

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, March 22, 2010

1. Call to Order, Roll Call

The meeting was called to order at 4:07 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
Chip Wullbrandt	Fran Farina
Rebecca Bjork	Gary Kvistad
Tim Robinson	Adelle Capponi
Sarah Knecht	Isaiah Brookshire
John McInnes	Charles Hamilton
Bert Bertrando	Matt Bloise

2. Public Comment

There were no comments from the public.

3. Consent Agenda

- a. **Minutes:**
January 25, 2010 and February 22, 2010 Regular Board Meetings
- b. **Investment Funds**
Financial Reports
Investment Report
- c. **Payment of Claims**

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

There was a request to move Agenda Item #4 Reports from the Manager to the end of the meeting in order to consider Resolution No. 501 earlier in the meeting. Director Hanson so moved, seconded by Director Lieberknecht, passed 7/0/0.

The Board next consider item #5

5. COMB Capital Improvement Program

a. Second Pipeline Project

1) Project Status Report

The status of the Second Pipeline Project was included in the board packet.

2) Permit Status

The permit status was included in the board packet.

6. Consider Resolution No. 501 to Approve the COMB 2010 Revenue Bond and Related Legal Documents and Agreements for the SCC Upper Reach Reliability Project (2nd Pipeline Project)

a. Comb Indenture of Trust

b. Goleta Water District Joint Participation Agreement

c. City of Santa Barbara Joint Participation Agreement

d. COMB Purchase Contract – Citigroup Global Markets, Inc.

e. COMB Continuing Disclosure Agreement – Bank of New York Mellon Trust Company, N.A.

f. COMB Preliminary Official Statement

g. Montecito Water District Contribution Agreement

h. Bond Indemnification Agreement

Ms. Rees reported that ID No. 1 and COMB had executed a Memorandum of Understanding to curtail any activities in the Santa Ynez River by COMB until December 31, 2010 in order to complete the organizational restructuring of COMB and CCRB. As a result, ID No. 1 approved COMB's bond, and was the last of the five Member Units to do so. Staff recommended that COMB approve Resolution No. 501 to issue a COMB bond for the 2nd Pipeline Project, and approve all legal documents and related agreements.

Director Morgan moved to:

1. Approve COMB Resolution No. 501 authorizing COMB to proceed with the issuance of \$11M in bonds to finance the construction of the South Coast Conduit (SCC) Upper Reach Reliability Project (2nd Pipeline Project). All bond proceeds and obligations will be for the benefit of COMB, the City of Santa Barbara (City) and the Goleta Water District (GWD).
2. Approve, in substantially the same form, the Montecito Water District (MWD) Contribution Agreement whereby MWD commits to self-funding up to 13.1% of the total cost for the SCC Upper Reach Reliability Project.
3. Approve the Bond Indemnification Agreement whereby Montecito Water District (MWD), Carpinteria Valley Water District (CVWD), and Santa Ynez River Water Conservation District, ID No. 1 (ID No. 1) will not be held

responsible or obligated in any way for the COMB bond contractual obligations.

4. Authorize the sale of the bonds, but not until after construction bids are received and a contractor is selected and approved by COMB and the Member Units.

Seconded by Director Hanson.

Sarah Knecht requested that the language of recommendation No. #4 be revised to say:

“Authorize the sale of the bonds, contingent upon receiving the construction bids and approval of a contractor by COMB and the Member Units.

Also that recommendation No. #1 be revised to say:

“Approve COMB Resolution No. 501 authorizing COMB to proceed with the issuance of, not to exceed \$11M in bonds to finance the construction of the South Coast Conduit (SCC) Upper Reach Reliability Project (2nd Pipeline Project). All bond proceeds and obligations will be for the benefit of COMB, the City of Santa Barbara (City) and the Goleta Water District (GWD)”.

Ms. Knecht also requested that the schedule reflects all of the dates for approvals. Ms. Rees said that it would be updated.

Director Morgan revised his motion to include those conditions; Director Hanson also agreed to the conditions in her second.

A roll call vote was taken:

Ayes: Williams, Hanson, Lieberknecht, Morgan, Bettencourt

Nays: None

Absent/Abstain: none

Motion passed.

