

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, September 28, 2009

1. Call to Order, Roll Call

The meeting was called to order at 2:36 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 Blois	Phil Walker
Danna McGrew	
Stacey Hanson	

President Williams asked the Board for consensus to consider the report from the Auditor for FY 08-09. Director Bettencourt moved to consider the Auditors Report, passed by unanimous consensus.

4. Report from the Auditor for Fiscal Year 2008-2009: Recommendation to Accept the Audit

The Financial Statements for the fiscal year ended June 30, 2009 and the Independent Auditor's Report were prepared by Bartlett Pringle & Wolf, and were included in the board packet. Danna McGrew, Partner and Stacey Hanson, Audit Manager summarized the FY 2008-09 audit for the Board of Directors. The auditors did not identify any management concerns or reportable conditions in conducting the audit.

Lee Bettencourt and Chris Dahlstrom suggested several changes to the audit and to the Managers Discussion and Analysis section of the audit. Staff will review these suggestions and make changes as appropriate.

During Ms. McGrew's report she reminded the Directors that the implementation of GASB 45 is required this fiscal year. Ms. Gingras is currently working on the actuarials for COMB.

President Williams reported that the COMB Finance Committee had met and recommended that the Board accept the Financial Statements for the fiscal year ended June 30, 2009.

Director Hanson moved to accept the Financial Statements for the fiscal year ended June 30, 2009 and the Independents Auditor's Report as presented, seconded by Director Abel, passed 7/0/0.

Director Hansen moved to continue the COMB meeting at the close of the CCRB meeting, seconded by Director Abel, passed 7/0/0.

COMB meeting adjourned at 2:55 p.m.

COMB meeting continued at 3:59 p.m.

2. Public Comment

Phil Walker commented on whether or not COMB had a contingency plan in place if an aircraft using Lake Cachuma for fire fighting activities were to negatively impact water quality from fuel contamination, and also on concerns over the storage capacity in the Lake.

3. Consent Agenda

a. Minutes:

August 31, 2009 Regular Board Meeting, and September 21, 2009 Special Board Meeting with CVWD

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, motion passed 7/0/0.

Counsel Bill Hair noted that he attended the September 21, 2009 Special Board meeting; he will be added to the attendance list.

5. 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.

c. Quagga Mussel Inspection Report – County of Santa Barbara

This report was included in the board packet. Director Abel requested clarification on the sampling station detail report, Notes: Lack collecting permit this month. No samples taken; no Tuffies replaced at any station. Ms. Rees said she would find out if an inspection took place and forward the information to the Cachuma General Managers.

d. 2008 Surcharge Accounting

Ms. Rees had included the surcharge table in the board packet.

e. Jesusita Fire Activities

Susannah Pitman reported on the activities that COMB has been working on for Jesusita Fire repairs around Lauro Reservoir. They include hydro mulching, dead tree removal, and replacement of damaged fencing.

f. Cachuma Reservoir Current Conditions

Date 09/28/2009

Lake Elevation	733.38 feet
Storage	142,749 acre feet
Rain (for the month to date)	0.07 inches
Rain YTD (for the season to date)	7.64 inches
Fish Release-Hilton/Outlet Works	23.1/16 acre feet per day
Month to Date Fish Release	1043 acre feet
Month to Date Spill	0 acre feet
Year to Date Spill	0 acre feet

6. COMB Capital Improvement Program

a. CIP Bond

1) Revised Schedule

Ms. Rees passed out a revised schedule for bond approval. ID No. 1 has changed the date of their meeting from October 20 to October 21. Director Abel inquired about the status of the side agreement between MWD and COMB that is being prepared by Doug Brown. Janet Gingras will follow up on the progress of that agreement with Mr. Brown. Director Williams asked Counsel Bill Hair's opinion on the side agreement between MWD and COMB. Mr. Hair stated it should be in final form by the time the other Member Unit Boards approve the bond documents.

2) Status of member Units' Approval of COMB Bond Issuance

Ms. Rees included in the board packet a memo outlining the status of Member Units' approvals and what is still required from their Boards for bond approval.

b. SCC/Upper Reach Reliability Project

1) Receipt of Construction Bids

Ms. Rees reported that construction bids for the 2nd Pipeline Project had been received. Don Kelly Construction was the apparent low bidder at \$8,085,366.00. The contract will not be awarded until the financing is in place. Ninety days have been allowed in the bid documents before the contract needs to be awarded. The contractor has been contacted about his willingness to extend his bid amount beyond the 90 days if funds have not been received by the first of December.

