



A Meeting of the  
**BOARD OF DIRECTORS  
OF THE  
CENTRAL COAST WATER AUTHORITY**

will be held at 9:00 a.m., on Thursday, March 28, 2019  
at 255 Industrial Way, Buellton, California

Eric Friedman  
Chairman

Ed Andrisek  
Vice Chairman

Ray A. Stokes  
Executive Director

Brownstein Hyatt  
Farber Schreck  
General Counsel

*Member Agencies*

City of Buellton

Carpinteria Valley  
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water  
Conservation District,  
Improvement District #1

*Associate Member*

La Cumbre Mutual  
Water Company

- I. Call to Order and Roll Call**
- II. Public Comment – (Any member of the public may address the Board relating to any matter within the Board’s jurisdiction. Individual Speakers may be limited to five minutes; all speakers to a total of fifteen minutes.)**
- III. Consent Calendar**
  - \* A. Approve Minutes of the February 28, 2019 Regular Meeting
  - \* B. Approve Bills
  - \* C. Controller’s Report
  - \* D. Operations Report
- IV. Executive Director’s Report**
  - A. CCWA Water Supply Situation Report
  - \* B. Lake Cachuma Pumping Restrictions and Alternatives
  - C. State Water Project Contract Assignment Update
  - D. State Water Project Contract Extension and California WaterFix Update
  - \* E. CCWA Reserve Fund for DWR Charges
  - ★ \* F. CCWA FY 2019/20 Preliminary Budget
  - ★ \* G. FY 2017/18 Continuing Disclosure Annual Report for Ratification
  - \* H. Legislative Update
- V. Reports from Board Members for Information Only**
- VI. Items for Next Regular Meeting Agenda**
  - A. CCWA FY 19/20 Budget
- VII. Date of Next Regular Meeting: April 25, 2019**
- VIII. Adjournment**

\* Indicates attachment of document to original agenda packet.

★ The FY 2017/18 Continuing Disclosure Report and FY 2019/20 Preliminary Budget have been included for Board members only with this mailing. The documents are available on-line at [www.ccwa.com](http://www.ccwa.com), or by contacting Lisa Watkins at [lfw@ccwa.com](mailto:lfw@ccwa.com) to request a hard copy.

255 Industrial Way  
Buellton, CA 93427-9565  
(805) 688-2292  
FAX: (805) 686-4700

  
#45939\_1



**MINUTES OF THE  
CENTRAL COAST WATER AUTHORITY  
BOARD OF DIRECTORS**

**February 28, 2019**

**I. Call to Order and Roll Call**

Alternate Director Springer called the Central Coast Water Authority (CCWA) Board of Directors meeting held at 255 Industrial Way, Buellton, California, to order at 9:00 AM. Attachment No. 1 is a list of those in attendance.

CCWA member agencies with voting privileges were represented by:

<u>Representative</u>	<u>Agency/City</u>	<u>Voting %</u>
Ed Andrisek	City of Buellton	2.21%
Lauren Hanson	Goleta Water District	17.20%
Harlan Burchardi	Santa Ynez River Water Conservation District, ID #1	7.64%
Shad Springer	City of Santa Maria	43.19%
Eric Friedman	City of Santa Barbara	11.47%
Shirley Johnson	Carpinteria Valley Water District	7.64%
Gina Rubalcaba	City of Guadalupe	1.15%
Floyd Wicks	Montecito Water District	9.50%

**II. Public Comment**

There was no public comment.

**III. Election of Officers and Committee Appointments**

Alternate Director Springer provided introductions for the new Board members present.

Ray Stokes, CCWA Executive Director, provided a brief synopsis of the organization of the CCWA Board. Alternate Director Springer requested nominations from the Board for the role of Chairman and Vice Chairman. Alternate Director Springer nominated Director Friedman for the role of Chairman, seconded by Director Andrisek. Director Friedman nominated Director Andrisek for the role of Vice Chairman, seconded by Director Wicks. Director Wicks nominated Mr. Stokes for Treasurer and Ms. Watkins for Secretary, seconded by Director Johnson.

Following discussion, the Board approved the nominated slate of officers, with all in favor and none opposed.

Mr. Stokes explained the responsibilities of the Finance and Personnel Committees, who are appointed by the Chairman of the Board. The Operating Committee is comprised of the General Managers of CCWA's member agencies, so it is not appointed by the Chairman.

Chairman Friedman requested input from the Board, asking if any members would consider volunteering for serving on any of the Committees due to their experience or expertise in any of the subject matters.

Following discussion, Chairman Friedman appointed Directors Borah, Friedman and Burchardi to the Finance Committee, which meets quarterly prior to the Board of Directors meetings.

Directors Andrisek, Wicks and Burchardi were appointed to the Personnel Committee, which generally meets annually.

Director Andrisek was also appointed to serve as CCWA's JPIA representative, and Mr. Stokes will continue as the JPIA alternate.

#### **IV. Consent Calendar**

- A. Approve Minutes of the January 24, 2019 Regular Meeting
- B. Approve Bills
- C. Controller's Report
- D. Operations Report

A motion to approve items B, C and D of the Consent Calendar was made by Director Springer, seconded by Director Wicks and carried with all in favor and none opposed.

Alternate Director Springer moved to approve Item A of the Consent Calendar, minutes of the January 24, 2019 meeting, seconded by Director Andrisek and carried with all in favor, and none opposed, and Directors Wicks, Rubalcaba and Hanson abstaining.

#### **V. Executive Director's Report**

- A. New Board Member Orientation and Major CCWA Initiatives

Mr. Stokes provided a presentation detailing the organization, structure and staffing of CCWA, as well as its objectives. The presentation also provided an overview of the state water project, and explanation of the State Water Contractors organization.

Some of the issues currently impacting CCWA member agencies were discussed, including CCWA's supplemental water purchases and the increasing discrepancies in the DWR Transportation Minimum costs estimates.

Background was provided related to major initiatives that CCWA is currently pursuing, including assignment of the State Water Project (SWP) contract from SB County to CCWA, contract extension and amendment with DWR, CalWater Fix and Water Management contract amendment, and reacquisition of 12,214 AF of suspended Table A contract amount.

