

**Minutes of the Regular Meeting of the
Cachuma Operation & Maintenance Board
held at
3301 Laurel Canyon Road
Santa Barbara, California
February 27, 2006**

1. Call to Order, Roll Call

Vice President Evans called the meeting to order at 3:18 p.m.

Directors present:

Chuck Evans	Goleta Water District
Jan Abel	Montecito Water District
Robert Lieberknecht	Carpinteria Valley Water District
Das Williams	City of Santa Barbara
Lee Bettencourt	Santa Ynez River Water Conservation Dist ID#1 (Alternate)

Others present:

Bob Wignot	Kate Rees
Brett Gray	Janet Gingras
Bob Roebuck	Gary Kvistad
William Hair	Russell Ruiz
Steve Mack	Chris Dahlstrom
Kevin Walsh	William Jackson

(the Board next considered Item #4)

- 4. [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 3:19 p.m. Closed Session ended at 3:23 p.m. There was nothing to report out of Closed Session.

(the Board next considered Item #2)

- 2. Resolution No. 433 Commendation for General Manager Robert E. Wignot upon his Retirement**

Director Abel moved to adopt Resolution No. 433, commendation for Robert E. Wignot, seconded by Director Bettencourt. A roll call vote was taken, passed 7/0/0.

Mr. Wignot was presented with a framed copy of Resolution No. 433 and a framed photo of Lake Cachuma as a memento of his 16 years serving COMB. The Board thanked him for his many years of dedicated service and wished him well in his future endeavors.

3. Break

The Board went into a break at 3:35 p.m. The break ended at 3:50 p.m.

5. Public Comment

There was no comment from the public.

6. Consent Agenda

- a. Minutes of January 23, 2006 Regular Board Meeting and Minutes of February 6, 2006 Joint Special Board Meeting.
- b. Reports from the Manager
 - Water Storage
 - Productions & Use, SWP Accounting Water
 - Operations Report
 - 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.

7. Appointment of New Officer and JPIA Alternate Representative

- a. Appointment of Secretary, Treasurer and Auditor/Controller
 1. It is recommended that the Board of Directors affirm that Kate Rees as interim General Manager shall also serve as Secretary of the Board, Treasurer and Auditor-Controller.
- b. Appointment of ACWA/JPIA Alternate Representative
 2. It is recommended that the Board of Directors affirm that Kate Rees as interim General Manager shall also serve as the ACWA/JPIA Alternate Representative.
- c. Appointment of Administrative Manager as Alternate Secretary of the Board
 3. It is recommended that the Board of Directors affirm that Administrative Manager Janet Gingras shall act as Secretary of the Board in the event that the interim General Manager is absent.

Director Abel moved to approve recommendations 1, 2 and 3, seconded by Director Williams, passed 7/0/0

8. Resolutions Relating to COMB Fund Accounts

- a. Resolution No. 434 Establishing a Supplemental Account Agreement for Telephone Transfers
- b. Resolution No. 435 Authorizing Signatories for Revolving Fund Account at Santa Barbara Bank & Trust
- c. Resolution No. 436 Authorizing Investment of Monies in the Local Agency Investment Fund
- d. Resolution No. 437 Authorizing Signatories for General Fund Account at Santa Barbara Bank & Trust
- e. Resolution No. 438 Authorizing Signatories for the Cachuma Project Trust Fund and Renewal Fund Accounts at Washington Mutual

Adoption of the resolutions will:

- Add Director Williams as a signatory on the COMB General Fund Account at Santa Barbara Bank & Trust, and on the COMB Renewal Fund and Trust Fund Accounts at Washington Mutual.
- Add Ms Rees as a signatory on these same accounts, as well as on the COMB Revolving Fund Account at Santa Barbara Bank & Trust, and on the Local Agency Investment Fund (LAIF) Account at the State Treasury.
- Authorize Ms Rees to make telephone transfers between the LAIF Account and the General Fund Account and/or the Revolving Fund Account at Santa Barbara Bank & Trust.

Director Abel moved to approve resolutions 434, 435, 436, 437 and 438, seconded by Director Lieberknecht. A roll call vote was taken, passed 7/0/0.

9. Report from the Auditor for Fiscal Year 2004-2005

The recommended Actions:

1. The Board of Directors accept the Financial Statements for the Fiscal Year ended June 30, 2005, and the Independent Auditor's Report.
2. The Board of Directors authorized the unrestricted net assets identified in said Financial Statements, in the amount of \$226,987 to be used to reduce operating assessments required from the Member Units for the 4th quarter of the current fiscal year.

The Financial Statements for the fiscal year ended June 30, 2005 and the Independent Auditors' Report performed and prepared by MacFarlane Faletti and Co. LLP, Certified Public Accountants, was included in the Board packet. Bill Jackson of MacFarlane, Faletti and Co. summarized the audit.

There were no reportable items out of the audit. The current year's comments consisted of the following; there were two inconsistent account codings that have been corrected and a recommendation that the current Quick Books software be updated to the 2006 version or another appropriate accounting software alternative so that manipulation of posted transactions would not be possible.

Director Williams moved to approve recommendations 1 and 2, seconded by Director Abel, passed 7/0/0.

(the Board next considered item 17)

17. Design and Environmental Services for 2nd Barrel of South Coast Conduit – Boyle Engineering

The recommended action was approval of Boyle Engineering's Task Order No. 18, for Engineering Design and Environmental Services for the South Coast Conduit (SCC) Upper Goleta Reach Second Barrel Project.

