

**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 27, 2011

1. Call to Order, Roll Call

The meeting was called to order at 2:42 p.m. by President Lauren Hanson who chaired the meeting. Those in attendance were:

Directors present:

Lauren Hanson	Goleta Water District
Bob Lieberknecht	Carpinteria Valley Water District
Doug Morgan	Montecito Water District
Dennis Beebe	SYR Water Conservation District, ID No. 1

Others present:

Kate Rees	Tony Trembley
Jim Colton	Adelle Capponi
John McInnes	Charles Hamilton
Sonja Fernandez	Tom Fayram
Ruth Snodgrass	Janet Gingras
Tom Mosby	Chris Dahlstrom
Tim Robinson	Harlan Burchardi
Bruce Mowry	Jan Abel
Darlene Bierig	Chuck Evans
Bill Ferguson	

2. Public Comment

There were no comments from the public.

3. Consent Agenda

a. Minutes:

May 23, 2011 Regular Board Meeting and June 1, 2011 Special Board Meeting

Director Morgan referred to the minutes, item #6-a, regarding the receipt of formal confirmation from NMFS that the Quiota Creek projects for Crossings 2 and 7 will be covered under CDFG's Programmatic BO. Ms. Rees reported that NMFS would not respond in writing to COMB, however she would be writing up the minutes from the May 16th conference call and submit to all parties. Director Morgan requested that Ms. Rees include in the minutes that NMFS would not be responding with a formal letter regarding those issues.

b. Investment Funds
Financial Reports
Investment Report

c. Payment of Claims

Director Beebe moved to approve the consent agenda with the changes noted, seconded by Director Morgan, passed 5/0/2, Director Francisco was absent.

4. Appointment of Secretary of the Board and ACWA/JPIA Alternate Representative

The Board Secretary and the alternate ACWA/JPIA representative were positions held by retiring General Manager, Kate Rees. Bruce Mowry has been appointed as the new General Manager and these positions should be held by him.

Director Morgan moved to appoint Bruce Mowry, COMB's new General Manager to serve as Secretary of the Board and to serve as the ACWA/JPIA Alternate Representative, effective July 1, 2011, seconded by Director Beebe, passed 5/0/2, Director Francisco was absent.

5. Proposed Annual Resolutions Regarding Bank Accounts

- a. Resolution No. 522 Establishing a Check Signing Policy for General Fund Account for Payment of Claims
- b. Resolution No. 523 Authorizing Signatories for General Fund Account at Santa Barbara Bank & Trust
- c. Resolution No. 524 Authorizing Signatories for Revolving Fund Account at Santa Barbara Bank and Trust
- d. Resolution No. 525 Establishing a Check Signing Policy for Cachuma Project Trust Fund and Master Contract Renewal Fund Accounts for payment of Claims
- e. Resolution No. 526 Authorizing Signatories for Trust Fund and Renewal Fund Accounts at Santa Barbara Bank and Trust
- f. Resolution No. 527 Establishing a Supplemental Account Agreement for Telephone Transfers
- g. Resolution No. 528 Authorizing Investment of Monies in the Local Agency Investment Fund

Due to the retirement of General Manager Kate Rees, the COMB Board has selected a new General Manager, Bruce Mowry. Adoption of Resolutions No. 522 through 528 will add Mr. Mowry as a signatory on the Renewal Fund, Trust Fund, General Fund, and the Revolving Fund Accounts at Santa Barbara Bank & Trust. It will also authorize Mr. Mowry to make financial transfers between the LAIF Account and the General Fund Account and/or the Revolving Fund Account at Santa Barbara Bank & Trust.

Director Morgan moved to adopt Resolution No. 522 through 528 relating to the COMB Bank Accounts, seconded by Director Lieberknecht, a roll call vote was taken, 5/0/2, Director Francisco was absent.