- B. CCWA Water Supply Situation Report

Mr. Stokes reported on the water available to CCWA, explaining the current indices show that the state's precipitation is well above historic average levels at 130% for the northern Sierra index, largely due to the storms that took place in February. Snowpack is also well above average, currently 150% of average. Lake Oroville storage level has been kept artificially low during spillway repairs, but is increasing.

San Luis Reservoir is also approaching capacity, but has not yet spilled. CCWA is currently receiving Article 21 water, which is provided when San Luis Reservoir is full.

Discussion took place regarding delivery of Article 21 water, and whether the fact that South Coast agencies were unable to take delivery of water to Cachuma Lake provided a delivery advantage to those agencies that were able to take Article 21 water deliveries. Mr. Stokes explained there was no advantage to project participants north of Cachuma Lake due to CCWA's current inability to deliver water to the lake.

John Brady, CCWA Deputy Director of Operations and Engineering, provided an explanation of the issues related to water delivery to Cachuma Lake. CCWA is currently unable to deliver water through the bypass pipe due to the high level of the lake. However, there is a biological ruling that will not allow CCWA to use the dam's penstock to deliver water as the penstock is in use for delivery of water to supplement fish habitat, until the lake level rises to a point that a siphon is established and the penstock is not needed for the requirements of that biological opinion. Alternatives have been discussed and are being investigated which would allow CCWA to continue to deliver water even when the lake level has risen to the point that the spillway gates are closed, but before the penstock becomes available.

C. CCWA 2019 Supplemental Water Purchase Program Update

CCWA has a program to purchase additional water supplies for its member agencies, and has negotiated an agreement with Mojave Water District to purchase additional supplies as needed by CCWA member agencies. However, until delivery resumes to Cachuma Lake the additional water is not feasible.

D. Ernst & Young Audit Report on the DWR 2019 State of Charges

In July 2018, CCWA received the DWR Statement of Charges for calendar year 2019 which showed an approximate \$14 million increase in the DWR Transportation Minimum OMP&R charges for calendar year 2019. Mr. Stokes provided background on the Transportation Minimum OMP&R charges, which vary greatly between over collection and under-collection from DWR.

CCWA hired the accounting firm Ernst & Young to audit the calendar year 2019 Transportation Minimum OMP&R charges to ensure the charges are correct and to try to explain why the charges have greatly increased. The Ernst & Young audit report was included in the materials for the CCWA Board meeting.

1. The large increases are almost entirely due to cost increases in Reach 33A. This is the financial reach directly upstream of the CCWA Polonio Pass Water Treatment Plant that includes the three DWR pumping plants, Devil's Den, Bluestone and Polonio Pass.
2. Of the costs allocated to Reach 33A, approximately 70% of the costs are not directly related to work actually performed in Reach 33A, but are instead, indirect costs associated with the allocation of state-wide costs or system-wide costs that are allocated in proportion to actual staff time in Reach 33A as well as other indirect cost allocation methodologies.

3. Only 30% of the costs charged to Reach 33A are direct costs associated with work done on the facilities in that reach.

E&Y had a number of findings primarily related to asset purchases which should have been capitalized and paid over time and incorrect indirect cost allocation cycles which incorrectly allocated a higher percentage of indirect costs to Reach 33A. Again, these will be submitted to DWR for correction and, if DWR agrees, a correction will be made to a future SOC for CCWA.

The Board discussed the transparency of the billing procedures utilized by DWR, as well as CCWA's possible remedies to contest or investigate charges. Mr. Stokes noted that the contract with DWR requires payment of the charges, but CCWA has the ability to contest the charges after payment, and CCWA will continue its investigation of the charges.

The Board also discussed a prior presentation, in which the extremely variable Transportation O&M could be smoothed out, as well as if state representatives should be engaged to intervene on CCWA's behalf.

#### E. CCWA Reserve Fund for DWR Charges

DWR Statement of Charges (SOC), and especially the Transportation Minimum OMP&R charges, have had significant volatility over the years. Historically, CCWA has been able to cover the difference between the amounts billed to our project participants and the actual DWR SOC. However, as was the case this fiscal year, the difference was too large and CCWA had to issue a supplemental bill to collect funds to cover the difference between CCWA budget estimates and the actual charges from DWR.

In order to avoid future supplemental assessments, CCWA staff proposes to create a DWR Reserve Fund with a target amount of \$10 million to be used to fund differences between the actual charges from DWR and the estimates used for budgeting and billing to the CCWA project participants. The fund would be allocated to each CCWA project participant in proportion to their Transportation Minimum OMP&R allocation percentages.

To fund the DWR reserve fund, staff proposes that annual budget surpluses from the CCWA Operating Expense budget, interest earnings on other reserve accounts and excess amounts within the DWR accounts be transferred to the DWR reserve fund for each project participant until the target level has been achieved. After the target funding amount has been reached, each of the credits and interest earnings would continue to be refunded back to the project participant. If the DWR reserve fund falls below the funding target, credits and interest earnings will be used to bring the funding level back to the funding target.

CCWA is currently holding about \$1.3 million in credits and interest earnings from FY 2017/18 that could be deposited into the DWR reserve fund.

Alternate Director Springer expressed support of the proposal. Director Hanson stated that Goleta Water District would prefer to build a reserve within its own control, also based on refunds from CCWA, and requested more specific

information related to how the fund would be used. In response to a question from Director Johnson, Mr. Stokes provided details of CCWA's \$2 million emergency reserve fund for use in the event of an operational emergency and the rate coverage reserve fund, which is allocated to each participant as a guarantee of coverage of bond payments.

Following discussion, including an explanation of CCWA's contractual constraints on payments for DWR charges, and options for potential repayment of the current billing amount. The Board requested the additional suggestions be investigated further by Staff, and the matter be brought back to the Board at its next meeting, including policy related to use of the funds.

F. Request for Approval for the Use of Appropriated Contingency for Sludge Removal System Repair at the Water Treatment Plant

Mr. Brady provided a brief explanation of the function of the Polonio Pass Water Treatment Plant (WTP) and explained that a recent high wind event caused damage to one of the WTP sedimentation basins, which reduced the WTP capacity by 1/3. CCWA staff needed to proceed with an immediate repair.

