

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

CACHUMA OPERATION AND MAINTENANCE BOARD

MONDAY,

March 27, 2006

Approximate Start Time

3:15 P.M.

AGENDA

1. COMB CALL TO ORDER, ROLL CALL. (COMB Board of Directors.) *(1 minute)*.
2. [CLOSED SESSION.] CONFERENCE WITH LEGAL COUNSEL TO DISCUSS PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (a.) One case: Crawford-Hall v. COMB, Superior Court of California. County of Santa Barbara, Case No. 1171135. *(10 minutes)*
3. PUBLIC COMMENT. (Public may address the Board on any subject matter not on the agenda and within the Board's jurisdiction. See "Notice to the Public" below.) *(5 minutes)*
4. CONSENT AGENDA. (For Board Action by Vote on One Motion Unless Member Requests Separate Consideration.) *(3 minutes)*
 - a. Minutes of February 27, 2006 Regular Board Meeting and February 22, 2006 Special Joint COMB/CCRB Board Meeting [see CCRB Item 3a]
 - b. Reports from the Manager
 - Water Storage
 - Water Production & Use, SWP Accounting
 - Operations Report
 - Financial Reports
 - Investment Reports
 - c. Payment of Claims
5. COMMITTEE APPOINTMENTS FOR VACATED SEATS FY 2005-2006 (For action by the President of the Board.) *(5 minutes)*
 - a. Finance Committee – one appointment
 - b. Legal Affairs – one appointment
 - c. Capital Improvements, Alternate – one appointment
6. **VERBAL REPORT-** CACHUMA RESERVOIR CURRENT CONDITIONS (For information.) *(2 minutes)*

7. REPORT ON WASHINGTON D.C. ACWA MEETINGS AND MEETINGS WITH LEGISLATORS AND GOVERNMENT OFFICIALS. (For information.) *(10 minutes)*
8. RESOLUTION NO. 440 TO APPROVE REPAYMENT AGREEMENT FOR LAURO DAM SAFETY OF DAMS MODIFICATIONS PROJECT. (For Board action.) *(5 minutes)*
9. REVISED SCOPE OF WORK FOR PRELIMINARY DESIGN AND ENVIRONMENTAL SERVICES FOR 2ND BARREL PROJECT ON SOUTH COAST CONDUIT. (For Board action.) *(30 minutes)*
10. ANALYSIS OF GOVERNOR SCHWARZENEGGER'S 2006 & 2010 WATER MANGEMENT BONDS AND CONSIDERATION OF SUPPORT LETTER. (For discussion and possible Board action.) *(5 minutes)* [See CCRB Item 9]
11. SCHEDULE TOUR FOR BOARD OF DIRECTORS TO REVIEW THE CACHUMA PROJECT SOUTH COAST FACILITIES. SUGGESTED DATES: APRIL 13, 20 & 27. (For Board action.) *(5 minutes)*
12. SCHEDULE FURTHER JOINT SPECIAL COMB/CCRB BOARD MEETINGS. (For Board action) *(5 minute)* [April 3, 2006 meeting has been cancelled]
13. REQUESTS FROM DIRECTORS FOR ITEMS TO BE INCLUDED ON NEXT AGENDA. (Next Regular Meeting: April 24, 2006 following the CCRB meeting.) *(3 minutes)*
14. COMB ADJOURNMENT

NOTICE TO PUBLIC

Public Comment: Any member of the public may address the Board on any subject within the jurisdiction of the Board that is not scheduled for a public hearing before the Board. The total time for this item will be limited by the President of the Board. If you wish to address the Board under this item, please complete and deliver to the Secretary of the Board before the meeting is convened, a "Request to Speak" forms including a description of the subject you wish to address.

Americans with Disabilities Act: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Cachuma Operation and Maintenance Board office at (805) 687-4011 at least 48 hours prior to the meeting to enable the Board to make reasonable arrangements.

[This Agenda was Posted at 3301 Laurel Canyon Road, Santa Barbara, CA at Santa Barbara City Hall, Santa Barbara, CA and at Member District Offices and Noticed and Delivered in Accordance with Section 54954.1 and .2 of the Government Code.]

**Minutes of the Regular Meeting of the
Cachuma Operation & Maintenance Board
held at
3301 Laurel Canyon Road
Santa Barbara, California
February 27, 2006**

1. Call to Order, Roll Call

Vice President Evans called the meeting to order at 3:18 p.m.

Directors present:

Chuck Evans	Goleta Water District
Jan Abel	Montecito Water District
Robert Lieberknecht	Carpinteria Valley Water District
Das Williams	City of Santa Barbara
Lee Bettencourt	Santa Ynez River Water Conservation Dist ID#1 (Alternate)

Others present:

Bob Wignot	Kate Rees
Brett Gray	Janet Gingras
Bob Roebuck	Gary Kvistad
William Hair	Russell Ruiz
Steve Mack	Chris Dahlstrom
Kevin Walsh	William Jackson

(the Board next considered Item #4)

- 4. [CLOSED SESSION] Conference with Legal Counsel to Discuss Pending Litigation Pursuant to Government Code Section 54956.9 a. One case: Crawford-Hall v. COMB, Superior Court of California. County of Santa Barbara, Case No. 1171135.**

The Board went into Closed Session at 3:19 p.m. Closed Session ended at 3:23 p.m. There was nothing to report out of Closed Session.

(the Board next considered Item #2)

- 2. Resolution No. 433 Commendation for General Manager Robert E. Wignot upon his Retirement**

Director Abel moved to adopt Resolution No. 433, commendation for Robert E. Wignot, seconded by Director Bettencourt. A roll call vote was taken, passed 7/0/0.

Mr. Wignot was presented with a framed copy of Resolution No. 433 and a framed photo of Lake Cachuma as a memento of his 16 years serving COMB. The Board thanked him for his many years of dedicated service and wished him well in his future endeavors.

3. Break

The Board went into a break at 3:35 p.m. The break ended at 3:50 p.m.

5. Public Comment

There was no comment from the public.

6. Consent Agenda

- a. Minutes of January 23, 2006 Regular Board Meeting and Minutes of February 6, 2006 Joint Special Board Meeting.
- b. Reports from the Manager
 - Water Storage
 - Productions & Use, SWP Accounting Water
 - Operations Report
 - Financial Report
 - Investment Report
- c. Payment of Claims

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

7. Appointment of New Officer and JPIA Alternate Representative

- a. Appointment of Secretary, Treasurer and Auditor/Controller
 1. It is recommended that the Board of Directors affirm that Kate Rees as interim General Manager shall also serve as Secretary of the Board, Treasurer and Auditor-Controller.
- b. Appointment of ACWA/JPIA Alternate Representative
 2. It is recommended that the Board of Directors affirm that Kate Rees as interim General Manager shall also serve as the ACWA/JPIA Alternate Representative.
- c. Appointment of Administrative Manager as Alternate Secretary of the Board
 3. It is recommended that the Board of Directors affirm that Administrative Manager Janet Gingras shall act as Secretary of the Board in the event that the interim General Manager is absent.

Director Abel moved to approve recommendations 1, 2 and 3, seconded by Director Williams, passed 7/0/0

8. Resolutions Relating to COMB Fund Accounts

- a. Resolution No. 434 Establishing a Supplemental Account Agreement for Telephone Transfers
- b. Resolution No. 435 Authorizing Signatories for Revolving Fund Account at Santa Barbara Bank & Trust
- c. Resolution No. 436 Authorizing Investment of Monies in the Local Agency Investment Fund
- d. Resolution No. 437 Authorizing Signatories for General Fund Account at Santa Barbara Bank & Trust
- e. Resolution No. 438 Authorizing Signatories for the Cachuma Project Trust Fund and Renewal Fund Accounts at Washington Mutual

Adoption of the resolutions will:

- Add Director Williams as a signatory on the COMB General Fund Account at Santa Barbara Bank & Trust, and on the COMB Renewal Fund and Trust Fund Accounts at Washington Mutual.
- Add Ms Rees as a signatory on these same accounts, as well as on the COMB Revolving Fund Account at Santa Barbara Bank & Trust, and on the Local Agency Investment Fund (LAIF) Account at the State Treasury.
- Authorize Ms Rees to make telephone transfers between the LAIF Account and the General Fund Account and/or the Revolving Fund Account at Santa Barbara Bank & Trust.

Director Abel moved to approve resolutions 434, 435, 436, 437 and 438, seconded by Director Lieberknecht. A roll call vote was taken, passed 7/0/0.

9. Report from the Auditor for Fiscal Year 2004-2005

The recommended Actions:

1. The Board of Directors accept the Financial Statements for the Fiscal Year ended June 30, 2005, and the Independent Auditor's Report.
2. The Board of Directors authorized the unrestricted net assets identified in said Financial Statements, in the amount of \$226,987 to be used to reduce operating assessments required from the Member Units for the 4th quarter of the current fiscal year.

The Financial Statements for the fiscal year ended June 30, 2005 and the Independent Auditors' Report performed and prepared by MacFarlane Faletti and Co. LLP, Certified Public Accountants, was included in the Board packet. Bill Jackson of MacFarlane, Faletti and Co. summarized the audit.

There were no reportable items out of the audit. The current year's comments consisted of the following; there were two inconsistent account codings that have been corrected and a recommendation that the current Quick Books software be updated to the 2006 version or another appropriate accounting software alternative so that manipulation of posted transactions would not be possible.

Director Williams moved to approve recommendations 1 and 2, seconded by Director Abel, passed 7/0/0.

(the Board next considered item 17)

17. Design and Environmental Services for 2nd Barrel of South Coast Conduit – Boyle Engineering

The recommended action was approval of Boyle Engineering's Task Order No. 18, for Engineering Design and Environmental Services for the South Coast Conduit (SCC) Upper Goleta Reach Second Barrel Project.

Ms Rees highlighted the background information included in the Board packet. Boyle Engineering preformed a Reliability and Alternatives Study for the Upper Goleta Reach in 2002. One of the recommendations was to construct a redundant pipeline for the upper reach. The 50 year old pipeline often runs at full capacity to meet demand; however the original capacity has been reduced due to limitations and age, system modifications and increased demand. The new pipeline would help meet system demand, provide system reliability and allow the original SCC to be taken out of service for maintenance and repairs.

Ms Rees discussed some of the options for funding construction of the \$6.3 million project. However, in order to be competitive for any grant funding or legislative assistance, she stressed the importance of demonstrating that the planning, engineering design, and environmental compliance for the project was progressing. This Task Order would authorize Boyle Engineering to complete the preliminary design work, prepare an Environmental Impact Report, perform a geotechnical analysis and carry out the regulatory permitting for the Second Barrel Project. It will take approximately 3 years to get the project to the construction phase. The total proposed cost for Task Order No. 18 is \$491,000.

Brett Gray answered questions from the Board concerning the need of the project and what was entailed in the preliminary design phase. Director Evans requested that an executive summary be provided for the March 27th regular Board meeting that clearly explained the need for the project and why it was necessary to move forward at this time. He also asked staff to reevaluate the level of engineering services needed in order to complete the environmental work. The Board requested that URS Corporation be used to provide the environmental compliance services. Ms Rees agreed to provide a revised scope of work for engineering and environmental services and an executive summary at the March meeting for the Board's consideration.

10. Report from COMB Strategic Planning Ad Hoc Committee

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There was nothing to report from the Strategic Planning Ad Hoc Committee. The committee has been disbanded.

11. Cachuma Reservoir Current Conditions

Reservoir Current Conditions:

Date 01/23/2006

Lake elevation	746.90 feet
Storage	178,796 acre feet
Rain (for the month to date)	.55 inches
Rain YTD (for the season to date)	11.25 inches
Fish Release-Hilton Creek	11.3 acre feet per day
Month to Date Fish Release	305.5 acre feet

The remaining surcharge in the fish account is 2383 AF.

12. Verbal Report - Lauro Dam Seismic Safety Modifications Project

Ms Rees referred to the construction update report of the Lauro Dam Seismic Safety Modification Project included in the Board packet. These reports will be provided for Board information as COMB receives the reports.

The repayment contract for reimbursement of the 15% obligation of the project costs was circulated for a 60 day public review. That period ended on February 14, 2006, and Reclamation received no public comments. The final contract should be ready to present to the COMB Board for approval at the March 27, 2006 meeting.

13. Proposed Residential Development in the Lauro Reservoir Watershed at 1560 San Roque Road

Ms Rees reviewed the progress of the residential development at 1560 San Roque Road. The project was denied by the Board of Architectural Review and then appealed to the County Planning Commission by the owner. The Planning Commission held a hearing on this item January 25, 2006 and granted the appeal made by the property owner. The zoning administrator will consider giving the applicant a land use permit for the septic system on February 27th. The applicant also needs to get a consent letter from the Bureau of Reclamation for improvements to the access road that crosses federal land. Staff will closely follow the progress of this project in order to assure that the County includes the conditions recommended by the COMB Board in the building permit.

14. Report on Bureau of Reclamation's Mid-Pacific Water Users' Conference and Meetings with Kirk Rodgers, Regional Director, and Fish and Wildlife Service.

Ms Rees included in the Board packet a summary of the meeting with the Bureau of Reclamation's Regional Director, Kirk Rodgers and a meeting with Fish and Wildlife Service. Topics discussed with Mr. Rodgers included assistance with federal funding for the South Coast Conduit pipeline project (2nd barrel) and other infrastructure improvements. Also discussed was the request to explore reassignment of the Cachuma Master Renewal Contract from the Santa Barbara County Water Agency to COMB or

the Member Units and the response letter from Kirk Rodgers confirming that all costs for the Hilton Creek Watering System will be paid from the Bradbury Dam SOD Fund

The meeting with the Fish & Wildlife Service included discussion about jurisdiction over the steelhead above Bradbury Dam, a programmatic biological opinion for repair and maintenance work on structures along the South Coast Conduit by COMB, and grant funding from Fish & Wildlife Service for steelhead projects.

15. Resolution No. 439 in Support of 2006 Water Bond

The recommendation:

1. Approve Resolution No. 439 of the Cachuma Operation & Maintenance Board and Resolution No. 06-01 of the Board of Directors of the Cachuma Conservation Release Board for each agency respectively, declaring support for the enactment of the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 as a legislative bond initiative or as a voter initiative.
2. Authorize the COMB and CCRB Board Presidents to sign letters of support for the act.

Discussion about the 2006 Water Bond took place during the CCRB meeting with Ms Rees and Mr. Wilkinson highlighting the bond.

Director Abel moved to approve recommendations 1 and 2 with the identical addition of a whereas as the CCRB Board had approved, addressing the proposed connection fee, region size and project scope. Seconded by Director Lieberknecht, a roll call vote was taken, passed 3/1/1. Director Bettencourt voted no; Director Williams was absent.

A copy of the final revised resolution, and an analysis of the bonds will be included in the packet for the March 27, 2006 regular Board meeting.

16. Scheduling of Tour for Board of Directors to Review the Cachuma Project South Coast Facilities. Suggested Dates: March 16, 22, 23 or 30, 2006

The Board will consider the tour to review the Cachuma Project South Coast Facilities at the March 27th meeting.

18. Requests from Directors for Items to be Included on Next Agenda

A Special Joint Board Meeting of COMB/CCRB has been scheduled for March 9, 2006 at 3:00 p.m. The next regular COMB Board meeting will be March 27, 2006 immediately following the CCRB Board meeting.

19. COMB Adjournment

There being no further business, the meeting was adjourned at 4:52 p.m.

Respectfully submitted,

Secretary of the Board

APPROVED:

Chair

sec.comb/boardminutes/02.27.06COMB Minutes.doc

Approved _____

Unapproved _____ ✓

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**Minutes of the Joint Special Meeting of the
Cachuma Conservation Release Board
and
Cachuma Operation & Maintenance Board
held at
3301 Laurel Canyon Road
Santa Barbara, California
February 22, 2006**

1. Call to Order, Roll Call

President Jan Abel called the CCRB Board meeting to order at 3:00 p.m., roll call was taken, all were present.

President Matt Loudon called the COMB Board meeting to order at 3:02 p.m., roll call was taken, all were present.

