazardous under the Comprehensive Environmental

Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq., and the regulations promulgated pursuant to that Act.

(d) Upon discovery of any event which may or does result in contamination or pollution of Federal lands, waters or facilities, Licensee shall report such discovery to COMB and may, but is not required to, initiate emergency measures to protect public health and safety or the environment. If Licensee undertakes any emergency actions, Licensee shall report full details of the actions taken to COMB. Reporting shall be within a reasonable time period, defined as within twenty-four (24) hours of the time of discovery if the event constitutes an emergency, or by the first working day following discovery if the event is a non-emergency. An emergency is any situation that requires immediate action to reduce or avoid endangering public health and safety or the environment.

(e) Licensee's violation of any of the provisions of this Paragraph 8, as determined by COMB, may constitute grounds for revocation of this License. Such violations require immediate corrective action by Licensee. Licensee shall be liable for the cost of full and complete remediation and/or restoration of any Federal resources or facilities that are adversely affected as a result of the violation.

(f) Licensee agrees to include the provisions contained in paragraphs (a) through (e) of this Paragraph in any subcontract or third-party contract it may enter into pursuant to this License.

(g) COMB agrees to provide information necessary for Licensee, using reasonable diligence, to comply with the provisions of this Paragraph 8.

9. Cultural Resources Protection. Licensee shall immediately provide an oral or email notification to COMB and to Reclamation's authorized official of the discovery of any and all antiquities or other objects of cultural, historic, or scientific interest on Reclamation lands. Licensee shall forward a written report describing the objects found to COMB and to Reclamation's authorized official within 48 hours. Objects under consideration include, but are not limited to, historic or prehistoric ruins, human remains, or artifacts discovered as the result of activities under this License. Licensee shall cease activity, stabilize any disturbed area, and take reasonable steps to protect such discoveries until authorized to proceed by Reclamation's authorized official. Protective and mitigative measures specified by Reclamation's authorized official shall be Patrick Welch, whose phone number is (916) 978-5040 and whose email address is pwelch@mp.usbr.gov. For purposes of this Paragraph 9, COMB's authorized official shall be _____ whose phone number is (805) 687-4011 and whose email address is _____.

10. Discovery of Human Remains. Licensee shall immediately provide an oral or email notification to COMB and to Reclamation's authorized official of the

discovery of human remains on Reclamation land. Licensee shall forward a written report describing the remains found to COMB and Reclamation's authorized official within 48 hours by certified mail. Licensee shall cease activity, stabilize any disturbed area, and take reasonable steps to protect such discoveries until authorized to proceed by the Regional Archaeologist for Reclamation (916) 978-5041 or directed otherwise to act by the County Sheriff-Coroner. Licensee shall be responsible for compliance with any protective and mitigative measures specified by the Regional Archaeologist. For purposes of this Paragraph 10, Reclamation's authorized official shall be Patrick Welch, whose phone number is (916) 978-5040 and whose email address is pwelch@mp.usbr.gov. For purposes of this Paragraph 10, COMB's authorized official shall be _____ whose phone number is (805) 687-4011 and whose email address is _____.

11. Illegal Activity. Licensee shall be responsible for any activity by Licensee or Authorized Users that is deemed to be illegal on Federal lands. Such activity shall constitute grounds for revocation of this License.

12. Revocation of License. COMB may revoke this License upon thirty (30) days written notice to Licensee if:

(a) Licensee's use of the land materially interferes with existing or proposed facilities, or

(b) Exclusive use of the License Area is needed for a legitimate United States purpose, or

(c) The United States disposes of its interest in the License Area, or

(d) Licensee violates a term or condition of this License identified as grounds for revocation.

13. Termination of License. This License will terminate, and all rights of Licensee hereunder will cease:

(a) At the expiration of the Period of Use as provided by Paragraph 5, as may be extended; or

(b) Without cause, on the date provided by written notice from COMB to Licensee, served 180 days in advance thereof; or

(c) After failure of Licensee to observe any condition of this License, on the thirtieth day following service of written notice on Licensee of termination because of failure to observe such condition.

Notices required under this Paragraph 13 shall be served by certified mail addressed to the respective postal addresses provided by the parties pursuant to

Paragraph 22 and the mailing of any such notice properly enclosed, addressed, stamped, and certified, will be considered service. If this License is terminated under Paragraph 12(d), COMB reserves the right to bar Licensee from subsequent use of any lands subject to the Transfer Contract during the remaining term of the Transfer Contract during the remaining term of the Transfer Contract and any renewals or extensions thereof.