- 7. If Necessary, Consider Assignment of Proposition 50 Subgrant Agreement Between COMB and the County Water Agency to the City of Santa Barbara for Construction of the 2nd Pipeline Project and Receipt of Proposition 50 Grant Funds, Contingent Upon Approval of All Related Agreements and Permits**

This was not necessary to consider.

- 8. Consider Approval of 2010 MOU to Participate in Proposition 84 Grant Funding and revision of Santa Barbara Countywide IRWMP**

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

Director Morgan moved to approve a 2010 Memorandum of Understanding (MOU) to continue participation in the state-wide Proposition 84 process, apply for a planning grant, and update the Santa Barbara Countywide integrated Regional Water

Management Plan (IRWMP), contingent upon the County Board of Supervisors approving the 2010 MOU, including its approval of funding approximately 50% of the administrative costs and authorize payment of approximately \$7,800 each for CCRB and COMB's contribution to the administrative costs for the 2010 MOU activities, seconded by Director Hanson, passed 6/0/1, Director Bettencourt abstained.

9. Status of ID No. 1's Consideration of Amendment to the COMB Joint Powers Agreement to Modify the Unanimous Approval Provision for Obligations or Projects in Excess of \$1,000,000

At the February 22nd Board meeting, an amendment to the Joint Powers Agreement (JPA) was proposed to modify the unanimous approval provision for projects in excess of \$1,000,000, so that only those Member Units paying on a project would need to unanimously approve it. Director Bettencourt agreed to discuss this with his Board. If ID No. 1 agreed to this amendment, it would then be considered by the other Member Unit Boards. Director Bettencourt reported that the ID No. 1 Board would not support any such modification to the JPA at this time. They did agree to move forward with restructuring COMB, and thought this modification might be addressed during that process.

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. Director Morgan requested a break down of materials/labor cost for the plantings around Lauro Reservoir in a future report.

c. COMB Operating Committee

The approved minutes from the February 3, 2010 meeting were included in the board packet. Director Morgan requested that the current month's Operating Committee minutes be included in the board packet to avoid a delay in receiving the information from those meetings. After discussion it was decided that the Operating Committee minutes would be included in draft form in future.

d. Executed MOU Between COMB and ID No. 1 to Limit Activities During Organizational Restructuring

A copy of the fully executed MOU between COMB and ID No. 1 was included in the board packet for information.

Director Bettencourt stated that the ID No. 1 Board was pleased that the MOU had been approved by both Boards and hoped to see the restructuring proceed in a timely manner.

e. Quagga Mussel Inspection Report – County of Santa Barbara

Included in the board packet was the report from the County Parks Department on the Quagga mussel inspection program at Lake Cachuma.

f. Proposition 50 and 84 Activities

Included in the board packet were meeting agendas and a schedule for the Prop 84 project selection process. Ms. Rees reported that notification had been received that the SWRCB had removed the Prop 50 funding suspension after reviewing the Corrective Action letter from the County. Invoices will now be reimbursed to each project participant.

g. Submittal of New Applications for ARRA Funding to Reclamation

Included in the board packet were three applications resubmitted by COMB staff for American Recovery and Reinvestment Act Funding (ARRA) from Reclamation's stimulus package. Reclamation may have funds available from projects initially awarded ARRA funding that will not be able to be constructed before the deadline to use the money.

h. Cachuma Reservoir Current Conditions

Date 03/22/2010

Lake Elevation	745.90 feet
Storage	174,789 acre feet
Rain (for the month to date)	.23 inches
Rain YTD (for the season to date)	23.65 inches
Fish Release-Hilton	12.5 acre feet per day
Month to Date Fish Release	275.3 acre feet
Month to Date Spill	0 acre feet
Year to Date Spill	0 acre feet

6. Directors' Request for Agenda Items for Next Meeting

Director Hanson requested an update on the issues discussions with the County.

7. Meeting Schedule

The next regular Board meeting will be held April 26, 2010 following the CCRB meeting at 2:15 P.M.

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

8. COMB Adjournment

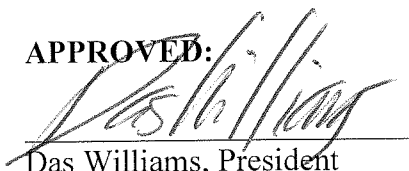
There being no further business, the meeting was adjourned at 4:54 p.m.

Respectfully submitted,



Kate Rees, Secretary of the Board

APPROVED:


Das Williams, President