CCRB & COMB Directors present:

Jan Abel	Montecito Water District
Chuck Evans	Goleta Water District
Robert Lieberknecht	Carpinteria Valley Water District
Matt Loudon (COMB)	Santa Ynez River Water Conservation Dist., ID#1
Das Williams	City of Santa Barbara

Others present:

Bob Wignot	Kate Rees
Tony Trembley	Chip Wullbrandt
Janet Gingras	Steve Mack
Gary Kvistad	Chris Dahlstrom
Lee Bettencourt	Michael Jackson
Brett Gray	Robert Dunlap
Russell Ruiz	Bill Carroll
Scott Volan	Bob Roebuck
Kevin Walsh	Joan Kerns
Bruce A. Wales	Alexandra McBrahill

2. Public Comment

There were no comments from the public.

The order of agenda items 3, 4, and 5 was changed by COMB President, Matt Loudon and approved by consensus of the Board to the following order: Item (3) **Public Employee Appointment – Interim General Manager** was considered following item (2) **Public Comment**, next item was (4) **Ratify the Action Taken by the COMB Board on February 6, 2006**, and then item (5) **Consideration of Proposed Reorganization of COMB and CCRB.**

3. Public Employee Appointment – Interim General Manager

- a. Determine needs for an interim General Manager and, if appropriate, evaluate possible candidates.
- b. Provide the financial impacts, if any, to COMB and CCRB budgets as approved.
- c. [CLOSED SESSION.] Pursuant to Government Code Section 54957: Public Employee Appointment – Title Interim General Manager.

There was no closed session.

- d. Rescind the action appointing an interim General Manager at the February 6, 2006 Joint Special Meeting of COMB/CCRB.
- e. If needed, appoint interim General Manager and authorize preparation of agreements and/or amendments to agreements as necessary to implement the appointment.

There was broad discussion concerning the itemized issues. The Board requested a more detailed breakdown of the Managers salary in relation to the time spent on each agency (COMB/CCRB). The agreements involving the appointment of the interim General Manager need to be reviewed and amended if necessary.

Director Williams made a motion to rescind the action appointing an interim General Manager at the February 6, 2006 Joint Special Meeting of COMB/CCRB, seconded by Director Loudon. Following discussion on the motion before the Board, Director Williams withdrew his motion and Director Loudon withdrew his second to the motion.

4. Ratify the Action Taken by the COMB Board on February 6, 2006

- a. Appointing Kate Rees as interim General Manager of COMB effective February 27, 2006, in addition to being Manager of CCRB, at a total salary of \$118,000 per year, and with the duties of the two agencies.
- b. Approving a temporary increase in the salary of Brett Gray of 5%, effective February 27, 2006, until the amended JPA is in place, because of increased technical work.

Director Evans moved to ratify action taken by the COMB Board on February 6, 2006, items (a) and (b), seconded by Director Lieberknecht, passed 6/1/0, Director Loudon voting no.

5. Consideration of Proposed Reorganization of COMB and CCRB

Director Evans outlined the meeting topics to be addressed by himself, Steve Mack, City of Santa Barbara, Chris Dahlstrom, ID#1 and Bob Wignot, COMB General Manager.

Steve Mack presented the history and purpose of the COMB/CCRB/ID#1 strategic organization and management plan from 1999. The purpose of the plan was to examine cost-

effective and efficient ways for the five Cachuma Project Members to jointly address issues, needed facilities and staffing in the short and long term.

Director Evans reviewed with the Board the powers and constraints of CCRB, COMB, CCWA Joint Powers Agreements and other regional agreements. Director Evans summarized a list of issues and interests to be addressed. Additional issues to be considered should be emailed to Director Evans by Wednesday, March 1, 2006, in order to be included in a revised list for the board packet for the March 9, 2006 meeting.

Bob Wignot summarized the distribution of COMB costs for the South Coast Member Units and ID#1, which was included in the Board packet.

Chris Dahlstrom summarized a compilation of comments from the ID#1 Board over the past several years related to the organizational structure of COMB, CCRB and CCWA.

President Loudon recommended the March 9, 2006 Board meeting be conducted in a workshop format allowing a more open discussion. The Board agreed to the format change.

Bob Roebuck, Manager Montecito Water District, made a suggestion to the Board to consider obtaining the services of a facilitator for the reorganization process.

To be included in the Board packet for the March 9, 2006 special joint meeting is the status of implementation of the Biological opinion projects and the proposed salary spending plan for COMB Interim General Manager/CCRB Manager.

6. **The next Regular CCRB and COMB Board Meeting will be held February 27, 2006 at 2:00 the next Joint Special CCRB/COMB Meeting will be held March 9, 2006 at 3:00 p.m.**
7. **Adjournment of the Joint Special CCRB/COMB Board Meeting**

There being no further business, the Joint Special CCRB/COMB Meeting was adjourned at 5:12 p.m.

Respectfully submitted:

CCRB Secretary to the Board

COMB Secretary to the Board

APPROVED:

Jan Abel, CCRB President

Chuck Evans, COMB Vice-President

CACHUMA OPERATION AND MAINTENANCE BOARD WATER STORAGE REPORT

MONTH: February 28, 2006

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	350.00 Feet
Water in Storage	108.53 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	542.90 Feet
Water in Storage	469.71 Acre Feet

ORTEGA RESERVOIR

Capacity at 460' elevation:	65 Acre Feet
Capacity at outlet at elevation 440':	0 Acre Feet
Stage of Reservoir Elevation	0.00 Feet
Water in Storage	0.00 Acre Feet

OUT OF SERVICE

CARPINTERIA RESERVOIR

Capacity at 384' elevation:	45 Acre Feet
Capacity at outlet elevation 362':	0 Acre Feet
Stage of Reservoir Elevation	377.60 Feet
Water in Storage	29.34 Acre Feet

TOTAL STORAGE IN RESERVOIRS

Change in Storage	98.10 Acre Feet
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CACHUMA RESERVOIR

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

Stage of Reservoir Elevation	747.46 Feet
Water in Storage	180,438 AF
Area	2,947
Evaporation	559.30 AF
Inflow	2473.90 AF
Downstream Release WR8918	0 AF
Fish Release	316.90 AF
Spill/Seismic Release	0 AF
State Project Water	0 AF
Change in Storage	529.0 AF
Tecolote Diversion	1,930.4 AF

05-06 ENTITLEMENT

**CACHUMA OPERATION AND MAINTENANCE BOARD
WATER PRODUCTION AND WATER USE REPORT
FOR THE MONTH OF FEBRUARY 2006 AND THE WATER YEAR TO DATE**

(All in rounded Acre Feet)

			MONTH TOTAL			YTD TOTAL
WATER PRODUCTION:						
Cachuma Lake (Tec. Diversion)			1,930			8,802
Tecolote Tunnel Infiltration			167			889
Glen Anne Reservoir			0			0
Cachuma Lake (County Park)			7			24
State Water Diversion Credit			0			461
Gibraltar Diversion Credit			0			0
Bishop Ranch Diversion			0			0
Meter Reads			1,889			8,869
So. Coast Storage gain/(loss)			98			(56)
Total Production			2,105			9,715
Total Deliveries			1,987			9,274
Unaccounted-for			117			440
% Unaccounted-for			5.58%			4.53%
WATER USE:						
	GWD	SB CITY	MWD	CVWD	SYRWCD I.D. #1	TOTAL
M&I	564	542	185	88	7	1,386
Agricultural	249	0	62	81	0	392
TOTAL FOR MONTH	813	542	247	169	7	1,778
Same Mo/prev. yr	875	518	93	217	2	1,705
M&I Yr to date	2,940	2,215	919	548	24	6,646
Ag. Yr to date	1,299	0	307	505	0	2,111
TOTAL YTD	4,239	2,215	1,226	1,053	24	8,757
USAGE % YTD	30.0%	16.3%	34.1%	24.6%	1.1%	22.9%
Previous Year/YTD	1,879	2,505	208	505	11	5,108
Evaporation	5	15	0	2	1	23
Evaporation, YTD	58	89	8	19	5	179
Entitlement	9,322	8,277	2,651	2,813	2,651	25,714
Carryover	4,832	5,800	874	1,469	296	13,271
Carryover Spill	0	0	0	0	0	0
Spill Surplus^^	0	0	0	0	0	0
State Water Exchange^	153	100	100	69	(422)	0
Transfers*/Adjustment***	0	0	0	0	0	0
Passthrough H20**	0	(30)	0	0	0	(30)
TOTAL AVAILABLE	14,307	14,147	3,625	4,351	2,525	38,955
REMAINING BALANCE	10,010	11,843	2,391	3,279	2,496	30,019

** City relinquished 6 AF per "Passthrough" agrmt for February 2006 (No Passthrough during spill conditions).

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

GWD 0 AF (Morehart 0 AF); City of S.B. 0 AF; and LaCumbre 111 AF; (Ratheon 0 AF).

^ Per SWP Exchange Agrmt GWD received 0 AF; MWD received 0;

City of SB received 0 AF; and CVWD received 0 AF from ID#1 in February 2006.

PERCENT OF WATER YEAR ELAPSED:

41.7%

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

MONTH	DELVRD TO LAKE	Delvd to Lake	Delvd to SC	Transf to MW	Delvd to Lake	Delvd to SC	Transf from CV	Delvd to Lake	Delvd to SC	Delvd GWD	Delvd to Lake	Delvd to SC	Delvd LCMWVC	Delvd to Lake	Delvd to SC	Delvd RSYS	Delvd to Lake	Delvd to SC	Delvd MLC	Delvd to Lake	Delvd to SC	
2005																						
Bal. Frwd																						
January	45	0	0	0	12	0	0	0	12	18	0	50	0	3	20	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	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
June	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
August	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
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	185	0	0	0	0	0	0	0	0	0	0	0	0	131	36	0	20	0	0	0	34	0
December	276	0	0	0	0	0	0	0	0	0	0	0	0	196	0	30	0	0	0	50	0	0
Total	505	0	0	0	12	0	0	12	12	18	0	50	0	330	252	0	50	0	0	84	0	84

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

MONTH	DELVRD TO LAKE	Delvd to Lake	Delvd to SC	Transf to MW	Delvd to Lake	Delvd to SC	Transf from CV	Delvd to Lake	Delvd to SC	Delvd GWD	Delvd to Lake	Delvd to SC	Delvd LCMWVC	Delvd to Lake	Delvd to SC	Delvd RSYS	Delvd to Lake	Delvd to SC	Delvd MLC	Delvd to Lake	Delvd to SC	
2006																						
Bal. Frwd																						
January	0	0	0	0	0	0	0	0	0	0	0	0	0	0	95	0	0	0	0	0	0	0
February	111	0	0	0	0	0	0	0	0	0	0	0	0	111	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	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
June	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
August	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
October	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
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	111	0	0	0	0	0	0	0	0	0	0	0	0	111	206	0	0	0	0	0	0	0

Operations Report – February 2006

Cachuma Project water usage for the month of February 2006 was 1,778 acre-feet, compared with 1,705 acre-feet for the same period in 2005. Cachuma Project water use for the 12 months ending 28 February 2006 was 28,317 acre-feet, compared with 22,164 acre-feet for the 12 months ending 28 February 2005.

The average flow from Lake Cachuma into the Tecolote Tunnel was 69 acre-feet per day. Lake elevation was 747.27 feet at the beginning of the month and 747.46 feet at the end. Recorded rainfall at Bradbury Dam was 3.06 inches for the month and 13.76 inches for the rainfall season, which commenced on July 1, 2005. Rainfall for the season is 92% of normal.

Santa Barbara wheeled 328 acre-feet of Gibraltar water through Lauro Reservoir during the month. 111 acre-feet of State Water Project water was wheeled through Cachuma Project facilities and delivered to South Coast Member Units during the month.

Work continued on structure rehabilitation of blow-off, air vent, and lateral structures. Rehabilitation was completed on structures 28+32 and 43+95. This leaves approximately 8 air-vent/blow-off structures to be completed out of a total of 63. We have approximately 14 lateral structures out of 21 completed. The seasonal rains have stopped progress on structure rehabilitation due to access issues.

Rehabilitation of the Corona Del Mar Turnout Vault started this month. This project includes the replacement of all three slide-gates, replacement of the intermediate level decking, replacement of all ladders within the vault, installation of a new deck on top of the structure, relocation of the valve operator above maximum operational water level, installation of stairs to access the upper level, and the installation of SCADA sensors for monitoring of the site. Demolition of the slide-gates and decking is scheduled for February. This project is scheduled for completion in May.

Miscellaneous work completed this month includes cleanup after structure rehab, rehabilitation of reusable structure rehab parts, new fencing and hydro seeding at Ralston and Lauro storm damage sites, and SCC lateral condition surveys.

Routine operation and maintenance activities attended to during the month also included:

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



Brett Gray
Operations Supervisor

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Balance Sheet
 As of February 28, 2006

Feb 28, 06

ASSETS

Current Assets

Checking/Savings	
1050 · GENERAL FUND	858,559.47
1100 · REVOLVING FUND	6,881.92
TRUST FUNDS	
1220 · RENEWAL FUND	5,031.68
1210 · WARREN ACT TRUST FUND	28,357.43
Total TRUST FUNDS	33,389.11

Total Checking/Savings 898,830.50

Other Current Assets

1010 · PETTY CASH	400.00
1200 · LAIF	320,210.89
1300 · DUE FROM CCRB	51,182.07
1302 · ASSESSMENTS RECEIVABLE-CARP	141,485.35
1303 · SOD Act Assessments Receivable	47,141.25
1400 · PREPAID INSURANCE	9,108.00

Total Other Current Assets 569,527.56

Total Current Assets 1,468,358.06

Fixed Assets

1500 · VEHICLES	231,647.84
1505 · OFFICE FURN & EQUIPMENT	113,041.13
1510 · TRAILERS	97,803.34
1515 · FIELD EQUIPMENT	284,119.52
1525 · PAVING	22,350.00
1550 · ACCUMULATED DEPRECIATION	-469,875.93

Total Fixed Assets 279,085.90

Other Assets

1910 · LT SOD Act Assess Receivable 5,447,243.07

Total Other Assets 5,447,243.07

TOTAL ASSETS 7,194,687.03

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable
 2200 · ACCOUNTS PAYABLE 2,164,771.55

Total Accounts Payable 2,164,771.55

Other Current Liabilities

2505 · ACCRUED WAGES	27,650.33
2550 · VACATION/SICK	79,386.08
2560 · CACHUMA ENTITLEMENT	-1,924,828.85
2561 · BRADBURY DAM SOD ACT	47,141.25
2562 · SWRCB-WATER RIGHTS FEE	0.22
2590 · DEFERRED REVENUE	33,389.11
Payroll-DepPrm Admin	15.00
Payroll-DepPrm Ops	4.62
Payroll-FICA Ops	0.04
Payroll-Invest Admin	-0.06
Payroll-Invest Admin 457D	-0.04

Total Other Current Liabilities -1,737,242.30

Total Current Liabilities 427,529.25

Long Term Liabilities

2600 · Lease Obligation Payable	43,846.38
2601 · Note Payable SBB&T	141,485.35
2602 · SOD Act Liability-Long Term	5,447,243.07

2:07 PM
03/14/06
Accrual Basis

comb2
Balance Sheet
As of February 28, 2006

	<u>Feb 28, 06</u>
Total Long Term Liabilities	<u>5,632,574.80</u>
Total Liabilities	6,060,104.05
Equity	
3000 · Opening Bal Equity	0.95
3901 · Retained Earnings	462,226.45
Net Income	<u>672,355.58</u>
Total Equity	<u>1,134,582.98</u>
TOTAL LIABILITIES & EQUITY	<u><u>7,194,687.03</u></u>

comb2
Profit & Loss Budget vs. Actual
 July 2005 through February 2006

2:12 PM
 03/14/06
 Accrual Basis

	Jul '05 - Feb 06	Budget	\$ Over Budget	% of Budget
TOTAL				
Income				
3000 REVENUE	2,335,243.53			
3001 - O&M Budget	2,832.17			
3003 - Assessment Revenue-Carp	-112,719.00			
3005 - Assessments Returned to Member	9,362.53			
3010 - Interest Income	4,293.92			
3020 - Misc Income	105,173.53			
3070 - OES 2005 Storm 1577 Reimb	2,344,186.68			
Total 3000 REVENUE	2,344,186.68			
Total Income	2,344,186.68			
Gross Profit	2,344,186.68			
Expense -				
3150 - Health & Workers Comp	95,809.65	150,000.00	-54,190.35	63.9%
3155 - PERS	44,430.51	66,956.00	-22,525.49	66.4%
3160 - Payroll Comp FICA Ops	19,457.91	29,415.00	-9,957.09	66.1%
3165 - Payroll Comp MCARE Ops	4,550.60	6,881.00	-2,330.40	66.1%
3100 LABOR - Other	0.00	424,667.00	-424,667.00	0.0%
Total 3100 LABOR	448,572.89	677,919.00	-229,346.11	66.2%
3200 VEH & EQUIPMENT				
3201 - Vehicle/Equip Mtce	15,706.40	22,000.00	-6,293.60	71.4%
3202 - Fixed Capital	39,019.41	46,000.00	-6,980.59	84.8%
3203 - Equipment Rental	11,055.58	22,000.00	-10,944.42	50.3%
3204 - Miscellaneous	7,529.84	10,000.00	-2,470.16	75.3%