Currently there is no interference with meeting Participants' delivery requests. However, it is imperative that the WTP be brought back to full capacity as soon as possible. Accordingly, the Executive Director approved the \$22,923.76 purchase of the required parts for the repair through his spending authority. Resolution 16-01 allows the Executive Director to purchase services, supplies or equipment up to \$25,000.

CCWA staff requested Board authorization to utilize the appropriated contingency fund for the repair of the WTP sludge removal system. Mr. Wicks requested the costs be submitted to CCWA's insurer, JPIA.

Upon a motion by Alternate Director Springer, seconded by Director Wicks and carried with all in favor and none opposed, the Board authorized the Executive Director to utilize funds from the appropriated contingency budget as described in the Board report.

G. Warren Act Contract Renewal Negotiations

CCWA entered into a contract with the United States Bureau of Reclamation (Bureau) for the use of excess capacity of the Cachuma Project on July 25, 1995. This contract has a term of 25 years, which means the contract is set to expire on July 25, 2020. Mr. Brady requested the Board's authorization for the Executive Director to engage with the Bureau and begin negotiation for a new contract. Mr. Brady indicated that the Bureau needed a letter from the CCWA Board of Directors authorizing the Executive Director to begin negotiations.

The main objective to negotiating the new Warren Act Contract is to establish a reliable delivery path to Lake Cachuma for CCWA lake delivery operations for

another 25 years. The negotiated contract will be brought back to the full CCWA Board for approval.

Upon a motion by Director Springer, seconded by Director Rubalcaba and carried with all in favor and none opposed, the Board authorized the Executive Director to begin negotiations with the United States Bureau of Reclamation for a new contract for CCWA's lake delivery operations to Lake Cachuma.

H. State Water Project Contract Assignment Update

In early February, CCWA staff requested the Santa Barbara County Board of Supervisors authorization to allow their staff to begin investigations of assignment of the State Water Contract from Santa Barbara County to CCWA. The Board approved the request unanimously, and March 11, 2019 CCWA Staff is scheduled to meet with Santa Barbara County Staff to ensure there are no outstanding issues related to the request.

I. JPIA Low Loss Report

JPIA informed CCWA that it's loss ratio of 20% or less in the Worker's Compensation, Property and Liability programs entitles CCWA to the "President's Special Recognition Award" for those programs. JPIA commended CCWA on its efforts in reducing insurance claims.

**VI. Reports from Board Members for Information Only**

Director Wicks raised the subject of a groundwater basin banking proposal utilizing the basin near Bradbury Dam, and Mr. Stokes suggested the matter be brought up to the Santa Barbara County water purveyors

There were no other reports from Board members.

**VII. Items for Next Regular Meeting Agenda**

A. CCWA FY 19/20 Preliminary Budget

**VIII. Date of Next Regular Meeting: March 28, 2019**

**IX. Adjournment**

The meeting was adjourned at 11:55 AM.

Respectfully submitted,

---

Elizabeth Watkins  
Secretary to the Board

# CENTRAL COAST WATER AUTHORITY

**Meeting:** CCWA Board of Directors

**Date:** February 28, 2019

NAME	ORGANIZATION	TELEPHONE
Lauren Hanson	CCWA	
Gina Rubalcaba	Guadalupe	(805) 356-389
Shirley Johnson	CVWD	805-881-8011
Eric Friedman	City of SB	805-568-5318
Floyd Wicks	Montecito Water	805-455-1670
ED ANDRISEK	City of Buellton	805-688-1458
SHAD SPRINGER	CITY OF SANTA MARIA	(805) 925-0951
Kelley Dyer	City of SB	(805) 564-5571
STEVE KAHN	CITY OF GUADALUPE	(805) 610-6269
Nick Turner	MWD	805-979-2271
Etta Waterfield	City of Santa Maria	805-714-1379
Lisa Long	CCWA	805-688-2292
Laura Matthews	CCWA	805-688-2292
Stephanie Hastings	RTFS	805-963-7000
John Brady	CCWA	688-2292

Placing your name on this list is voluntary and is not required to attend this meeting.





# CENTRAL COAST WATER AUTHORITY

## Normal and Recurring Costs

Bills for Ratification - February 2019

VENDOR	INVOICE AMOUNT	DESCRIPTION
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>		
Bank of America Business Card	34.99	Publications, subscriptions, postage
Bank of America Business Card	60.00	Irrigation Training (2 employees)
Bank of America Business Card	408.52	SWC/DWR - Travel and meetings
Bank of America Business Card	441.25	Staff meetings
Bank of America Business Card	645.00	Western State Corrosion Seminar
Bank of America Business Card	902.90	Cla-Val Training Registration/Lodging (2 employees)
Bank of America Business Card	600.00	Advertisement
Brady, John	277.00	Reimbursable expenses - Membership Renewal
Cardmember Service	4,022.69	State Water Contractors - Travel and meetings
Federal Express	47.29	Express shipping
Ladd, Brandon	105.00	Reimbursable expenses - Membership Renewal
Petersen, Tom	180.00	Reimbursable expenses - Certification Renewal
Renelle, David	60.00	Reimbursable expenses - Certification Renewal
Steinbock, Michael	55.00	Reimbursable expenses - Certification renewal
Total Funds	200.00	Postage - postage machine
United Parcel Service	313.47	Shipping expenses
Watkins, Lisa	141.52	Reimbursable expenses - Mileage Expense
	<b>\$ 8,494.63</b>	<b>Total General &amp; Administrative</b>
<b>MONITORING EXPENSES</b>		
AmeriPride Services, Inc.	306.96	Lab supplies
Culligan Industries Water Systems	85.00	Carbon Tank Rentals, Tri-Bed Tank Rentals
Environmental Resource Association	276.45	QC Testing
Eurofins Eaton Analytical	40.00	Lab testing
Hach Company	4,463.68	Lab supplies
Home Depot	11.83	Lab supplies
IDEXX Distribution Corp.	1,748.24	Lab supplies
Kern Co. Water Agency	980.00	Laboratory Analysis
VWR International	612.09	Lab supplies
	<b>\$ 8,524.25</b>	<b>Total Monitoring Expenses</b>
<b>OFFICE EXPENSES</b>		
AND Design Agency	28.93	Employee ID Cards
Bank of America Business Card	154.60	Office and Kitchen Supplies
Office Depot	457.48	Office, janitorial & kitchen supplies
Santa Ynez Valley Hardware	12.48	Office Supplies
Solvang Bakery	77.85	Board and Committee meeting pastries
Staples Inc.	267.25	Office, janitorial & kitchen supplies
The Gallery Collection	196.39	Office supplies
Valley Oaks Printing	59.26	Business cards/Envelopes
	<b>\$ 1,254.24</b>	<b>Total Office Expenses</b>
<b>OTHER EXPENSES</b>		
ACWA/JPIA	793.00	Insurance - Excess Crime Insurance 2018-19
American Marborg	164.72	Tank 2/EDV Rental
B.A.T. & Coatings LLC	7,535.37	Aqua-Ammonia Liner Installation
Bank of America Business Card	289.96	Domain Name/Mail Account Renewal
Bragg Crane Service	915.92	Equipment Rental
Brentwood Industries, Inc.	17,303.81	Sludge Collection System Repair