6. Reports From Board Committees

a. Reorganization Committee

Ms. Rees reported on the progress of the Reorganization Committee discussions. At the June 6th meeting they discussed the COMB JPA Amendment and the Implementation Agreement between ID#1, CCRB and COMB regarding certain sections of the 2001 Fisheries MOU. The agreements continue to be reviewed and when finalized will be ready for approval.

7. Consider Approval of Proposed FY 2011-2012 COMB Budget

Ms. Rees highlighted the proposed budget and reported that the main change to the budget since the Board reviewed it in May was a reduction in the SYR RiverWare Model Peer Review line item in order to accommodate ID No. 1's request to pay this cost through the Parent District. The proposed Final Budget consists of a gross budget amount of \$6,248,041 with projected offsetting revenues of \$3,119,718. These offsetting revenues include the Trust Fund/Renewal Fund monies, the Santa Barbara County Betterment Fund, two approved grants from the Department of Fish and Game a pending grant from NOAA, and a portion of the Proposition 50 Grant Funds. With the application of the offsetting revenues, the COMB Net Proposed Final Budget is \$3,128,323.

Director Beebe had several concerns from ID No. 1 that he requested be documented.

- Line Item 6206, Tri-County Fish Team, ID No.1 feels this support is not appropriate for COMB to fund.
- Line Item 6208 Legislative and Steelhead Funding Support, ID No. 1 feels this is not appropriate for COMB to fund.
- Line Item 5513 Cost/Benefit Analysis, ID No. 1 thought that this would be a study for the South Coast only and ID No. 1 would not pay for this study.
- Director Beebe stated that he was unable to track the numbers from the operations payroll and related expenses to the summary budget and requested a memo be sent explaining the process.
- Director Beebe requested an explanation of the \$15,000 paid for the genetic testing of tissue samples from the steelhead in the Santa Ynez River.
- Director Beebe made note that the Budget changed with the addition of relocation expenses for the new General Manager
- Director Beebe noted that the interest payment to the City had increased from \$10,000 to \$20,000, Janet Gingras, Administrative Manager said that she would look in to the difference but felt the \$10,000 was an estimate from a draft budget several months ago.

Ms. Rees explained that the Cost/Benefit Analysis would take a look at the overall cost distribution of all Member Units relative to their responsibilities to COMB and it was recommended that all Member Units share in the cost of this study.

Director Beebe moved to approve the COMB Proposed Final Budget for Fiscal Year 2011-2012, seconded by Director Morgan, passed 5/0/2, Director Francisco was absent.

8. Authorize General Manager to Approve Trust Fund/Renewal Fund 2012 Annual Plan and Five-Year Plan (MCA 27)

Ms. Rees reported that the annual meeting of the Cachuma Trust Fund/Renewal Fund Committee was held on May 25, 2011, the committee consists of Tom Fayram, County Water Agency and Kate Rees, Cachuma Member Units. The Fund Committee reviewed the plans and made suggested revisions. The funds will be used for the Lower Santa Ynez River Fisheries Program. The FY 2011-2012 funds are expected to total \$268,094 from the Renewal Fund and \$76,884 from the Trust Fund.

Director Morgan moved to authorize the General Manager, as a member of the Fund Committee, to approve the Warren Act Trust Fund/Cachuma Project Renewal Fund Five-Year Plan and the 2012 Annual Plan (MCA 27), seconded by Director Lieberknecht, 4/0/3, Director Beebe abstained and Director Francisco was absent.

9. Fisheries Division Activities

a. Fisheries Program Report

The monthly Fisheries Program Report was included in the board packet. Tim Robinson reported that there was very good flow during the month of May. The Adaptive Management Committee (AMC) did call for a 500 acre-foot AMA release from 5/14/2011 to 5/24/2011 to increase passage opportunities.

b. Report Updates

• **2008 Annual Monitoring Report**

• **AMA Release Report**

Tim Robinson had included a report on the 2011 AMA release in the board packet. An AMC meeting was held on 5/13/2011 to discuss the end of the spill, the presence of steelhead adults and migrating smolts within the LSZR, and the potential use of the AMA water to support downstream smolt and upstream adult migration. A release was scheduled over a 10 day period and that required 500 acre-feet.