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Profit & Loss Budget vs. Actual
July 2005 through February 2006

	Jul '05 - Feb 06	Budget	TOTAL	\$ Over Budget	% of Budget
Total 3200 VEH & EQUIPMENT	73,311.23	100,000.00		-26,688.77	73.3%
3300 · CONTRACT LABOR					
3301 · Conduit, Meter, Valve & Misc	6,899.09	7,000.00		-100.91	98.6%
3302 · Buildings & Roads	6,727.18	11,500.00		-4,772.82	58.5%
3303 · Reservoirs	4,522.04	50,000.00		-45,477.96	9.0%
3304 · Engineering, Misc Services	6,938.13	20,000.00		-13,061.87	34.7%
Total 3300 · CONTRACT LABOR	25,086.44	88,500.00		-63,413.56	28.3%
3400 · MATERIALS & SUPPLIES					
3401 · Conduit, Meter, Valve & Misc	9,696.58	10,000.00		-303.42	97.0%
3402 · Buildings & Roads	5,040.02	17,000.00		-11,959.98	29.6%
3403 · Reservoirs	1,296.41	7,000.00		-5,703.59	18.5%
3404 · Tecolote Tunnel	1,521.00	0.00		1,521.00	100.0%
Total 3400 · MATERIALS & SUPPLIES	17,554.01	34,000.00		-16,445.99	51.6%
3500 · OTHER EXPENSES					
3501 · Utilities	2,562.23	6,300.00		-3,737.77	40.7%
3502 · Uniforms	3,897.02	5,500.00		-1,602.98	70.9%
3503 · Communications	8,113.66	17,300.00		-9,186.34	46.9%
3504 · USA & Other Services	1,534.54	3,700.00		-2,165.46	41.5%
3505 · Miscellaneous	2,930.33	6,000.00		-3,069.67	48.8%
3506 · Training	6,157.06	4,500.00		1,657.06	136.8%
Total 3500 · OTHER EXPENSES	25,194.84	43,300.00		-18,105.16	58.2%
4999 · GENERAL & ADMINISTRATIVE					
5000 · Director Fees					
5001 · Director Mileage	518.50	779.00		-260.50	66.6%
5000 · Director Fees - Other	5,888.00	9,984.00		-4,096.00	59.0%
Total 5000 · Director Fees	6,406.50	10,763.00		-4,356.50	59.5%
5100 · Legal	29,945.42	70,000.00		-40,054.58	42.8%
5101-1 · Audit	10,975.00	22,000.00		-11,025.00	49.9%
5150 · Unemployment Tax	0.00	6,371.00		-6,371.00	0.0%
5200 · Liability Insurance	33,059.00	36,000.00		-2,941.00	91.8%
5201 · Health & Workers Comp	33,856.28	44,836.00		-10,979.72	75.5%
5250 · PERS	24,665.56	39,921.00		-15,255.44	61.8%
5260 · Comp FICA Admin	11,737.85	15,876.00		-4,138.15	73.9%
5265 · Comp MCARE Admin	2,978.00	3,713.00		-735.00	80.2%
5300 · Manager Salary	103,475.62	105,103.00		-1,627.38	98.5%
5301 · Administrative Manager	55,015.95	83,097.00		-28,081.05	66.2%
5306 · Administrative Assistant	34,177.96	49,421.00		-15,243.04	69.2%
5310 · Postage/Office Exp	6,250.10	8,000.00		-1,749.90	78.1%
5311 · Office Equip/Leases	2,842.32	5,640.00		-2,797.68	50.4%
5312 · Misc Admin Expenses	5,764.58	6,000.00		-235.42	96.1%
5313 · Communications	2,121.58	5,000.00		-2,878.42	42.4%

comb2
Profit & Loss Budget vs. Actual
July 2005 through February 2006

TOTAL

	Jul '05 - Feb 06	Budget	\$ Over Budget	% of Budget
5314 · Utilities	2,840.72	4,500.00	-1,659.28	63.1%
5315 · Membership Dues	4,503.65	5,445.00	-941.35	82.7%
5316 · Admin Fixed Assets	0.00	6,000.00	-6,000.00	0.0%
5325 · Emp Training/Subscriptions	1,345.75	4,100.00	-2,754.25	32.8%
5330 · Admin Travel/Conferences	1,697.23	5,000.00	-3,302.77	33.9%
5331 · Public Information	87.15	2,000.00	-1,912.85	4.4%
5332 · Transportation	960.21	1,150.00	-189.79	83.5%
Total 4999 · GENERAL & ADMINISTRATIVE	374,706.43	539,936.00	-165,229.57	69.4%
6000 · SPECIAL PROJECTS				
6050 · Bradbury Dam Radial Gates	2,966.20	0.00	2,966.20	100.0%
6062 · SCADA	7,058.67	60,000.00	-52,941.33	11.8%
6090-1 · COMB Bldg/Grounds Repair	0.00	50,000.00	-50,000.00	0.0%
6092 · SCC Improv Plan & Design	60,458.68	95,000.00	-34,541.32	63.6%
6093 · SCC Life Expectancy Study	53,848.06	95,000.00	-41,151.94	56.7%
6095 · SCC Valve & Cntrl Sta Rehab	396,412.13	600,000.00	-203,587.87	66.1%
6095-1 · Lauro Debris Basin Rehab	12,997.98	50,000.00	-37,002.02	26.0%
6096 · SCC Structure Rehabilitation	60,653.02	305,000.00	-244,346.98	19.9%
6097 · GIS and Mapping	6,838.58	75,000.00	-68,161.42	9.1%
Total 6000 · SPECIAL PROJECTS	601,233.32	1,330,000.00	-728,766.68	45.2%
6400 · STORM DAMAGE				
6401 · Storm Damage 2005	69,949.55	200,000.00	-130,050.45	35.0%
Total 6400 · STORM DAMAGE	69,949.55	200,000.00	-130,050.45	35.0%
7000 · LEGAL & LITIGATION				
7002 · Spec Counsel-FMP-BO EIS/R	33,389.92	100,000.00	-66,610.08	33.4%
Total 7000 · LEGAL & LITIGATION	33,389.92	100,000.00	-66,610.08	33.4%
7006 · INTEREST EXPENSE				
PAYROLL	2,632.17			
Gross	0.07			
Gross-CCRB	0.23			
Total PAYROLL	0.30			
Total Expense	1,671,831.10	3,113,655.00	-1,441,823.90	53.7%
Net Income	672,355.58	-3,113,655.00	3,786,010.58	-21.6%

ITM # 46
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Washington Mutual

YOUR GUARANTEED GREAT RATE MONEY MARKET STATEMENT

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

This Statement Covers

From: 02/01/06
Through: 02/28/06

Need assistance?

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

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

Your Guaranteed Great Rate Money Market Detail Information

CACHUMA OPERATION AND MAINTENANCE BOARD

Account Number: 871-849343-4
Washington Mutual Bank, FA

Renting? Do you have Renter's Insurance? Protect yourself and your personal property with reasonable-cost Renter's Insurance. It's good to have and easy to get. Just visit the Washington Mutual Insurance Services, Inc.'s web site at www.wamuins.com or call 1-866-720-3213.

Your Account at a Glance

Beginning Balance	\$5,029.18	Interest Earned	\$2.50
Checks Paid	\$0.00	Annual Percentage Yield Earned	0.65%
Other Withdrawals	\$0.00	YTD Interest Paid	\$5.28
Deposits	+\$2.50	YTD Interest Withheld	\$0.00
Ending Balance	\$5,031.68		

Date	Description	Withdrawals (-)	Deposits (+)
02/28	Interest Payment		\$2.50

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 FEBRUARY, 2006, complies with legal requirements for investment policy of government agencies, AB 1073. I hereby certify that it constitutes a complete and accurate summary of all Washington Mutual Bank investments of this agency for the period indicated.

Kathleen Rees
Secretary

ITEM # 46
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P.O. BOX 1098
 NORTHRIDGE, CA 91328-1098

This Statement Covers

 From: 02/01/06
 Through: 02/28/06

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

Need assistance?
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 call 1-800-788-7000
 or visit us at wamu.com

Your Guaranteed Great Rate Money Market Detail Information

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

Renting? Do you have Renter's Insurance? Protect yourself and your personal property with reasonable-cost Renter's Insurance. It's good to have and easy to get. Just visit the Washington Mutual Insurance Services, Inc.'s web site at www.wamuins.com or call 1-866-720-3213.

Your Account at a Glance

Beginning Balance	\$28,319.63	Interest Earned	\$37.80
Checks Paid	\$0.00	Annual Percentage Yield Earned	1.75%
Other Withdrawals	\$0.00	YTD Interest Paid	\$58.61
Deposits	+\$37.80	YTD Interest Withheld	\$0.00
Ending Balance	\$28,357.43		

Date	Description	Withdrawals (-)	Deposits (+)
02/28	Interest Payment		\$37.80

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 FEBRUARY, 2006, complies with legal requirements for investment policy of government agencies, AB 1073. I hereby certify that it constitutes a complete and accurate summary of all Washington Mutual Bank investments of this agency for the period indicated.


 Secretary

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OFFICE OF THE TREASURER
SACRAMENTO



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

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CACHUMA OPERATION AND MAINTENANCE BOARD

February, 2006 Statement

CACHUMA OPERATION AND MAINTENANCE BOARD

Account Number : 70-42-001

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

Transactions

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
02-09-2006	02-08-2006	RW	1062712	ROBERT E. WIGNOT	- 270,000.00

Account Summary

Total Deposit :	0.00	Beginning Balance :	590,210.89
Total Withdrawal :	- 270,000.00	Ending Balance :	320,210.89

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 FEBRUARY, 2006, 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 # 46

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Payment of Claims
As of February 28, 2006

Date	Num	Name	Memo	Split	Amount
1050 · GENERAL FUND					
2/9/2006	14773	COMB - Revolving Fund	Feb 10 & 24, 2006 payrolls/taxes/...	2200 · ACC...	-140,957.81
2/10/2006	14774	Acacia Erosion Control, Inc.	Lauro-2005 storm damage repair ...	2200 · ACC...	-2,160.00
2/10/2006	14775	Acorn Landscape Manage...		2200 · ACC...	-2,981.20
2/10/2006	14776	ACWA Services Corporati...	Feb EAP	2200 · ACC...	-50.85
2/10/2006	14777	Aspen Publishers, Inc.	CA Employers Guide 2006	2200 · ACC...	-99.61
2/10/2006	14778	AT&T	Jan 27, 2006 statement	2200 · ACC...	-181.05
2/10/2006	14779	B & B Surplus, Inc.	Pipe	2200 · ACC...	-336.77
2/10/2006	14780	Best, Best & Krieger, LLP	Crawford-Hall CEQA Dec 2005	2200 · ACC...	-11,865.41
2/10/2006	14781	Boyle Engineering Corp.		2200 · ACC...	-28,179.46
2/10/2006	14782	Buena Tool Co.	Cord installed on drill	2200 · ACC...	-46.07
2/10/2006	14783	C. Charles Evans	1/23/06 Reg mtg	2200 · ACC...	-132.85
2/10/2006	14784	Cabela's Marketing & Bran...	Hip boots CCRB PO#5002	2200 · ACC...	-144.58
2/10/2006	14785	Cedant Web Hosting		2200 · ACC...	-19.94
2/10/2006	14786	CIO Solutions, Inc.		2200 · ACC...	-1,776.33
2/10/2006	14787	City of Santa Barbara-Cen...	Toilet paper/paper towels/gloves	2200 · ACC...	-172.40
2/10/2006	14788	City of SB-Refuse	Refuse acct 12/31/05-1/31/06	2200 · ACC...	-143.69
2/10/2006	14789	Coastal Copy		2200 · ACC...	-173.00
2/10/2006	14790	Coastline Equipment Co.		2200 · ACC...	-3,540.46
2/10/2006	14791	COMB-Petty Cash	Replenish petty cash	2200 · ACC...	-129.09
2/10/2006	14792	Culligan Water	RO system Feb	2200 · ACC...	-20.95
2/10/2006	14794	D & J Trucking Co., Inc.	Haul Posi trak from Lauro to Glen ...	2200 · ACC...	-192.00
2/10/2006	14795	Das Williams	1/23/06 Reg mtg	2200 · ACC...	-132.02
2/10/2006	14796	Department of Health Serv...	Grade 1 Dist. Certification Reques...	2200 · ACC...	-70.00
2/10/2006	14797	ECHO Communications	Answering service-Feb	2200 · ACC...	-57.35
2/10/2006	14798	Employment Development...	Unemployment-M.Mason	2200 · ACC...	-654.00
2/10/2006	14799	Famcon Pipe & Supply		2200 · ACC...	-7,893.98
2/10/2006	14800	Fed Ex Kinko's, Inc.	Copies	2200 · ACC...	-4.62
2/10/2006	14801	Federal Express	Mailing	2200 · ACC...	-20.82
2/10/2006	14802	Fence Factory	Install chain link fence-Boy Scout ...	2200 · ACC...	-3,598.00
2/10/2006	14803	GE Capital	Mita copier lease Bill ID#9013360...	2200 · ACC...	-427.77
2/10/2006	14804	Harvey Manufacturing		2200 · ACC...	-1,248.00
2/10/2006	14805	Home Depot Credit Services	Knives for scales/copies of keys/t...	2200 · ACC...	-121.10
2/10/2006	14806	J&C Services	1/6,23 office cleaning	2200 · ACC...	-250.00
2/10/2006	14807	Jan Abel	1/23/06 Reg mtg	2200 · ACC...	-137.70
2/10/2006	14808	Lee Bettencourt	1/23/06 Reg mtg	2200 · ACC...	-155.50
2/10/2006	14809	MacFarlane Faletti & Co, ...	4th progress billing FY 04/05	2200 · ACC...	-2,500.00
2/10/2006	14810	MarBorg Industries		2200 · ACC...	-163.04
2/10/2006	14811	McCrometer, Inc.	8" meter PO#8589	2200 · ACC...	-4,167.65
2/10/2006	14812	MGB Industrial Supply		2200 · ACC...	-250.22
2/10/2006	14813	Nordman, Cormany, Hair ...		2200 · ACC...	-1,998.00
2/10/2006	14814	Orchard Supply Hardware	Asphlat mix/towels/goggles/turn v...	2200 · ACC...	-582.42
2/10/2006	14815	Parameters Custom Frami...	Picture matting	2200 · ACC...	-182.46
2/10/2006	14816	Permacolor, Inc.		2200 · ACC...	-395.00
2/10/2006	14817	PG&E		2200 · ACC...	-154.96
2/10/2006	14818	Praxair Distribution	Cylinder rental	2200 · ACC...	-34.51
2/10/2006	14819	Prudential Overall Supply	Mats/Towels	2200 · ACC...	-71.16
2/10/2006	14820	Republic Elevator	Scheduled mtce	2200 · ACC...	-208.33
2/10/2006	14821	Robert Lieberknecht	1/23/06 Reg mtg	2200 · ACC...	-141.72
2/10/2006	14822	Safety-Kleen Systems, Inc.	Regular service	2200 · ACC...	-119.80
2/10/2006	14823	Safety Services Company	Year subscription tailgate/safety m...	2200 · ACC...	-100.00
2/10/2006	14824	Sansum-SBMFC Occupati...		2200 · ACC...	-372.00
2/10/2006	14825	Sound Billing LLC	Oil change/service CCRB '06 Col...	2200 · ACC...	-39.00
2/10/2006	14826	Southern California Edison		2200 · ACC...	-982.82
2/10/2006	14827	Southwest Services	Calibration of flow meters	2200 · ACC...	-605.35
2/10/2006	14828	Specialty Tool, LTD		2200 · ACC...	-189.51
2/10/2006	14829	Staples Credit Plan	Ofc supplies	2200 · ACC...	-387.72
2/10/2006	14830	State Compensation Insur...	Payroll report-Jan 2006	2200 · ACC...	-4,660.84
2/10/2006	14831	The Gas Company	Gas-main office	2200 · ACC...	-116.46
2/10/2006	14832	Tierra Contracting, Inc.		2200 · ACC...	-48,051.98
2/10/2006	14833	Tri-County Locksmiths	Duplicate keys	2200 · ACC...	-56.57
2/10/2006	14834	UCSD Extension		2200 · ACC...	-1,350.00

