

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

CACHUMA OPERATION AND MAINTENANCE BOARD

MONDAY, July 24, 2006

Approximate Start Time

3:00 P.M.

AGENDA

1. COMB CALL TO ORDER, ROLL CALL. (COMB Board of Directors.) *(1 minute)*.
2. PUBLIC COMMENT. (Public may address the Board on any subject matter not on the agenda and within the Board's jurisdiction. See "Notice to the Public" below.) *(5 minutes)*
3. CONSENT AGENDA. (For Board Action by Vote on One Motion Unless Member Requests Separate Consideration.) *(2 minutes)*
 - a. Minutes
 - June 26, 2006 Regular Board Meeting,
 - b. Investment of Funds
 - Financial Reports
 - Investment Reports
 - c. Payment of Claims
4. REPORTS FROM THE MANAGER. (For information.) *(3 minutes)*
 - Water Storage
 - Water Production & Use, SWP Accounting
 - Operations Report
 - Verbal Report - Cachuma Reservoir Current Conditions
5. ANNUAL REORGANIZATION OF CACHUMA OPERATION & MAINTENANCE BOARD. (For Board action.) *(5 minutes)*
 - a. Election of President
 - b. Election of Vice-President
 - c. Appointment of Secretary, Treasurer and Auditor-Controller
 - d. Appointment of ACWA/JPIA Representative and Alternate
 - e. Appointment of General Counsel
6. PROPOSED ANNUAL RESOLUTIONS. (For Board action.) *(5 minutes)*
 - a. Resolution No. 441 Adopting an Annual Statement of Investment Policy

- b. Resolution No. 442 Establishing a Supplemental Account Agreement for Telephone Transfers
 - c. Resolution No. 443 Authorizing Signatories for Revolving Fund Account at Santa Barbara Bank and Trust
 - d. Resolution No. 444 Authorizing Signatories for General Fund Account at Santa Barbara Bank & Trust
 - e. Resolution No. 445 Establishing a Check Signing Policy for General Fund Account for Payment of Claims
 - f. Resolution No. 446 Authorizing Signatories for General Fund Account at Santa Barbara Bank & Trust
 - g. Resolution No. 447 Establishing a Check Signing Policy for Cachuma Project Trust Fund and Master Contract Renewal Fund Accounts for Payment of Claims
 - h. Resolution No. 448 Authorizing Signatories for Trust Fund and Renewal Fund Accounts at Washington Mutual Bank
 - i. Resolution No. 449 Establishing Time and Place for Board Meetings
7. APPOINTMENT OF OUTSIDE AUDITOR TO PREPARE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2006 AND THE INDEPENDENT AUDITOR'S REPORT. (For Board action.) (10 minutes)
8. WATER ACCOUNTING RECONCILIATION OF CACHUMA MELDED WATER RATES FOR ORDERS vs. DELIVERIES. (For Board action.) (5 minutes)
9. STATUS OF LAURO DAM SEISMIC SAFETY MODIFICATIONS PROJECT. (For information.) (5 minutes)
10. LAURO DEBRIS BASIN PROJECT. (For Board action) (10 minutes)
11. CONSIDERATION OF MEMORANDUM OF UNDERSTANDING AMONG COOPERATING PARTNERS FOR INTEGRATED REGIONAL WATER MANAGEMENT PLAN DEVELOPMENT. (See CCRB Item No. 11a) (For Board action.) (5 minutes)
12. CERTIFICATE OF APPRECIATION FOR WILLIAM H. LUCE, AREA MANAGER, SOUTH-CENTRAL CALIFORNIA AREA OFFICE, UPON HIS RETIREMENT FROM USBR. (For Board action) (3 minutes)
13. MEETING SCHEDULE.
- August 2, 2006 Joint Special COMB/CCRB Board Meeting at 2:00-5:00 P.M., at COMB Office
 - August 28, 2006 Regular Board Meeting following CCRB at 2:00 P.M., COMB Office
14. COMB ADJOURNMENT.

NOTICE TO PUBLIC

Public Comment: Any member of the public may address the Board on any subject within the jurisdiction of the Board that is not scheduled for a public hearing before the Board.

The total time for this item will be limited by the President of the Board. If you wish to address the Board under this item, please complete and deliver to the Secretary of the Board before the meeting is convened, a "Request to Speak" forms including a description of the subject you wish to address.

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

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

MINUTES OF A REGULAR MEETING
of the
CACHUMA OPERATION & MAINTENANCE BOARD
held at the
Cachuma Operation & Maintenance Board Office
3301 Laurel Canyon Road, Santa Barbara, CA
Monday, June 26, 2006

1. Call to Order, Roll Call

The meeting was called to order at 3:57 p.m. by President Matt Loudon, who chaired the meeting. Those in attendance were:

Directors present:

Matt Loudon	SYR Water Conservation Dist., ID#1
Harry DeWitt	Goleta Water District
Jan Abel	Montecito Water District
June Van Wingerden	Carpinteria Valley Water District
Das Williams	City of Santa Barbara

Others present:

Kate Rees	Brett Gray
William Hair	Steve Mack
Chris Dahlstrom	Gary Kvistad
Chip Wullbrandt	Janet Gingras
Kevin Walsh	Charles Hamilton

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.

The Board went into closed session at 3:59 p.m. and came out of closed session at 4:05 p.m. There was nothing to report out of closed session.

3. Public Comment

There were no comments from the public.

4. Consent Agenda

- a. Minutes
May 22, 2006 Regular Board Meeting
- b. Investment of Funds

ITEM # 3a
PAGE 1

Financial Report
Investment Report

c. Payment of Claims

Director Williams moved to approve the Consent Agenda, seconded by Director Abel. Motion carried, 4/0/3, Directors DeWitt and Van Wingerden abstained.

5. Cachuma Reservoir Current Conditions

Reservoir Current Conditions:

Date 06/26/2006

Lake elevation	752.35 feet
Storage	195,273 acre feet
Rain (for the month to date)	0.00 inches
Rain YTD (for the season to date)	24.52 inches
Fish Release-Hilton Creek	19.6 acre feet per day
Month to Date Fish Release	525.8 acre feet
Month to Date Spill	0.00 acre feet

6. Acknowledgement of Renewal of Agreement Between CCRB and the Santa Ynez River Water Conservation District, I.D. No. 1 for Coordination in State Water Resources Control Board Hearing Matters.

The COMB Board of Directors acknowledged the original Agreement between CCRB and ID No. 1, and has continued to do so annually. Ms Rees recommended that the COMB Board also acknowledge this extension of the Agreement to June 30, 2007.

Director Williams moved to acknowledge the Agreement between CCRB and the Santa Ynez River Water Conservation District, I.D. No.1 for Coordination in State Water Resources Control Board Hearing matters, seconded by Director Abel, passed 7/0/0.

Director Loudon asked Ms Rees why COMB formally acknowledges the agreement annually. She will look into the matter and report back at the next Board meeting.

7. Status of Lauro Dam Seismic Safety Modifications Project

Ms Rees updated the Board on the progress of the project. Two construction progress reports prepared by Reclamation were included in the Board packet. The new material being added to the dam face continues to progress on schedule. The project is scheduled to be completed by December 2006. Due to design changes to a hydraulic power unit assembly, Ms Rees reported that there would be cost increases of approximately \$88,000 for the new design work. The major earth moving work will be completed by the end of July. Reclamation will work with the City of Santa Barbara regarding its request to slurry seal San Roque Road.

8. Integrated Regional Water Management Plan Development

This was thoroughly discussed during the CCRB Board meeting; there was nothing further to add.

9. Reclamation's Cachuma Operational Guidelines Meeting, May 23, 2006.

Ms Rees reported on Reclamation's annual Cachuma Operational Guidelines meeting. The agenda for the meeting was included in the board packet. The Operational Guidelines provide coordination protocols for various types of water releases from Bradbury Dam. In the last few years, updates have been necessary to coordinate fishery releases and surcharge operations. This year, as a result of an interim agreement with the County of Santa Barbara, the reservoir was fully surcharge to 753 feet. This change was included in the revised guidelines.

Water accounting issues concerning spill and surplus water were discussed. Reclamation was asked to consider defining spill and surplus water differently than the current definition. Member Unit Managers will be working with Reclamation to develop an updated definition.

Another issue discussed this year was the need to develop ramp down protocols after a spill, particularly for a late season storm as occurred this year. Normal storm operations initiated after a late season storm resulted in a rapid ramp down, which caused fish stranding and 12 mortalities. Reclamation and the Member Units are developing protocols to prevent fish stranding from happening in the future.

10. Long-Term Cost Comparison of Cachuma Melded Water Rates for Orders vs. Deliveries.

Ms Rees summarized the request from Director Williams during the April 24, 2006 Board meeting. He requested that an analysis be done of the Cachuma melded rate payment calculations over time for Irrigation and M&I water for each Member Unit, comparing the payment for water ordered to what would have been charged for actual water deliveries. The analysis was included in the board packet. Underpayments and overpayments were shown for each Member Unit during a five-year period from 2001-2005.

Reclamation has requested that in future, COMB reconcile the amount of irrigation water ordered vs. the amount of irrigation water delivered. The Member Units need to decide if any financial adjustments should be made for overpayment and underpayment at the end of the water year. Staff recommended that from 2005 onward, reconciliation should be done. Staff was seeking direction regarding reconciliation of past Cachuma water accounting.

Director Abel moved to reconcile the amount of irrigation water ordered with the amount delivered for 2005 Water Year and future years, seconded by Director Williams, passed 7/0/0.

Under a recommendation from Counsel Bill Hair, the Board agreed to discuss the issue of the past water accounting adjustments with their individual Boards and bring that information back to the COMB Board at the July 24th meeting.

11. Environmental Consultant Selection Process for Pipeline Project on South Coast Conduit.

Ms Rees reported there had been recent discussions with the Member Unit managers regarding the selection of an environmental consultant for the pipeline project on the South Coast Conduit. Four consultants had been selected to submit proposals, consisting of CH2M HILL, Padre Associates, SAIC, and URS, based on input from the Cachuma managers. Director Abel questioned why Padre Associates was included since the Board had previously determined not to consider them as a viable candidate. The deadline for submission of proposals will be mid-July 2006. Once the proposals are received, they will be reviewed by a committee of Member Unit managers or their designated engineering staff, and the recommended proposal will be brought to the COMB Board of Directors for review and approval.

12. Proposed Fiscal Year 2006-2007 COMB Budget

It was recommended by staff that the Board approve the proposed COMB budget for Fiscal Year 2006-2007 in the amount of \$3,777.642.

Ms Rees reported there were no changes from the draft budget presented to the Board for preliminary review on May 22, 2006. However, the Lauro Debris Basin Rehabilitation Project had not been resolved which was at a cost of \$550,000 per year for two years. Evaluation of the comparative benefits of the project and cost sharing along standard entitlement percentages were discussed with the COMB Finance Committee and the Member Unit Managers and Attorneys, but a unanimous recommendation was not reached. Director Evans, Goleta Water District (GWD) was of the opinion that the Cachuma entitlement cost allocation formula for this project was not appropriate and should be calculated differently because it was a water quality project and of less benefit to GWD than the other south coast Member Units. Alternate Director DeWitt (GWD) conveyed the direction he was given by Director Evans which was not to approve the final COMB budget with the inclusion of the Lauro Debris Basin project. Director Williams strongly disagreed with GWD's suggestions of either postponing the project for a year or calculating the allocation using a different formula. Director Abel stated that Montecito would not pay more than its standard entitlement allocation for this project. Director Williams was also against changing the standard formula for cost allocation of any COMB project. Because the Board was at an impasse, Counsel Hair suggested it should consider the budget without this project. President Loudon recommended approval of the budget without the Lauro Debris Basin project and requested that it be brought back to the Board for full discussion and consideration in the next few months.

Director Williams moved to approve the FY 2006-2007 COMB Budget without the Lauro Debris Basin Project providing that GWD was willing to negotiate the cost allocation issue. He further directed that discussion on the project take place prior to

ITEM # 3a

PAGE 4

the September Board meeting, and that staff return with recommendations on payment options for the project. Seconded by Director Van Wingerden, passed 7/0/0.

13. Reschedule July 6, 2006 Joint Special COMB/CCRB Meeting

The next Joint Special COMB/CCRB Meeting was scheduled for July 17, 2006 at 2:00-5:00 p.m. during the CCRB meeting. COMB Board concurred with this decision.

14. Meeting Schedule

June 29, 2006 Staff Appreciation Lunch, at 11:30 a.m., Cold Springs Tavern, 2:00 p.m. Lake Cachuma Boat Tour
July 24, 2006 Regular Board Meeting following CCRB at 2:00 p.m., COMB Office

15. COMB Adjournment

There being no further business, the meeting was adjourned at 5:24 p.m.