• **Backup documentation from the NOAA Science Center – Dr. Carlos Garza**

At the Boards request, Tim Robinson had requested a letter from Carlos Garza, NMFS to confirm our agreement to collaborate on an ongoing basis with COMB, the genetic monitoring and evaluation of steelhead in the Santa Ynez River basin.

Tony Trembley, General Counsel recommended that the agreement should be looked at each Fiscal Year. He recommended sending a response letter stating that COMB has approved the expenditure for FY 2011-2012 but would evaluate the expenses every year.

c. Quiota Creek Projects Update

- **Engineering Designs and County Encroachment Permit for Crossings 2, 7, and 1**

Tim Robinson reported that final design work for Crossing 2 has been completed and that the plans will now go to the County, DFG, and NMFS for approval. Once the designs are final the Encroachment Permits will be approved and the bid packet can be prepared. Mr. Robinson is hoping to have the bid packet ready for the Ops Committee meeting July 6, 2011.

Director Beebe formally welcomed Bruce Mowry and requested that he review all designs for the Fisheries Projects and look into alternative project designs and report back to the Board.

The design work for Crossing #7 is 95% completed, however the grant application is still pending.

For Crossing #1 the County has increased the requirements of the project which will increase the cost of the project and require redesigning. The technical grant group's decision was that we should withdraw the applied for grant, redesign the project and reapply for a grant. Mr. Robinson was provided with information for 2 grant funding options for this calendar year.

- **NOAA Grant Application for Crossing 7**

The grant application is still pending, Tim Robinson reported that he should be receiving the status of the grant very soon.

- **Bid Process**

The bid packet will go before the Ops Committee and then to the Board for approval once the designs have been approved.

d. Tri-County Fish Team

- **Public Forum Meeting, June 2, 2011**

The agenda for the meeting was included in the board packet. Tim Robinson reported that there were two speakers at the meeting, one on potential restoration actions to enhance the ecological functions of the Lower Santa Ynez River Estuary and one on California Water Project.

- **County of Santa Barbara Membership**

The County of Santa Barbara is a signatory to the MOU funding obligation to TCFT.

- **TCFT Revenues and Expenditures**

Included in the board packet was a memo listing the participants in TCFT and their revenues and expenditures.

The Board requested that a discussion concerning TCFT funding mechanisms and the merits of COMB being a member be added to a future agenda.

Tom Fayram, County of Santa Barbara expressed his best wishes to Kate Rees upon her retirement.

10. Consider Approval of Letter Agreement for Funding and Administration of a Peer Review for the Santa Ynez River RiverWare Model

Ms. Rees reported that the Letter Agreement in the board packet supplements the one dated February 21, 2006 for the development of an updated SYR hydrologic model using RiverWare. The 2011 letter includes provision for funding a peer review process and also additional services for further development work as a result of the peer review. The parties to this Agreement include CCRB, COMB, City of Lompoc, City of Solvang, Santa Barbara County Water Agency, SYR Water Conservation District, ID#1, and Santa Ynez River Water Conservation District. Ms. Rees reported that CCRB approved the letter agreement during their meeting.

Director Beebe reported that ID No.1 had not had a chance to review the letter agreement and that they would be sending their comments to Bruce Wales, General Manger SYR Water Conservation District and agreed to COMB's approval in substantially the same form has presented in the board packet.

Director Morgan moved to authorize the General Manager to sign the letter Agreement among CCRB, COMB, Santa Ynez River Water Conservation District, Santa Ynez River Water Conservation District, ID No. 1, City of Lompoc, City of Solvang, and the Santa Barbara County Water Agency, in substantially the same form, for the purpose of peer reviewing the updated Santa Ynez River RiverWare Hydrology Model, including provision for further development work as a result of the peer review, seconded by Director Lieberknecht, passed 5/0/2, Director Francisco was absent.