2:34 PM
03/14/06
Accrual Basis

comb2
Payment of Claims
As of February 28, 2006

Date	Num	Name	Memo	Split	Amount
2/10/2006	14835	Underground Service Alert	80 new tickets	2200 · ACC...	-128.00
2/10/2006	14836	Verizon California		2200 · ACC...	-362.76
2/10/2006	14837	Verizon Wireless	Cellular	2200 · ACC...	-181.90
2/10/2006	14838	Western Farm Service, Inc.	Dust mask/coveralls/gloves	2200 · ACC...	-59.08
2/13/2006	14839	Cushman Contracting Corp.	Bypass-Girls, Inc. PO#05-06-15	2200 · ACC...	-20,222.52
2/14/2006	14840	ACWA Services Corp. (AS...	Cov period 3/1-4/1/06	2200 · ACC...	-8,853.24
2/14/2006	14841	Best, Best & Krieger, LLP	Crawford-Hall CEQA Jan 2006	2200 · ACC...	-7,366.30
2/14/2006	14842	CIO Solutions, Inc.	KVM install/CCRB profile setup-s...	2200 · ACC...	-580.00
2/14/2006	14843	CitiBusiness Card	Flange/Abel-ACWA Conf./CCRB ...	2200 · ACC...	-1,554.91
2/14/2006	14844	Famcon Pipe & Supply	PVC PO#8602	2200 · ACC...	-374.97
2/14/2006	14845	Fleet Fueling	Fuel/fuel cards	2200 · ACC...	-1,795.66
2/14/2006	14846	MGB Industrial Supply	Fittings-air compressor repair	2200 · ACC...	-39.57
2/14/2006	14847	Nextel Communications	Cellular Ops 12/19/05--1/18/06	2200 · ACC...	-349.39
2/14/2006	14848	Paychex, Inc.	1/13,24/06 payrolls/taxes/qtr-year ...	2200 · ACC...	-366.43
2/14/2006	14849	Santa Barbara Police Dep...	Renewal-Security Alarm Reg#6439	2200 · ACC...	-20.00
2/14/2006	14850	Verizon California	SCADA	2200 · ACC...	-515.79
2/15/2006	14851	Federal Express	CCRB Mailing	2200 · ACC...	-50.58
2/21/2006	14852	Caterpillar Financial Servi...	Backhoe lease Contract #001-025...	2200 · ACC...	-1,294.06
2/22/2006	14853	Acacia Erosion Control, Inc.	Douglas Prop (Ralston) hydrosee...	2200 · ACC...	-1,800.00
2/22/2006	14854	Andrew Brown	Repair split rail fence	2200 · ACC...	-48.18
2/22/2006	14855	David Nageotte	Reimb-Feb exp-hotel/meals-Denv...	2200 · ACC...	-773.90
2/22/2006	14856	Janet Gingras	Reimb-Feb meal exp	2200 · ACC...	-60.19
2/27/2006	14857	Jan Abel	Reimb-Feb travel-Wash DC ACW...	2200 · ACC...	-435.20
Total 1050 · GENERAL FUND					-323,188.53
TOTAL					-323,188.53

ALCALDE & FAY

GOVERNMENT & PUBLIC AFFAIRS CONSULTANTS

Arlington, Virginia • Washington, D.C. • Miami, Florida

March 1 - 3, 2006
Washington, DC

Thursday February 28
Wednesday, March 1, 2006

Congressman Elton D.

12:00pm **Orientation Lunch**
Bistro 525
Washington Court Hotel restaurant
525 New Jersey Ave., NW
(202) 628-2100

1:30 *Honorable Lynn Scarlett - Deputy Sec of Interior*
2:30pm **Congressman Mike Thompson** - *concern of Dept of Interior*
231 Cannon
(202) 225-3311

4:30 *Congresswoman Lisa Caputo*
Thursday, March 2, 2006

10:00am **Katie Wheeland** - *all*
Office of Governor Schwarzenegger
444 North Capitol Street, NW
Room 134
(202) 624-5276

12:00pm *Caputo - lunch*
2:00pm **Congressman Wally Herger** - *concern funding*
2268 Rayburn
(202) 225-3076

3:00pm **Jim Lecky**
Director, Office of Protected Resources
National Marine Fisheries Service
Meeting at: Department of Commerce
1400 Constitution Avenue, NW, Room 5803
Washington, D.C. 20230

AGENDA
2006 ACWA WASHINGTON, DC CONFERENCE
Washington Court Hotel
525 New Jersey Ave., N.W.
Washington, D.C.
(202) 628-2100
February 28-March 2, 2006

Tuesday, February 28

- | | |
|-------------------------------|--|
| 8 a.m. – 10 a.m. | Breakfast for group leaders and Issue Groups
Hermitage Room, Washington Court Hotel
Welcome by Randy Fiorini, ACWA President and
Steve Hall, Executive Director
(By Invitation Only) |
| 10:30 a.m. – 4:30 p.m. | Meetings for group leaders and Issue Groups
Lunch within Issue Groups
(By Invitation Only) |
| 2:30 p.m. | Senate Water and Power Subcommittee Hearing
Bureau of Reclamation Reuse and Recycling
Programs (Title XVI)
366 Dirksen Senate Office Building |
| 6 p.m. – 8 p.m. | Opening Reception
Atrium Ballroom, Washington Court Hotel
(Conference attendees and spouses are invited.
Others by invitation only) |

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Wednesday, March 1**8:30 a.m. – 9:30 a.m.****Continental Breakfast****Ballroom 1 & 2, Washington Court Hotel****9:10 a.m.****Welcome, ACWA President, Randy Fiorini
& Steve Hall, ACWA Executive Director****9:20 a.m.****Conference Details, David Reynolds, ACWA
Director of Federal Relations****9:30 a.m.****Bush Administration Speech Program****Ballroom 1 & 2****Washington Court Hotel**

- 9:30 –Lynn Scarlett, Deputy Secretary
Department of the Interior; *DOI Priorities*
- 9:50—Break
- 10:00—Sue Ellen Wooldridge, Assistant
Attorney General Energy and Natural
Resources Division; *Environmental Legal
Issues*
- 10:30—Break
- 10:40—John Keys, Commissioner Bureau
of Reclamation; *Response to NAS Report
and BOR 2006 Agenda*
- 11:10—General Joe Schroedel, U.S. Army
Corps of Engineers; *Corps 2006 Agenda &
Budget*

Noon - 1:30 p.m.**Lunch****Mary Ann Dunlap, Majority Professional Staff
Member Senate Environment and Public Works
Committee***Endangered Species Act Preview of Senate
Legislation***Ballroom 1 & 2****Washington Court Hotel****1:45 p.m.****Group Photo****Steps of Cannon House Office Building
Corner of Independence and New Jersey Aves.****2:15 p.m. - 4:30 p.m.****House Speech Program****Science Committee Room****2318 Rayburn House Office Building**

- 2:20- Rep. Devin Nunes, Updating CVPIA
- 2:40- Rep. Ellen Tauscher, Fixing the Delta

- 3:00- Rep. Grace Napolitano, Drought Proofing Southern California
- 3:15- Rep. John Doolittle, Bureau of Reclamation and Army Corps Appropriations
- 3:30- Rep. Ed Royce, Update on International Terrorism and Non-Proliferation
- 3:50- Break
- 4:00- Rep. Doris Matsui, Post-Katrina Local Flood Control Efforts
- 4:20- Megan Uzzell, Legislative Assistant, Office of Rep. Hilda Solis
- 4:40- Rep. Jim Costa, Regional Water Plans

6 p.m. -- 8 p.m.

**ACWA Congressional Reception
Resources Committee Room
1324 Longworth House Office Building**

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Thursday, March 2

8 a.m. - 9:30 a.m.

Breakfast
Ballroom 1 & 2
Washington Court Hotel
Rep. George Radanovich, Water and Power
Subcommittee Chairman

9:45 a.m. - 10 a.m.

Break

10 a.m.

G. Tracy Mehan, Former Assistant Administrator for
Water, Environmental Protection Agency
Clean Water Act Imperative of Integrated Water
Resource Management
Ballroom 1 & 2
Washington Court Hotel

Note: 10 a.m.

House Water and Power Subcommittee Hearing:
BOR FY 2007 Budget Oversight Hearing
1324 Longworth House Office Building

10:45

Break

11 a.m.

Virginia Burkett, United States Geological Survey
Climate Change and Variability: Science and
Implications for Water Resources
Ballroom 1 & 2
Washington Court Hotel

Noon - 1:30 p.m.

Lunch
Ballroom 1 & 2
Washington Court Hotel
Rep. Lois Capps ACWA Legislative
Leadership Award: *Winning the MTBE Battle*

1:30 p.m.

Conference Adjourns

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**KEY MESSAGES
PACIFIC COASTAL SALMON RECOVERY FUND
MARCH 1, 2006**

1. **THANKS** for your support for the Pacific Coastal Salmon program.

2. **FY07 APPROPRIATION:** For the FY07 fiscal year we support a funding level of \$90 million for the five northwestern states.
 - This is consistent with the funding level from FY2001-05

3. **CALIFORNIA ALLOCATION:** Include at least \$13 million designated for California.
 - The cost to fully implement the coho salmon recovery strategy in California is in the billion dollar range. Funding to-date has been \$87 million in CA.

4. **PROGRAM RESULTS PROVEN:** NOAA Fisheries has implemented program performance measures and indicators that show the program is effective.
 - Salmon populations increased in 16 of 20 ESUs where numerical data are available
 - 142,000 acres of upland habitat have been restored
 - 3,566 stream blockages have been removed improving access to 1,520 miles of stream.

5. **CALIFORNIA PROGRAM EFFECTIVE:** The California Department of Fish and Game provides funding through competitive grants. State and local agencies provide matching funds.
 - The entire coast from Mexico to Oregon is a part of federally designated ESA Recovery Domains for 8 federally listed populations.



SALMON GROUP

- The Pacific Coastal Salmon Recovery program should fund projects in areas with existing or proposed federally-listed salmon and anadromous trout species
- Future funding should be divided equally among the five states with an appropriate distribution to the tribes
- The states should actively involve local agencies in the decision-making process for disbursement of funds
- ACWA supports S 361 (Snowe) and HR 1489 (Gilchrest), The Ocean and Coastal Observations Systems Act, to assist in validating the performance of all salmon restoration efforts
- ACWA supports NOAA Fisheries implementation of a performance management and validation monitoring program to track progress toward eventual delisting of species
- NOAA Fisheries review of listings found fish returns in a number of ESUs to be significantly higher than in the recent past

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PAGE 7



Association of
California Water Agencies
Since 1910
Leadership Advocacy Information

CALIFORNIA WATER

February 2006

Pacific Coastal Salmon Recovery

Background

The Pacific Coastal Salmon Recovery program provides funding to the states of California, Oregon, Washington, Idaho and Alaska along with Native American Tribes for the restoration of salmon and anadromous trout populations and habitat.

The funding is provided through the Commerce, Justice, State appropriations bill, and is utilized as matching funds for state and local projects which restore salmon habitat and prevent harm to the species. California provides a 25 percent match in these programs.

Funding for this program has been \$58 million in fiscal year 2000, \$90 million in 2001, \$110 million in 2002 and 2003, \$90 million in 2004 and fiscal 2005, and \$67.5 million in fiscal 2006.

ACWA's Position

In the last Congress, ACWA supported continued funding of this program and passage of HR 1945 (Thompson, D-Napa) which would provide an annual authorization of \$250 million for coastal salmon restoration through 2006.

ACWA supports equal distribution of federal dollars among the five states. Where possible, the program should fund projects in areas with existing or proposed federally-listed salmon and anadromous trout species.

This program should not be consolidated with other California programs such as CALFED or the Salton Sea.

ACWA also supports passage of S 361 (Snowe, R-ME) and HR 1489 (Gilchrest, R-MD) in the 109th Congress. These bills, called the Ocean and Coastal Observation Systems Act, would integrate programs to monitor ocean conditions and their impacts on salmon populations. ACWA supports efforts to implement reasonable and cost-effective performance measures and validation monitoring methods in this program.

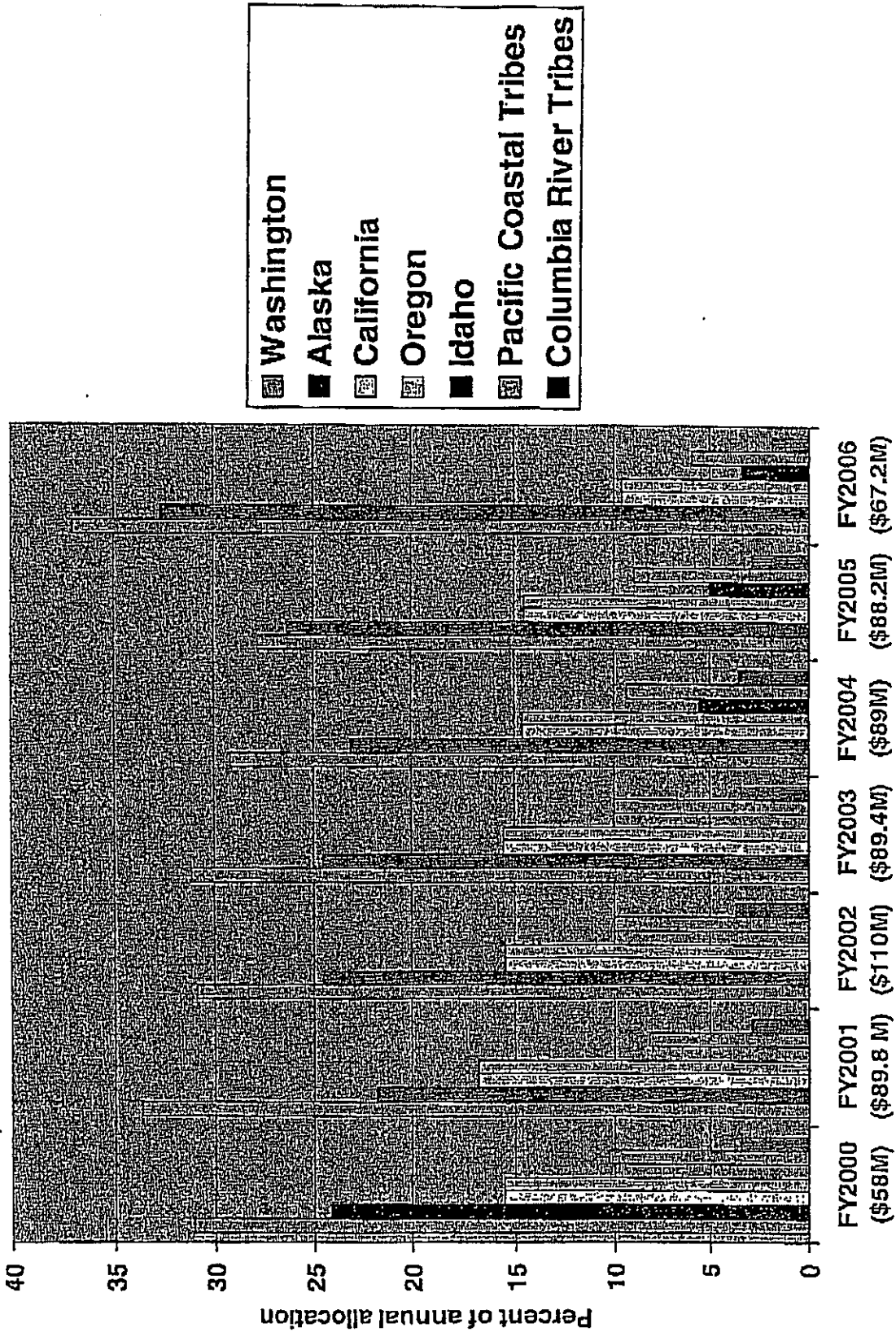
Finally, the states should continue to actively involve local agencies in the decision-making process for disbursement of funds.