2) Project Status Report

A status report for the SCC/Upper Reach Reliability Project was included in the board packet.

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.

7. Consider Resolution No. 496 to Address CVWD's Equity Issues

Ms. Rees reported that the COMB and CVWD Boards met on September 21, 2009 to discuss COMB's capital improvement projects proposed for funding through a bond issuance. The result of the joint meeting was to suggest that COMB consider three policy actions to be responsive to the issues raised by CVWD. The three policy actions were prioritization of the capital improvement projects, use of Cachuma facilities by non-Cachuma agencies, and development of a peak demand management protocol. The approval of Resolution 496 would formalize COMB's commitment to these principles.

Alex Keuper presented a CVWD staff recommended change to the Resolution. Following Board discussion regarding the changes submitted by CVWD and changes Director Hanson suggested, Director Hanson moved to approve Resolution 496 by replacing paragraph Item three with;

“COMB has a duty and responsibility to diligently monitor water deliveries to all member Units. COMB affirms the principle that each SCMU is entitled to a percentage share of both peak and average deliveries through the SCC equal to its respective Cost Allocation Percentage and that no member unit shall take deliveries from the SCC at a rate that has an impact on another Member Unit from receiving its share of water deliveries unless a mutually agreed arrangement has been reached by member units regarding this issue. Any such arrangement for possible charges or compensation for overuse will be established by mutual agreement of the SC Member Units”,

seconded by Director Williams, a roll call vote was taken, passed 6/0/1, Director Bettencourt abstained.

8. Consider Approval of COMB Change Work Order Policy

Ms. Rees reported that a draft change work order policy developed by staff was provided to the Board last month with a request for input. Comments were provided and those comments were incorporated in the attached revised draft policy. Ms. Rees requested input from the Board on the authorization levels of the General Manager, the procedure if a condition were to develop necessitating immediate action on the part of the Construction Manager, and the appeals process if a conflict were to develop between the Contractor and the Construction manager. The Board had a full discussion on these issues, and had several suggested changes to the change order policy.

The Board directed Ms. Rees to develop another revised draft of the change order work policy, based on Board suggested changes, and bring it back to the Board in October for consideration of approval.

a. If needed, Consider Approval of Change Order for El Jaro Creek Cross Creek Ranch Fish Passage project

Tim Robinson reviewed the proposed Change Order for the El Jaro Creek Cross Creek Ranch Project. The design engineer for the project recommended adding 200 tons of rock for slope projection in the road access area to prevent erosion. The contractor has reviewed the proposal and estimated the design change to cost \$12,600. Mr. Robinson requested that a 20% contingency be added, which increased the contract amount by \$15,120.

Director Lieberknecht move to approve the \$12,600 change order with a 20% contingency for the Cross Creek Ranch Fish Passage Project, seconded by Director Williams, passed 7/0/0.

9. Consider Approval of MOU Between COMB, CCRB, and SYR Water Conservation District, ID #1 for Funding and Construction of El Jaro Creek Cross Creek ranch Fish Passage Project

Discussion of this item took place during the CCRB meeting. There was no further discussion.

Director Abel moved to approve the MOU between COMB, CCRB, and the Santa Ynez River Water Conservation District, ID No.1 for funding and construction of the El Jaro Creek Cross Creek Ranch Fish Passage project, seconded by Director Williams, passed 6/1/0, Director Bettencourt voted no.

President Williams suggested tabling agenda items 10, 11, and 13 due to the late hour of the meeting. Director Abel moved to table items 10, 11, and 13, seconded by Director Lieberknecht, passed 7/0/0.

10. Quagga Mussel Ad Hoc Committee

Deferred to the October 26th meeting.

11. Proposition 50 and Proposition 84 Activities

Deferred to the October 26th meeting.

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

Consider approval of change work order policy.

Director Bettencourt requested that a written opinion be prepared by COMB legal counsel explaining why the Biological Opinion activities are not a water rights issue, for the record.

13. Inside Santa Barbara Video – Overview of CCRB and COMB.

Deferred to a later meeting.

14. Meeting Schedule

The next regular Board meeting will be held October 26, 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

15. COMB Adjournment

There being no further business, the meeting was adjourned at 6:00 p.m.

Respectfully submitted,

Kate Rees, Secretary of the Board

APPROVED:

Das Williams, President