

**Draft Meeting Notes
Joint Special Board Meeting of
Cachuma Operation and Maintenance Board
and
Cachuma Conservation Release Board
Monday, July 17, 2006**

**COMB Office
3301 Laurel Canyon Road
Santa Barbara, CA**

Attending:

Matt Loudon, Improvement District No. 1, Alternate Member
Jan Abel, CCRB President, Montecito Water District
Chuck Evans, Goleta Water District
Robert Lieberknecht, Carpinteria Water District
Das Williams, City of Santa Barbara

Kate Rees, Interim General Manager COMB/CCRB
Ruth Snodgrass, Admin. Secretary, CCRB

Observers:

Charles Hamilton, General Manager, Carpinteria Valley Water District
Chris Dahlstrom, General Manager, I.D. #1
C.E. 'Chip' Wullbrandt, Counsel, Montecito Water District, Carpinteria Water District
Steve Mack, Water Resources Manager City of Santa Barbara
Bruce Wales, General Manager, Santa Ynez River Water Conservation District
Gary Kvistad, ID #1 Counsel
Brett Gray, COMB Operations Supervisor
William Hair, COMB General Counsel
Larry Wilson MWD
Facilitator:
John Jostes

1. Call to Order and Roll Call for COMB and CCRB Boards

The meeting of the COMB Board was called to order by President Matt Loudon at 2:00 p.m., roll call was taken, all were present. The meeting of the CCRB Board was called to order by President Jan Abel at 2:01 p.m. roll call was taken, all were present.

2. Public Comment

Members of the public were provided with an opportunity to provide public comment to the Joint Special Board Meeting. However, no members of the public were present and no comments were received.

3. Continued Discussion of Macro-level Issues and Issues/Options Matrix

The discussion began with an oral report from William Hair, General Counsel to COMB on the appropriateness of using a subcommittee approach to discussing matters related to the South Coast Conveyance facilities. Mr. Hair indicated that the appropriate manner in which to address these matters was to establish classes of voting such that one class of voting members would address matters related to Cachuma Project and storage issues and another class would address conveyance issues.

John Jostes then provided an overview of the current status of ongoing discussions among representatives of the staffs of the various member units as well as of the meetings and

discussions from the Coordinating Committee. He indicated that a revised draft version of Option 2 (named Option 2.1) had been developed through a vetting process with the Coordinating Committee and other selected staff members and counsel. He also noted that an additional Option 2.2 had also been developed in a similar manner to address the option of a merger of COMB and CCRB with ID#1 participating via a contract or participation agreement, rather than as a full member. The Boards then reviewed each of the ten points within Option 2.1, raising questions, hearing perspectives from the Member Units' staff and general counsels, and making detailed comments on each of the points. The Boards also discussed the first four of seven points contained within Option 2.2, also raising questions and offering commentary. Due to time limitations, the remaining three points were not discussed.

The Boards gave direction to the John Jostes, as facilitator, to respond to the various issues raised and work with the Coordinating Committee to develop a third version of the set of two options, provide direction and facilitate discussion at the next meeting in an effort to reduce points of disagreement and generate a preferred option that the Member Units could review and agree upon. It was expected that if agreement could be reached on a preferred option, that the option could then be translated into the appropriate agreement for execution by the Member Units to affect a reorganization that would improve on the current situation.

4. Next Meeting Date

The Joint Boards set August 2, 2006 between 2:00 – 5:00 pm as the next meeting to discuss reorganization issues.

5. Next Steps

John Jostes indicated that he would contact the appropriate individuals and evolve a new version for review prior to the August 2nd meeting date.

Respectfully submitted:

CCRB Secretary to the Board

COMB Secretary to the Board

Approved:

Jan Abel, CCRB President

C. Charles Evans, COMB President