Contacts:

Dave Bolland, ACWA Senior Regulatory Advocate, 916.441.4545.
Randy Poole, Sonoma County Water Agency, 707.526.5370
Jan Abel, Montecito Water District, 805.969.4962

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Pacific Coastal Salmon Recovery Fund
Allocation of Funds, FY 2000 – FY 2006



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CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: March 27, 2006
TO: Members of the Board of Directors
FROM: Kate Rees, Interim General Manager
RE: **Lauro Dam Safety of Dams Repayment Agreement**

Recommended Action:

It is recommended that the Board of Directors approve Resolution No. 440 for the Contract Between the United States of America and the Cachuma Operation and Maintenance Board for the Repayment of Funds Expended for Federally Performed Safety of Dams Act Modification Program at Lauro Dam and Reservoir.

Discussion:

The U.S. Bureau of Reclamation (Reclamation) has determined that Lauro Dam must be seismically strengthened to preserve its structural integrity and minimize the risk of failure that would cause extensive damage and flooding downstream of the reservoir. The federal Safety of Dams Act authorizes Reclamation to perform the corrective actions, provided that 15% of the total costs incurred are reimbursed by the project beneficiaries. The estimated cost originally ranged from a reasonable maximum of about \$17 million to a reasonable minimum of about \$9 million. However, based on the contractor's estimate, the cost of the project is now estimated to be closer to \$7.5 million.

Reclamation and COMB representatives participated in negotiation sessions in April 2005, and developed the repayment contract language. The COMB Board reviewed the proposed contract at its May 23 and June 24, 2005 meetings. The contract was acceptable to the Board except for Article 3(f) which committed COMB to reimbursing 15% of the total project cost, whatever that cost turned out to be. Modification of this language was requested of Reclamation asking them to endeavor to keep its non-contract costs at or below 35%. This proposed language was unacceptable to Reclamation primarily because the contract must state that the contractor is responsible for 15% of the total actual costs incurred.

This decision by Reclamation was discussed at the October 24, 2005 COMB Board meeting, and the Board approved execution of the contract as revised and dated April 26, 2005. The final contract is included in the Board package for your review. It has been reviewed by COMB's legal counsel, Bill Hair, and he supports the staff recommendation for approval. The term of the contract is for 50 years.

ITEM # 8
PAGE 0

RESOLUTION NO. 440

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CACHUMA OPERATION AND MAINTENANCE BOARD APPROVING AN AGREEMENT WITH THE U.S. BUREAU OF RECLAMATION FOR THE REPAYMENT OF REIMBURSABLE FUNDS EXPENDED FOR FEDERALLY PERFORMED SAFETY OF DAMS MODIFICATION WORK AT LAURO DAM

RECITALS

- A. The Board of Directors of the **Cachuma Operation and Maintenance Board (COMB)** is proposing to enter into an Agreement with the U.S. Bureau of Reclamation for repayment of reimbursable costs associated with the Lauro Dam Safety of Dams Modification Project.
- B. It has been determined that that Lauro Dam must be modified to preserve its structural integrity, and that this project is for maintenance of existing facilities and exempt from CEQA pursuant to Section 15301 CEQA Regulations.
- C. The Amendment to the Safety of Dams Act dated August 28, 1984 provides that fifteen percent (15%) of the cost of the modifications is reimbursable.
- D. It is in the best interest of COMB to enter into said Agreement.
- E. COMB has reviewed the terms and conditions of the Agreement and has determined that they are acceptable.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of COMB that:

- 1. The facts set forth in the recitals above and in the documents referenced herein are true and correct, and the Board so finds and determines.
- 2. The Board hereby approves said final Agreement.
- 3. The Board hereby authorizes the President of the Board to execute the Agreement, for and on behalf of COMB, in substantially the form attached hereto as Exhibit A.
- 4. COMB's officers and staff are authorized and directed to do all things necessary and appropriate to complete the processing and execution of the Agreement.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Cachuma Operation and Maintenance Board, at a Regular Board Meeting held on the 27th day of March 2006, by the following roll call vote:

AYES:

NAYES:

ABSENT/ABSTAIN:

[SEAL]

ATTEST:

Secretary of the Board

APPROVED:

President of the Board

R. O. Draft 04/27-2005
R. O. Draft 04/26-2005
R. O. Draft 04-06-2005
Contract No.
05-WC-20-2923

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Cachuma Project, California

CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND
THE CACHUMA OPERATION AND MAINTENANCE BOARD -
FOR THE REPAYMENT OF FUNDS EXPENDED FOR FEDERALLY
PERFORMED SAFETY OF DAMS ACT MODIFICATION PROGRAM
AT LAURO DAM AND RESERVOIR

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	Exhibit A - Cost Sensitivity Study Identified in the Safety of Dams Design/Modification Phase Project Management Plan - Lauro Dam, Cachuma Project, California, Dated March 2005	
	Exhibit B - Safety of Dams Design/Modification Phase Project Management Plan - Laura Dam, Cachuma Project, Dated November 2005	
	Exhibit C - Municipal and Industrial Annual Payment Schedule	
	Exhibit D - Irrigation Annual Payment Schedule	
	Exhibit E - Five (5)-Year Payment Capacity Schedule	

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2
3 UNITED STATES
4 DEPARTMENT OF THE INTERIOR
5 BUREAU OF RECLAMATION
6 Cachuma Project, California

7 CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND
8 THE CACHUMA OPERATION AND MAINTENANCE BOARD
9 FOR THE REPAYMENT OF FUNDS EXPENDED FOR FEDERALLY
10 PERFORMED SAFETY OF DAMS ACT MODIFICATION PROGRAM
11 AT LAURO DAM AND RESERVOIR

12 THIS CONTRACT, made this _____ day of _____, 2006, in
13 pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or
14 supplementary thereto, including the Reclamation Safety of Dams Act of November 2, 1978, as
15 amended August 28, 1984 (92 Stat. 2471), October 27, 2000 (114 Stat. 1441), January 10, 2002
16 (115 Stat. 2230), and December 3, 2004 (118 Stat. 2627), all collectively hereinafter referred to
17 as the Federal Reclamation Laws, between the UNITED STATES OF AMERICA, hereinafter
18 referred to as the United States, acting through the Regional Director, Mid-Pacific Region,
19 Bureau of Reclamation ("Contracting Officer"), and the CACHUMA OPERATION AND
20 MAINTENANCE BOARD ("Contractor"), a California Joint Powers Authority consisting of the
21 Carpinteria Valley Water District, the Montecito Water District, the Goleta Water District, the
22 City of Santa Barbara, and the Santa Ynez River Water Conservation District, Improvement
23 District No. 1, ("Member Units"), duly organized, existing, and acting pursuant to the laws
24 thereof, with its principal place of business in Santa Barbara, California.

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EXPLANATORY RECITALS

A. The United States constructed Lauro Dam (Dam) and other related facilities, and acquired certain lands, water rights, and other property, all referred to as the Cachuma Project (Project).

B. As a result of acquisition of new seismic data, and changes in state of art criteria, the United States has determined that the Dam and related facilities must be modified pursuant to the Reclamation Safety of Dams (SOD) Act, as amended, to preserve its structural integrity.

C. The failure of the Dam would cause extensive flood damage downstream, potential loss of life, and would reduce the water supply available for Project purposes.

D. The Reclamation SOD Act authorizes the Secretary of the Interior, through the Bureau of Reclamation, to perform the corrective work, provided that fifteen percent (15%) of the costs incurred to correct the safety problems, including appropriate interest, are reimbursed by Project beneficiaries.

E. The estimated cost of the necessary SOD Act modification (Modification) to the Dam and related facilities is \$17,314,125 which is the “reasonable maximum cost” as determined by Reclamation, and which is set forth in Exhibit A. The “reasonable minimum cost” is estimated at \$9,062,514, and the “most likely cost” at \$12,679,942. Reclamation is committed to using its best efforts to manage this Modification so as to minimize costs and to provide a timely solution that will reduce the risk of Dam failure.

45 F. In January 2005, Reclamation completed a Final Environmental Assessment for
46 the SOD Modification of the Dam and issued a Finding of No Significant Impact on February 4, 2005,
47 as amended by letter dated April 4, 2005.

48 G. The parties agree that fifteen percent (15%) of the actual total
49 Modification cost, less allowable cultural resources costs, plus appropriate interest, is reimbursable
50 pursuant to this Contract.

51 TERM OF THE CONTRACT

52 1. (a) This Contract shall become effective on the date first written above, and shall
53 remain in effect for a term of 50 years from the date of Substantial Completion as defined in
54 Article 3(a) of this Contract, or until the Contractor has fully repaid to the United States the amount
55 described in Article 3(f), whichever occurs first.

56 RECLAMATION SAFETY OF DAMS ACT MODIFICATION

57 2. (a) The United States shall finance and perform all appropriate Modification of the
58 Dam and related facilities. Such Modification shall include, but are not limited to, the following
59 activities:

- 60 (1) construction of filter and drain zones downstream of the impervious core;
61 (2) construction of a filter drain; and
62 (3) modification of the outlet works butterfly valve hydraulic system;

63 (b) In addition to the above, costs incurred by the United States for previous
64 studies and investigations related to the Modification beginning July 8, 2002 (the beginning date

65 of the corrective action study phase), and negotiations with the Contractor of this Contract are
66 considered components of the amount expended as part of the Modification.

67 (c) The Modification charges shall not include or duplicate any costs
68 chargeable to other projects (including SOD review or modification for other projects or general
69 scientific or technical analysis not directly related to the Dam).

70 (d) Reclamation will provide the Contractor information on the Modification
71 status, cost expenditures, and other issues arising from the Modification, consistent with the
72 Communications Plan, as may be amended from time to time by mutual agreement of the parties,
73 which was included in the final "Safety of Dams, Design/Modification Phase, Project
74 Management Plan - Lauro Dam, Cachuma Project, California" Dated March 2005, as
75 superseded by the Safety of Dams, Design/Modification Phase, Project Management Plan,
76 dated November 2005, attached as Exhibit B, and incorporated by this reference.

77 (e) When total actual costs of the Modification have been identified, the
78 Contracting Officer shall provide to the Contractor, in writing, a final draft cost report and total
79 repayment obligation for the Modification to the Dam. The Contractor shall have one hundred and
80 twenty (120) days from receipt of this final draft to review and comment on the final cost report and
81 the Contractor's final total repayment obligation. The Contractor shall have access to
82 documentation relating to the Modification costs throughout the one hundred and twenty (120)-day
83 period. The Contracting Officer shall issue the final cost report, final total repayment obligation and
84 the annual irrigation (Irrigation) and municipal and industrial (M&I) repayment after consultation

85 with the Contractor, not later than sixty (60) days after receipt of the Contractor's comments. The
86 Contractor may appeal the Contracting Officer's decision on the final cost report and final total
87 repayment obligation to the Commissioner of Reclamation, who shall make the final administrative
88 agency determination. The Contracting Officer's final cost report, final total repayment obligation,
89 and the annual Irrigation and M&I repayment schedules shall take effect during the pendency of any
90 appeal.

91 REPAYMENT OBLIGATION--TERMS OF REPAYMENT

92 3. (a) The Contractor shall repay to the United States fifteen percent (15%) of the total
93 actual cost incurred by the United States for the Modification described in Article 2, and as determined
94 in accordance with provisions of Article 2(e). This repayment obligation shall be allocated fifty and
95 seventy-two hundredths percent (50.72%) to Irrigation uses (Irrigation Allocation), and forty-nine and
96 twenty-eight hundredths percent (49.28%) to M&I uses (M&I Allocation). The beginning repayment
97 date for the M&I Allocation shall be October 1, of the year following the determination that the
98 Modification is deemed "Substantially Complete," and shall be an amount equal to fifteen percent
99 (15%) of the then- identified total actual costs. Substantially Complete shall mean that time when the
100 majority of the construction work identified in Article 2 has been completed, the Dam and reservoir
101 can be operated within normal limits, and the risk that existed prior to the Modification is lowered to
102 an acceptable level. The Contracting Officer shall provide the Contractor written notification of the
103 date the Modification is deemed Substantially Complete.

104 (b) The M&I Allocation shall include interest during construction (IDC), which
105 commences on the date when the first expenditure of Federal funds is made toward the completion of

106 the Modification described in Article 2. IDC will cease to accrue on the date the Reclamation SOD
107 Act Modification is deemed Substantially Complete as defined in Article 3(a). The M&I Allocation, as
108 determined when the Modification is deemed Substantially Complete, is currently projected to be
109 \$1,279,860. The schedule of M&I annual payments as shown on Exhibit B shall be adjusted, if
110 necessary, to reflect the M&I Allocation based on actual costs as of the date the Modification is
111 deemed Substantially Complete and shall again be adjusted, if necessary, when the final reimbursable
112 cost of the Modification has been determined. The interest rate used in this Contract, is calculated in
113 accordance with the Act of August 28, 1984 (Public Law 98-404, 98 Stat. 1481) which says in part that
114 “The interest rate used shall be determined by the Secretary of the Treasury, taking into consideration
115 average market yields on outstanding marketable obligations of the United States with remaining
116 periods to maturity comparable to the application reimbursement period during the month preceding
117 the fiscal year in which the interest rates are incurred. To the extent that more than one interest rate is
118 determined pursuant to the preceding sentence, the Secretary of the Treasury shall establish an interest
119 rate at the weighted average of the rates so determined.”

120 (c) The beginning repayment date for the Irrigation Allocation shall be October 1,
121 2016. Reclamation’s Irrigation payment capacity study shows that the Contractor at this time, does not
122 have an ability to pay for the Irrigation Allocation. However, the Contractor agrees to make payments
123 to repay the Irrigation Allocation beginning October 1, 2016, and ending October 1, 2056. The
124 Contractor shall pay to the United States the annual payment as identified in Exhibit C which is based
125 on the estimated Irrigation Allocation of \$1,317,258. The schedule of Irrigation annual payments
126 shown on Exhibit C shall be adjusted, if necessary, to reflect the Irrigation Allocation based on the

127 actual costs as of the date the Modification is deemed Substantially Complete and shall again be
128 adjusted, if necessary, when the final reimbursable cost of the Modification has been determined.

129 (d) The Contracting Officer will perform an Irrigation payment capacity study to
130 reevaluate the Member Units Irrigation ability to pay at five (5)-year intervals, the first to be completed
131 October 1, 2006, and the last on October 1, 2056, as shown on Exhibit D. If in the opinion of the
132 Contracting Officer and in consultation with the Contractor, the updated payment capacity study
133 indicates that there is an Irrigation ability to pay, greater than the annual payment shown on Exhibit C,
134 the Contractor shall pay that amount for the next five (5)-year period. Any updated payment capacity
135 study will be based on the residual farm income of the Member Units' irrigators, after deductions for
136 on-farm production costs and investment expenses, less water distribution and other operating costs of
137 the Member Units and considering the financial conditions of the Member Units. The Contractor and
138 the Contracting Officer shall consult on the updated payment capacity no later than one (1) year prior to
139 the upcoming five (5)-year period.

140 (e) The Contractor reserves the right to prepay all or any portion of the outstanding
141 balance of the M&I and/or Irrigation Allocation at any time without penalty.

142 (f) The Contracting Officer shall make a good faith effort to keep the total actual
143 costs of the Modification below the "reasonable maximum cost" as discussed in Exhibit A, and to
144 bring the total actual costs as close to the "reasonable minimum cost" as possible. In the event the
145 actual cost of the Modification exceeds \$17,314,125, the parties shall consult and determine a method
146 whereby the reimbursable amount over the "reasonable maximum cost" will be paid.

TITLE TO REMAIN IN THE UNITED STATES

147 4. (a) Title to all the Project facilities shall be and remain in the name of the United
148 States unless otherwise provided by Congress, notwithstanding the full payment to the United States, of
149 the Contractor's repayment obligations under this Contract.

150 (b) The rights and obligations created hereby are supplementary to and do not
151 supersede or affect the rights and obligations under any prior contracts between the United States and
152 the Contractor.