Respectfully submitted,

Secretary of the Board

APPROVED:

Chair

comb2
Balance Sheet
 As of June 30, 2006

Jun 30, 06

ASSETS	
Current Assets	
Checking/Savings	
1050 · GENERAL FUND	27,954.35
1100 · REVOLVING FUND	12,418.86
TRUST FUNDS	
1220 · RENEWAL FUND	5,043.85
1210 · WARREN ACT TRUST FUND	33,320.38
Total TRUST FUNDS	<u>38,364.23</u>
Total Checking/Savings	78,737.44
Other Current Assets	
1010 · PETTY CASH	400.00
1200 · LAIF	739,854.06
1300 · DUE FROM CCRB	63,867.68
1302 · ASSESSMENTS RECEIVABLE-CARP	114,268.23
1303 · SOD Act Assessments Receivable	47,141.25
1400 · PREPAID INSURANCE	9,108.00
Total Other Current Assets	<u>974,639.22</u>
Total Current Assets	1,053,376.66
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	<u>279,085.90</u>
Other Assets	
1910 · LT SOD Act Assess Receivable	5,447,243.07
Total Other Assets	<u>5,447,243.07</u>
TOTAL ASSETS	<u>6,779,705.63</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2200 · ACCOUNTS PAYABLE	221,637.22
Total Accounts Payable	<u>221,637.22</u>
Other Current Liabilities	
2505 · ACCRUED WAGES	27,650.33
2550 · VACATION/SICK	36,412.07
2561 · BRADBURY DAM SOD ACT	47,141.25
2590 · DEFERRED REVENUE	38,364.23
Payroll-DepPm Ops	18.48
Total Other Current Liabilities	<u>149,586.36</u>
Total Current Liabilities	371,223.58
Long Term Liabilities	
2600 · Lease Obligation Payable	43,846.38
2601 · Note Payable SBB&T	114,268.23
2602 · SOD Act Liability-Long Term	5,447,243.07
Total Long Term Liabilities	<u>5,605,357.68</u>
Total Liabilities	5,976,581.26
Equity	
3000 · Opening Bal Equity	0.95
3901 · Retained Earnings	462,226.45

12:38 PM
07/19/06
Accrual Basis

comb2
Balance Sheet
As of June 30, 2006

	<u>Jun 30, 06</u>
Net Income	<u>340,896.97</u>
Total Equity	<u>803,124.37</u>
TOTAL LIABILITIES & EQUITY	<u><u>6,779,705.63</u></u>

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

12:40 PM
 07/19/06
 Accrual Basis

	Budget	\$ Over Budget	% of Budget
TOTAL			
Income			
3000 REVENUE			
3001 · O&M Budget	2,886,670.04		
3003 · Assessment Revenue-Carp	5,545.57		
3005 · Assessments Returned to Member	-112,719.00		
3010 · Interest Income	14,156.24		
3020 · Misc Income	11,451.52		
3070 · OES 2005 Storm 1577 Reimb	131,997.53		
Total 3000 REVENUE	2,937,101.90		
Total Income	2,937,101.90		
Gross Profit	2,937,101.90		
Expense void	0.00		
3100 LABOR			
3150 · Health & Workers Comp	138,105.34	-11,894.66	92.1%
TOTAL	150,000.00		

Income
 3000 REVENUE
 3001 · O&M Budget
 3003 · Assessment Revenue-Carp
 3005 · Assessments Returned to Member
 3010 · Interest Income
 3020 · Misc Income
 3070 · OES 2005 Storm 1577 Reimb
 Total 3000 REVENUE

Total Income

Gross Profit

Expense void

3100 LABOR

3150 · Health & Workers Comp

ITEM # 36
 PAGE 3

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

TOTAL

	Jul '05 - Jun 06	Budget	\$ Over Budget	% of Budget
3155 - PERS	67,317.46	66,956.00	361.46	100.5%
3160 - Payroll Comp FICA Ops	29,474.93	29,415.00	59.93	100.2%
3165 - Payroll Comp MCARE Ops	6,893.24	6,881.00	12.24	100.2%
3100 LABOR - Other	0.00	424,667.00	-424,667.00	0.0%
Total 3100 LABOR	672,793.06	677,919.00	-5,185.94	99.2%
3200 VEH & EQUIPMENT				
3201 - Vehicle/Equip Mtce	26,049.93	22,000.00	4,049.93	118.4%
3202 - Fixed Capital	44,647.59	46,000.00	-1,352.41	97.1%
3203 - Equipment Rental	17,958.44	22,000.00	-4,041.56	81.6%
3204 - Miscellaneous	9,633.12	10,000.00	-366.88	96.3%
Total 3200 VEH & EQUIPMENT	98,289.08	100,000.00	-1,710.92	98.3%
3300 - CONTRACT LABOR				
3301 - Conduit, Meter, Valve & Misc	7,382.69	7,000.00	382.69	105.5%
3302 - Buildings & Roads	10,717.22	11,500.00	-782.78	93.2%
3303 - Reservoirs	27,532.52	50,000.00	-22,467.48	55.1%
3304 - Engineering, Misc Services	14,418.26	20,000.00	-5,581.74	72.1%
Total 3300 - CONTRACT LABOR	60,050.69	88,500.00	-28,449.31	67.9%
3400 - MATERIALS & SUPPLIES				
3401 - Conduit, Meter, Valve & Misc	9,946.62	10,000.00	-53.38	99.5%
3402 - Buildings & Roads	18,798.30	17,000.00	1,798.30	110.6%
3403 - Reservoirs	5,519.03	7,000.00	-1,480.97	78.8%
3404 - Tecolote Tunnel	1,521.00	0.00	1,521.00	100.0%
Total 3400 - MATERIALS & SUPPLIES	35,784.95	34,000.00	1,784.95	105.2%
3500 - OTHER EXPENSES				
3501 - Utilities	3,849.62	6,300.00	-2,450.38	61.1%
3502 - Uniforms	5,808.06	5,500.00	308.06	105.6%
3503 - Communications	12,284.67	17,300.00	-5,015.33	71.0%
3504 - USA & Other Services	2,304.43	3,700.00	-1,395.57	62.3%
3505 - Miscellaneous	4,718.43	6,000.00	-1,281.57	78.6%
3506 - Training	7,404.79	4,500.00	2,904.79	164.6%
Total 3500 - OTHER EXPENSES	36,370.00	43,300.00	-6,930.00	84.0%
4999 - GENERAL & ADMINISTRATIVE				
5000 - Director Fees	995.26	779.00	216.26	127.8%
5001 - Director Mileage	11,520.00	9,984.00	1,536.00	115.4%
5000 - Director Fees - Other				
Total 5000 - Director Fees	12,515.26	10,763.00	1,752.26	116.3%
5100 - Legal	50,947.42	70,000.00	-19,052.58	72.8%
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	37,635.00	36,000.00	1,635.00	104.5%

ITEM # 36
 PAGE 4

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

TOTAL

	Jul '05 - Jun 06	Budget	\$ Over Budget	% of Budget
5201 · Health & Workers Comp	48,736.56	44,836.00	3,900.56	108.7%
5250 · PERS	33,974.25	39,921.00	-5,946.75	85.1%
5260 · Comp FICA Admin	15,650.10	15,876.00	-225.90	98.6%
5265 · Comp MCARE Admin	3,892.94	3,713.00	179.94	104.8%
5300 · Manager Salary	85,534.64	105,103.00	-19,568.36	81.4%
5301 · Administrative Manager	69,465.52	83,097.00	-13,631.48	83.6%
5306 · Administrative Assistant	51,283.00	49,421.00	1,862.00	103.8%
5310 · Postage/Office Exp	8,557.38	8,000.00	557.38	107.0%
5311 · Office Equip/Leases	4,372.23	5,640.00	-1,267.77	77.5%
5312 · Misc Admin Expenses	8,228.31	6,000.00	2,228.31	137.1%
5313 · Communications	3,029.35	5,000.00	-1,970.65	60.6%
5314 · Utilities	5,234.48	4,500.00	734.48	116.3%
5315 · Membership Dues	4,653.65	5,445.00	-791.35	85.5%
5316 · Admin Fixed Assets	1,741.53	6,000.00	-4,258.47	29.0%
5320 · Admin Facilitator Consultant	13,200.00	0.00	13,200.00	100.0%
5325 · Emp Training/Subscriptions	2,285.25	4,100.00	-1,814.75	55.7%
5330 · Admin Travel/Conferences	4,401.09	5,000.00	-598.91	88.0%
5331 · Public Information	119.52	2,000.00	-1,880.48	6.0%
5332 · Transportation	1,084.45	1,150.00	-65.55	94.3%
Total 4999 · GENERAL & ADMINISTRATIVE	477,516.93	539,936.00	-62,419.07	88.4%
6000 · SPECIAL PROJECTS	2,966.20	0.00	2,966.20	100.0%
6050 · Bradbury Dam Radial Gates	48,036.95	60,000.00	-11,963.05	80.1%
6062 · SCADA	1,200.00	0.00	1,200.00	100.0%
6080 · Seismic Consultant	62,562.49	50,000.00	12,562.49	125.1%
6090-1 · COMB Bldg/Grounds Repair	66,470.51	95,000.00	-28,529.49	70.0%
6092 · SCC Improv Plan & Design	75,400.51	95,000.00	-19,599.49	79.4%
6093 · SCC Life Expectancy Study	469,553.47	600,000.00	-130,446.53	78.3%
6095-1 · Lauro Debris Basin Rehab	14,068.38	50,000.00	-35,931.62	28.1%
6096 · SCC Structure Rehabilitation	275,445.69	305,000.00	-29,554.31	90.3%
6097 · GIS and Mapping	25,713.05	75,000.00	-49,286.95	34.3%
Total 6000 · SPECIAL PROJECTS	1,041,417.25	1,330,000.00	-288,582.75	78.3%
6400 · STORM DAMAGE	109,749.40	200,000.00	-90,250.60	54.9%
6401 · Storm Damage 2005	109,749.40	200,000.00	-90,250.60	54.9%
Total 6400 · STORM DAMAGE	109,749.40	200,000.00	-90,250.60	54.9%
7000 · LEGAL & LITIGATION	58,748.00	100,000.00	-41,252.00	58.7%
7002 · Spec Counsel-FMP-BO EIS/R	58,748.00	100,000.00	-41,252.00	58.7%
Total 7000 · LEGAL & LITIGATION	58,748.00	100,000.00	-41,252.00	58.7%
7006 · INTEREST EXPENSE	5,545.57			
PAYROLL	0.00			
Gross	0.00			
Gross-CCRB	0.00			

ITEM # 5
PAGE 5

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

	TOTAL		
Jul '05 - Jun 06	Budget	\$ Over Budget	% of Budget
0.00			
2,596,204.93	3,113,655.00	-517,450.07	83.4%
340,896.97	-3,113,655.00	3,454,551.97	-10.9%

Total PAYROLL

Total Expense

Net Income

ITEM # 36
 PAGE 6

OFFICE OF THE TREASURER

SACRAMENTO

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

RECEIVED

JUL 15 2006

CACHUMA O&M BOARD

June, 2006 Statement

CACHUMA OPERATION AND MAINTENANCE BOARD

Attn: GENERAL MANAGER

3301 LAUREL CANYON ROAD

SANTA BARBARA CA 93105-2017

Account Number : 70-42-001

Transactions

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
06-12-2006	06-12-2006	RW	1077674	KATHLEEN REES	- 123,000.00
06-14-2006	06-13-2006	RW	1077867	KATHLEEN REES	- 30,000.00

Account Summary

Total Deposit :	0.00	Beginning Balance :	892,854.06
Total Withdrawal :	- 153,000.00	Ending Balance :	739,854.06

MEMO TO: Board of Directors
 Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

The above statement of investment activity for the month of June, 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 A. Rees
 Secretary

ITEM # 36PAGE 7

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

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 Account at a Glance

Beginning Balance	\$5,039.93	Interest Earned	\$3.92
Checks Paid	\$0.00	Annual Percentage Yield Earned	0.95%
Other Withdrawals	\$0.00	YTD Interest Paid	\$17.45
Deposits	+\$3.92	YTD Interest Withheld	\$0.00
Ending Balance	\$5,043.85		

Date	Description	Withdrawals (-)	Deposits (+)
06/30	Interest Payment		\$3.92 ✓

Calendar Year-To-Date Overdraft/Non-Sufficient Funds Charges
(excluding any charges which have been waived or refunded):
Overdraft charges \$0.00
Non-Sufficient Funds charges \$0.00

Your Overdraft Limit as of the statement end date: \$1,000.00
Please note that this may be changed at any time without notice (see reverse for more information). As of the statement end date, the fee for any Non-Sufficient Funds transaction, whether paid or returned, was \$25.00 per transaction.

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board
FROM: Kathleen Rees, Secretary
SUBJECT: COMB INVESTMENT POLICY

The above statement of investment activity for the month of June, 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 A. Rees
Secretary

ITEM # 36
PAGE 8

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

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

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

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



Your Account at a Glance

Beginning Balance	\$33,266.11	Interest Earned	\$54.27
Checks Paid	\$0.00	Annual Percentage Yield Earned	2.00%
Other Withdrawals	\$0.00	YTD Interest Paid	\$248.56
Deposits	+\$54.27	YTD Interest Withheld	\$0.00
Ending Balance	\$33,320.38		

Date	Description	Withdrawals (-)	Deposits (+)
06/30	Interest Payment		\$54.27

Calendar Year-To-Date Overdraft/Non-Sufficient Funds Charges
(excluding any charges which have been waived or refunded):
Overdraft charges \$0.00
Non-Sufficient Funds charges \$0.00

Your Overdraft Limit as of the statement end date: \$1,000.00
Please note that this may be changed at any time without notice (see reverse for more information). As of the statement end date, the fee for any Non-Sufficient Funds transaction, whether paid or returned, was \$25.00 per transaction.