# CENTRAL COAST WATER AUTHORITY

## Normal and Recurring Costs

Bills for Ratification - February 2019

VENDOR	INVOICE AMOUNT	DESCRIPTION
Comcast	193.16	Internet Service
CompuVision	5,460.63	Managed Service Agreement
CompuVision	15,455.97	Annual SmartNet Renewal and Switches
De Lage Landen Financial Services	248.01	Copier Lease - BAO
Harrington Industrial Plastics	744.39	Aqua-Ammonia Liner Installation
HDR Engineering, Inc.	545.00	Permanent Bypass Piping at Bradbury Outlet Works Eval
Impulse Internet Services	2,097.38	T-1 System and Internet Service (Buellton and Shandon)
Kieding, Eric	280.00	DSL reimbursement
Marborg Industries	155.09	Tank 5/Tank 7 Rental
Raminah Construction, Inc.	24,791.49	North Portal Access Road Repair
Santa Barbara Natives, Inc.	105.16	North Portal Access Road Repair
SEMS Technologies LLC	4,500.00	12 month renewal SEMS PRO
Sympro, Inc.	7,942.25	Sympro Maintenance Agreement
United Rentals North America, Inc.	1,701.61	Equipment Rental
Xerox Financial Services	377.24	Copier Lease - WTP
	<b>\$ 91,600.16</b>	<b>Total Other Expenses</b>
<b>OTHER MISCELLANEOUS EXPENSES</b>		
Department of Water Resources	2,177,303.00	Variable OMP&R, Delta Water & Transport Charge
	<b>\$ 2,177,303.00</b>	<b>Total Other Miscellaneous Expenses</b>
<b>PERSONNEL EXPENSES</b>		
CalPERS Health	34,359.26	Health Insurance
CalPERS Retirement	36,944.58	Pension Contributions
CCWA Payroll Wages/Taxes	250,616.43	Gross Payroll Wages/Taxes
Dental/Vision Payments	2,107.05	Dental/Vision Benefits
Doctors On Duty Medical Group	135.00	Pre Employment Physical/Drug Screen
MetLife SBC Insurance	1,013.95	Life Insurance
Other Misc Employee Benefits	8,701.90	Vehicle, Uniform and Cafeteria Plan Benefits
Standard Insurance Company	1,298.74	Disability Insurance
	<b>\$ 335,176.91</b>	<b>Total Personnel Expenses</b>
<b>PROFESSIONAL SERVICES</b>		
Air Pollution Control District	442.00	Equipment permit renewals
All-Cal Equipment Services	625.00	Annual testing of Crane and Lift Equipment
CADA-SAVE/EAP	1,178.00	Annual Employee Assistance Program
Cardno, Inc.	230.50	Environmental Consulting
Quinn Company	950.00	Fuel sampling kits
Samba Holdings, Inc.	136.40	DMV driver reports
Stanley Convergent Security	1,092.00	Security Service BAO/SYPP
Underground Service Alert	170.14	New tickets
	<b>\$ 4,824.04</b>	<b>Total Professional Services</b>
<b>CIP PROJECTS - MATERIALS &amp; OVERHEAD</b>		
3C Engineering, Inc.	14,250.00	HVAC System Design
Bank of America Business Card	8.99	SYPP Equipment Upgrades
Bank of America Business Card	12.93	Air Conditioning Unit Replacement BAO Phase 1 of 2
Bank of America Business Card	66.20	Network Switch Replacement
HDR Engineering Inc	11,643.25	SYPP Electrical Upgrade Design
Winner Chevrolet	27,725.31	2019 Chevy Silverado 1500 LD D083
Winner Chevrolet	38,387.14	2019 Chevy Silverado 2500 HD D084
	<b>\$ 92,093.82</b>	<b>Total CIP Project - Materials and Overhead</b>