14. Licensee's Obligations at Termination or Revocation. At the end of the Period of Use, or upon the sooner revocation or termination of this License for any reason, Licensee shall, without delay, and at Licensee's sole expense, remove any structure(s) or appurtenances installed in the License Area and cease all use of the License Area, restoring it to a condition as good as on the effective date of this License, reasonable wear and damage by the elements excepted; provided, however, that if the termination or expiration of this License occurs at a time when Licensee is able to secure an easement or other authorization for continued use over the License Area, Licensee's gate, to be installed pursuant to Paragraph 16 of this License, may remain in place subject to the requirements of the property owner.

15. Severability. Each provision of this License shall be interpreted in such a manner as to be valid under applicable law, but if any provision of this License shall be deemed or determined by competent authority to be invalid or prohibited, such provision shall be ineffective and void only to the extent of such invalidity or prohibition, but shall not be deemed ineffective or invalid as to the remainder of such provision or any other remaining provisions, or of the License as a whole.

Licensee shall be responsible for undertaking, at Licensee's sole expense, all maintenance and repair of the License Area during the Period of Use under this License. Such maintenance and repair shall include, but not be limited to, routine maintenance of the roadway, periodic paving or surface treatment of the roadway, removal of brush for fire clearance and public safety, and other care of the License Area as Licensee may determine.

Installations, repair and maintenance shall be conducted in accordance with all applicable Federal, State of California, and local safety and environmental regulations and to the satisfaction of COMB and Reclamation's designated representative. Licensee shall notify COMB at (805) 687-4011 at least three (3) working days prior to initiating any installation, repair or maintenance activity in the License Area. A project construction schedule will be submitted to COMB prior to the commencement of any construction or repair activity that will compromise use of the License Area for vehicular access.

16. Liability Insurance Coverage. Licensee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Licensee, and protecting the United States, COMB and Montecito Water District as additional

insureds, against claims for bodily injury, personal injury and property damage based upon or arising out of the use of the License Area. Policy limits shall be not less than \$1,000,000 for each person/occurrence and \$1,000,000 aggregate for bodily injury or death, and not less than \$1,000,000 for property damage. Such insurance shall insure against the acts and omissions of all Authorized Users impacting the License Area. The endorsement naming the United States, COMB and Montecito Water District as additional insureds will be the ISO CG 2010 endorsement form or equivalent, will reference the contract number of this License in the description portion of the endorsement form, and will provide that the policy will not be canceled or reduced in coverage without ten (10) days prior written notice to Reclamation. Licensee shall require any contractors engaged in construction work in the License Area to carry liability insurance in comparable amounts and worker compensation coverage, and shall provide proof of same to Reclamation upon request.

17. Responsibility for Damage. Damage to the License Area, including but not limited to its roads, fences, gates and posts, resulting from the Licensee's activities under this License will be corrected promptly at Licensee's expense to the satisfaction of COMB.

18. Indemnity. Licensee shall indemnify, defend, and hold harmless the United States, COMB and the Montecito Water District, and their directors, managers, officers, employees, agents and representatives from any loss, damage, claim, cost, lien, action, suit, liability, or judgment (including, without limitation, attorney's fees and costs) arising from, resulting from, or in any way related to the operations or other activities of Licensee on any portion of the License Area. This indemnity shall survive the revocation or termination of the License.

19. Officials Not to Benefit. No Member of Congress shall be admitted to any share or part of any contract or agreement made, entered into, or accepted by or on behalf of the United States, or to any benefit to arise thereupon, including without limitation this License.

20. Warranty of Licensee. Licensee warrants that no person or agency has been employed or retained to solicit or secure this License upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees and bona fide commercial agencies maintained by the Licensee for the purpose of securing business. For breach or violation of this warranty, COMB shall have the right to revoke this License without liability or, in its discretion, to require Licensee to pay the full amount of such commission, percentage, brokerage, or contingency fee to the United States.

21. Notices. Except as otherwise expressly provided by law or this License, any and all notices, invoices, or other communication required or permitted by this License or by law to be served on or delivered to or given to a party by

another party to this License shall be in writing, and shall be deemed duly served, given or delivered when personally delivered to the party to whom it is directed or, in lieu of such personal service, two (2) days after such written notice is deposited in the United States mail, First Class, postage prepaid, addressed to the party at the address identified in this Paragraph 22 for that party in this License. Any party may change its address for purposes of this paragraph by giving written notice of such change to each other party in the manner provided in this paragraph.

IN WITNESS WHEREOF, this License is granted and accepted as of the date first above written.

**CACHUMA OPERATION AND MAINTENANCE
BOARD**

Approved as to form:

By: _____
Das Williams, President

By: _____
William H. Hair
COMB General Counsel

Griffith Property 582 Ortega Ridge Rd

East Valley Rd

Ortega Ridge Rd

582 Ortega Ridge Rd

Hunt Dr

Hunt Dr

Ortega Reservoir

— South Coast Conduit
▭ Parcel Boundary



PIPELINE

ABA

Master

58120