MEMO TO: Board of Directors
Cachuma Operation & Maintenance Board

FROM: Kathleen Rees, Secretary

SUBJECT: COMB INVESTMENT POLICY

The above statement of investment activity for the month of June, 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

ITEM # 36
PAGE 9

comb2
Payment of Claims
 As of June 30, 2006

Date	Num	Name	Memo	Split	Amount
1050 · GENERAL FUND					
6/1/2006	15103	COMB - Revolving Fund	Jun 2, 16 & 30, 2006 payrolls/taxes	2200 · ACCO...	-146,379.90
6/12/2006	15104	A-OK Mower Shops, Inc.	Wheels/glasses	2200 · ACCO...	-182.02
6/12/2006	15105	A.G.S. Rebuilders, Inc:	Replace battery '00b Chevy	2200 · ACCO...	-176.54
6/12/2006	15106	Acom Landscape Managem...	Monthly mtce	2200 · ACCO...	-239.70
6/12/2006	15107	ACWA Services Corporation...	Jun EAP	2200 · ACCO...	-47.46
6/12/2006	15108	All-Cal Equipment Service, I...	Compactor rental	2200 · ACCO...	-200.00
6/12/2006	15109	Aqua-Flo Supply	PVC's/couplings	2200 · ACCO...	-236.73
6/12/2006	15110	AT&T	May 27, 2006 statement	2200 · ACCO...	-139.68
6/12/2006	15111	Bedrock Building Supplies		2200 · ACCO...	-176.93
6/12/2006	15112	Best, Best & Krieger, LLP	Crawford-Hall CEQA Apr 2006	2200 · ACCO...	-14,068.86
6/12/2006	15113	Big Brand Tire Company	New tires/wheel alignment-CCRB C...	2200 · ACCO...	-408.46
6/12/2006	15114	Boyle Engineering Corp.		2200 · ACCO...	-26,524.40
6/12/2006	15115	Butera's	Tail light assembly '00A Chevy	2200 · ACCO...	-16.69
6/12/2006	15116	C. Charles Evans	5/22/06 Reg mtg-5/8/06 Fin mtg-5/2...	2200 · ACCO...	-529.80
6/12/2006	15117	CA Dept. of Forestry & Fire ...	CDF work Invoice dated 6/1/06	2200 · ACCO...	-1,008.00
6/12/2006	15118	Cedant Web Hosting		2200 · ACCO...	-19.94
6/12/2006	15119	Channel City Lumber	Silica sand	2200 · ACCO...	-7.49
6/12/2006	15120	City of SB-Refuse	Refuse acct 4/30-5/31/06	2200 · ACCO...	-143.69
6/12/2006	15121	COMB-Petty Cash	Replenish petty cash	2200 · ACCO...	-198.62
6/12/2006	15122	Cox Communications	Business Internet 5/18-6/17/06	2200 · ACCO...	-199.00
6/12/2006	15123	Culligan Water	RO system Jun	2200 · ACCO...	-20.95
6/12/2006	15124	Das Williams	5/22/06 Reg mtg-5/24/06 Tour-5/30/...	2200 · ACCO...	-395.07
6/12/2006	15125	ECHO Communications	Answering service-Jun	2200 · ACCO...	-54.20
6/12/2006	15126	Famcon Pipe & Supply		2200 · ACCO...	-346.22
6/12/2006	15127	Federal Express	CCRB Mailing	2200 · ACCO...	-22.74
6/12/2006	15128	Flowers & Associates, Inc.		2200 · ACCO...	-962.00
6/12/2006	15129	GE Capital	Mita copier lease Bill ID#901336031...	2200 · ACCO...	-427.77
6/12/2006	15130	Graybar Electric Company, I...	Bell end/supplies	2200 · ACCO...	-109.25
6/12/2006	15131	Halsell Builders, Inc.	Draw 1 demo kitchen-ofc/Draw 2 sta...	2200 · ACCO...	-36,500.00
6/12/2006	15132	Home Depot Credit Services		2200 · ACCO...	-40.43
6/12/2006	15133	HSBC Business Solutions		2200 · ACCO...	-1,778.39
6/12/2006	15134	Intuit, Inc.	COMB checks (Qty 500)	2200 · ACCO...	-112.59
6/12/2006	15135	J&C Services	5/5,19 office cleaning	2200 · ACCO...	-250.00
6/12/2006	15136	Jan Abel	5/22/06 Reg mtg-5/30/06 Spec mtg	2200 · ACCO...	-273.80
6/12/2006	15137	Lee F. Bettencourt	5/30/06 Spec mtg	2200 · ACCO...	-153.24
6/12/2006	15138	MarBorg Industries		2200 · ACCO...	-212.92
6/12/2006	15139	Matt Loudon	5/22/06 Reg mtg-5/8/06 Fin mtg	2200 · ACCO...	-306.47
6/12/2006	15140	McCormix Corp.	Diesel fuel	2200 · ACCO...	-167.10
6/12/2006	15141	McMaster-Carr Supply Co.		2200 · ACCO...	-54.43
6/12/2006	15142	Milpas Rental	Hammer/bit rental	2200 · ACCO...	-72.14
6/12/2006	15143	Nargan Fire & Safety, Inc.	50' double jacket hose	2200 · ACCO...	-199.34
6/12/2006	15144	Nextel Communications	Cellular 4/19-5/18/06	2200 · ACCO...	-317.53
6/12/2006	15145	Nordman, Cormany, Hair & ...	Gen Counsel Apr services	2200 · ACCO...	-3,302.00
6/12/2006	15146	Orchard Supply Hardware	Rebar for slab	2200 · ACCO...	-29.52
6/12/2006	15147	Pacific Materials Laboratory	Lauro Res drill boring/engineering P...	2200 · ACCO...	-4,175.00
6/12/2006	15148	Paychex, Inc.	5/5,19 & 6/2/06 payrolls/taxes	2200 · ACCO...	-328.24
6/12/2006	15149	PG&E		2200 · ACCO...	-187.00
6/12/2006	15150	Platinum Plus For Business		2200 · ACCO...	-1,835.87
6/12/2006	15151	Praxair Distribution	Cylinder rental	2200 · ACCO...	-33.40
6/12/2006	15152	Quinn Company	Generator repair	2200 · ACCO...	-973.63
6/12/2006	15153	Republic Elevator	Scheduled mtce	2200 · ACCO...	-208.33
6/12/2006	15154	Robert Lieberknecht	5/22/06 Reg mtg-5/30/06 Spec mtg	2200 · ACCO...	-281.11
6/12/2006	15155	Santa Barbara Sand & Top ...		2200 · ACCO...	-1,047.47
6/12/2006	15156	Secorp Industries	Quantitative fit test training	2200 · ACCO...	-241.50
6/12/2006	15157	Sound Billing LLC		2200 · ACCO...	-120.67
6/12/2006	15158	Southern California Edison	Main ofc/outying stations	2200 · ACCO...	-810.17
6/12/2006	15159	Southwest Services	Calibration-Lauro&Ortega inflow/revi...	2200 · ACCO...	-483.61
6/12/2006	15160	Specialty Tool, LTD	Soluble oil	2200 · ACCO...	-23.61
6/12/2006	15161	Staples Credit Plan	Ofc supplies	2200 · ACCO...	-256.71
6/12/2006	15162	State Compensation Insuran...	Payroll report-May 2006	2200 · ACCO...	-5,279.21
6/12/2006	15163	The Gas Company	Gas-main office	2200 · ACCO...	-13.41

comb2
Payment of Claims
 As of June 30, 2006

Date	Num	Name	Memo	Split	Amount
6/12/2006	15164	The Wharf		2200 · ACCO...	-257.07
6/12/2006	15165	Underground Service Alert	87 new tickets	2200 · ACCO...	-139.20
6/12/2006	15166	UPS	Lending library returns-BG	2200 · ACCO...	-12.30
6/12/2006	15167	Verizon Wireless	Cellular	2200 · ACCO...	-175.37
6/13/2006	15168	ACWA/JPIA		2200 · ACCO...	-300.00
6/13/2006	15169	Caterpillar Financial Service...	Backhoe lease Contract #001-02586...	2200 · ACCO...	-1,294.06
6/13/2006	15170	CIO Solutions, Inc.	Support work	2200 · ACCO...	-978.75
6/13/2006	15171	Fleet Fueling	Fuel/fuel cards	2200 · ACCO...	-3,428.61
6/13/2006	15172	Lash Construction, Inc.		2200 · ACCO...	-987.47
6/13/2006	15173	Lewis & Lewis Ent.	Waterproof paper	2200 · ACCO...	-64.66
6/13/2006	15174	McMaster-Carr Supply Co.		2200 · ACCO...	-1,003.05
6/13/2006	15175	Nordman, Cormany, Hair & ...		2200 · ACCO...	-2,300.00
6/13/2006	15176	Onset Computer Corporation		2200 · ACCO...	-881.00
6/13/2006	15177	Prudential Overall Supply		2200 · ACCO...	-284.64
6/13/2006	15178	Republic Elevator	Elevator repair-wiring short	2200 · ACCO...	-514.80
6/13/2006	15179	RLA Geosystems	Geoxh Standalone/terrasync/antenn...	2200 · ACCO...	-10,575.00
6/13/2006	15180	Southern California Edison	Glen Anne gate	2200 · ACCO...	-16.63
6/13/2006	15181	Verizon California		2200 · ACCO...	-422.51
6/13/2006	15182	Western Farm Service, Inc.	Gloves/nozzle	2200 · ACCO...	-20.20
6/14/2006	15183	Verizon California	SCADA	2200 · ACCO...	-515.79
6/16/2006	15184	Home Depot Credit Services	BG-5 year longevity gift certificate	2200 · ACCO...	-25.00
6/16/2006	15185	Home Depot Credit Services	FB-10 year longevity gift certificate	2200 · ACCO...	-50.00
6/20/2006	15186	Cox Communications	Business Internet 6/18-7/17/06	2200 · ACCO...	-199.00
6/20/2006	15187	Interactive Planning and Ma...	Facilitator services 5/11-6/9/06	2200 · ACCO...	-6,270.00
6/20/2006	15188	The Gas Company	Gas-main office	2200 · ACCO...	-2.26
6/26/2006	15189	Acom Landscape Managem...	Monthly mtce	2200 · ACCO...	-239.70
6/26/2006	15190	Best, Best & Krieger, LLP	Crawford-Hall CEQA May 2006	2200 · ACCO...	-2,940.36
6/26/2006	15191	Cedant Web Hosting	Parked domain 5/24-6/23/06 Reg#2...	2200 · ACCO...	-4.99
6/26/2006	15192	CIO Solutions, Inc.	GPS work	2200 · ACCO...	-1,957.50
6/26/2006	15193	Federal Express	CCRB Mailings	2200 · ACCO...	-103.50
6/26/2006	15194	Flowers & Associates, Inc.	May chrgs Lauro Res debris basin P...	2200 · ACCO...	-149.75
6/26/2006	15195	Halsell Builders, Inc.	Draw 3 start framing PO#05-06-32	2200 · ACCO...	-18,250.00
6/26/2006	15196	MarBorg Industries		2200 · ACCO...	-163.04
6/26/2006	15197	MNS Engineers, Inc.	Lauro Res-topo mapping 4/26-5/15/...	2200 · ACCO...	-4,445.00
6/26/2006	15198	Platinum Plus For Business		2200 · ACCO...	-4,767.78
6/26/2006	15199	Robert Dunlap	Reimb-meals/rental car (GPS works...	2200 · ACCO...	-326.23
6/26/2006	15200	Santa Barbara Bank&Trust	8th qtrly pymt princ & int #8 of 16	2200 · ACCO...	-14,965.26
6/26/2006	15201	Scott Selleck	Reimb-steel toe boots	2200 · ACCO...	-140.08
6/26/2006	15202	SPH Associates	Bud Girard services Jan -Jun 2006	2200 · ACCO...	-600.00
6/26/2006	15203	UPS	Lending library returns-BG/Staff	2200 · ACCO...	-11.68
6/27/2006	15204	BEC Electric Contractors		2200 · ACCO...	-6,796.28
6/27/2006	15205	Nextel Communications	Cellular 5/19-6/18/06	2200 · ACCO...	-333.62
Total 1050 · GENERAL FUND					-340,223.24
TOTAL					-340,223.24

CACHUMA OPERATION AND MAINTENANCE BOARD
WATER STORAGE REPORT

MONTH: **June 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	348.00 Feet
Water in Storage	94.74 Acre Feet

LAURO RESERVOIR

Capacity at 549' elevation:	600 Acre Feet
Capacity at sill of intake at 512' elevation:	84.39 Acre Feet
Stage of Reservoir Elevation	544.60 Feet
Water in Storage	502.08 Acre Feet

ORTEGA RESERVOIR

Capacity at 460' elevation:	65 Acre Feet
Capacity at outlet at elevation 440':	0 Acre Feet
Stage of Reservoir Elevation	450.10 Feet
Water in Storage	29.63 Acre Feet

CARPINTERIA RESERVOIR

Capacity at 384' elevation:	45 Acre Feet
Capacity at outlet elevation 362':	0 Acre Feet
Stage of Reservoir Elevation	379.60 Feet
Water in Storage	34.09 Acre Feet

TOTAL STORAGE IN RESERVOIRS

Change in Storage	565.80 Acre Feet
	57.39 Acre Feet

CACHUMA RESERVOIR

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

Stage of Reservoir Elevation	752.2 Feet
Water in Storage	194,804 AF
Area	3,106
Evaporation	1,829.6 AF
Inflow	2,617.9 AF
Downstream Release WR8918	0 AF
Fish Release	605.0 AF
Spill/Seismic Release	0 AF
State Project Water	60 AF
Change in Storage	-2,593 AF
Tecolote Diversion	2,526.3 AF

Rainfall: Month: 0 Season: 24.52 Percent of Normal ~~11~~ 8% 4

05-06 ENTITLEMENT

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

(All in rounded Acre Feet)

