

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, August 31, 2009

1. Call to Order, Roll Call

The meeting was called to order at 3:22 p.m. by President Williams who chaired the meeting. Those in attendance were:

Directors present:

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

Others present:

Kate Rees	William Hair
Bill Ferguson	Gary Kvistad
Mark Reinhardt	Emily Hutton
Tom Mosby	Chip Wullbrandt
Charles Hamilton	Chris Dahlstrom
David McDermott	Fran Farina
Matt Blouse	Phil Walker

2. Public Comment

Phil Walker talked about plans and methods for drawing down Lauro Reservoir in case of a seismic event.

3. *Closed Session was moved to the end of the meeting following Item #14.*

4. Consent Agenda

a. Minutes:

July 27, 2009 Regular Board Meeting, June 28, 2009 and August 3, 2009
Special Board Meetings

b. Investment Funds

Financial Reports
Investment Report

c. Payment of Claims

Director Abel moved to approve the consent agenda as presented, seconded by Director Hanson.

Director Bettencourt requested that Chip Wullbrandt respond to his statement in the minutes of July 27th, page 2. "In contrast, Mr. Wullbrandt pointed out that COMB certified the EIR on the Fish Management Plan and Biological Opinion, which says that COMB would implement the fish projects", Mr. Wullbrandt said that statement is correct.

Motion passed 7/0/0.

5. Standing Committee Appointments for FY 2009-10

The following appointments for the standing committees were made by President Williams for the FY 2009-10.

a. Capital Improvements

Director Abel, Director Williams, and alternate Director Hanson

b. Finance

Director Hanson, Director Williams, and alternate Director Lieberknecht

c. Legal Affairs

Director Abel, Director Williams, alternate Director Loudon

d. Operations

Director Lieberknecht, Director Hanson, alternate Director Abel

e. Management & Public Relations

Director Lieberknecht, Director Loudon, and alternate Director Williams

6. Ad Hoc Committees

a. Board Legal Search Committee

The Board determined that there was no need for a special ad hoc Legal Search Committee, as there is an existing Legal Affairs committee that would be able to carry out a search for a new General Counsel, should Mr. Hair retire at the end of the year.

a. General Managers CIP Review Committee

Ms. Rees recommended that President Williams invite two of the Member Unit General Managers to form an ad hoc committee to participate in reviewing the 2nd Pipeline Project construction process, and on an as needed basis for future COMB Capital Improvement Projects. President Williams appointed Tom Mosby and Rebecca Bjork as the General Managers CIP Review Committee. Both agreed to be on the committee.

7. Reports From the Manager

- a. **Cachuma Water Reports**
The monthly water reports were included in the Board packet.
- b. **Operations Report**
The Operations Report was included in the board packet. Ms. Rees had one correction to a date, the subpoena documents were provided to the defense on August 14 not August 17, 2009.
- c. **COMB Operating Committee Meeting, August 5, 2009**
The minutes from the August 5, 2009 meeting were included in the board packet along with a memo from that meeting on the cost for the Benefit Analysis Scope of Work. President Williams requested that a copy of the memo with the list of components in the analysis be distributed to all of the Directors on the Board at CVWD.
- d. **Ortega Reservoir Leak**
Ms. Rees reported that a dive inspection had been carried out in the reservoir on August 19th. There is no change to the rate at which the reservoir is leaking.
- e. **Jesusita Fire Activities**
Ms. Rees reported that the tree removal of the burned trees will be done, erosion control measures will be installed around Lauro Reservoir, and new fencing will be installed. She also reported that the County of Santa Barbara will be doing some hydromulching in the Lauro watershed as part of their county wide hydromulching program.
- f. **La Brea Fire – USFS Mars Martin Water Scooper from Lake Cachuma**
Ms. Rees included in the board packet information on the Martin Mars Operating Plan USDA Forest Service used during the La Brea fire. The plan included a Quagga/Zebra mussel prevention plan for the aircraft using water from various lakes, including Lake Cachuma. Director Hanson requested additional information on this plan that was not in the board packet.
- g. **City of Santa Barbara TV Inside Santa Barbara COMB Overview**
Included in the board packet was the link to the video that aired on Inside Santa Barbara during August about COMB.
- h. **2008 Surcharge Accounting**
Ms. Rees included the 2008 surcharge water table in the board packet.
- i. **Cachuma Reservoir Current Conditions**
Date 08/31/2009

Lake Elevation	735.71 feet
Storage	147,438 acre feet
Rain (for the month to date)	0.03 inches
Rain YTD (for the season to date)	7.57 inches
Fish Release-Hilton/Outlet Works	23.5/16 acre feet per day
Month to Date Fish Release	1097 acre feet

Month to Date Spill	0 acre feet
Year to Date Spill	0 acre feet

8. Establishment of COMB Change Work Order Policy

Ms. Rees discussed the need for COMB to have a change order policy primarily for capital improvement projects, and recommended that the Board authorize the development of a change order policy. She included a preliminary draft policy in the board packet. Director Abel gave Ms. Rees some suggested changes from MWD for staff to consider. President Williams requested that any suggested changes be given to Ms. Rees in a timely manner. Director Bettencourt suggested that a not to exceed amount be written into the policy in conjunction with the 10% excess the General Manager would be authorized to approve. Ms. Rees said she would work with the COMB Operating Committee on revisions to the draft policy.