CHARGES FOR DELINQUENT PAYMENTS

154 5. (a) The Contractor shall be subject to interest, administrative, and penalty charges
155 on delinquent payments. If a payment is not received by the due date, the Contractor shall pay an
156 interest charge on the delinquent payment for each day the payment is delinquent beyond the due date.
157 If a payment becomes 60 days delinquent, in addition to the interest charge, the Contractor shall pay an
158 administrative charge to cover additional costs of billing and processing the delinquent payment. If a
159 payment is delinquent 90 days or more, in addition to the interest and administrative charges, the
160 Contractor shall pay a penalty charge for each day the payment is delinquent beyond the due date,
161 based on the remaining balance of the payment due at the rate of 6 percent per year. The Contractor
162 shall also pay any fees incurred for debt collection services associated with a delinquent payment.

163 (b) The interest charge rate shall be the greater of the rate prescribed quarterly in the
164 Federal Register by the Department of the Treasury for application to overdue payments or the interest
165 rate of 0.5 percent per month. The interest charge rate will be determined as of the due date and remain
166 fixed for the duration of the delinquent period.

167 (c) When a partial payment on a delinquent account is received, the amount
168 received shall be applied first to the penalty charges, second to the administrative charges, third to the
169 accrued interest, and finally to the overdue payment.

GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

171 6. (a) The obligation of the Contractor to pay the United States as provided in this
172 Contract is a general obligation of the Contractor notwithstanding the manner in which the obligation
173 may be distributed among the Contractor's Member Units and notwithstanding the default of individual
174 Member Units in their obligation to the Contractor.

175 (b) The payment of charges becoming due pursuant to this Contract is a condition
176 precedent to receiving benefits under this Contract. The United States shall not make water available
177 to the Contractor through Project facilities during any period in which the Contractor may be in arrears
178 for more than 12 months in the payment of any Safety of Dams Act charges due the United States. The
179 Contractor shall not deliver water under the terms and conditions of this Contract for lands or parties
180 that in arrears more than 12 months in the payment of Safety of Dams Act charges as levied or
181 established by the Contractor.

182 CONFIRMATION OF CONTRACT

183 7. The Contractor, after the execution of this Contract, shall promptly seek to secure a
184 decree of a court of competent jurisdiction of the State of California, confirming the execution of this
185 Contract. The Contractor shall furnish the United States a certified copy of the final decree, the
186 validation proceedings, and all pertinent supporting records of the court approving and confirming this
187 Contract and decreeing and adjudging it to be lawful, valid, and binding on the Contractor. This
188 Contract shall not be binding on the United States until such final decree has been secured.

189 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

190 8. The expenditure or advance of any money or the performance of any obligation of the
191 United States under this Contract shall be contingent upon appropriation or allotment of funds.
192 Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations
193 under this Contract. No liability shall accrue to the United States in case funds are not appropriated or
194 allotted.

195 OFFICIALS NOT TO BENEFIT

196 9. No Member of or Delegate to the Congress, Resident Commissioner, or official of the
197 Contractor shall benefit from this Contract other than as a water user or landowner in the same manner
198 as other water users or landowners.

199 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

200 10. The provisions of this Contract shall apply to and bind the successors and assigns of the
201 parties hereto, but no assignment or transfer of this Contract or any right or interest therein shall be
202 valid until approved in writing by the Contracting Officer.

203 BOOKS, RECORDS, AND REPORTS

204 11. The Contractor shall establish and maintain accounts and other books and records
205 pertaining to administration of the terms and conditions of this Contract, including the Contractor's
206 financial transactions. Reports shall be furnished to the Contracting Officer in such form and on such

207 date or dates as the Contracting Officer may require. Subject to applicable Federal laws and
208 regulations, each party to this Contract shall have the right during office hours to examine and make
209 copies of the other party's books and records relating to matters covered by this Contract.

210 RULES, REGULATIONS, AND DETERMINATIONS

211 12. The Contracting Officer shall have the right to make determinations necessary to
212 administer this Contract that are consistent with the expressed and implied provisions of this Contract,
213 the laws of the United States and the State, and the rules and regulations promulgated by the Secretary
214 of the Interior. Such determinations shall be made in consultation with the Contractor.

215 MEDIUM FOR TRANSMITTING PAYMENTS

216 13. (a) All payments from the Contractor to the United States under this Contract shall
217 be by the medium requested by the United States on or before the date payment is due. The required
218 method of payment may include checks, wire transfers, or other types of payment specified by the
219 United States.

220 (b) Upon execution of the Contract, the Contractor shall furnish the Contracting
221 Officer with the Contractor's taxpayer's identification number (TIN). The purpose for requiring the
222 Contractor's TIN is for collecting and reporting any delinquent amounts arising out of the Contractor's
223 relationship with the United States.

224 CONTRACT DRAFTING CONSIDERATIONS

225 14. Articles 1 through 4 of this Contract have been drafted, negotiated, and reviewed by the
226 parties hereto, each of whom is sophisticated in the matters to which this Contract pertains, and no one
227 party shall be considered to have drafted the stated articles.

228 NOTICES

229 15. Any notice, demand, or request authorized or required by this Contract shall be deemed
230 to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the
231 Regional Director, Mid-Pacific Region, Bureau of Reclamation, 2800 Cottage Way, Sacramento,
232 California 95825-1898, and on behalf of the United States, when mailed, postage prepaid, or delivered
233 to the General Manager, Cachuma Operation and Maintenance Board, 3301 Laurel Canyon Road,
234 Santa Barbara, California 93105-2017. The designation of the addressee or the address may be
235 changed by notice given in the same manner as provided in this Article for other notices.

236 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of
237 the day and year first above written.

238 UNITED STATES OF AMERICA

239 By: _____
240 Regional Director, Mid-Pacific Region
241 Bureau of Reclamation

242 (SEAL)

243 (SEAL) CACHUMA OPERATION AND
244 MAINTENANCE BOARD

245 By: _____
246 Matt Loudon
247 President, Board of Directors

248 Attest:

249 _____
250 Kathleen A. Rees
251 Secretary of the Board

252 Approved as to Form:

253 By: _____
254 William H. Hair
255 General Counsel

256 (H:\pubic\Safety of Dams\Lauro SOD ContractFinal.doc)

EXHIBIT A

Cost Sensitivity Study Identified in the Safety of Dams Design/Modification Phase Project
Management Plan - Laura Dam, Cachuma Project, California, Dated March 2005

EXHIBIT B

Safety of Dams Design/Modification Phase Project Management Plan -
Laura Dam, Cachuma Project, California, Dated November 2005

EXHIBIT C

Municipal and Industrial Annual Payment Schedule

Based on a Substantially Complete date of October 1, 2007

October 1, 2008	\$ 51,194 *	October 1, 2023	\$ 51,194
October 1, 2009	\$ 51,194	October 1, 2024	\$ 51,194
October 1, 2010	\$ 51,194	October 1, 2025	\$ 51,194
October 1, 2011	\$ 51,194	October 1, 2026	\$ 51,194
October 1, 2012	\$ 51,194	October 1, 2027	\$ 51,194
October 1, 2013	\$ 51,194	October 1, 2028	\$ 51,194
October 1, 2014	\$ 51,194	October 1, 2028	\$ 51,194
October 1, 2015	\$ 51,194	October 1, 2030	\$ 51,194
October 1, 2016	\$ 51,194	October 1, 2031	\$ 51,194
October 1, 2017	\$ 51,194	October 1, 2032	\$ 51,194
October 1, 2018	\$ 51,194		
October 1, 2019	\$ 51,194		
October 1, 2020	\$ 51,194		
October 1, 2021	\$ 51,194		
October 1, 2022	\$ 51,194		

M&I Annual Payment Calculation - \$17,314,125 (Reasonable Maximum Cost) x 15% (percent reimbursable by Project beneficiaries under SOD Act) = \$2,597,118 x 49.28% (M&I Allocation) = \$1,279,860/25 years = \$51,194 per year (estimated M&I annual payment*)

* Estimated Annual Payment - does not include IDC or repayment interest - M&I payment schedule shall be adjusted to include IDC interest and repayment interest when the Modification is deemed Substantially Complete. The repayment interest rate will be the rate in effect at the time of substantial completion and will be based on the M&I term of repayment (25 years). The schedule shall again be adjusted, if necessary, when the final reimbursable cost of the Modification has been determined.

Formula for calculation of M&I annual payment: M&I allocation plus IDC = total M&I allocation. Total M&I Allocation x amortization factor to amortize the obligation over a twenty-five (25)-year repayment term at an interest rate to be determined = annual M&I repayment amount.

EXHIBIT D

Irrigation Annual Payment Schedule

Based on a Substantially Complete date of October 1, 2007

October 1, 2008	\$ 0	October 1, 2033	\$ 32,128
October 1, 2009	\$ 0	October 1, 2034	\$ 32,128
October 1, 2010	\$ 0	October 1, 2035	\$ 32,128
October 1, 2011	\$ 0	October 1, 2036	\$ 32,128
October 1, 2012	\$ 0	October 1, 2037	\$ 32,128
October 1, 2013	\$ 0	October 1, 2038	\$ 32,128
October 1, 2014	\$ 0	October 1, 2039	\$ 32,128
October 1, 2015	\$ 0	October 1, 2040	\$ 32,128
October 1, 2016	\$ 0	October 1, 2041	\$ 32,128
October 1, 2017	\$ 32,128	October 1, 2042	\$ 32,128
October 1, 2018	\$ 32,128	October 1, 2043	\$ 32,128
October 1, 2019	\$ 32,128	October 1, 2044	\$ 32,128
October 1, 2020	\$ 32,128	October 1, 2045	\$ 32,128
October 1, 2021	\$ 32,128	October 1, 2046	\$ 32,128
October 1, 2022	\$ 32,128	October 1, 2047	\$ 32,128
October 1, 2023	\$ 32,128	October 1, 2048	\$ 32,128
October 1, 2024	\$ 32,128	October 1, 2049	\$ 32,128
October 1, 2025	\$ 32,128	October 1, 2050	\$ 32,128
October 1, 2026	\$ 32,128	October 1, 2051	\$ 32,128
October 1, 2027	\$ 32,128	October 1, 2052	\$ 32,128
October 1, 2028	\$ 32,128	October 1, 2053	\$ 32,128
October 1, 2029	\$ 32,128	October 1, 2054	\$ 32,128
October 1, 2030	\$ 32,128	October 1, 2055	\$ 32,128
October 1, 2031	\$ 32,128	October 1, 2056	\$ 32,128
October 1, 2032	\$ 32,128	October 1, 2057	\$ 32,128

Irrigation Annual Payment Calculation - \$17,314,125 (Reasonable Maximum Cost) x 15%
 (percent reimbursable by Project beneficiaries under SOD Act) = 50.72% (Irrigation Allocation)
 = \$1,317,258/41 years = \$32,128 per year (estimated annual payment*)

*Estimated Annual Payment shall be adjusted, if necessary, when the Modification is deemed Substantially Complete, and again, if necessary, when the final reimbursable cost of the Modification has been determined.

CACHUMA OPERATION AND MAINTENANCE BOARD
MEMORANDUM

Date: March 22, 2006
To: Members of the Board of Directors
From: Brett Gray, Operations Supervisor

RE: South Coast Conduit Second Pipeline from Tecolote Tunnel to
Corona Del Mar Water Treatment Plant
Summary of Decisions Regarding the Need for the Project

Recommended Action: Approve URS Environmental Proposal and Boyle
Engineering Phase 2A Proposal for 2nd Pipeline Project.

Executive Summary

In 2003, Boyle prepared the Reliability Alternatives Study for the upper reach of the South Coast Conduit (SCC). The Study analyzed the section of conduit from the South Portal of the Tecolote Tunnel (SPTT) to Corona Del Mar Water Treatment Plant (CDMWTP). One recommendation was to consider a parallel pipe to provide reliability to the system. This report summarizes the need for a second pipeline project from SPTT to CDMWTP and why it is important to begin the project as soon as possible.

Background

The Cachuma Project provides for the storage of surface water from the Santa Ynez River watershed and a terminal point for State Water Project (SWP) water at Lake Cachuma for use by the communities of Santa Ynez, Goleta, Santa Barbara, Montecito, Summerland, and Carpinteria. The majority of the Cachuma Project and SWP water flows through the Tecolote tunnel and 26 miles of pipeline to serve the Goleta Water District, City of Santa Barbara, Montecito Water District, and Carpinteria Valley Water District. U.S. Bureau of Reclamation (USBR) has title to all facilities. COMB manages the facilities under a Transfer of O&M Contract with USBR.

The Tecolote Tunnel and the SCC were originally designed and built by the USBR in the 1950's for conveyance of approximately 65 MGD of unfiltered surface water. The original system was operated as originally designed until the mid 1960's at which time the Glen Annie facility was modified for service to the Goleta West Conduit. In the early 1970's, the Corona Del Mar turnout was

installed. Each of the various modifications reduced the conveyance capacity of the SCC affecting the original hydraulic design. The Tecolote Tunnel South Portal (TTSP) to CDMWTP Reach was designed for 50± MGD. Its current capacity is 41± MGD.

South Coast Conduit Cannot Meet Peak Demand

As early as 1970 peak demand levels have been experienced that are greater than the capacity of the South Coast Conduit. Frequency of peak demand periods have increased with time as the area developed. Peak demands (1995-2003) for the TTSP to the CDMWTP Reach have sometimes reached as much as 70 MGD. This forces the SCC to operate at maximum capacity for longer periods of time and with greater frequency than the original design allowed for. The peak demands that the SCC cannot support are supplied from water storage in Lauro Reservoir. This storage is limited and can only meet short-term peaks of hours to a few days. It is not possible to meet current long-term peak periods with the SCC system alone.

Long-term peak demands are met with water from the City of Santa Barbara's Gibraltar Reservoir. Water from Gibraltar flows into Lauro Reservoir supplementing the supply from the SCC. The SCC relies on Gibraltar water to meet these demands. One issue with this reliance on Gibraltar is that the reservoir is owned and operated by the City of Santa Barbara. They typically utilize it to help meet demand on the South Coast, but the City's first priority is to operate the facility to best meet its own water needs. Gibraltar is typically used for annual storage not long-term storage. Most of the water available in Gibraltar Reservoir is fully used on an annual basis and not stored for peak SCC usage. If a dry winter occurs and Gibraltar Reservoir does not fill, insufficient water will be available to meet the SCC peak demand. This came very close to happening in 2002/2003. Without Gibraltar water the SCC cannot meet peak system demands during high water use summers.

If the situation is left as is, with demand and maintenance deficiencies, we will not be able to provide sufficient water from the Cachuma Project to its Member Units and their customers.

Reliability and Alternative Study

The Reliability Alternative Study not only evaluated the SCC and appurtenances, but developed alternatives for meeting these deficiencies. The deficiencies used for evaluating the alternatives were the following:

- SCC in fair condition
- SCC under-reinforced for external loading,
- No Redundancy
- Maintenance Difficult
- SCC does not meet Customer Demand

Three alternatives were evaluated as to their feasibility and ability to meet these deficiencies. The alternatives evaluated were:

1. Raise the Hydraulic Grade Line (HGL) at the South Portal of the Tecolote Tunnel
2. Modify CDMWTP Turnout to lower the Hydraulic Grade Line
3. Add a 2nd pipeline between the South Portal and CDMWTP

Alternative three was the only option that was determined to be feasible and met the above deficiencies. Therefore, it is the proposed alternative. Alternative one was eliminated because the increase in SCC pressure would over-pressurize the existing pipeline or require a new pipeline. Alternative two was eliminated due to CDMWTP needing the HGL to remain at the current level.

2nd Pipeline Proposed

Construction of a secondary pipeline in the Goleta Reach will provide increased reliability, operational flexibility and capacity of the SCC. COMB would gain the ability to take sections of pipeline out of service for maintenance and repairs without interrupting service. The secondary pipeline could also be utilized to augment the flow rate during peak demand periods. The proposed pipeline diameter will be determined in a future cost benefit analysis as a part of the Concept Design Phase. The new pipeline will need to be integrated with the SCC structures of the South Portal, Glen Anne Turnout, and CDMWTP. At the South Portal the existing condition of the structure is very poor and is considered beyond repair and modifications. A new South Portal structure is needed to divert the water into each pipeline. Modifications to the CDMWTP turnout structure are also required to increase capacity along with reliability. This second pipeline will solve the current issues of reliability, supply, and peak demand along with many additional future issues.