11. Modified SCC Upper Reach Reliability Project

a. Consider Approval of Indemnification Agreement Between COMB and ID No. 1

Ms. Rees reported that the South Coast Member Units of the COMB Board have decided to construct a Modified SCC Upper Reach Reliability Project, and that ID No. 1 would not be held responsible or obligated for the project funding or any contractual obligations. The ID No. 1 Board approved the Indemnification Agreement on June 21, 2011.

Director Beebe moved to approve the Modified South Coast Conduit Upper Reach Reliability Project Indemnification Agreement between COMB and the Santa Ynez River Water Conservation District, ID No. 1, whereby ID No. 1 will not be held responsible or obligated in any way for the project funding or any contractual obligations, seconded by Director Morgan, passed 5/0/2, Director Francisco was absent.

b. Consider Approval of the Modified SCC Upper Reach Reliability Project Expenditure

Ms. Rees reported that because the Modified South Coast Conduit Upper Reach Reliability Projects exceeds \$1,000,000, COMB's Joint Powers Agreement requires a unanimous vote, staff requested Board approval for the Project not to exceed \$4,200,000. After COMB Board approval, ratification of COMB's action is required by all of COMB's Member Units.

Director Hanson moved to approve the Modified SCC Upper Reach Reliability Project not to exceed \$4,200,000, seconded by Director Lieberknecht, passed 5/0/2, Director Francisco was absent.

c. Update on Preliminary Work for Modified Upper Reach Reliability Project

An update on the Modified SCC Upper Reach Reliability Project was included in the board packet for information.

12. Operations Division Activities

a. Operations Report

The monthly report on Operations was included in the board packet. Jim Colton, Engineer reported that the computerized maintenance program has been implemented by the Operations crew and has been working very well.

Director Morgan requested a copy of the Third Reliability Alternatives Study prior to the next Board meeting. Jim Colton reported that each Member Unit will be receiving a copy of the study at the July 6th Operating Committee meeting.

13. Reports From the Manager

a. Cachuma Water Reports

The monthly water reports were included in the board packet.

b. Cachuma Reservoir Current Conditions

The daily operations report for Lake Cachuma through June 22, 2011 was included in the board packet.

c. Lake Cachuma 2011 Spill

The Cachuma Reservoir disposition of 2011 surcharge water was included in the board packet.

d. Operating Committee Draft Minutes, June 1, 2011

The draft minutes were included for information.

e. Prop 84 Round 1 Funding Recommendations

A chart of the Proposition 84 Round 1 Implementation Grant Draft Funding recommendations was included in the board packet.

f. Quagga Mussel Reports

The report from the County Parks Dept. for May was included in the board packet. There were no Quagga mussels found.

14. Resolution No. 529 Commendation for General Manager Kate Rees upon Her Retirement From COMB

Director Hanson moved to adopt Resolution No. 529 Commendation for General Manager Kate Rees upon her retirement from COMB, seconded by Director Beebe, Director Morgan, and Director Lieberknecht, a roll call vote was taken 5/0/2, Director Francisco was absent.

President Hanson presented the commendation to Ms. Rees upon her retirement and thanked her for her years of employment with COMB.

President Hanson also presented a certificate of appreciation upon her retirement from Assemblymember Das Williams.

15. Directors' Request for Agenda Items for Next Meeting

Report from Bruce Mowry after reviewing the Quiota Creek Crossing Designs

Tri-County Fish Team informational discussion

16. Meeting Schedule

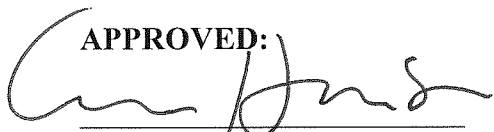
- The next regular Board meeting will be held June 27, 2011 at 2:00 P.M.
- The Agendas and Board Packets are available on the COMB website, www.cachuma-board.org

17. COMB Adjournment

There being no further business, the meeting was adjourned at 5:00 p.m.

Respectfully submitted,


Bruce Mowry, Secretary of the Board

APPROVED:

Lauren Hanson, President of the Board