			MONTH TOTAL			YTD TOTAL
WATER PRODUCTION:						
Cachuma Lake (Tec. Diversion)			2,526			15,526
Tecolote Tunnel Infiltration			191			1,656
Glen Anne Reservoir			0			0
Cachuma Lake (County Park)			7			46
State Water Diversion Credit			60			632
Gibraltar Diversion Credit			0			0
Bishop Ranch Diversion			0			0
Meter Reads			2,394			15,794
So. Coast Storage gain/(loss)			57			11
Total Production			2,724			17,229
Total Deliveries			2,512			16,437
Unaccounted-for			213			792
% Unaccounted-for			7.80%			4.60%
	GWD	SB CITY	MWD	CVWD	SYRWCD	TOTAL
WATER USE:						
					I.D. #1	
M&I	880	485	329	126	7	1,828
Agricultural	389	0	51	126	0	567
TOTAL FOR MONTH	1,269	485	380	252	7	2,394
Same Mo/prev. yr	1,214	1,206	409	385	8	3,222
M&I Yr to date	5,477	4,048	1,640	844	47	12,057
Ag. Yr to date	2,420	0	434	770	0	3,625
TOTAL YTD	7,897	4,048	2,074	1,615	47	15,681
USAGE % YTD	49.7%	34.3%	51.0%	37.6%	3.3%	41.6%
Previous Year/YTD	7,473	6,895	1,390	2,080	35	17,873
Evaporation	0	0	0	0	0	0
Evaporation, YTD	60	115	8	21	7	211
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 Balances Spilled YTD	0	(2,886)	0	(264)	(253)	(3,403)
Surplus^^	1,519	675	306	159	6	2,665
State Water Exchange^	330	304	252	170	(1,056)	0
Transfers*/Adjustment***	0	0	0	0	0	0
Passthrough H2O**	0	(42)	0	0	0	(42)
TOTAL AVAILABLE	16,002	12,128	4,083	4,347	1,644	38,204
REMAINING BALANCE	8,045	7,965	2,001	2,711	1,590	22,312

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

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

GWD 0 AF (Morehart 0 AF); City of S.B. 0 AF; and LaCumbre 60 AF; (Ratheon 0 AF).

^ Per SWP Exchange Agrmt GWD received 104 AF; MWD received 104;

City of SB received 156 AF; and CVWD received 69 AF from ID#1 in June 2006.

PERCENT OF WATER YEAR ELAPSED:

75.0%

ITEM # 4
PAGE 2

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

MONTH	DELVRD TO LAKE	Delvd CVWD		Delvd MWD		Delvd S.B.		Delvd GWD		Delvd LCMWC		Delvd RSYS		Delvd MLC	
		to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC
2005															
Bal. Fwvd		0	0	0	0	0	0	0	0	0	0	0	0	0	0
January	45	0	0	12	0	12	0	32	0	0	76	0	0	0	0
February	0	0	0	0	0	0	0	-32	50	3	-76	20	0	0	0
March	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
May	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
July	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
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	185	0	0	0	0	0	0	0	0	131	95	36	20	34	0
December	276	0	0	0	0	0	0	0	0	196	0	196	30	50	0
Total	506	0	0	12	0	12	0	18	0	330	95	252	50	84	0

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

MONTH	DELVRD TO LAKE	Delvd CVWD		Delvd MWD		Delvd S.B.		Delvd GWD		Delvd LCMWC		Delvd RSYS		Delvd MLC	
		to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC	to Lake	to SC
2006															
Bal. Fwvd		0	0	0	0	0	0	0	0	0	0	0	0	0	0
January	0	0	0	0	0	0	0	0	0	0	-95	95	0	0	0
February	111	0	0	0	0	0	0	0	0	111	0	111	0	0	0
March	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
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	60	0	0	0	0	0	0	0	0	60	0	60	0	0	0
July	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
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	171	0	0	0	0	0	0	0	0	171	0	266	0	0	0

Operations Report – June 2006

Cachuma Project water usage for the month of June 2006 was 2,394 acre-feet, compared with 3,222 acre-feet for the same period in 2005. Cachuma Project water use for the 12 months ending 30 June 2006 was 24,181 acre-feet, compared with 23,788 acre-feet for the 12 months ending 30 June 2006

The average flow from Lake Cachuma into the Tecolote Tunnel was 87 acre-feet per day. Lake elevation was 753.00 feet at the beginning of the month and 752.20 feet at the end. Recorded rainfall at Bradbury Dam was 0.00 inches for the month and 24.52 inches for the rainfall season, which commenced on July 1, 2005. Rainfall for the season is 118% of normal.

Santa Barbara wheeled 719 acre-feet of Gibraltar water through Lauro Reservoir during the month. 60 acre-feet of State Water Project water was wheeled through Cachuma Project facilities and delivered to South Coast Member Units during the month.

Rehabilitation of the Corona Del Mar Turnout Vault continued this month. The installation of all three slide-gate operators was completed. The electrical operators will be installed in future months. The site electrical and SCADA is in process of being installed and will be completed in August.

The cleaning and filling of Ortega Reservoir was completed this month. The cleaning went as planned and was completed on schedule. The reservoir was disinfected, filled and put back in service on June 12. Toe drain readings have been collected daily to determine if increased leakage is occurring. The toe drain flows have increased but are within acceptable limits. The reservoir is operating as planned with no water quality issues. Temporary level sensors were installed for operations and all other SCADA sensors and equipment are operating properly. The last step for the Ortega Reservoir Cover Project is the installation of the cover. The reservoir will most likely be taken out of service for the winter for construction activities and water quality.

Miscellaneous work completed this month includes:

- Tours of facilities for Interim General Manager
- Lauro Debris Basin Dewatering
- Annual Staff Appreciation Lunch
- PAPA Training – Pesticide Applicator Professional Association required training hours
- Blow-off Riser Piping Replacement Planning
- Operation Shop Remodel
- GPS Training

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

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: July 24, 2006
TO: Members of the Board of Directors
FROM: Kate Rees, Interim General Manager
RE: Annual Reorganization of the Board

Recommendation:

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

Discussion:

At the July 24, 2006 regular meeting, the Board must conduct as an item of business the annual election of new officers and appointment of executives to serve the Board.

1. Nominations for President
2. Nominations for Vice President

The custom for more than 30 years has been for the positions of President and Vice President to rotate among each of the Member Units in turn, with the previous year's Vice President, if he/she accepts the nomination, elected to serve as President. Occasionally the rotation has no been followed, usually if the previous year's Vice President has declined the nomination to serve as President. During these occasions, the Board has opted to elect a new President or to elect the previous year's President to serve another one-year term.

However, in September of last year, the COMB Board voted to eliminate the automatic rotation of officers, thereby ending the policy that Board members automatically rotate into the President and Vice President positions each year. Consequently, the Board has the discretion to set the policy it will follow for election of officers per the Restated JPA for COMB (see 9/26/05 Board memo attached).

It is recommended that the Board take nominations for President and Vice President and elect two of its members to fill these positions. It is further recommended that the officers elected assume their responsibilities as of the adjournment of the July 24, 2006 Board meeting.

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

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

4. Appointment of ACWA/JPIA Representative and Alternate

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

5. Appointment of General Counsel

The firm of Nordman, Cormany, Hair & Compton, with William H. Hair now serving as primary contact, was retained as General Counsel at the February 22, 1999 Board meeting. A letter agreement dated May 4, 2000 formalized the continuance of the firm's retention and was signed by the President of the Board on May 22, 2000. Retention of the firm is for an unspecified time period. In the opinion of staff, the firm's performance to date has continued to be very satisfactory. *It is recommended that the Board affirm that the appointment of Nordman, Cormany, Hair and Compton as General Counsel shall continue, and that the retention agreement shall be reviewed at least annually in conjunction with the reorganization of the Board in July of each year hereafter.*

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

The COMB Board meetings are currently held on the fourth Monday of the month, immediately following the CCRB Board meetings which begin at 2:00 P.M. at the COMB office. It is recommended that the meetings be held at the same time, place, and location as present, or at the call of the President.

w/attachment

KR.COMB/board memos/072406_annual reorg.mmo

ITEM # 5
PAGE 2

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

Date: July 24, 2006
To: Members of the Board of Directors
From: Kate Rees, Interim General Manager
Re: Resolutions Nos. 441-449

Recommendation:

It is recommended that the Board of Directors adopt Resolutions Nos. 441 through 449 as a group, by a roll call vote.

Discussion:

In July of each year, the Board holds its annual organizational meeting. With a change in Officers of the Board, several housekeeping items are required and accomplished by means of this set of resolutions, e.g. to authorize signatories on various COMB bank accounts. The resolutions presented for your consideration are identical to those of the previous year, and supercede those resolutions where noted.

KR.COMB\072406_annua res Nos 441-449.mmo

ITEM # 6
PAGE 1

RESOLUTION NO. 441

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

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

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

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

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

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

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

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

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

The Secretary's Annual Statement of Investment Policy dated July 24, 2006 attached hereto as Exhibit A, is hereby approved and adopted.

PASSED, APPROVED AND ADOPTED this 24th day of July 2006, by the following roll call vote:

AYES:

NAYES:

ABSENT/ABSTAIN:

President of the Board of Directors

ATTEST: _____
Secretary

ITEM # 6a
PAGE 1

TO: Board of Directors
FROM: Kathleen A. Rees, Secretary
DATE: July 24, 2006
RE: SECRETARY'S ANNUAL STATEMENT OF INVESTMENT POLICY

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

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

mm/comb/resolutions/exhA441.doc

RESOLUTION NO. 442

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

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

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

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

1. _____
President, Board of Directors

2. _____
Vice-President, Board of Directors

3. _____
General Manager/Secretary

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

This resolution supersedes Resolution No. 434 dated February 27, 2006, and all resolutions preceding it pertaining to said Agreement.

PASSED, APPROVED AND ADOPTED this 24th day of July 2006, by the Cachuma Operation and Maintenance Board by the following roll call vote:

AYES:

NAYS:

ABSENT/ABSTAIN:

President, Board of Directors

ATTEST:

Secretary

ITEM # 66
PAGE 1

RESOLUTION NO. 443

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

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

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

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

President of the Board of Directors

Vice-President of the Board of Directors

General Manager/Secretary

This resolution supersedes Resolution No. 435 dated February 27, 2006 and all resolutions preceding it pertaining to authorized signatories for said account.

PASSED, APPROVED, AND ADOPTED this 24th day of July 2006, by the following vote:

AYES:

NAYES:

ABSENT/ABSTAIN:

ATTEST:

President of the Board

Secretary

ITEM # 6c
PAGE 1

RESOLUTION NO. 444

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

RECITALS

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

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

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

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

Table with 3 columns: (NAME), (TITLE), SIGNATURE. Rows for President, Vice President, and Gen.Mgr./Secretary.

PASSED AND ADOPTED, by the Board of Directors of COMB, County of Santa Barbara State of California on July 24, 2006, by the following vote:

AYES:
NAYES:
ABSENT/ABSTAIN:

APPROVED:

[SEAL]

President of the Board

ATTEST:

Secretary of the Board

RESOLUTION NO. 445

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

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

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

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

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

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

This resolution supersedes Resolution No. 424 dated July 25, 2005, and all resolutions preceding it pertaining to establishing policy for staff to sign checks for payment of claims.

PASSED, APPROVED AND ADOPTED this 24th day of July 2006, by the following vote:

AYES:
NAYES:
ABSENT/ABSTAIN:

President of the Board

ATTEST:

Secretary

RESOLUTION NO. 446

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

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

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

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

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Cachuma Operation and Maintenance Board that the following persons are authorized signatories on said account subject to those conditions as specified in Resolution No. 437 adopted by this Board on February 27, 2006.

President of the Board

Vice-President of the Board

Director

Director

Director

General Manager/Secretary

Administrative Manager

PASSED, APPROVED AND ADOPTED this 24th day of July 2006, by the following vote:

AYES:

NAYES:

ABSENT/ABSTAIN:

ATTEST:

President of the Board

Secretary

RESOLUTION NO. 447

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

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

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

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

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

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

This Resolution supersedes Resolution No. 426 dated July 25, 2005, and all resolutions preceding it pertaining to establishing policy for signing checks drawn on the Cachuma Project Trust Fund and Renewal Fund accounts.

PASSED, APPROVED AND ADOPTED this 24th day of July 2006, by the following vote:

AYES:

NAYES:

ABSENT/ABSTAIN:

President of the Board

ATTEST:

Secretary

ITEM # 69
PAGE 1

RESOLUTION NO. 448

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

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

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

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

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

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Cachuma Operation and Maintenance Board that the following persons are authorized signatories on said account subject to those conditions as specified in Resolution No. 438 adopted by this Board on February 27, 2006.

President of the Board

Vice-President of the Board

Director

Director

Director

General Manager/Secretary

Administrative Manager

PASSED, APPROVED AND ADOPTED this 24th day of July 2006, by the following vote:

AYES:

NAYES:

ABSENT/ABSTAIN:

ATTEST:

President of the Board

Secretary

RESOLUTION NO. 449

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

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

BE IT FURTHER RESOLVED that the regular meetings of this Board shall be held each fourth Monday of the month, immediately following the Cachuma Conservation Release Board meeting, which starts at 2:00 p.m., at the above address.