Ms Rees highlighted the background information included in the Board packet. Boyle Engineering performed a Reliability and Alternatives Study for the Upper Goleta Reach in 2002. One of the recommendations was to construct a redundant pipeline for the upper reach. The 50 year old pipeline often runs at full capacity to meet demand; however the original capacity has been reduced due to limitations and age, system modifications and increased demand. The new pipeline would help meet system demand, provide system reliability and allow the original SCC to be taken out of service for maintenance and repairs.

Ms Rees discussed some of the options for funding construction of the \$6.3 million project. However, in order to be competitive for any grant funding or legislative assistance, she stressed the importance of demonstrating that the planning, engineering design, and environmental compliance for the project was progressing. This Task Order would authorize Boyle Engineering to complete the preliminary design work, prepare an Environmental Impact Report, perform a geotechnical analysis and carry out the regulatory permitting for the Second Barrel Project. It will take approximately 3 years to get the project to the construction phase. The total proposed cost for Task Order No. 18 is \$491,000.

Brett Gray answered questions from the Board concerning the need of the project and what was entailed in the preliminary design phase. Director Evans requested that an executive summary be provided for the March 27th regular Board meeting that clearly explained the need for the project and why it was necessary to move forward at this time. He also asked staff to reevaluate the level of engineering services needed in order to complete the environmental work. The Board requested that URS Corporation be used to provide the environmental compliance services. Ms Rees agreed to provide a revised scope of work for engineering and environmental services and an executive summary at the March meeting for the Board's consideration.

10. Report from COMB Strategic Planning Ad Hoc Committee

There was nothing to report from the Strategic Planning Ad Hoc Committee. The committee has been disbanded.

11. Cachuma Reservoir Current Conditions

Reservoir Current Conditions:

Date 01/23/2006

Lake elevation	746.90 feet
Storage	178,796 acre feet
Rain (for the month to date)	.55 inches
Rain YTD (for the season to date)	11.25 inches
Fish Release-Hilton Creek	11.3 acre feet per day
Month to Date Fish Release	305.5 acre feet

The remaining surcharge in the fish account is 2383 AF.

12. Verbal Report - Lauro Dam Seismic Safety Modifications Project

Ms Rees referred to the construction update report of the Lauro Dam Seismic Safety Modification Project included in the Board packet. These reports will be provided for Board information as COMB receives the reports.

The repayment contract for reimbursement of the 15% obligation of the project costs was circulated for a 60 day public review. That period ended on February 14, 2006, and Reclamation received no public comments. The final contract should be ready to present to the COMB Board for approval at the March 27, 2006 meeting.

13. Proposed Residential Development in the Lauro Reservoir Watershed at 1560 San Roque Road

Ms Rees reviewed the progress of the residential development at 1560 San Roque Road. The project was denied by the Board of Architectural Review and then appealed to the County Planning Commission by the owner. The Planning Commission held a hearing on this item January 25, 2006 and granted the appeal made by the property owner. The zoning administrator will consider giving the applicant a land use permit for the septic system on February 27th. The applicant also needs to get a consent letter from the Bureau of Reclamation for improvements to the access road that crosses federal land. Staff will closely follow the progress of this project in order to assure that the County includes the conditions recommended by the COMB Board in the building permit.

14. Report on Bureau of Reclamation's Mid-Pacific Water Users' Conference and Meetings with Kirk Rodgers, Regional Director, and Fish and Wildlife Service.

Ms Rees included in the Board packet a summary of the meeting with the Bureau of Reclamation's Regional Director, Kirk Rodgers and a meeting with Fish and Wildlife Service. Topics discussed with Mr. Rodgers included assistance with federal funding for the South Coast Conduit pipeline project (2nd barrel) and other infrastructure improvements. Also discussed was the request to explore reassignment of the Cachuma Master Renewal Contract from the Santa Barbara County Water Agency to COMB or

the Member Units and the response letter from Kirk Rodgers confirming that all costs for the Hilton Creek Watering System will be paid from the Bradbury Dam SOD Fund

The meeting with the Fish & Wildlife Service included discussion about jurisdiction over the steelhead above Bradbury Dam, a programmatic biological opinion for repair and maintenance work on structures along the South Coast Conduit by COMB, and grant funding from Fish & Wildlife Service for steelhead projects.

15. Resolution No. 439 in Support of 2006 Water Bond

The recommendation:

1. Approve Resolution No. 439 of the Cachuma Operation & Maintenance Board and Resolution No. 06-01 of the Board of Directors of the Cachuma Conservation Release Board for each agency respectively, declaring support for the enactment of the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 as a legislative bond initiative or as a voter initiative.
2. Authorize the COMB and CCRB Board Presidents to sign letters of support for the act.

Discussion about the 2006 Water Bond took place during the CCRB meeting with Ms Rees and Mr. Wilkinson highlighting the bond.

Director Abel moved to approve recommendations 1 and 2 with the identical addition of a whereas as the CCRB Board had approved, addressing the proposed connection fee, region size and project scope. Seconded by Director Lieberknecht, a roll call vote was taken, passed 3/1/1. Director Bettencourt voted no; Director Williams was absent.

A copy of the final revised resolution, and an analysis of the bonds will be included in the packet for the March 27, 2006 regular Board meeting.

16. Scheduling of Tour for Board of Directors to Review the Cachuma Project South Coast Facilities. Suggested Dates: March 16, 22, 23 or 30, 2006

The Board will consider the tour to review the Cachuma Project South Coast Facilities at the March 27th meeting.

18. Requests from Directors for Items to be Included on Next Agenda

A Special Joint Board Meeting of COMB/CCRB has been scheduled for March 9, 2006 at 3:00 p.m. The next regular COMB Board meeting will be March 27, 2006 immediately following the CCRB Board meeting.

19. COMB Adjournment

There being no further business, the meeting was adjourned at 4:52 p.m.

Respectfully submitted,

Secretary of the Board

APPROVED:

Chair