9. COMB Capital Improvement Program

a. CIP Bond

1) Revised Schedule

Included in the board packet was a revised bond approval schedule for the Member Units and COMB. Ms. Rees reviewed the schedule with the Directors. There were two dates added to the schedule – September 1, 2009 MWD informational workshop, and tentatively September 23, 2009 CVWD/COMB Joint Board meeting.

2) Recommendation to Remove COMB Office Building from Bond Projects and Approval of Indemnification Agreement with ID No. 1

Ms. Rees reported that at the August 3, 2009 COMB Special Board meeting the Board considered removing the COMB Office Building from the project list in order to resolve the issues over the Indemnification Agreement with ID #1. Although the Board had decided to leave the office building on the list and try to work out the differences with the indemnification Agreement, Ms. Rees reported that both ID#1 and GWD approved the Indemnification Agreement contingent on the office building being removed from the project list. Therefore, she requested that the COMB Board agree to this condition so that the SCC capital improvement projects would not be jeopardized.

Director Abel moved to remove the COMB Office Building from the list of projects to be funded by the proposed COMB Bond, replace it with the South Coast Conduit In-Line Valve Installation Project and the Lauro Reservoir, Barker Pass, and Sheffield Tunnel Vent Rehabilitation Project, and approve a revised “2009 Project” list for the proposed COMB 2009 Revenue Bond, seconded by Director Hanson, passed 5/0/2, Director Williams abstained.

Ms. Rees further recommended that the Board approve the August 26, 2009 version of the Indemnification Agreement.

Director Bettencourt moved to approve the August 26, 2009 version of the Indemnification Agreement, seconded by Director Abel, passed 7/0/0.

Director Abel requested clarification on the process the Member Units would follow. Ms. Rees explained that each Member Unit would need to approve the Indemnification Agreement as a separate party.

Director Bettencourt reported that the ID #1 Board has authorized him to sign the agreement as it was presented today.

Fran Farina, GWD Counsel indicated that there was an inconsistency between Exhibit B of the Joint Participation Agreement with the title "Substitute Projects" and the staff memo which stated that there were no "Substitute Projects". Ms. Rees responded that "Substitute Projects" should be removed from Exhibit B and indicated it was just an oversight while preparing the document.

3) Status of Member Units Approval of COMB Bond Issuance

Ms. Rees reported that CVWD met on August 26, 2009 to consider all of the legal documents pertaining to the bond issuance. They voted against approving the bond documents but indicated they would reconsider that decision if the COMB Board would consider their proposed repayment method. None of the other Member Unit's had yet considered the approval of the bond issuance.

b. SCC/Upper Reach Reliability Project

1) Project Status Report

A status report for the SCC/Upper Reach Reliability Project was included in the board packet. Ms. Rees reported that there was a meeting and a site visit with ten contractors for the 2nd Pipeline Project. The bids for the project are due on September 10, 2009. The contractors are aware that the funding has not been approved as of yet.

c. Mission Creek Pipeline and Fish Passage Project

1) Project Status Report

A status report for the Mission Creek Pipeline and Fish Passage Project was included in the board packet.

10. Consider Approval of MOU Between COMB and CCRB for Funding and Construction of Fish Passage and Habitat Improvement Projects

Director Williams reported that the MOU had been tabled during the CCRB meeting. There was no further discussion.

Director Abel moved to table the approval to the September meeting of the MOU between COMB and CCRB for funding and construction of Fish Passage and Habitat Improvement Projects, seconded by Director Hanson, passed 7/0/0.

11. Proposition 50 and Proposition 84 Activities

Ms. Rees reported that some Prop 50 money has been received. The Prop 84 region acceptance process is under way, and it is expected that Santa Barbara County will be accepted as a region. Ms. Rees included some information on the project selection process for Prop 84 in the board packet.

Director Williams expressed concern about losing the Prop 50 funding for the 2nd Pipeline Project in the event that the COMB bond was not approved by all the individual Member Unit agencies, as well as the ramifications of the 2nd Pipeline project not being constructed.

12. Directors' Request for Agenda Items for the Next Meeting

Director Williams requested that a joint special board meeting be scheduled between CVWD and COMB Boards to discuss the difference of opinion on the cost sharing of the COMB bond.

Director Hanson requested that an item be added to the agenda for a report from the Quagga Mussel Ad Hoc Committee.

13. Staff Appreciation Lunch – Beachside, September 24, 2009 at 1:00 P.M.

Ms. Rees invited the Directors to the staff appreciation lunch on September 24, 2009.

14. Meeting Schedule

A Joint Special Board meeting between CVWD and COMB was tentatively scheduled for September 23, 2009 at 2:00 p.m. at the CVWD district office. September 21, 2009 would be an alternate date.

The next regular Board meeting will be held September 28, 2009 following the 2:15 p.m. CCRB regular Board meeting, at the COMB office.

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

3. Closed Session: Conference with Legal Counsel – Existing Litigation, Subdivision (a) of Section 54956.9 Said Cristina Garcia De Sabayon vs. COMB, ET ALL.

The Board went into closed session at 5:12 p.m. and came out of closed session at 5:13 p.m. There was nothing to report out of closed session.

15. COMB Adjournment

There being no further business, the meeting was adjourned at 5:16 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Das Williams, President