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

BE IT FURTHER RESOLVED that this Resolution supersedes Resolution No. 428 dated July 25, 2005 and all resolutions preceding it pertaining to establishing a time and place for COMB Board of Directors' meetings.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Cachuma Operation and Maintenance Board, State of California, on the 24th day of July 2006, by the following roll call vote:

AYES:

NAYES:

ABSENT/ABSTAIN:

President of the Board

ATTEST:

Secretary

ITEM # 6E
PAGE 1

**CACHUMA OPERATION AND MAINTENANCE BOARD
MEMORANDUM**

DATE: July 24, 2006

TO: Board of Directors

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

RE: **Appointment of auditor to Prepare Financial Statements and
Independent Auditor's Report for FYE June 30, 2006.**

RECOMMENDATION:

It is recommended that COMB engage Bartlett Pringle Wolf, LLP to perform the FYE 6/30/2006 audits for both COMB and CCRB.

DISCUSSION:

MacFarlane, Faletti & Co. is no longer performing special district financial audits. Consequently, staff surveyed the Member Units to get contact information for accounting firms which are or have been providing outside auditing services to them. Three firms were identified, contacted and requested to submit proposals to serve as COMB's outside auditor for fiscal year 2005-2006. The firms were advised that their proposals should include the cost of auditing CCRB as well. Subsequently, COMB's former auditor for many years, Gary Smith, also inquired about submitting a proposal. Mr. Smith has provided consulting services for COMB in the past and it is recommended that COMB retain him in that capacity.

The responses received are as follows:

Bartlett Pringle Wolf, LLP	(Not to Exceed)	\$ 17,500.00
Poindexter and Company		\$ 22,650.00
Gary Smith, CPA		\$ 10,500.00
Moss Levy Hartzheim		Declined submitting proposal due to auditing time constraints

**CACHUMA OPERATION AND MAINTENANCE BOARD
MEMORANDUM**

DATE: July 24, 2006

TO: Board of Directors

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

RE: **Reconciliation of Member Unit Melded Water Rate Calculation for Orders vs. Deliveries**

Recommendation:

Staff seeks direction regarding reconciliation of Cachuma water accounting prior to 2005 water year.

Discussion:

At the June 26, 2006 Board meeting, the Board requested that future water orders be reconciled with actual water deliveries at the end of the water year and reported to the Bureau of Reclamation (Reclamation). Reclamation has also requested that this be done. An analysis of the Cachuma melded rate payment calculations for a 5-year period between 2001 and 2005 for Irrigation and M&I water for each Member Unit comparing the payment for water ordered to what would have been charged for actual irrigation and M&I water delivered was also presented. The result of that analysis showed that the City of Santa Barbara and ID #1 were basically whole, but that CVWD had overpaid whereas, GWD and MWD had underpaid during that period.

The Board was asked to consider the following options: 1) Do no reconciliation for past water years; 2) reconcile the amount of water ordered vs actual deliveries for the past five years and apply a credit or debit for adjustments to future water payments; or 3) reconcile the amount of water ordered vs actual deliveries back to 1995 – year of the Cachuma Master Contract Renewal - and apply a credit or debit for adjustments to future water payments. The Directors decided to present this issue to their individual Boards for input.

Staff has received further information from Reclamation staff. Their Finance Department has decided that an evaluation of water orders vs actual deliveries for irrigation and M&I is needed from the time the Renewal Master Contract took effect through the 2005 WY, in order to determine if adjustments need to be made to the Cachuma water rates. This is necessary for any audit of Cachuma water rates that may occur in future to make sure

ITEM # 8
PAGE 1

Reclamation is billing the Cachuma Member Units accurately. In order to do that, actual deliveries need to be reported to Reclamation from 1997 through 2005 for each of the Member Units. Staff is in contact with the Member Units to accumulate this information. If Reclamation determines that the rates were originally close enough based on water orders to what they would have been based on actual deliveries, no adjustments will be made. However, if there are substantial differences, Reclamation will need to recalculate the water rates and reconcile payments or credits to the Member Units accordingly.

The managers will be discussing this item at a meeting on July 20, 2006. The outcome of that discussion will be reported at the Board meeting. Currently, staff seeks direction regarding reconciling water accounting adjustments prior to 2005 internally among the Member Units based on their individual Board's direction.

Attachment

KR.COMB/admin/board memos/072406_melded rate adj.mmo

ITEM # 8
PAGE 2

COMB Member Unit Melded Water Rate Calculation
 Orders vs. Actual Sales
 Water Years 2001 - 2005

2001	Paid Based on Water Orders	If Paid Based on Actual AG Sales	Overpaid / Underpaid
Goleta	566,373.69	568,884.62	(2,510.93)
SB City	516,730.40	515,230.53	1,499.87
Montecito	161,893.34	163,208.86	(1,315.52)
Carpinteria	168,278.81	165,650.01	2,628.80
ID#1	52,741.64	53,043.86	(302.22)
Total	1,466,017.88	1,466,017.88	0.00

2002			
Goleta	567,088.39	568,494.77	(1,406.38)
SB City	516,165.58	516,836.62	(671.05)
Montecito	162,026.26	163,296.66	(1,270.40)
Carpinteria	168,804.27	165,379.46	3,424.81
ID#1	53,022.81	53,099.79	(76.98)
Total	1,467,107.31	1,467,107.31	0.00

2003			
Goleta	564,675.10	566,783.38	(2,108.28)
SB City	512,872.84	512,413.69	459.15
Montecito	161,272.45	162,115.11	(842.65)
Carpinteria	168,289.55	165,860.92	2,428.63
ID#1	53,448.25	53,385.10	63.15
Total	1,460,558.19	1,460,558.19	0.00

2004			
Goleta	567,190.94	568,050.16	(859.23)
SB City	513,967.06	516,301.65	(2,334.59)
Montecito	161,921.14	162,933.07	(1,011.93)
Carpinteria	169,260.57	165,814.16	3,446.41
ID#1	53,513.77	52,754.43	759.34
Total	1,465,853.46	1,465,853.46	0.00

2005			
Goleta	502,205.00	503,608.87	(1,403.86)
SB City	452,649.35	452,026.47	622.88
Montecito	143,226.49	143,829.98	(603.49)
Carpinteria	150,276.76	148,962.85	1,313.91
ID#1	44,755.65	44,685.08	70.57
Total	1,293,113.24	1,293,113.24	0.00

Totals			
Goleta			(8,288.69)
SB City			(423.74)
Montecito			(5,044.00)
Carpinteria			13,242.57
ID#1			513.85
Total			0.00



Carpinteria Valley Water District

1301 Santa Ynez Avenue • P.O. Box 578 • Carpinteria, CA 93014
Phone (805) 684-2816 • Fax (805) 684-3170

June 29, 2006

Matt Loudon, President
Cachuma Operation & Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, CA 93105-2017

BOARD OF DIRECTORS

Frederick Lemere
President
June Van Wingerden
Vice President
Robert R. Lieberknecht
Matthew T. Roberts
James W. Drain

GENERAL MANAGER

Charles B. Hamilton

Dear Mr. Loudon,

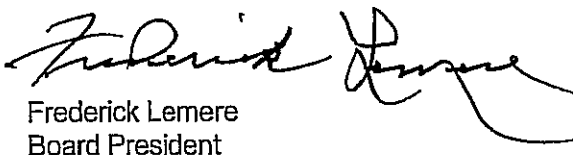
Please be advised that the Board of Directors of Carpinteria Valley Water District at their June 28, 2006 Board meeting received a report from COMB Alternate Director June Van Wingerden about the findings presented to the COMB Board on June 26, 2006 related to the request by Director Das Williams about a possible financial impact of the melded Cachuma water rate accounting to the City of Santa Barbara.

Director Van Wingerden reported that the information presented at the meeting showed about a \$400 benefit favorable to the City of Santa Barbara over the five water years reviewed, 2001 through 2005, but that Carpinteria Valley Water District has overpaid by about \$13,200. Furthermore, Goleta Water District benefited by just over \$8,200, Montecito Water District by just over \$5,000, while ID#1 overpaid by just over \$500. Director Van Wingerden also reported that the COMB Board took action to redress the overpayment/underpayment problem beginning with the 2005 water year. No action was taken, however, relative to years prior to 2005 with the exception that all Cachuma member unit Directors be advised to discuss any further corrective action with their respective boards for their direction and subsequent consideration by the COMB Board.

Please be advised that Carpinteria Valley Water District's board has advised its COMB Director Bob Lieberknecht to request that the COMB board direct staff to review all the years in question since the melded water rate accounting began in water year 1996, and further, that COMB staff be directed to make whatever necessary adjustments in the form of future credits or debits that are determined necessary to correct any one agency's overpayment or underpayment for the years remaining in question.

The Board is appreciative of the inquiry that Director Williams made, and the subsequent COMB board action that has now been taken to ensure that no agency will either overpay or underpay their fair share of the Cachuma melded rate water costs in future years.

Sincerely,


Frederick Lemere
Board President

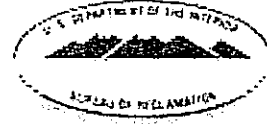
RECEIVED

JUL 03 2006

CACHUMA O&M BOARD

ITEM # 8
PAGE 4

DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
MP CONSTRUCTION OFFICE



BI-WEEKLY CONSTRUCTION UPDATE

(June 5th to June 16th 2006)

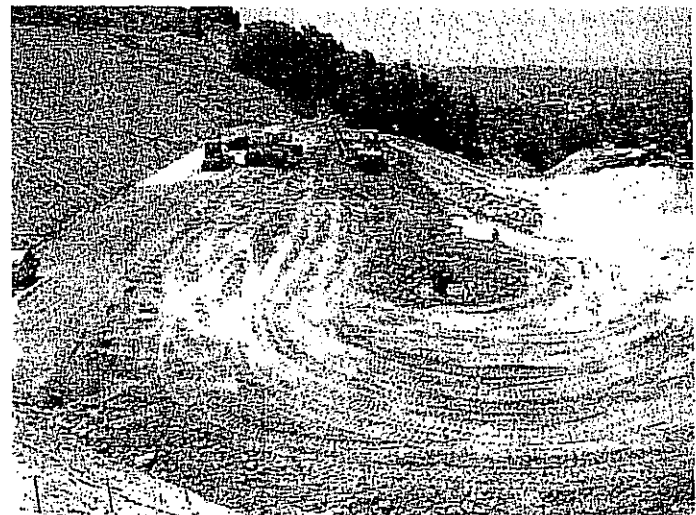


Lauro Dam Construction Project
Photo by: L. Campbell

Contractor A.J. Diani
Date: 6-6-06

View looking southeast, at the Contractor's filter/gravel chimney embankment construction work. Note: Fill elevation 510.

LAURO DAM CONSTRUCTION PROJECT
CACHUMA PROJECT
SPECIFICATION NO. 20-C0634
CONTRACT NO. 05SP203045



Lauro Dam Construction Project
Photo by: R. Garcia

Contractor A.J. Diani
Date: 6-15-06

View looking southeast, at the Contractor's filter/gravel chimney embankment construction work. Note: Fill elevation 521.

Work for the period covering:
June 5, 2006 to June 16, 2006

Construction Manager: Reynaldo E. Garcia
Construction Representative: Louis Campbell

Contractor: A.J. Diani Construction Co.

Subcontractors: Granite Construction Co.
Speeds Oil (Trucking)
Union Asphalt Inc. (Trucking)

Number of contractor employees on site this period: (13)

Weather: For this two-week reporting period the weather continued to be foggy and overcast in the morning hours, with clear skies and sunshine in the afternoon. High temperatures ranged from 68°F to 90°F and low temperatures ranged from 49°F to 62°F.

Safety: For the period the Contractor adhered to all RSFS regulations and held daily "Take 5" tool box safety meetings with the onsite crews. The Contractor's Safety Professional visited the site on a regular weekly basis and performed safety walkthrough inspections with BOR field personnel.

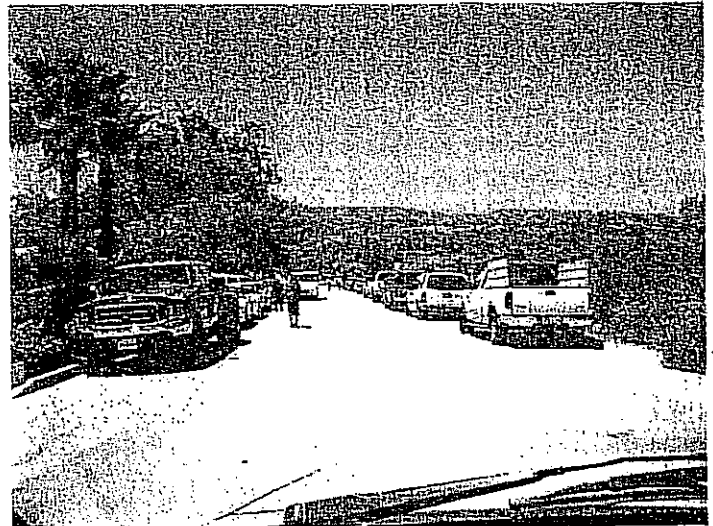
During this reporting period the Contractor elected not to haul materials on Tuesday June 13th. The decision by the Contractor not to haul on this date was due to a funeral service reception to be held for a local resident. The reception was held at the deceased home, located two residences west of the jobsite on San Roque Rd. The resident informed the Contractor's superintendent of the reception and anticipated a minimum of 100-cars attempting to park on San Roque. Due to the congestion and safety concerns on San Roque Rd. the Contractor elected to shut down the hauling operation for one day.