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PAGE 3

	South Coast Conduit 2nd Pipeline Project

	2nd Pipeline Overview
	<ul style="list-style-type: none">■ Background of the SCC■ SCC Can Not Meet Current Demands■ How Gibraltar Fits into the Picture■ SCC Demands Increasing■ Why Start the Planning Now■ The 2nd Pipeline Fix

Background of SCC

- SCC System Layout
- SCC from TTSP to CDM is 7800' of 48"
- Reinforced Concrete Pipe
- 50 Years Old
- Provides 75% of Area Water Supply
- SCC Capacity has been Reduced

Reliability Alternative Analysis

- Pipeline in Fair Condition
- 20% Under-Reinforced for Loading
- Structures in poor condition
- Can not be taken out of service for maintenance
- Poor Reliability and No Redundancy
- Does not meet peak customer demand

Does Not Meet Current Peak Demands

- System Flow & Demand
- Summer Deficiencies 2003 & 2004
 - Lack of Capacity in Lauro Reservoir
- Gibraltar Influence
 - Water is used annually and not stored
- One Dry Winter with a Hot Summer & we may not Meet Demands

Why Start Planning Now?

- We Can Not Meet Demand
- Gibraltar Water is not reliable
- Demand is Increasing
- Planning, Design, & Environmental will take 2 years to complete
- Grants and Other Funding Sources Require the Information collected in this Phase of Work

The 2nd Pipeline Fix

- Allows system to meet current demands
- Does not rely on Gibraltar to meet peak demands
- Creates Redundancy
- Allow for Maintenance
- Creates Reliability

Scope of Work – Task Order No. 18

Cachuma Operational and Maintenance Board

South Coast Conduit Upper Goleta Reach 2nd Barrel

Phase II Design Phase Services

March 14, 2006
Page 1 of 12

Background and Overview

The Cachuma Operation and Maintenance Board (COMB) operates the South Coast Conduit (SCC) from the Lake Cachuma north portal to the Carpinteria Reservoir. In 2002, COMB retained Boyle Engineering Corporation (Boyle) to perform a Reliability and Alternatives Study for the Upper Goleta Reach of the SCC (south portal of the Tecolote Tunnel to the Corona Del Mar Water Treatment Plant (CDMWTP)). In that report, one of the recommendations was to construct a second (redundant) pipeline for that reach.

In 2005, COMB retained Boyle to complete initial project (Phase I) tasks consisting of environmental field surveys to determine what sort of special concerns can be expected along the proposed pipeline alternative routes. This proposal is for the engineering services during the design phase (Phase II) of the 2nd Barrel of the SCC Upper Goleta Reach.

Preliminary Design Phase

Task Series 1000 – Concept Design

Task 1100 – Concept Design Refinement

Task 1110 – Kickoff Meeting. Boyle will prepare for and attend a kickoff meeting to discuss the project specifics. COMB key staff members and Boyle's subconsultants will be in attendance.

Task 1120 – Update Initial Alignments. Boyle will update the alignment alternatives and structure concepts presented in the 2002 Reliability Study.

The hydraulic gradeline requirements for the SCC at the Goleta West Conduit and CDMWTP turnouts will be identified.

Task 1130 – Utility Research. Boyle will identify utility companies operating utilities in the project vicinity. Boyle will contact the utility companies to obtain as-builts and/or inventory maps and plot existing utilities on project plan base sheets.

Task 1140 – Easement Data Review. Penfield and Smith, as a subconsultant to Boyle, will review the existing easement documentation and confirm the locations of the pipelines (existing and proposed) relative to the easements.

Task 1150 – Goleta Water District Coordination. Boyle will coordinate the proposed alignment and modifications to the Glen Annie and CDMWTP turnouts with Goleta Water District Staff. It is anticipated that up to four (4) meetings will be required.

ITEM # 9
PAGE 8

Task 1160 – Supplemental Survey. Penfield and Smith, as a subconsultant, will field locate the proposed turnout structures, tie in points, and stake the existing and proposed alignment every 500 feet and at changes in direction. This field information will be tied to the existing topography previously prepared.

Task 1170 – Team Field Review. Boyle and its subconsultants will conduct reconnaissance level field review of the project related facilities and sites. The review will be limited to facilities and conditions exposed to view at ground level. The review will concentrate on factors pertinent for determining: 1) existing facility functional (hydraulic) relations to the subject project facilities; and 2) visible site conditions that could affect the proposed pipeline alignment.

Task 1180 – Final Survey Alignment. Penfield and Smith has previously provided topographic mapping of the project area at plan sheet scale of 1"=40'. The proposed alignment will be field surveyed (profiled) to refine accuracy along the selected alignment. In addition, Penfield and Smith will establish the easement limits at those locations.

Penfield and Smith will update and provide plan and profile base drawings and prepare legal descriptions for up to five (5) easements.

Task 1200 – Environmental

As a subconsultant to Boyle, Padre Associates completed a Biological Constraints Study in August 2005 addressing potential biological impacts associated with Alternatives A and B. The Study identified a threatened species (California red-legged frog) and several special-status species in Glen Annie Creek along the pipeline alignments.

As a subconsultant to Padre, Western Points Archeology completed a Phase 1 Archeological Assessment in April 2005 for both pipeline alignments. The Assessment identified a new cultural resource along the Alternative B alignment, composed of an apparent Native American sandstone rock cobble pattern arranged in an oval shape. In addition, a known archeological site (CA-SBA-1775) is located adjacent to the Alternative A alignment.

Padre Associates, as a subconsultant to Boyle, has been requested to provide environmental services limited to facilitating a transition to a URS lead environmental team. Boyle will provide technical support for URS compilation of the environmental documentation. It is our understanding that URS will be under contract directly with COMB.

Task 1300 – Initial Geotechnical Support

As a subconsultant to Boyle, Fugro will provide geotechnical support service on an as needed basis during the preliminary design phase.

Task 1400 – Preliminary Design

Task 1410 – Hydraulic Analysis (HGL, Capacity, Flow Rates, two pipeline alternatives). Boyle will perform hydraulic analysis using the hydraulic model and calculations to refine the hydraulic grade line

(HGL), pipeline capacity and flow rates for up to two separate pipeline alignment concepts. It will be assumed the second pipeline is a redundant pipeline (48-inch/72 cfs).

The evaluation will specifically address the following considerations:

- Static and operating steady-state hydraulic gradients for minimum and maximum capacities
- Existing utility constraints
- Subsurface conditions
- Regulatory and institutional constraints
- Construction cost

Task 1420 – Pipeline. Boyle will provide plan and profile preliminary design drawings showing the existing utilities (based on utility information) up to 10 cross sections, stream crossings, and important stationing. Boyle will provide a material selection for pipeline.

Task 1430 – HDD Preliminary Design Alternative for Glen Annie Creek. Boyle will complete the following tasks for the preliminary design of the horizontal direction drill (HDD) crossing at Glen Annie Creek:

- Review alternative profiles for the HDD bore. Up to three (3) profiles/alignments will be developed.
- Evaluate alternatives for installation of the carrier pie and the need for a casing.
- Develop an opinion of probable HDD construction costs using a historical unit price approach.
- Identify construction easement requirements.
- Set up and initiate a risk registry for use in subsequent risk workshop and update through project design. Provide recommendations for risk management.
- Provide written documentation in draft form to support the results of the above items for inclusion in the preliminary design report.

Task 1440 – Structure Modifications. Boyle will provide preliminary design level drawings showing the proposed structure improvements to accommodate the 2nd Barrel pipeline. Two alternative layouts will be prepared for the following structures:

- Tecolote Tunnel (south portal outlet structure)
- Corona Del Mar WTP Weir Structure Tie In
- Goleta West Intertie

In addition, preliminary designs will be prepared for an intermediate tie in point between the pipelines.

Task 1450 – Right-of-Way Assistance. Hamner Jewell & Associates will provide assistance in acquiring permanent pipeline easements and temporary construction easements from two property owners. This process will involve owner communications and coordination, obtaining title reports and appraisals of the south easements, preparation of offer paperwork, presentation of offers on behalf of COMB, negotiations to finalize amicable agreements with each owner, completion of agreements and deeds upon finalization of a purchase agreement, and overseeing transaction closing and deed recordation in cases where agreements are reached.

Task 1460 – Goleta West Connection. Boyle will analyze two different scenarios for the Goleta West connection to the proposed pipeline. One of the alternatives is for a pumped connection; one is for a control valve connection. It is assumed that the flow from the proposed pipeline would need to be

routed to the Glen Annie weir facility for chlorination prior to being discharged to the Goleta West system.

Task 1470 – Project Schedule/Estimate of Probable Construction Cost. Boyle will compile a proposed project schedule from the design through construction. In addition, an opinion of probable construction cost estimate will be prepared for the project.

Task 1500 – Financial Model and Funding Support Services

Boyle will compile a financial model for the overall project cost. Boyle will also estimate the cost allocations to each participating member. Boyle will prepare a list of possible funding agencies, including grant opportunities and assist COMB in obtaining funding for the project.

As a subconsultant to Boyle, Fitzgerald Public Finance will provide the following services:

- Attend and participate in meetings and presentations, as needed
- Evaluate use of various debt instruments for funding, such as revenue bonds and Certificates of Participation
- Review other sources of funding, such as USBR, State Revolving Fund, Infrastructure Bank, Individual Agency Funding, Grants, and Special legislation
- Analyze advantages and disadvantages of each financing
- Assist COMB staff with assembling needed background documents
- Review cost projections
- Review environmental documents
- Review financing capacity of individual agencies
- Assist with public information program
- Review individual agencies needed rate setting

Task 1600 – Draft Preliminary Design Report

Boyle will submit the draft preliminary design letter report for review by COMB staff. It will include the analysis results (HGL, flow rate, capacity), and the pipeline alternative alignments. Boyle will identify standard design criteria for pipeline design pressures, hydrostatic test pressures, pipeline grades, minimum curve radius, maximum joint deflection, joint bonding, and depth of cover. Identify standard design criteria for isolation and control valves; spacing, locations and sizing of air releases, air and vacuum relief valves, and discharge valves. Eight copies will be provided for review.

Task 1700 – Final Preliminary Design Letter Report

Boyle will incorporate COMB's review comments after meeting to discuss the draft report. Eight copies will be provided.

Task 1800 – Permits

Boyle and URS will identify the necessary jurisdictional agency reviews and permits required (other than DFG, ACOE, and RWQCB). This will include the time frame normally required for the permit processing, as well as the nature of the information required for the submittals. Boyle will technically

assist COMB in obtaining permits for the project. It is our understanding that COMB will pay permit fees and compile permit applications.

Task 1900 – Program Management During Preliminary Design

The following assumptions summarize Boyle's understanding of the level of effort for program management COMB anticipates as part of this project:

- Up to four meetings with COMB and/or USBR staff
- One COMB Board presentation for the preliminary design report
- Update Project Schedule at 30% design phase
- Update Financial Model at 30% design phase
- Permit coordination (permit compilation by URS for DFG, ACOE, and RWQCB)
- Monitor schedule and cost of design phase services
- Assist with entry permits for surface and subsurface investigations
- Coordination of, and technical support for, environmental, geotechnical, survey, right-of-way, and financial subconsultants

Final Design Phase

Task Series 2000 – Final Design Phase

Task 2100 – Specifications Preparation

Boyle will prepare CSI based specifications for the project. Specifications initially will be completed to 50% level to allow review by COMB of technical and contractual aspects in relation to bid forms, insurance forms, and bond forms.

Task 2200 – HDD Design

Plans

- Compile HDD plan and profile sheets for Glen Annie Creek crossing including minimum requirements for drill path, anticipated geotechnical conditions and geotechnical data, ground surface, utilities, construction easement, pipe laydown, and staging areas.
- Prepare an HDD detail sheet including casing/carrier pipe section and backfill grouting requirements.

Specifications. Provide the following technical specifications:

- Horizontal Direction Drilling
- Carrier Pipe Installation
- Annular Backfilling

Cost Estimate and Bid Item Recommendations

- Provide the HDD cost estimate and assumptions and develop recommendations for bid items.

Task 2300 – Geotechnical Exploration and Analysis

As discussed in a System Readability Report (SRP) by Boyle, the proposed 2nd Barrel pipeline project will consist of the construction of about 8,000 feet of 48-inch diameter, potable water pipeline to improve system reliability for the Goleta Reach of the SCC. The request for proposal indicates that the proposed pipeline alignment will generally follow the alternative alignment presented in the SRP. As depicted in the SRP, the proposed pipeline alignment will traverse a variety of environments including moderately steep hillside terrain, several creek crossing including East Fork of Glen Annie Creek, and several different geologic formations. Fugro understands that a majority of the pipeline will be constructed using standard trenching operations, but that the pipeline may be installed under the East Fork of Glen Annie Creek using horizontal directional drilling (HDD) techniques.

Approximately 1/2 to 2/3 of the proposed pipeline alignment will traverse fairly steep to steep hillside terrain. The hillside portion of the alignment is also underlain by several different geologic formations including the Rincon Shale and Vaqueros Sandstone. The Rincon Formation is subject to deep weathering and surficial and large-scale slope instability. The Vaqueros Formation consists of hard, well indurated sandstone that typically qualifies as rock excavation. Geotechnical characterization of the earth materials along the alignment will be critical to help select the final pipeline alignment, evaluate pipeline/trench depth to provide long-term stability of the pipeline alignment, and provide bidders an understanding of the earth materials that will be encountered during construction.

Crossing beneath the East Fork of Glen Annie Creek using HDD technology presents several advantages including limited construction disturbance of sensitive environmental areas, and placing the pipeline alignment below future scour limits without the need for extensive construction dewatering, difficult excavation in granular alluvial deposits, and placing concrete pipeline encasement or other scour mitigations.

Task 2310 – Permitting and Underground Service Alert. Fugro will obtain encroachment permits from the County of Santa Barbara if required to perform subsurface exploration. Fugro will coordinate utility locations with Underground Service Alert (USA). Fugro will not be responsible for unlocated or mislocated utilities.

Task 2320 – Geologic Mapping and Subsurface Exploration. Fugro will perform geologic mapping of the proposed alignment to update and supplement the mapping performed for the preliminary study (Fugro, 2003). The purpose of the mapping is to document geologic units/earth material types, and identify potential areas of existing and potential future slope instability. As part of the geologic mapping task, we will select exploration locations and areas where special design and construction methods may be appropriate.

To provide subsurface data relative to soil and rock types, rock hardness, fill depths and trenching conditions Fugro will excavate a combination of backhoe test pits and drill holes along the pipeline alignment. The proposed exploration locations are shown on the attached preliminary exploration plan. Fugro will explore the subsurface conditions at approximately 10 locations, which will correspond to a spacing of about 800 to 1,000 feet with consideration given for structures such as vaults, valve locations, etc. (if locations established prior to performing the exploration). The backhoe test pits would be excavated to depths of about 12 to 15 feet or refusal to evaluate geologic structure and evaluate the excavatability of the geologic units.

The drill holes will be located as close to the proposed pipeline alignment as practical, depending upon site conditions and will be advanced using a limited access drill rig to gain access to the creek areas. The primary purpose of the drill holes will be to evaluate the depth of the alluvium at the East Fork of Glen Annie Creek crossing. Fugro plans to advance the drill holes a minimum of 20 feet into bedrock or refusal, whichever occurs first. Based on visual observations during the preliminary design study, Fugro has not proposed rock coring or seismic refraction surveys to evaluate rippability/excavability at this time. If hard, well-indurated bedrock is encountered in the drill holes or test pits at a shallow depth, a revised scope of services may be warranted. Fugro will attempt to identify potential areas of hard bedrock during our geologic mapping and explore those areas first to evaluate if supplemental exploration work is required.

Samples will be collected at approximately 3-foot intervals to a depth of about 15 feet with a standard penetration test (SPT) sampler and a modified California sampler, as appropriate and as conditions permit. Bulk samples will be recovered at select intervals from the drill holes. The drill holes will be backfilled with the excavated material, and excess material will be spread onsite near the excavation location. We estimate that the drilling will be completed in 3 days and the backhoe work will be completed in 2 days.

Task 2330 – Geophysical Survey. Fugro will perform an integrated seismic refraction/reflection survey to characterize the subsurface profile and geologic materials in the East Fork of Glen Annie Creek pipeline crossing. As depicted on the attached example geologic profile, the seismic refraction/reflection survey can help us estimate the depth of the alluvial materials in the creek area. Typically, the seismic data is supplemented with limited subsurface exploration to provide "ground truth" and help calibrate the seismic data. The refraction/reflection survey will be performed by our subconsultant, Advanced Geosciences, using a 48-channel seismograph with 40-Hz geophones spaced at 10 feet. Field data collection is estimated to take one day for a 200-foot long survey line. Fugro will clear brush along the proposed pipeline alignment to lay out the geophones.