45953\_1.xls  
3/19/2019  
LJM



# CENTRAL COAST WATER AUTHORITY

## Normal and Recurring Costs

Bills for Ratification - February 2019

VENDOR	INVOICE AMOUNT	DESCRIPTION
<b>REPAIRS &amp; MAINTENANCE</b>		
AmeriPride Services, Inc.	351.17	Building maintenance supplies
Bank of America Business Card	24.99	Vehicles repairs and maintenance
Bank of America Business Card	79.98	Building maintenance supplies
Bank of America Business Card	237.82	Equipment repairs and maintenance
Battery Systems Inc	706.54	Batteries replaced
Big Brand Tire & Service	1,775.94	Vehicle maintenance
Burt Industrial Supply Inc	62.44	Parts, repair and maintenance
City of Buellton	96.89	Landscape maintenance - water
Coverall North America, Inc	979.00	Janitorial service - BAO/SYPS
Ferguson Enterprise, Inc.	890.96	Parts, repair and maintenance
GFG Instrumentation Inc.	1,775.56	Equipment repairs and maintenance
Grainger Inc.	860.87	Parts, repair and maintenance
Harrington Industrial Plastics	752.51	Parts, repair and maintenance
Harrison Hardware	28.55	Parts, repair and maintenance
Jan's Gardening Service	500.00	Landscape maintenance - BAO/SYPS
Kin-Tek Laboratories Inc	277.00	Parts, repair and maintenance
Lowe's	674.86	Parts, repair and maintenance
MCR Technologies, Inc.	2,832.68	Equipment repairs and maintenance
Plumbers Depot, Inc	1,086.48	Equipment repair
Precision Digital Corp	1,412.00	Equipment repairs and maintenance
Progressive Greenery	330.00	Landscape maintenance - WTP
Pumping Solutions	1,392.25	Equipment repairs and maintenance
Relevant Solutions LLC	744.62	Equipment repairs and maintenance
Rio Vista Chevrolet	1,088.47	Vehicle maintenance
San Luis Personnel Service	1,145.88	Janitorial Service - WTP
Santa Maria Tool, Inc.	712.80	Small Tools, equipment repairs
Staples	78.27	Maintenance supplies
Taft Electric Company	5,618.00	Equipment repairs and maintenance
Ultrex Business Products	176.86	Copier maintenance
USA Blue Book	631.53	Equipment repairs and maintenance
Vreeland Ford	54.61	Vehicle maintenance
Western Exterminator Co	411.00	Pest control spraying - BAO and SYPS
Zoom Imaging Solutions, Inc	35.00	Copier Maintenance
	<b>\$ 27,825.53</b>	<b>Total Repairs &amp; Maintenance</b>
<b>SUPPLIES &amp; EQUIPMENT</b>		
Airgas USA, LLC	277.78	Safety supplies
AmeriPride Services, Inc.	863.88	Uniform expenses
Bank of America Business Card	11.58	Uniform expenses
Bank of America Business Card	90.41	Minor tools
Bank of America Business Card	112.24	Safety supplies
Bank of America Business Card	474.75	Equipment & maintenance supplies
Burt Industrial Supply, Inc	367.32	Minor Tools, Maintenance supplies and hardware
Carr's Boots & Western Wear	174.95	Uniform expenses
Chemtrade Chemicals US, LLC	10,664.47	Chemicals - WTP
Consolidated Electrical Dist.	761.98	Maintenance supplies and hardware
Corix Water Products, Inc.	148.12	Bradbury Dam Pipeline Bypass materials
Fastenal Company	93.37	Maintenance supplies and hardware, safety supplies
Grainger Inc.	738.09	Minor tools, equipment & maintenance supplies, safety supplies



# CENTRAL COAST WATER AUTHORITY

## Normal and Recurring Costs

Bills for Ratification - February 2019

<b>VENDOR</b>	<b>INVOICE AMOUNT</b>	<b>DESCRIPTION</b>
Harrison Hardware	101.61	Maintenance supplies and hardware
Hill Brothers Chemical Company	5,555.58	Chemicals - WTP
Home Depot	283.90	Minor tools, equipment & maintenance supplies
JCI Jones Chemical	23,220.54	Chemicals - WTP
McMaster-Carr Supply Company	215.42	Minor tools, equipment & maintenance supplies, safety supplies
Univar USA, Inc.	862.41	Chemicals - WTP
WEX Bank - Wright Express	5,998.42	Fuel - Autos
	<b>\$ 51,016.82</b>	<b>Total Supplies &amp; Equipment</b>
<b>UTILITIES</b>		
Bank of America Business Card	46.31	Cell Phone accessories
City of Buellton	179.88	Water - BAO
Delta Liquid Energy	900.26	Propane gas
First Choice Technology	13.16	Phone - Long distance carrier, 800#
Frontier	274.57	Telephone charges
Health Sanitation Services	200.38	Waste Disposal - SYPS
Marborg Industries	472.70	Waste Disposal - BAO
Pacific Gas & Electric	44,420.60	Utilities - BAO/SYPS/WTP
San Miguel Garbage Company	210.25	Waste Disposal - WTP
Santa Ynez River Water Conservation	170.55	Water - SYPS
Stokes, Ray	64.64	Reimbursable Expenses - Cell Phone charges
Surfnet Communications, Inc.	75.00	Wireless Internet - Chorro
The Gas Company	264.40	Natural Gas - BAO
Verizon Wireless	400.69	Cell phone charges
	<b>\$ 47,693.39</b>	<b>Total Utilities</b>
<b>Subtotal - Bills for Ratification</b>	<b>\$2,845,806.79</b>	



# CENTRAL COAST WATER AUTHORITY

## Bills for Approval

<b>VENDOR</b>		<b>INVOICE AMOUNT</b>	<b>DESCRIPTION</b>
State of California DWR	\$	3,223,706.00	Capital Cost and Minimum OMP&R Charges -Mar'19
<b>Subtotal - Bills for Approval</b>	\$	<b>3,223,706.00</b>	
<b>Total Ratification and Approval Bills</b>	\$	<b><u>6,069,512.79</u></b>	

A handwritten signature in blue ink, appearing to be "LJM", located in the bottom right corner of the page.



## Statements of Net Position

### ASSETS

	<u>February 28, 2019</u>	<u>January 31, 2019</u>
<b><u>Current Assets</u></b>		
Cash and investments	\$ 6,592,956	\$ 7,284,598
Accounts Receivable (Note 1)	-	-
Accrued interest receivable	170,127	37,473
Other assets	1,833,337	1,845,932
<b>Total Current Assets</b>	<b>8,596,421</b>	<b>9,168,002</b>
<b><u>Restricted Assets</u></b>		
<b>Investment Accounts</b>		
Operations and Maintenance Reserve Fund (Note 2)	2,136,747	2,133,836
Rate Coverage Reserve Fund (Note 3)	9,374,435	9,361,665
Debt Service Payments (Note 4)	822,564	820,144
Department of Water Resources (Note 5a)	14,351,592	16,497,442
Credits Payable (Note 6)	1,133,577	1,132,266
Escrow Deposits (Note 7)	483,013	482,359
<b>Total Restricted Assets</b>	<b>28,301,927</b>	<b>30,427,713</b>
<b><u>Property, Plant and Equipment</u></b>		
Construction in progress (Note 8)	1,685,268	1,589,834
Fixed assets (net of accumulated depreciation)	91,851,663	92,039,403
<b>Total Property, Plant and Equipment</b>	<b>93,536,932</b>	<b>93,629,237</b>
<b><u>Other Assets</u></b>		
Unamortized bond issuance costs (Note 9)	696,288	734,319
Long term receivable (Note 10)	3,632,703	3,632,703
<b>Total Other Assets</b>	<b>4,328,991</b>	<b>4,367,022</b>
<b>Total Assets</b>	<b>\$ 134,764,271</b>	<b>\$ 137,591,974</b>

Central Coast Water Authority

A handwritten signature in blue ink, appearing to be "WAV".