Work Performed;

Activity #C430 Grizzly Separation of Zone 3 Material (12-inch plus):

This two-week period the Contractor continued processing 12-inch plus sized rocks and boulders from the excavated Zone-3 materials to be used for future slope protection. The Contractor used the CAT 330B L excavator to sort thru the stockpiled materials while loading the articulated end dump trucks with the processed 12-inch minus materials which is being dumped, spread and compacted in the dam embankment as miscellaneous Zone-3. The Contractor using a CAT 950E front end loader to assist the excavator with sorting by loading and hauling the 12-inch plus materials (future slope-protection) to their designated stockpile on the north end of the stockpile area. The loader also continues to process materials thru the non-mechanical 12-inch Grizzly which is located at the far west end of the stockpile

area. The Read RD-90A 3-inch vibrating grizzly was not used this period as it was hauled offsite on Monday June 5th.



Lauro Dam Construction Project
Photo by: R.Garcia

Contractor A.J.Diani
Date: 6-13-06

Photo was taken just south of the Contractor's turnaround area for semi transfer trucks. Note: Visible congestion on San Roque..

Activity #C220A Downstream Slope Protection:

On Wednesday June 14th the Contractor began placing a 2-foot plus lift of slope protection on the downstream 2.5:1 slope between stations 4+50 and 6+00. The Contractor's CAT 950E front end loader is transporting screened 12-inch plus sized rocks from the Zone 3 processing stockpile to the new downstream face of the dam. After the slope protection has been dumped, the Contractor is using the CAT 330B excavator to re-position and dress up the slope protection.



Lauro Dam Construction Project
Photo by: R.Garcia

Contractor A.J.Diani
Date: 6-15-06

View of the Contractor using the CAT 330B excavator to dress up the downstream slope protection being placed perpendicular on the 2.5:1 downstream slope.

ITEM # 9
PAGE 2

Activity #C380 Aggregate Hauling & Stockpiling Onsite:

For the entire two-week period subcontractor Speeds Oil (Trucking) continued hauling **Zone-4** (sand filter) materials from Granite Construction's Gardner Aggregate Plant located in Buelton CA (One-way haul distance is approx. 55-miles). Full roundtrips which include loading at the plant, delivering to the Lauro Dam stockpile then back to the plant are averaging approx. 2-hours and 30-minutes. Subcontractor Speeds is hauling materials using transfer trucks, each carrying between 23 & 25 tons per load. Stockpiling excess materials onsite is not possible since the area in the stockpile area is very limited. The Contractor is dispatching the haul trucks to haul only the amount of material that they will be using daily and stockpiling only a small amount of excess materials onsite.

Zone 4 (Sand Filter)

Hauled from Granite, Buelton, CA. by Speeds Trucking

Date	Loads	Tons	Total Tons to Date
6/5/06	18	433.79	7,215.02
6/6/06	19	459.00	7,674.02
6/7/06	8	190.95	7,864.97
6/8/06	22	534.19	8,399.16
6/9/06	18	432.93	8,832.09
6/12/06	19	457.62	9,289.71
6/13/06			
6/14/06	19	459.34	9,749.05
6/15/06	21	505.76	10,254.81
6/16/06	16	387.86	10,642.67

For the entire two-week period subcontractor Union Asphalt Inc. continued hauling **Zone-5** (gravel drain) materials from Union Asphalt's Garey Rock & Asphalt plant, located 7-miles west of Santa Maria CA (One-way haul distance is approx. 95-miles). Full roundtrips which include loading at the plant, delivering to the Lauro Dam stockpile then back to the plant are averaging approx. 3-hours and 35-minutes. Subcontractor Union Asphalt is hauling materials using transfer trucks, each carrying between 24 & 26 tons per load. Similar to the Zone-4 (sand filter) materials the Contractor is only hauling and stockpiling onsite the amount of zone 5 materials that they will be using daily and stockpiling only a small amount of excess materials.

Zone 5 (Gravel Drain)

Hauled from Union Asphalt, Santa Maria, CA. by Union Asphalt

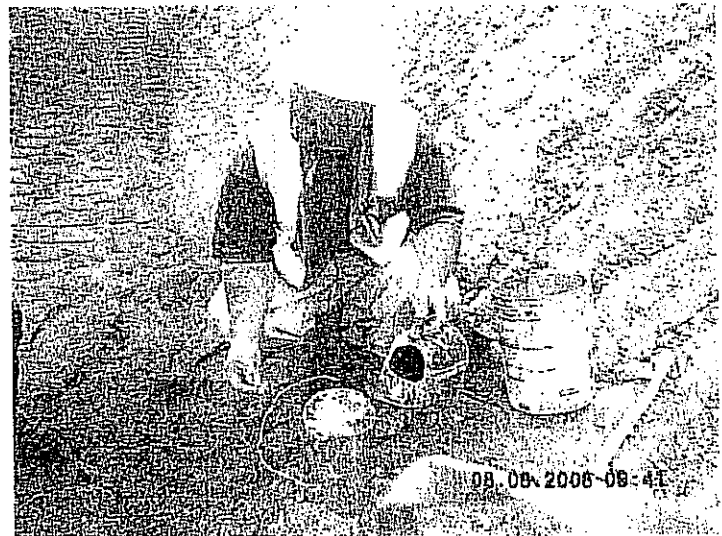
Date	Loads	Tons	Total Tons to Date
6/5/06	18	456.83	5,936.94
6/6/06	18	456.74	6,393.68
6/7/06			
6/8/06	20	503.32	6,897.00
6/9/06	18	459.37	7,356.37
6/12/06	18	459.53	7,815.90
6/13/06			
6/14/06	19	438.53	8,254.42
6/15/06	20	508.21	8,762.63
6/16/06	18	455.17	9,217.80

Activity #H010 Traffic Control:

During the past 2-week period the Contractor has continued to have two (2) laborers positioned on San Roque Rd. as flagmen during hauling hours. In addition to traffic signs placed on the west and east ends of San Roque Rd. each flagman is equipped with a "Slow/Stop" signs and two-way radios. One (1) flagman is positioned at the entrance to the transfer truck turnaround, which is located approximately 600-feet southwest of the jobsite entrance and the second flagman is located just east of the jobsite entrance haul road. All hauling is taking place between 0800 and 1600 hrs.

Activity #C440 Instrument Monitoring:

The Contractor's operator foreman, assisted by one (1) operator apprentice continued using a total station to survey and monitor the five (5) measurement points along dam centerline and observation well no 4. The crew also continued taking daily water level readings of PTP-201A, PTP-201B and observation well no. 4 (OW-4). During this 2-week period there have been no appreciable changes in measurements. Water level readings of observation well no. 4 (OW-4) ceased on Tuesday June 6th as the Contractor backfilled the pipe with bentonite grout.



Lauro Dam Construction Project
Photo by: L.Campbell

Contractor A.J.Diani
Date: 6-6-06

View looking at the Contractor's laborer as he backfills observation well (OW-4) using bentonite grout. Note: Top of pipe, elevation 510.91.

Activity # 170-Place Zone 4, elevation 508-523:

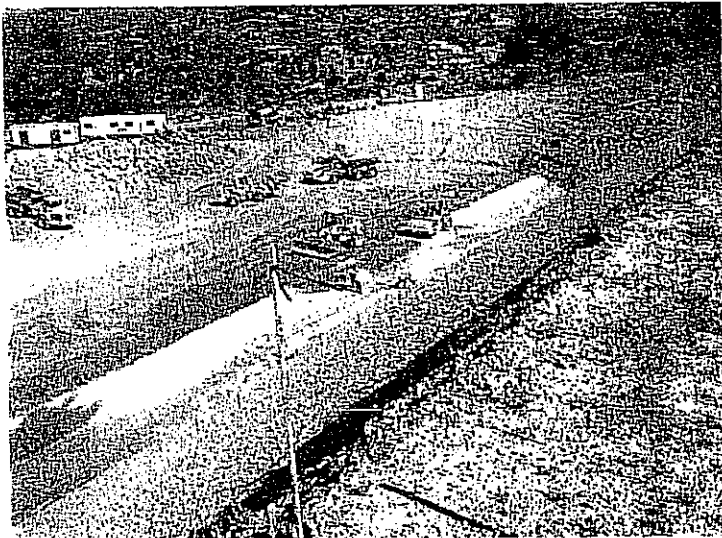
For the entire two-week period the Contractor continued placement of **Zone-4** (sand filter) materials for the 12-foot wide chimney section, beginning at elevation 508. The Contractor is using both the CAT 966F and CAT 950E loaders to transport Zone-4 materials from the onsite stockpile to the placement. The Contractor is then using a John Deere 450J (LGP) Low Ground Pressure dozer to spread the Zone-4 materials to approximately a 15-inch lift.

Once the Contractor completes spreading one full lift he then uses the CAT CS 563E single smooth drum, vibratory roller to compact the Zone-4 to a finished 1-foot lift using three (3) full passes with the vibratory roller. The Contractor has one (1) laborer using a 2-inch fire hose to moisten the in place Zone-1 prior to spreading Zone-4 materials over or against the excavated 1.5:1 upstream slope, along with thoroughly wetting the Zone-4 during spreading and prior to compaction.

By June 16th, the last day of this 2-week reporting period the Contractor completed placing a total of fifteen (15) 1-foot lifts of Zone-4 materials for the 12-foot wide chimney sand filter section between dam stations 3+88 and 6+82, between elevations 508 and 523. An estimated 1,880 cubic yards of Zone-4 material was placed this period.

Activity # 180 -Place Zone 5, elevation 508-523:

For the entire two-week period the Contractor continued placement of Zone-5 (gravel drain) materials for the 12-foot wide chimney section, beginning at elevation 508. The Contractor is using both the CAT 966F and CAT 950E loaders to transport Zone-5 materials from the onsite stockpile down to the placement. The Contractor is then using a John Deere 450J (LGP) Low Ground Pressure dozer to spread the Zone-5 materials to approximately a 13-inch lift. Once the Contractor completes spreading one full lift he then uses the CAT CS 563E single smooth drum, vibratory roller to compact the Zone-5 placed to a 1-foot lift using two (2) full passes. The Contractor has a laborer using a 2-inch fire hose to moisten the zone 5 during spreading and prior to compaction.



*Lauro Dam Construction Project
Photo by: R.Garcia*

*Contractor A.J.Diani
Date: 6-13-06*

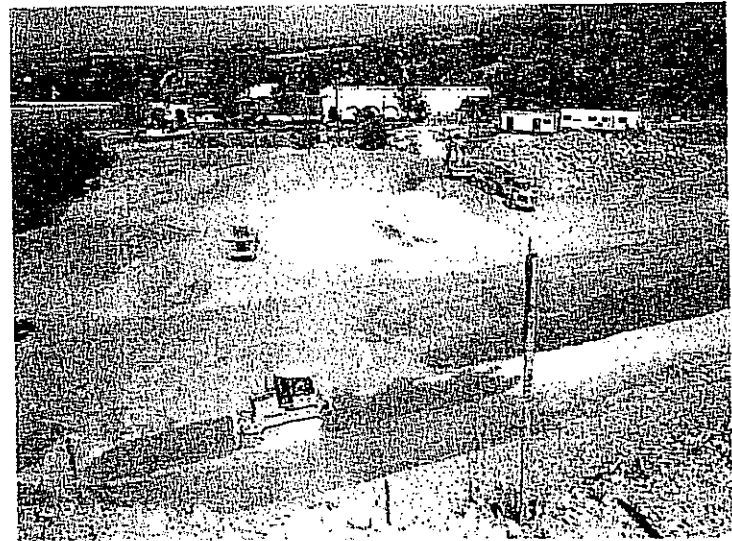
View looking north at the Contractors placement activity of sand, gravel and miscellaneous zone-3.

By June 16th, the last day of this 2-week reporting period the Contractor completed placing a total of fifteen (15) 1-foot lifts of Zone-5 materials for the 12-foot wide chimney gavel drain

section between dam stations 3+76 and 6+94, between elevation 508 and 523. An estimated 2,040 cubic yards of Zone-5 material was placed this period.

Activity # 190A Place Zone 3, elevation 507-522:

For the entire two-week period the Contractor continued placement of miscellaneous Zone-3 (12-inch minus) material downstream of the 24-foot wide filter/drain chimney. The Contractor is using a CAT 330B L excavator to load two (2) articulated end dump trucks with 12-inch minus materials being processed in the stockpile area. As the excavator is loading haul trucks, the operator is also sorting out 12-inch plus sized rocks for the CAT 950E loader to pick up and haul to the slope protection stockpile. The two (2) articulated end dump trucks are hauling and dumping the miscellaneous Zone-3 (12-inch minus) materials to the fill downstream of the filter/drain chimney. The Contractor is then using a CAT 815 sheepsfoot compactor to spread and compact the materials to a finished 1-foot lift, with a minimum of three full passes with the sheepsfoot compactor. The Zone-3 (12-inch minus) materials placed extend from the downstream toe of the 12-foot wide Zone-5 chimney section, to the shoulder of the new 2.5:1 downstream slope.



*Lauro Dam Construction Project
Photo by: R.Garcia*

*Contractor A.J.Diani
Date: 6-13-06*

View looking west, at the Contractors stockpile area. Note: Top right - CAT 330B excavator loading Volvo A35C articulated end dump truck with miscellaneous zone-3 (12-inch minus).

By June 16th, the last day of this 2-week reporting period the Contractor completed placing sixteen (16) 1-foot lifts of Zone-3 (12-inch minus) materials between dam station 3+7 and 6+94, between elevations 507 and 522. An estimated 8,600 cubic yards of Zone-3 (12-inch minus) was placed this period.