Task 2340 – Laboratory Testing. The laboratory-testing program will be determined based on subsurface conditions encountered in the drill holes. The types of laboratory tests that are anticipated include moisture/density determinations, grain-size distribution/percent passing No. 200 sieve, Atterberg limits, direct shear, sand equivalent, and chemical analyses (sulfates, chlorides, pH, and resistivity).

Task 2350 – Geotechnical Evaluation and Report. Fugro will summarize the subsurface conditions along the pipeline alignment and provide geotechnical design criteria for the proposed pipeline alignment. Fugro findings and recommendations will be incorporated into the project geotechnical engineering report with appurtenant plates, drill hole logs, and laboratory test results. The report will be finalized after receipt of comments on the draft report. Fugro anticipates that the geotechnical engineering report will include the following:

- Assessment of subsurface soil, rock, and groundwater conditions along the proposed pipeline alignment,
- Compaction recommendations for trench backfill,
- Temporary slopes and shoring considerations,
- Discussion of constructability and excavation issues,
- Corrosion considerations (concrete thrust blocks),
- Pipeline geotechnical design criteria, and
- Vault design criteria.

Task 2400 – Final Plans

Boyle will compile 22" by 34" contract plans showing the proposed alignment. The plans will reflect decisions made in the preliminary design phase. It is anticipated that the planset will consist of:

- Title Sheet
- Abbreviations, Notes, and Survey
- Plan and Profile (10)
- Details (4)
- Structural (10)
- Environmental Impact Areas (1)
- Glen Annie Creek Crossing HDD (6)

Eight half size (11" x 17") sets will be provided at the 50% review and 90% review. The final deliverable will consist of one full size set (mylar) and one bound set.

Task 2500 – Corrosion Engineering

Schiff Associates, as a subconsultant to Boyle, will perform the following:

- Test the soil samples collected by Fugro for as-received resistivity, saturated resistivity, pH, possibly sulfides and oxidation-reduction potential, and perform an analysis for common ions to include calcium, magnesium, sodium, carbonate, bicarbonate, chloride, sulfate, ammonium and nitrates.
- Look for rectifiers and other sources of direct current that might cause stray current corrosion problems and check with other pipeline owners for cathodic protection systems in the vicinity.
- Provide a report including laboratory test data, and general recommendations for controlling corrosion of materials planned for underground use.
- Design cathodic protection system, including test stations, insulated joints, and joint bonding.

Task 2600 – Program Management

- Attend up to six (6) meetings with COMB.
- Attend one (1) COMB Board presentation for the final design.
- Update Project Schedule at 90% design phase.
- Update Financial Model at 90% design phase.
- Permit coordination (permit compilation by URS for DFG, ACOE, and RWQCB).
- Monitor schedule and cost of design phase services.
- Assist with entry permits for surface and subsurface investigations.
- Coordination of, and technical support for, environmental, geotechnical, survey, right-of-way, and financial subconsultants.

Bid Phase Services

Task Series 3000 – Bid Phase

Task 3100 – Contractor Prequalification Package

Boyle will assist COMB in conducting, coordinating, and performing a prequalifications and selection process for the pipeline contractor.

The Department of Industrial Relations has developed a model and relevant criteria that can be utilized by COMB. It is accompanied by a publication explaining how to score the questionnaire. Contractors who receive an acceptable score will be deemed responsible, prequalified bidders. The prequalification selection process will include the following tasks:

Task 3110 – Meet and Discuss Prequalifications Processes. Meet and discuss prequalifications processes and selection criteria with COMB representatives/personnel.

Task 3120 – Assist in Identifying Eligible Contractors. By contacting local cities, counties, consultants, contractors and/or special districts, assist COMB in identifying a list of contractors that have prior experience with similar projects. Contact the contractors identified to advertise COMB's project.

Task 3130 – Draft Prequalifications Questionnaire and Advertisement. Utilizing the Department of Industrial Relations model as a format, Boyle will draft a prequalifications questionnaire and advertisement for COMB and USBR review and approval. Meet to discuss COMB comments. Finalize prequalifications advertisement and prequalifications questionnaire. Submit one reproducible copy for COMB's reproduction and distribution.

Task 3140 – Facilitate Review of Prequalifications Submittals. Facilitate COMB's review of prequalifications submittals received from interested contractors.

Task 3150 – Facilitate Interviews and Evaluation Process. Facilitate COMB's interviews and evaluation process to define a list of qualified contractors.

Task 3160 – Draft Notification Correspondence. Compile draft letters of notification for firms that responded.

Task 3170 – Orientation Meeting. Conduct an orientation meeting with selected firms. Identify project data to be provided by COMB to selected firms.

Task 3200 – Engineering Services During Bid Phase

Assist COMB during the bid phase of the project. It is assumed that one (1) construction contract will be implemented. Boyle will provide one set of mylar and one set of reproducible specifications for reproduction and distribution by COMB staff. Boyle will attend the preproposal meeting, bid opening, and compile up to three (3) addendums.

Schedule

It is anticipated that the Scope of Services associated with this proposal will be completed in 365 calendar days from the notice to proceed.

Assumptions

In preparing this proposal, the following assumptions were made:

- Environmental scope (Task Series 1200) includes the following tasks:
 - Environment documentation compilation and preparation of permit applications for CDFG, Corps and Regional Board is by URS, not Boyle.
 - Scope of work is based on implementing the non parallel pipeline alternative and assumes a pipeline intertie to the Glen Annie structure. The design of new pump stations or new chlorination facilities is not envisioned at this time. Substantially new pipeline alignments would require budget modification.
- COMB will pay all permit fees and prepare permit applications.
- The Hamner Jewell & Associates work will be done in accordance with the professional and ethical standards of the International Right of Way Association and in conformance with the requirements of the California Government Code. Work will also comply with the requirements of eminent domain law.

Task Cost Report
Cachuma Operational and Maintenance Board
2nd Barrel Design

The estimated engineering effort and estimated fee are shown below:

Task	Description	Boyle Level of Effort Manhours (\$)	Sub Consultant
CONCEPT DESIGN AND ENVIRONMENTAL PHASE 2A			
1000	Concept Design		
1100	Concept Refinement		
1110	Kickoff Meeting	30 (\$4,400)	\$3,000
1120	Update Initial Alignments	48 (\$7,000)	
1130	Utility Research	40 (\$5,900)	
1140	Easement Data Review	12 (\$1,800)	\$10,000 (P&S)
1150	Goleta Water District Coordination	40 (\$5,900)	
1160	Supplemental Survey	8 (\$1,200)	\$10,000 (P&S)
1170	Team Field Review	24 (\$3,500)	\$6,000
1180	Final Survey Alignment	12 (\$1,800)	\$10,000 (P&S)
1190	Concept Design Project Report	260 (\$38,000)	
1200	Environmental – Phase 2B	80 (\$11,700)	\$2,500 (Padre)
1300	Initial Geotechnical Support	12 (\$1,800)	\$7,000 (Fugro)
Subtotal Concept Design and Environmental Phase 2A		566 (\$83,000)	\$48,500
1400	Preliminary Design		
1410	Hydraulic Analysis	24 (\$3,500)	
1420	Pipeline	40 (\$5,900)	
1430	HDD Preliminary Design Alternative for Glen Annie Creek	40 (\$5,900)	
1440	Structure Modifications	40 (\$5,900)	
1450	Right-of-Way Assistance	16 (\$2,300)	\$24,500 (HJA)
1460	Goleta West Connection	16 (\$2,300)	
1470	Project Schedule/Estimate of Probable Construction Cost	24 (\$3,500)	
1500	Financial Model and Funding Support Services	24 (\$3,500)	\$10,000 (Fitzgerald)
1600	Draft Preliminary Design Report	48 (\$7,000)	
1700	Final Preliminary Design Letter Report	24 (\$3,500)	
1800	Permits	24 (\$3,500)	
1900	Program Management During Preliminary Design	40 (\$5,900)	
Subtotal Preliminary Design Phase 2B		360 (\$52,700)	\$34,500
FINAL DESIGN PHASE 2C			
2000	Final Design Phase		
2100	Specifications Preparation	120 (\$17,600)	
2200	HDD Design	100 (\$14,600)	
2300	Geotechnical Exploration and Analysis	30 (\$4,400)	\$50,000 (Fugro)
2400	Final Plans	500 (\$73,200)	
2500	Corrosion Engineering	10 (\$1,500)	\$13,800 (Schiff)
2600	Program Management	200 (\$29,300)	
Subtotal Final Design Phase 2C		960 (\$140,600)	\$63,800

Task	Description	Boyle Level of Effort Manhours (\$)	Sub Consultant
BID PHASE SERVICES 2D			
3000	Bid Phase		
3100	Contractor Prequalification Package	108 (\$15,800)	
3200	Engineering Services During Bid Phase	120 (\$17,600)	
Subtotal Bid Phase 2D		228 (\$33,400)	
CONSTRUCTION PHASE ENGINEERING SERVICES (Future Phase 3)			
4000	Construction Phase Services	Future Amendment	Future Amendment
Preliminary Design, Design, and Bid Phase 2 Total		2,114 (\$309,700)	\$146,800

It is anticipated that an engineering fee of **\$456,500** will be required to accomplish the above-referenced engineering tasks based on an average of \$135 per MH, 8.5% for other costs, and \$146,800 for subconsultant 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.

Construction Cost ≈ \$5.0± M
Civil Design Engineering – 6%
Geotechnical – 1.1%
Environmental – 1.4%
Other Subconsultant Costs – 1.5%

RESOLUTION 439

RESOLUTION OF THE CACHUMA OPERATION AND MAINTENANCE BOARD DECLARING SUPPORT FOR ENACTMENT OF THE SAFE DRINKING WATER, WATER QUALITY AND SUPPLY, FLOOD CONTROL, RIVER AND COASTAL PROTECTION BOND ACT OF 2006 AS A LEGISLATIVE BOND INITIATIVE OR AS A VOTER INITIATIVE.

WHEREAS, the Cachuma Operation and Maintenance Board, in partnership with 17 entities and the Santa Barbara County Water Agency has developed an Integrated Regional Water Management (IRWM) Plan for Santa Barbara County; and

WHEREAS, the implementation of the Santa Barbara County IRWM plan will bring significant benefits to the region, including improvement in water quality, water supply and fishery habitat; and

WHEREAS, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 was filed as a voter initiative with the California Office of the Attorney General for preparation of title and summary; and

WHEREAS, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 includes up to \$45 million in funding for coastal salmon and steelhead restoration and \$1 billion for statewide IRWM grant programs which includes \$53 million for the Central Coast Region; and

WHEREAS, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 contains significant funding for other programs that will improve statewide water quality, flood protection, coastal protection and fisheries; and

WHEREAS, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond of 2006 provides funding for other resource priorities including the state park system, forest, habitat and wildlife conservation programs; and

WHEREAS, the proposed Senate Bill 1166 and Assembly Bill 1839 for the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond of 2006 have several fundamental problems in their present form that are inconsistent with the ACWA Blueprint and local water supply management, including the creation of a water resources capacity charge to be imposed on every water connection in the state; designation of a very large Central Coast Region that is politically and geographically unworkable; requirement to prepare a single integrated regional water management plan and single regional proposal for funding whose elements are yet to be determined; and lack of identification of funding priorities for specific projects eligible to receive funding.

WHEREAS, other 2006 legislative water or resource bond initiatives may be proposed by the California legislature in the coming year.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Cachuma Operation and Maintenance Board hereby finds, determines, and declares as follows:

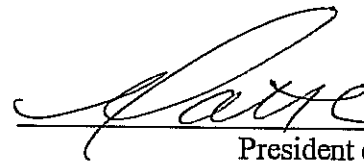
1. The Cachuma Operation and Maintenance Board supports enactment of a legislative bond initiative that addresses the needs and funding amounts identified in the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, provided that no water resources capacity charge is imposed and the problems identified above are addressed in the final bond language.
2. The Cachuma Operation and Maintenance Board supports enactment of the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 as a voter initiative should the California legislature fail to pass an equivalent legislative bond initiative by March 1, 2006, provided that no water resources capacity charge is imposed and the problems identified above are addressed in the final bond language.
3. The President of the Board is authorized to sign letters of support for the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 or for an equivalent legislative bond initiative.

PASSED, APPROVED AND ADOPTED at a regular meeting of the governing board of the Cachuma Operation and Maintenance Board held on the 27th day of February, 2006, by the following roll call vote:

AYES: ABEL, EVANS, LIEBERKNECHT

NAYES: BETTENCOURT

ABSENT/ABSTAIN: WILLIAMS



President of the Board

ATTEST:



Secretary to the Board

ITEM # 10
PAGE 2

CACHUMA OPERATION AND MAINTENANCE BOARD

Date: March 27, 2006
To: Members of the Board of Directors
From: Brett Gray, Operations Supervisor

RE: Board Member and Manager Tour of the Cachuma Project.

Recommended Action: Discuss and agree upon date(s) for a tour of our facilities and ongoing projects.

Discussion: COMB staff has setup half-day tours of the Cachuma Project to give new and continuing Board Members and District Managers an overview of these facilities and pending projects. All Board Members and Member Unit Managerial staff are invited to attend. During the tour we will be visiting the North Portal of the Tecolote Tunnel, Glen Anne Turnout, Lauro Reservoir, and Ortega Reservoir.

Here are potential dates for the Cachuma Project portion tours to be discussed and agreed upon at the Board meeting are: 4/13, 4/20 and 4/27.

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PAGE 1

FYI

MORRISON | FOERSTER

PLEASE RESPOND TO:
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CALIFORNIA 94596-8130

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ORANGE COUNTY, SACRAMENTO,
WALNUT CREEK, CENTURY CITY
TOKYO, LONDON, BEIJING,
SHANGHAI, HONG KONG,
SINGAPORE, BRUSSELS

March 9, 2006

Writer's Direct Contact
925/295-3311
ASabey@mofocom

Via Overnight Delivery

Michelle Ouellette, Esq.
Best, Best & Krieger
3750 University Avenue
P.O. Box 1028
Riverside, CA 92502-1028

RECEIVED
MAR 10 2006
BEST BEST & KRIEGER

Re: *Nancy Crawford-Hall and San Lucas Ranch, Inc. v. Cachuma Operation and Maintenance Board, Santa Barbara County Superior Court Case No. 117135*

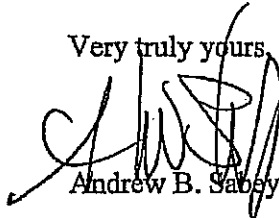
Dear Michelle:

As the parties have agreed, enclosed is a check for \$20,000.00 in payment for the administrative record in the above entitled matter. We understand that COMB claims that the administrative record cost roughly \$40,000 to prepare, which cost we dispute. As an accommodation, the parties have agreed to move forward on petitioner's payment as enclosed.

It is acknowledged that COMB reserves its rights to claim the full cost of the record it contends was reasonably incurred in this matter and Petitioner reserves the right to challenge any claimed costs. Should Petitioner prevail, the enclosed payment is, of course, a recoverable cost of suit.

Please direct service of the administrative record to my office. We should also discuss a mutually agreeable briefing schedule. Thank you for your attention to this matter.

Very truly yours,



Andrew B. Sabey

Enclosure

BEST BEST & KRIEGER LLP

A CALIFORNIA LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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FILE NO. 26377.00001

March 17, 2006

RECEIVED

MAR 20 2006

CACHUMA O&M BOARD

VIA UPS OVERNIGHT DELIVERY

Kate Rees, General Manager
Cachuma Operation and Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105-2017

Re: *Nancy Crawford-Hall and San Lucas Ranch, Inc. v.
Cachuma Operation and Maintenance Board, et al.*
Santa Barbara County Superior Court Case No. 1171135

Dear Kate:

Enclosed please find a letter from Andrew Sabey enclosing a check for \$20,000.00 for the administrative record. Also enclosed is San Lucas Ranch check no. 020865 payable to COMB in the amount of \$20,000.00 in payment for the administrative record. We will send a copy of the administrative record to Mr. Sabey as agreed.

Should you have any questions, please do not hesitate to contact our office.

Yours very truly,



Tammy Valverde
Executive Assistant to Michelle Ouellette
for BEST BEST & KRIEGER LLP

TLV:slf

Enclosures