# Statements of Net Position

---

## LIABILITIES AND FUND EQUITY

	<u>February 28, 2019</u>	<u>January 31, 2019</u>
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 169,511	\$ 146,136
DWR and Warren Act Charge Deposits (Note 5a)	14,351,594	16,497,444
CCWA Variable Charge Deposits (Note 5b)	23,636	23,636
Accrued interest payable	601,460	481,168
Other liabilities	727,383	741,875
Rate Coverage Reserve Fund	9,222,497	9,222,497
Unearned Revenue	34,726	34,726
Credits Payable to Project Participants	1,594,411	1,562,949
<b>Total Current Liabilities</b>	<b><u>26,725,218</u></b>	<b><u>28,710,431</u></b>
<b><u>Non-Current Liabilities</u></b>		
Bonds payable (Note 11)	28,870,000	28,870,000
Bond Original Issue Premium, net	1,866,612	1,968,567
OPEB Liability	831,506	831,506
Escrow Deposits	483,013	482,359
Net Pension Liability	3,756,159	3,756,159
<b>Total Non-Current Liabilities</b>	<b><u>35,807,291</u></b>	<b><u>35,908,591</u></b>
<b><u>Commitments and Uncertainties</u></b>		
<b><u>Net Assets</u></b>		
Contributed capital, net (Note 12)	22,562,433	22,562,433
Retained earnings	49,669,329	50,410,519
<b>Total Net Assets</b>	<b><u>72,231,762</u></b>	<b><u>72,972,952</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 134,764,271</u></b>	<b><u>\$ 137,591,974</u></b>



## Statements of Revenues, Expenses and Changes in Net Position

	<u>February 28, 2019</u>	<u>January 31, 2019</u>
<b><u>Operating Revenues</u></b>		
Operating reimbursements from project participants	\$ 21,542,012	\$ 21,542,012
Other revenues	15,313	15,918
<b>Total Operating Revenues</b>	<u>21,557,325</u>	<u>21,557,930</u>
<b><u>Operating Expenses</u></b>		
Personnel expenses	3,121,193	2,776,789
Office expenses	12,035	10,781
General and administrative	135,427	117,411
Professional services	183,778	179,507
Supplies and equipment	781,581	730,245
Monitoring expenses	48,156	39,631
Repairs and maintenance	187,124	159,298
Utilities	790,289	742,596
Depreciation and amortization	867,269	762,128
Other expenses	414,250	318,888
<b>Total Operating Expenses</b>	<u>6,541,101</u>	<u>5,837,275</u>
<b>Operating Income</b>	<u>15,016,224</u>	<u>15,720,655</u>
<b><u>Non-Operating Revenues</u></b>		
Investment income	872,768	725,666
<b>Total Non-Operating Revenues</b>	<u>872,768</u>	<u>725,666</u>
<b><u>Non-Operating Expenses</u></b>		
Interest	1,071,333	951,042
Current year credits payable	563,640	500,071
<b>Total Non-Operating Expenses</b>	<u>1,634,973</u>	<u>1,451,112</u>
<b>Net Income</b>	<u>14,254,018</u>	<u>14,995,208</u>
<b><u>Retained Earnings</u></b>		
Retained earnings at beginning of period	<u>35,415,311</u>	<u>35,415,311</u>
Retained earnings at end of period	<u>\$ 49,669,329</u>	<u>\$ 50,410,519</u>



Central Coast Water Authority  
**Notes to Financial Statements**  
February 28, 2019

**Note 1: Accounts Receivable**

Accounts receivable consists of amounts payable by the State Water Project contractors and other miscellaneous receivables.

**Note 2: O&M Reserve Fund**

The O&M reserve fund represents cash reserves for emergency uses. The funding requirement is \$2,000,000 allocated on an entitlement basis for the Santa Barbara County project participants. Investment earnings on O&M reserve fund balances are credited against CCWA O&M assessments.

Project Participant	Amount
City of Guadalupe	\$ 28,665
City of Santa Maria	844,310
Golden State Water Company	26,059
Vandenberg AFB	386,738
City of Buellton	30,124
Santa Ynez ID #1 (Solvang)	78,177
Santa Ynez ID #1	26,059
Goleta Water District	234,531
Morehart Land Co.	10,424
La Cumbre Mutual Water Company	52,112
Raytheon Systems Company	2,606
City of Santa Barbara	156,354
Montecito Water District	156,354
Carpinteria Valley Water District	104,236
<b>TOTAL:</b>	<b>\$ 2,136,747</b>

**Note 3: Rate Coverage Reserve Fund Cash Deposits**

The rate coverage reserve fund was established to provide CCWA project participants a mechanism to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement to impose rates and charges sufficient to collect 125% of their contract payments. The following schedule shows the current balances plus accrued interest receivable in the rate coverage reserve fund.

Project Participant	Amount
City of Guadalupe	\$ 192,912
City of Santa Maria	5,092,961
City of Buellton	279,900
Santa Ynez ID #1 (Solvang)	623,070
Santa Ynez ID #1	469,379
La Cumbre Mutual Water Company	404,333
Montecito Water District	1,457,557
Carpinteria Valley Water District	838,836
Shandon	15,486
<b>TOTAL:</b>	<b>\$ 9,374,434</b>

Central Coast Water Authority  
**Notes to Financial Statements**  
February 28, 2019

---

**Note 4: Debt Service Payments**

The following table shows the financing participant cash balances available to pay CCWA Series 2016-A revenue bond principal and interest payments.

<b>Participant</b>	<b>Amount</b>
Avila Beach	\$ 953
California Men's Colony	8,333
County of SLO	8,877
Cuesta College	4,167
Morro Bay	53,768
Oceano	6,966
Pismo Beach	11,512
Shandon	943
Guadalupe	11,858
Buellton	20,994
Santa Ynez (Solvang)	63,869
Santa Ynez	23,986
Goleta	200,207
Morehart Land	9,264
La Cumbre	44,290
Raytheon	1,942
Santa Barbara	123,073
Montecito	144,809
Carpinteria	82,753
TOTAL:	\$ 822,564

Central Coast Water Authority  
**Notes to Financial Statements**  
February 28, 2019

**Note 5a: Cash and Investments Payment to DWR and Warren Act and Trust Fund Charges**

Cash deposits for payments to DWR and Warren Act and Trust Fund payments.