MPCO Materials Lab Testing:

MPCO materials lab is currently working out of the old Bradbury Dam lab trailer at Bradbury dam, providing lab

ITEM # 9

PAGE 4

support to the Lauro Dam construction project. Percent compaction along with material gradations are being performed by the MPCO materials technicians. Testing and sampling of the Zone-4, Zone-5 and Zone-3 materials continued throughout the period. Sand cone densities and gradations of the materials placed are being performed on a daily basis, averaging one (1) test in each material placed per shift. To date we have had only minor issues with gradations and percent compaction, which has been resolved and corrected by the Contractor as per the specifications to the field staffs satisfaction.

18-inch Fault Drain Pipe "Terminal Cleanout": This period the Contractor installed two (2) additional, 18-inch HDPE non-perforated, 20-foot vertical risers for the terminal cleanout located at fault drain station 0+00. The risers are being installed as the embankment fill rises. The first riser section was installed on June 5th and the second riser was installed on June 13th. The new 20-foot vertical riser sections were installed on a 1:1 slope between dam stations 4+35 and 4+15.

Miscellaneous:

- During every shift the Contractor had one (1) operator apprentice checking the fill grade using a laser level.
- One (1) laborer using a 2-inch fire hose performed satisfactory dust abatement throughout the site.
- Daily the Contractor had one (1) mechanic onsite as needed to perform repairs, service lube and fuel equipment.



Lauro Dam Construction Project

Photo by: R. Garcia

Contractor A.J. Diant

Date: 6-13-06

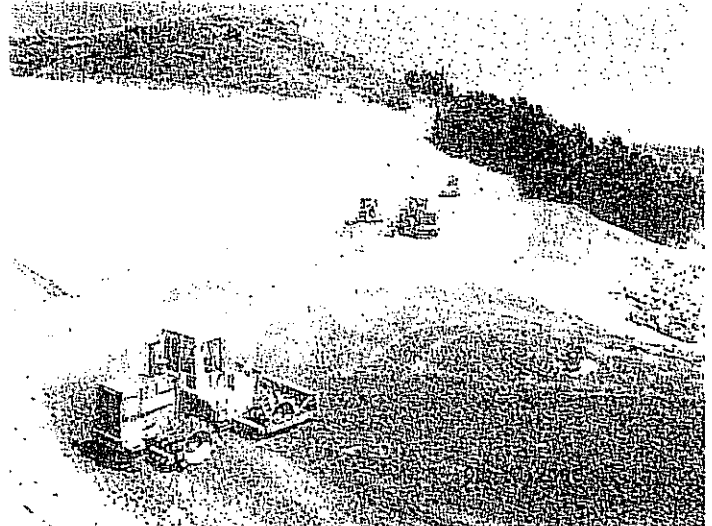
View looking east at the Contractors laborers installing a 20-foot section of 18-inch HDPE non-perforated pipe riser for the terminal cleanout.

DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
MP CONSTRUCTION OFFICE



BI-WEEKLY CONSTRUCTION UPDATE

(June 19th to June 30th 2006)

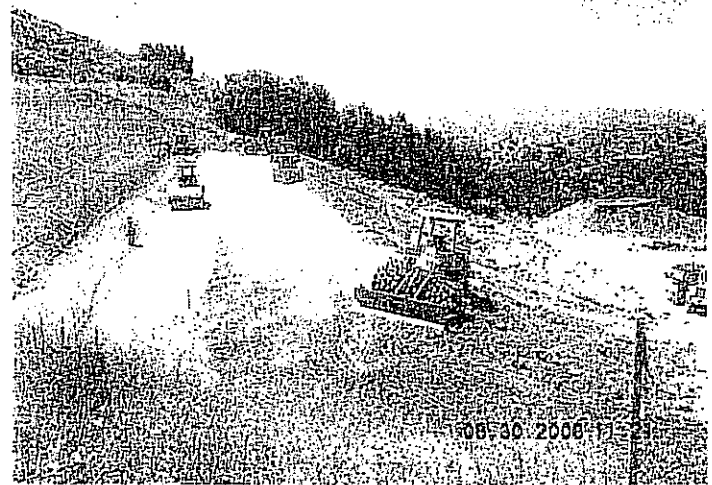


Lauro Dam Construction Project
Photo by: L. Campbell

Contractor A.J. Diani
Date: 6-19-06

View looking southeast, at the Contractor's filter/gravel chimney embankment construction. Note: Fill elevation 523.

LAURO DAM CONSTRUCTION PROJECT
CACHUMA PROJECT
SPECIFICATION NO. 20-C0634
CONTRACT NO. 05SP203045



Lauro Dam Construction Project
Photo by: L. Campbell

Contractor A.J. Diani
Date: 6-30-06

View looking southeast, at the Contractor's filter/gravel chimney embankment construction.. Note: Fill elevation 538.

Work for the period covering:
June 19, 2006 to June 30, 2006

Construction Manager: Reynaldo E. Garcia
Construction Representative: Louis Campbell

Contractor: A.J. Diani Construction Co.

Subcontractors: Granite Construction Co.
Penfield & Smith Surveyors
Speeds Oil (Trucking)
Union Asphalt Inc. (Trucking)

Number of employees on site this period: (14)

Weather: For this two-week reporting period the weather continued to be foggy and overcast in the morning hours, with clear skies and sunshine in the afternoon. High temperatures ranged between 66°F and 79°F and low temperatures ranged between 53°F and 58°F. On Friday June 30th a record high of 94°F was recorded in Santa Barbara.

Safety: This two-week period the Contractor adhered to all RSHS regulations and held daily "Take 5" tool box safety meetings with the onsite crews. The Contractor's Safety Professional visited the site on a regular weekly basis and performed safety walkthrough inspections with BOR field personnel. On June 22nd MPCO Safety Manager, Curtis Gonter was onsite for the monthly joint policy safety meeting. This period the Contractor performed a safety check and brake test on a CAT CS563C single, smooth drum vibratory compactor. This new roller compactor belongs to Granite construction and is replacing the rented CAT CS563C which was onsite previously.

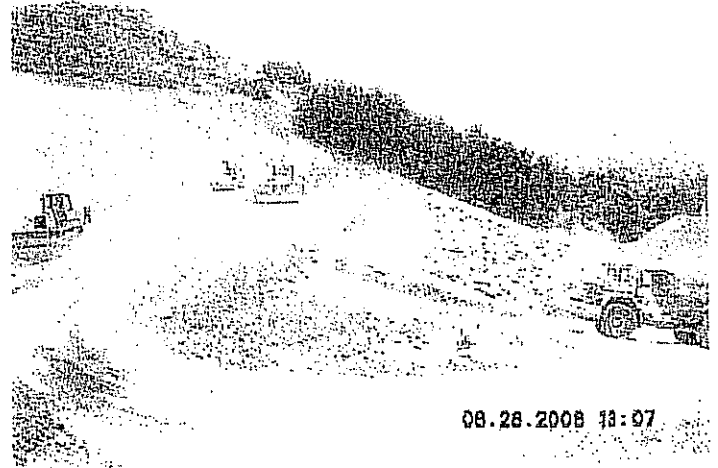
Work Performed;

Activity #C430 Grizzly Separation of Zone 3 Material (12-inch plus);

This two-week period the Contractor continued processing 12-inch plus sized rocks and boulders from the excavated Zone-3 materials to be used for future slope protection. The Contractor used the CAT 330B L excavator to sort thru the stockpiled materials while loading the articulated end dump trucks with processed 12-inch minus materials which, are being dumped, spread and compacted in the dam embankment as miscellaneous Zone-3 fill. The Contractor is using a CAT 950E front end loader to assist the excavator with sorting by loading and hauling the 12-inch plus materials (future slope-protection) to their designated stockpile on the north end of the stockpile area. The loader also continues to process materials thru the non-mechanical 12-inch Grizzly which is located at the far west end of the stockpile area.

Activity #C220A Downstream Slope Protection:

This two-week period the Contractor continued with placement of slope protection (2-foot thick) on the downstream 2.5:1 slope. The Contractor continues to use the CAT 950E loader to haul slope protection from the stockpile area to the 2.5:1 slope. The slope protection is then being individually handled and dressed up using the CAT 330B excavator. This activity is not priority and is only taking place during idle periods during the shift. This period the Contractor completed placing slope protection between dam stations 4+50 and 6+70, elevations 505 to 526.

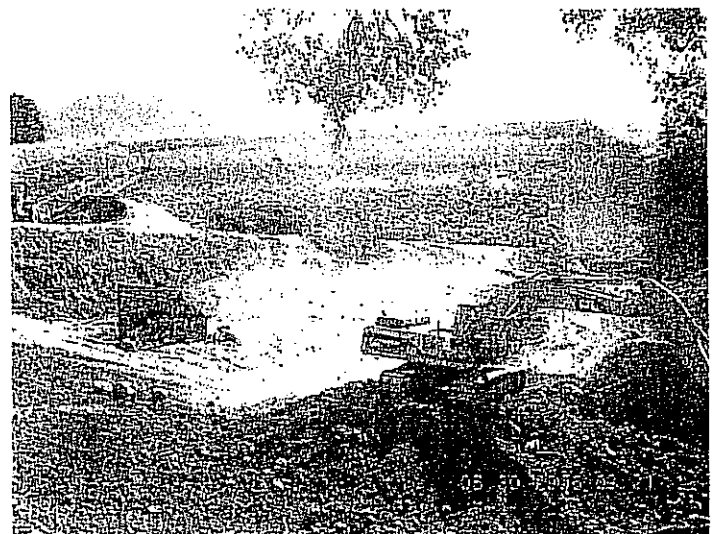


Lauro Dam Construction Project
Photo by: R.Garcia

08.28.2008 13:07

Contractor A.J.Diani
Date: 6-26-06

View shows slope protection on the face of the 2.5:1 slope placed to approximate elevation 526. The John Deere 450LGP dozer (Left) is spreading Zone-5 material at dam station 4+50, elevation 532.



Lauro Dam Construction Project
Photo by: L.Campbell

Contractor A.J.Diani
Date: 6-30-06

View looking east at Lauro Dam, standing at dam station 6+50, 400-feet D/S of dam centerline. Note: CAT 330B (front) is shown processing miscellaneous Zone-3 materials in the stockpile area.

Activity #C380 Aggregate Hauling & Stockpiling Onsite:

For the entire two-week period subcontractor Speeds Oil (Trucking) continued hauling **Zone-4** (sand filter) materials from Granite Construction's Gardner Aggregate Plant located in Buellton CA (One-way haul distance is approx. 55-miles). Full roundtrips which include loading at the plant, delivering to the Lauro Dam stockpile then back to the plant are averaging approx. 2-hours and 30-minutes. Subcontractor Speeds is hauling materials using transfer trucks, each carrying between 23 & 25 tons per load. Stockpiling excess materials onsite is not possible since the area in the stockpile area is very limited. The Contractor is dispatching the haul trucks to haul only the amount of material that they will be using daily and stockpiling only a small amount of excess materials onsite.

Zone 4 (Sand Filter)

Hauled from Granite, Buellton, CA. by Speeds Trucking

Date	Loads	Tons	Total Tons to Date
6/19/06	16	383.21	11,025.88
6/20/06	16	380.44	11,406.32
6/21/06	16	384.94	11,791.26
6/22/06			
6/23/06	11	260.95	12,052.21
6/26/06	16	388.07	12,440.28
6/27/06	18	436.76	12,877.04
6/28/06	11	264.50	13,141.54
6/29/06	13	316.84	13,458.38
6/30/06	10	238.00	13,696.38

For the entire two-week period subcontractor Union Asphalt Inc. continued hauling **Zone-5** (gravel drain) materials from Union Asphalt's Garey Rock & Asphalt plant, located 7-miles west of Santa Maria CA (One-way haul distance is approx. 95-miles). Full roundtrips which include loading at the plant, delivering to the Lauro Dam stockpile then back to the plant are averaging approx. 3-hours and 35-minutes. Subcontractor Union Asphalt is hauling materials using transfer trucks, each carrying between 24 & 26 tons per load. Similar to the Zone-4 (sand filter) materials the Contractor is only hauling and stockpiling onsite the amount of zone 5 materials that they will be using daily and stockpiling only a small amount of excess materials.

Zone 5 (Gravel Drain)

Hauled from Union Asphalt, Santa Maria, CA. by Union Asphalt

Date	Loads	Tons	Total Tons to Date
6/19/06	18	451.76	9,669.56
6/20/06	10	253.03	9,922.59
6/21/06	18	455.23	10,377.82
6/22/06			
6/23/06	13	329.94	10,707.76
6/26/06	16	401.47	11,109.23
6/27/06	16	402.98	11,512.21
6/28/06	14	354.23	11,866.44
6/29/06	14	351.66	12,218.10
6/30/06	14	351.01	12,569.11

Activity #H010 Traffic Control:

During the past 2-week period the Contractor has continued to have two (2) laborers positioned on San Roque Rd. as flagmen during hauling hours. In addition to traffic signs placed on the west and east ends of San Roque Rd. each flagman is equipped with a "Slow/Stop" signs and two-way radios. One (1) flagman is positioned at the entrance to the transfer truck turnaround, which is located approximately 600-feet southwest of the jobsite entrance and the second flagman is located just east of the jobsite entrance haul road. All hauling is taking place between 0800 and 1600 hrs.

Activity #C440 Instrument Monitoring:

The Contractor's operator foreman, assisted by one (1) operator apprentice continued using a total station to survey and monitor the five (5) measurement points along dam centerline and observation well no 4. The crew also continued taking daily water level readings of PTP-201A and PTP-201B. During this 2-week period there have been no appreciable changes in measurements.

