

**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, July 24, 2006**

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**1. Call to Order, Roll Call**

The meeting was called to order at 4:15 p.m. by President Matt Loudon, who chaired the meeting. Those in attendance were:

**Directors present:**

Matt Loudon	SYR Water Conservation Dist., ID#1
C. Charles Evans	Goleta Water District
Jan Abel	Montecito Water District
Robert Lieberknecht	Carpinteria Valley Water District
Das Williams	City of Santa Barbara

**Others present:**

Kate Rees	Charles Hamilton
William Hair	Steve Mack
Chris Dahlstrom	Gary Kvistad
Janet Gingras	Bob Roebuck

**2. Public Comment**

There were no comments from the public.

**3. Consent Agenda**

- a. **Minutes:** June 26, 2006 Regular Board Meeting
- b. **Investment of Funds**  
Financial Report  
Investment Report
- c. **Payment of Claims**

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

**4. Cachuma Reservoir Current Conditions**

Date 07/24/2006

Lake elevation	751.03 feet
Storage	191.18 acre feet

Rain (for the month to date)	0.00 inches
Rain YTD (for the season to date)	0.00 inches
Fish Release-Hilton Creek	20 acre feet per day
Month to Date Fish Release	480.4 acre feet
Month to Date Spill	0.00 acre feet

## 5. Annual Reorganization of Cachuma Operation & Maintenance Board

- a. **Election of President**  
Director Abel nominated Director Evans as Board President, seconded by Director Williams, passed 5/0/2, with Director Evans abstaining.
- b. **Election of Vice-President**  
Director Williams nominated Director Loudon as Vice-President, seconded by Director Lieberknecht, passed 6/0/1, with Director Loudon abstaining.
- c. **Appointment of Secretary, Treasurer and Auditor-Controller**  
Director Abel moved to affirm the appointment of the General Manager to serve for another year as the Secretary of the Board and the Administrative Manager to serve as the Acting Secretary of the Board in the General Managers absence, seconded by Director Evans, passed 7/0/0.
- d. **Appointment of ACWA/JPIA Representative and Alternate**  
Director Evans moved to affirm the appointment of Director Lieberknecht to serve as the ACWA/JPIA Representative, and the General Manager to serve as the alternate, seconded by Director Williams, passed 6/0/1, Director Lieberknecht abstaining.
- e. **Appointment of General Counsel**  
Director Williams moved to affirm the appointment of Nordman, Cormany, Hair & Compton to serve another year as General Counsel, seconded by Director Evans, passed 7/0/0.

## 6. Proposed Annual Resolutions

- 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 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

Director Evans moved adoption of Resolutions 441, 442, 443, 444, 445, 446, 447, 448, and 449, seconded by Director Abel, passed 7/0/0.

**7. Appointment of Outside Auditor to Prepare Financial Statements for the Fiscal Year Ending June 30, 2006 and the Independent Auditor's Report**

Ms Gingras reported that McFarlane, Faletti & Co., the firm previously engaged as outside auditor, is no longer performing special district financial audits. A request for proposals was sent to four firms and three submitted proposals for consideration. Staff recommendation was to engage Bartlett, Pringle, Wolf, LLP to perform the FY 2005-2006 audits for COMB and CCRB.

Director Evans asked for a comparison of the qualifications between Bartlett, Pringle, Wolf, LLP and Gary Smith, CPA. Following the discussion, Director Evans moved to approve staff recommendation to engage Bartlett, Pringle, Wolf, LLP to perform the COMB and CCRB audits for the FY 2005-2006, seconded by Director Abel, passed 7/0/0. The Board requested that Ms Gingras follow up with the accounting firm to discuss if a multi-year contract might result in a cost savings.

**8. Water Accounting Reconciliation of Cachuma Melded Water Rates for Orders vs. Deliveries**

At the June 26, 2006 Board meeting, the Board decided that for WY 2005 and in future, the melded rates for water orders should be reconciled using revised melded rates for actual water deliveries at the end of the water year. Three options, regarding reconciliation of the melded rates prior to 2005 were presented to the Board at the June meeting. The Directors were to discuss these options with their individual Boards in order to bring a recommendation to the July 24<sup>th</sup> COMB Board meeting. Staff sought direction regarding how far back reconciliation of the melded rates calculations should go.

COMB received letters from the Carpinteria Valley Water District and SYR Water Conservation District, ID#1 Boards supporting the reconciliation of water orders compared to actual deliveries from the beginning of the Renewal Master Contract, and to make adjustments among the Member Units for any under payments or over payments for Cachuma water. Directors Abel, Evans, and Williams verbally supported the same action.

Reclamation's Finance Department has decided that an evaluation of water orders vs. actual deliveries for irrigation and M&I will be needed from 1997 through 2005 in order to determine if adjustments need to be made to the Cachuma water rates. Actual deliveries need to be reported to Reclamation from 1997 through 2005 for each of the Member Units. Staff will accumulate information from the Member Units and provide it to Reclamation.

Director Abel moved that reconciliation of the melded rates take place back to the year 1997, seconded by Director Lieberknecht, passed 7/0/0.

**9. Status of Lauro Dam Seismic Safety Modifications Project**

Two Reclamation progress reports were included in the board packet. Ms Rees reported that the modification project is moving forward on schedule, and that the total amount spent to date was \$4,174, 842.

**10. Lauro Debris Basin Project**

Ms Rees noted the Lauro Debris Basin Rehabilitation Project had been removed from the FY 2006-2007 budget. The Board determined at the June meeting that the project would be brought back to the Board for discussion and consideration prior to the September board meeting. Goleta Water District was of the opinion that the standard entitlement cost allocation formula for this project was not appropriate because it was a water quality project and of less benefit to GWD than the other south coast Member Units. The other Member Units disagreed with that position. It was recommended that an Ad Hoc committee be appointed to negotiate an equitable cost allocation for this project. The committee will also consider the use of unexpended funds from FY 2005-2006 that could be allocated to the debris basin project.

President Loudon appointed Director Evans, Director Williams, and the managers of Goleta Water District and the City of Santa Barbara to the Ad Hoc Committee. They will bring a recommendation back to the Board at the August 28, 2006 meeting.

**11. Consideration of Memorandum of Understanding Among Cooperating Partners for Integrated Regional Water Management Plan Development**

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

Director Evans moved approval of the MOU for the Integrated Regional Water Management Plan Development, seconded by Director Lieberknecht, passed 7/0/0.

**12. Certificate of Appreciation for William H. Luce, Area Manager, South-Central California Area Office, Upon His Retirement from the Bureau of Reclamation.**

Ms Rees reported Bill Luce would be retiring at the end of this month, and that she planned to attend the retirement luncheon being held in his honor and present the Certificate of Appreciation to him on behalf of the COMB Board. The Board asked that she convey their congratulations on his retirement and their thanks for many years of outstanding service to the Cachuma Project.

**13. Meeting Schedule**

August 2, 2006 Joint Special COMB/ Board Meeting at 2:00-5:00 P.M., at COMB Office

August 28, 2006 Regular Board Meeting following CCRB at 2:15 p.m., COMB Office

**14. COMB Adjournment**

There being no further business, the meeting was adjourned at 4:50 p.m.

Respectfully submitted,

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Secretary of the Board

**APPROVED:**

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Chair