Project Participant	Amount
City of Guadalupe	\$ 172,727
City of Santa Maria	4,560,964
Golden State Water Company	148,845
Vandenberg AFB	2,987,870
City of Buellton	212,040
Santa Ynez ID #1 (Solvang)	515,244
Santa Ynez ID #1	268,307
Goleta Water District	1,725,150
Morehart Land Co.	54,698
La Cumbre Mutual Water Company	330,604
Raytheon Systems Co.	13,363
City of Santa Barbara	1,222,662
Montecito Water District	1,402,271
Carpinteria Valley Water District	736,848
TOTAL:	<u>\$ 14,351,593</u>

**Note 5b: Cash Payments for CCWA Variable Charges**

Cash deposits for payments to CCWA for Variable Assessments.

Project Participant	Amount
City of Guadalupe	\$ -
City of Santa Maria	-
Golden State Water Company	-
Vandenberg AFB	-
City of Buellton	-
Santa Ynez ID #1 (Solvang)	-
Santa Ynez ID #1	19,752
Goleta Water District	-
Morehart Land Co.	-
La Cumbre Mutual Water Company	-
Raytheon Systems Co.	3,884
City of Santa Barbara	-
Montecito Water District	-
Carpinteria Valley Water District	-
Shandon	-
Lopez Turnout	-
Chorro Turnout	-
TOTAL:	<u>\$ 23,636</u>

Central Coast Water Authority  
**Notes to Financial Statements**  
February 28, 2019

---

**Note 6: Credits Payable**

Credits payable to, or (due from) CCWA project participants for investment earnings and O&M assessment credits.

Project Participant	Amount
City of Guadalupe	\$ (174)
City of Santa Maria	188,991
Golden State Water Company	8,772
Vandenberg AFB	278,278
City of Buellton	14,436
Santa Ynez ID #1 (Solvang)	32,958
Santa Ynez ID #1	373,282
Goleta Water District	14,521
Morehart Land Co.	1,778
La Cumbre Mutual Water Company	9,325
Raytheon Systems Co.	467
City of Santa Barbara	9,690
Montecito Water District	149,629
Carpinteria Valley Water District	6,381
Shandon	(648)
Lopez Turnout	17,759
Chorro Turnout	28,132
<b>TOTAL:</b>	<b>\$ 1,133,577</b>

**Note 7: Escrow Deposits**

Cash deposits from certain project participants as required under the Water Supply Agreements.

Project Participant	Amount
Morehart Land Company	\$ 382,437
Raytheon Systems Company	100,576
<b>TOTAL:</b>	<b>\$ 483,013</b>

**Note 8: Construction in Progress**

Amounts in construction in progress represent expenditures incurred during FY 2018/19 and amounts retained in construction in progress at June 30, 2018. The following schedule shows the CIP expenditures for CCWA projects.

Financial Reach	Amount
Labor	\$ 114,369
Materials	717,236
Overhead	853,664
<b>Project CIP Total:</b>	<b>\$ 1,685,268</b>

Central Coast Water Authority  
**Notes to Financial Statements**  
February 28, 2019

---

**Note 9: Unamortized Bond Issuance Costs**

Unamortized bond issuance costs for the 2016 revenue bonds include bond insurance and the 1992, 1996 and 2006 revenue bond deferred costs.

**Note 10: Long-Term Receivable**

The long-term receivable represents CCWA revenue bond expenditures for project participant local facilities which are owned by the individual project participants. The costs associated with the construction of these local facilities are financed with proceeds from the CCWA revenue bonds. Project participant revenue bond principal payments are proportionally divided between the long-term receivable and the CCWA owned facilities over the term of the bond issue.

Financing Participant	Long-Term Receivable
Avila Beach	\$ 8,306
California Men's Colony	185,528
County of SLO	197,856
Cuesta College	92,773
Morro Bay	1,419,217
Oceano	56,588
Pismo Beach	93,429
Shandon	6,734
Guadalupe	241,290
Buellton	39,274
Santa Ynez (Solvang)	104,762
Santa Ynez	46,424
Goleta	596,440
Morehart Land	2,746
La Cumbre	13,729
Raytheon	3,626
Santa Barbara	130,209
Montecito	207,143
Carpinteria	186,629
TOTAL:	\$ 3,632,703

**Note 11: Bonds Payable**

Bonds payable represents outstanding Series 2016-A revenue bonds outstanding. The next Series 2016-A principal payment is due on October 1, 2019 in the amount of \$9,160,000.

Central Coast Water Authority  
**Notes to Financial Statements**  
February 28, 2019

---

**Note 12: Contributed Capital**

Certain project participants elected to pay their share of CCWA project construction costs in cash. The amounts listed below show the capital contributions by project participant less the cost of local facilities and refunds to the project participants.

<b>Project Participant</b>	<b>Amount</b>
Avila Valley Water Company	\$ 15,979
City of Guadalupe	81,119
San Luis Schools	5,608
San Miguelito Water Company	233,605
Golden State Water Company	866,277
City of Santa Maria	13,498,802
Vandenberg AFB	7,861,043
TOTAL:	<u>\$ 22,562,433</u>



# Budget and Actual All Reaches

February 28, 2019

	Budget	Actual	Percent Expended <sup>(1)</sup>
<b>Operating Revenues</b>			
Fixed operating assessments <sup>(2)</sup>	\$ 9,317,766	9,317,766	100.00%
Variable operating assessments	3,069,046	2,920,961	95.17%
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
<b>Total Operating Revenues</b>	<b>12,386,813</b>	<b>12,238,727</b>	<b>98.80%</b>
<b>Operating Expenses <sup>(2)</sup></b>			
Personnel expenses	5,032,011	3,121,193	62.03%
Office expenses	20,500	12,035	58.71%
General and administrative	275,985	135,427	49.07%
Professional services	425,520	183,778	43.19%
Supplies and equipment	2,115,202	781,581	36.95%
Monitoring expenses	113,624	48,156	42.38%
Repairs and maintenance	279,880	187,124	66.86%
Utilities	1,302,775	790,289	60.66%
Depreciation and amortization	-	-	N/A
Other expenses	1,912,356	414,250	21.66%
<b>Total Operating Expenses</b>	<b>11,477,854</b>	<b>5,673,833</b>	<b>49.43%</b>
<b>Operating Income</b>	<b>908,959</b>	<b>6,564,895</b>	
<b>Non-Operating Revenues</b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b>Non-Operating Expenses</b>			
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 908,959</b>	<b>6,564,895</b>	

(1) Percent of year expended: 66.6%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred to FY 2018/19.