Activity # C170-Place Zone 4, elevation 523-539:

For the entire two-week period the Contractor continued placement of **Zone-4** (sand filter) materials for the 12-foot wide chimney section, beginning at elevation 523. The Contractor is using both the CAT 966F and CAT 950E loaders to transport Zone-4 materials from the onsite stockpile to the placement. The Contractor is then using a John Deere 450J (LGP) Low Ground Pressure dozer to spread the Zone-4 materials to approximately a 15-inch lift.

Once the Contractor completes spreading one full lift he then uses the CAT CS 563E single smooth drum, vibratory roller to compact the Zone-4 to a finished 1-foot lift using three (3) full passes with the vibratory roller. The Contractor has one (1) laborer using a 2-inch fire hose to moisten the in place Zone-1 prior to spreading Zone-4 materials over or against the excavated 1.5:1 upstream slope, along with thoroughly wetting the Zone-4 during spreading and prior to compaction.

By June 30th, the last day of this 2-week reporting period the Contractor completed placing a total of sixteen (16) 1-foot lifts of Zone-4 materials for the 12-foot wide chimney sand filter section between dam stations 3+88 and 6+82, between elevations 523 and 539. An estimated 2,005-cubic yards of Zone-4 material was placed this period.

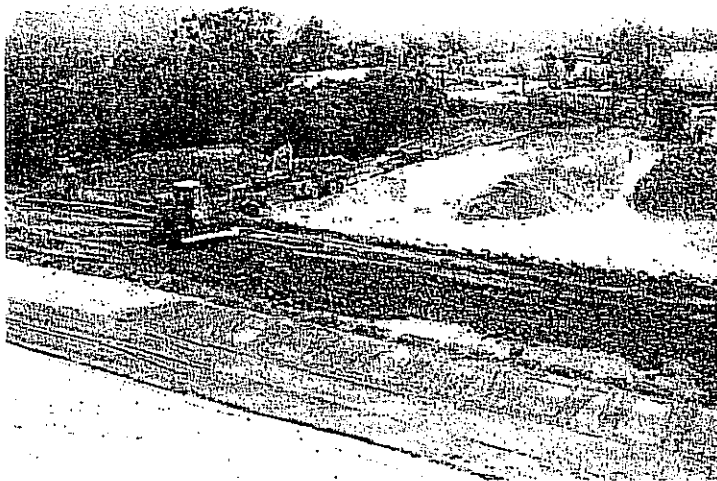
Activity # C180 -Place Zone 5, elevation 523-539:

For the entire two-week period the Contractor continued placement of **Zone-5** (gravel drain) materials for the 12-foot wide chimney section, beginning at elevation 523. The Contractor is using both the CAT 966F and CAT 950E loaders to transport Zone-5 materials from the onsite stockpile down to the placement. The Contractor is then using a John Deere 450J (LGP) Low Ground Pressure dozer to spread the Zone-5 materials to approximately a 13-inch lift. Once the Contractor completes spreading one full lift, he then uses the

ITEM #

PAGE 8

CAT CS 563E single smooth drum, vibratory roller to compact the Zone-5 placed to a 1-foot lift using three (3) full passes. The Contractor has a laborer using a 2-inch fire hose to moisten zone 5 during spreading and prior to compaction.



Lauro Dam Construction Project
Photo by: R.Garcia

Contractor A.J.Diani
Date: 6-21-06

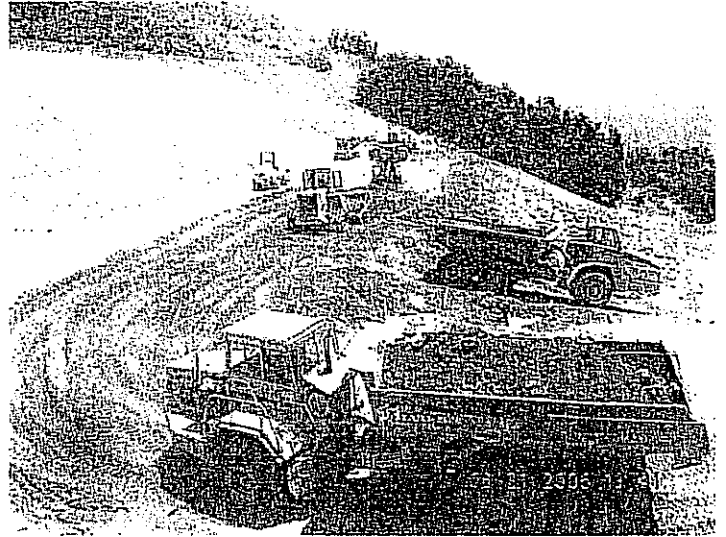
View standing atop dam crest looking west at the Contractor's embankment fill and downstream stockpile area. Note: Sand Filter/Gravel drain material stockpiles (center) Zone-4/filter (right), Zone-5/drain (left)

By June 30th, the last day of this 2-week reporting period the Contractor completed placing a total of sixteen (16) 1-foot lifts of Zone-5 materials for the 12-foot wide chimney gavel drain section between dam stations 3+76 and 6+94, between elevation 523 and 539. An estimated 2,176-cubic yards of Zone-5 material was placed this period.

Activity # C190 Place Zone 3, elevation 522-539:

For the entire two-week period the Contractor continued placement of miscellaneous Zone-3 (12-inch minus) materials downstream of the 24-foot wide filter/drain chimney. The Contractor is using a CAT 330B L excavator to load two (2) articulated end dump trucks with 12-inch minus materials being processed in the stockpile area. On June 23rd the Contractor had the CAT 735 articulated end dump truck hauled offsite as there is less room on the top of zone three as the fill rises and the fill is becoming more congested with equipment. For the remainder of the period the Contractor continued hauling Zone-3 materials using only one (1) articulated end dump truck. As the excavator is loading haul trucks, the operator is also sorting out 12-inch plus sized rocks for the CAT 950E loader to pick up and haul to the slope protection stockpile. The articulated end dump truck is hauling and dumping miscellaneous Zone-3 (12-inch minus) materials to the fill, located downstream of the filter/drain chimney. The Contractor is then using a CAT 815 sheepsfoot compactor to spread and compact the materials to a finished 1-foot lift, with a minimum of three (3) full passes with the sheepsfoot compactor. The Zone-3 (12-inch minus)

materials placed extend from the downstream toe of the 12-foot wide Zone-5 chimney section, to the shoulder of the new 2.5:1 downstream slope.



Lauro Dam Construction Project
Photo by: R.Garcia

Contractor A.J.Diani
Date: 6-21-06

The Volvo A35C articulated end dump truck in the foreground is hauling Zone-3 (12-inch minus) material to the dam embankment fill area to be spread and compacted by the CAT 815 sheepsfoot compactor.

By June 30th, the last day of this 2-week reporting period the Contractor completed placing seventeen (17) 1-foot lifts of Zone-3 (12-inch minus) materials between dam station 3+55 and 7+06, between elevations 522 and 539. An estimated 8,066 cubic yards of Zone-3 (12-inch minus) was placed this period.

MPCO Materials Lab Testing:

MPCO materials lab is currently working out of the old Bradbury Dam lab trailer at Bradbury dam, providing lab support to the Lauro Dam construction project. Percent Compaction along with material gradations are being performed by the MPCO materials technicians. Testing and sampling of the Zone-4, Zone-5 and Zone-3 materials continued throughout the period. Sand cone densities and gradations of the materials placed are being performed on a daily basis, averaging one (1) test in each material placed per shift. This period the Contractor increased the number of full passes using the smooth drum roller on the Zone-5 material from two (2) to three (3) full passes as density tests were resulting in a percent or two below the required 95% relative compaction. Increasing the passes resulted in density test results between 95% and 97%. No other concerns arose from material testing performed this period.

18-inch Fault Drain Pipe Cleanouts: On June 22nd and 23rd the Contractor performed and completed installation of the fault drain cleanouts. The Contractor's two (2) man labor crew completed installing the 30-inch I.D. corrugated, 7-foot

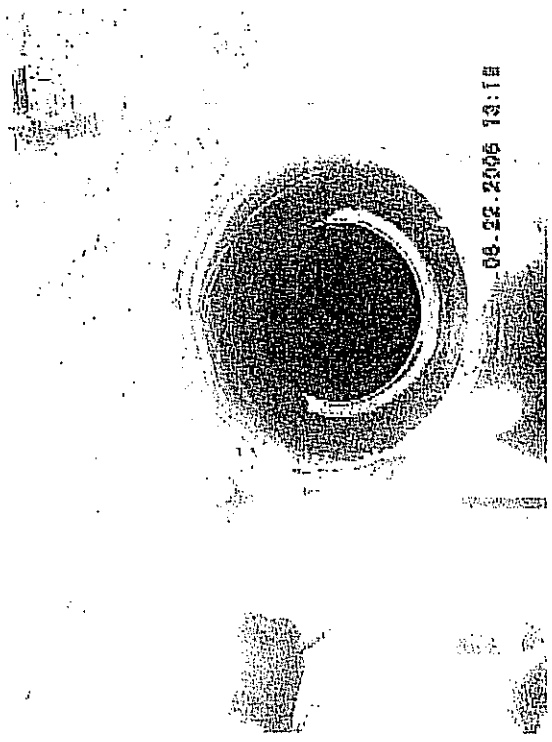
long galvanized pipes and covers over 18-inch HDPE non-perforated pipe at both the lateral cleanout (fault drain station 2-75) and terminal cleanout (fault drain station 0-00). The cavity between the two pipes was backfilled with compacted sand filter material. The laborers used 2x4's and digging bars to achieve compaction in the small cavity opening between the two pipes. The laborers uses hand held, diesel vibrating tampers to compact the zone-3 material and filter sand around the outside of the corrugated pipe.

Surveying Dam Embankment Construction:

On Monday June 19th subcontractor Penfield and Smith had two (2) surveyors onsite to set reference point hubs and lathe for the dam embankment fill as well as verify current fill elevations for the Contractors grade checker. The crew set a row of hubs and lathe as reference points along the downstream 2.5:1 toe.

Miscellaneous:

- During every shift the Contractor had one (1) operator apprentice checking the fill grade using a laser level and hand level.
- One (1) laborer using a 2-inch fire hose performed satisfactory dust abatement throughout the site.
- Daily the Contractor had one (1) mechanic onsite as needed to perform repairs, service lube and fuel equipment.
- On June 23rd the CAT 735 articulated end dump truck was hauled offsite.



08.22.2006 13:18

Laura Dam Construction Project
Contractor A.L.Diem
Photo by: L.Campbell
Date: 6-22-06

View of the lateral cleanout with 36-inch galvanized, corrugated pipe protector and lid installed over the 18-inch HDPE, non-perforated pipe located at fault drain station 2+75.

CACHUMA OPERATION AND MAINTENANCE BOARD

MEMORANDUM

DATE: July 24, 2006
TO: Board of Directors
FROM: Kate Rees, Interim General Manager
RE: **Lauro Debris Basin Rehabilitation Project**

Recommendation:

1. That the COMB President appoint an ad hoc committee to negotiate cost issues involved with the Lauro Debris Basin Rehabilitation Project.
2. That unexpended funds from FY 2005-2006 be allocated to the Lauro Debris Basin Rehabilitation Project during FY 2006-2007, after the annual audit is completed, using standard Cachuma entitlement percentages for work completed during this fiscal year.

Discussion:

The COMB FY 2006-2007 Budget was approved by the COMB Board at its June 26, 2006 meeting, with the exception of the Lauro Debris Basin Rehabilitation Project. Goleta Water District (GWD) was of the opinion that the standard Cachuma entitlement cost allocation formula for this project was not appropriate and should be calculated differently because it was a water quality project and of less benefit to GWD than the other south coast Member Units. CVWD, MWD and the City of Santa Barbara strongly disagreed with GWD's position and were of the opinion that the project benefited all the south coast Member Units, so the cost should be allocated using the standard entitlement percentages. The Board requested that this project come back to the Board for an in depth discussion and reconsideration of the project by its September Board meeting.

To facilitate that discussion, it is recommended that an ad hoc committee be appointed to negotiate an equitable cost allocation for this project.

At the very least, it is necessary to complete final engineering designs, environmental compliance and permitting for the project before construction can begin. Because certain projects planned for FY 2005-2006 were not completed, it is anticipated that there will be approximately \$400,000 in unexpended funds after the COMB audit is completed. Distribution of these funds is at the discretion of the Board, but are usually constructively returned to the Member Units by applying them to future budget assessments.

It is further recommended that these funds be allocated toward this project during FY 2006-2007 pending the recommendation from the ad hoc committee.

CACHUMA OPERATION AND MAINTENANCE BOARD

Certificate of Appreciation

The Directors and staff of the Cachuma Operation and Maintenance Board (COMB) do hereby express their thanks and appreciation to

William H. Luce

for his long and outstanding service to the Cachuma Project, the Cachuma Operation & Maintenance Board, and to the entire Santa Barbara County water community. During his thirty-two years of employment with the United States Bureau of Reclamation, his professionalism and dedication to duty have contributed to the good relations and spirit of cooperation that exists today between Reclamation and our member agencies. COMB Directors and staff congratulate Bill on his retirement from Reclamation, and wish him and his family good fortune and every success in all their future endeavors.

Presented this 24th day of July, 2006

*Matt Loudon
President*

*C. Charles Evans
Vice-President*

*Kate Rees
General Manager*