# Budget and Actual Administration

	February 28, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b>Operating Revenues</b>			
Fixed operating assessments <sup>(2)</sup>	\$ 1,773,663	\$ 1,773,663	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
<b>Total Operating Revenues</b>	<b>1,773,663</b>	<b>1,773,663</b>	<b>100.00%</b>
<b>Operating Expenses <sup>(2)</sup></b>			
Personnel expenses	946,918	651,942	68.85%
Office expenses	10,500	7,738	73.70%
General and administrative	192,185	96,692	50.31%
Professional services	215,748	94,344	43.73%
Supplies and equipment	-	-	N/A
Monitoring expenses	-	-	N/A
Repairs and maintenance	31,695	16,502	52.07%
Utilities	16,316	9,513	58.31%
Depreciation and amortization	-	-	N/A
Other expenses	277,313	94,422	34.05%
<b>Total Operating Expenses</b>	<b>1,690,676</b>	<b>971,154</b>	<b>57.44%</b>
<b>Operating Income</b>	<b>82,987</b>	<b>802,509</b>	
<b>Non-Operating Revenues</b>			
Investment Income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b>Non-Operating Expenses</b>			
Current Year credits payable	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 82,987</b>	<b>802,509</b>	

(1) Percent of year expended: 66.6%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred to FY 2018/19.





# Budget and Actual Water Treatment Plant

	February 28, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b><u>Operating Revenues</u></b>			
Fixed operating assessments <sup>(2)</sup>	\$ 4,410,369	4,410,369	100.00%
Variable operating assessments	2,021,062	1,870,703	92.56%
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
<b>Total Operating Revenues</b>	<b>6,431,430</b>	<b>6,281,071</b>	<b>97.66%</b>
<b><u>Operating Expenses <sup>(2)</sup></u></b>			
Personnel expenses	2,399,833	1,468,573	61.19%
Office expenses	6,000	2,815	46.92%
General and administrative	51,550	25,436	49.34%
Professional services	96,739	67,219	69.49%
Supplies and equipment	2,012,791	731,615	36.35%
Monitoring expenses	113,624	48,156	42.38%
Repairs and maintenance	166,485	107,837	64.77%
Utilities	178,809	111,470	62.34%
Depreciation and amortization	-	-	N/A
Other expenses	1,042,861	189,434	18.16%
<b>Total Operating Expenses</b>	<b>6,068,692</b>	<b>2,752,555</b>	<b>45.36%</b>
<b>Operating Income</b>	<b>362,738</b>	<b>3,528,516</b>	
<b><u>Non-Operating Revenues</u></b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b><u>Non-Operating Expenses</u></b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 362,738</b>	<b>3,528,516</b>	

(1) Percent of year expended: 66.6%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred to FY 2018/19.

Central Coast Water Authority  
**Polonio Pass Water Treatment Plant**  
**Fixed and Variable Cost per Acre-Foot**  
February 28, 2019

<b>WTP Fixed O&amp;M Costs</b>	<b>July 2018</b>	<b>Aug. 2018</b>	<b>Sept. 2018</b>	<b>Oct. 2018</b>	<b>Nov. 2018</b>	<b>Dec. 2018</b>	<b>Jan. 2019</b>	<b>Feb. 2019</b>	<b>Total for Year</b>
Fixed O&M Expenses	\$ 340,685	\$ 207,536	\$ 213,293	\$ 237,669	\$ 268,514	\$ 246,007	\$ 241,799	\$ 253,561	\$ 2,009,063
Annual Table A Amount <sup>(1)</sup>	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908
Fixed WTP Cost per AF	\$ 7.76	\$ 4.73	\$ 4.86	\$ 5.41	\$ 6.12	\$ 5.60	\$ 5.51	\$ 5.77	\$ 45.76
<b>WTP Variable O&amp;M Costs</b>									
Variable O&M Expenses	\$ 148,836	\$ 145,300	\$ 82,151	\$ 84,947	\$ 43,009	\$ 90,886	\$ 103,213	\$ 45,150	\$ 743,492
Actual Water Treated	3,281	3,285	2,740	2,607	1,076	2,389	1,967	942	18,287
Variable WTP Cost per AF	\$ 45.36	\$ 44.23	\$ 29.98	\$ 32.58	\$ 39.97	\$ 38.04	\$ 52.47	\$ 47.93	\$ 40.66
(1) Includes Santa Barbara County and San Luis Obispo County Table A amounts and excludes Goleta 2,500 AF drought buffer and Santa Barbara County 3,908 AF drought buffer.									



# Budget and Actual Mission Hills II

	February 28, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b><u>Operating Revenues</u></b>			
Fixed operating assessments <sup>(2)</sup>	\$ 312,769	312,769	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
<b>Total Operating Revenues</b>	<b>312,769</b>	<b>312,769</b>	<b>100.00%</b>
<b><u>Operating Expenses</u> <sup>(2)</sup></b>			
Personnel expenses	177,199	124,556	70.29%
Office expenses	421	156	37.07%
General and administrative	3,391	1,399	41.26%
Professional services	11,885	1,174	9.88%
Supplies and equipment	10,768	5,355	49.73%
Monitoring expenses	-	-	N/A
Repairs and maintenance	8,590	9,856	114.74%
Utilities	6,274	1,514	24.14%
Depreciation and amortization	-	-	N/A
Other expenses	19,681	20,460	103.96%
<b>Total Operating Expenses</b>	<b>238,208</b>	<b>164,471</b>	<b>69.05%</b>
<b>Operating Income</b>	<b>74,561</b>	<b>148,298</b>	
<b><u>Non-Operating Revenues</u></b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b><u>Non-Operating Expenses</u></b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 74,561</b>	<b>148,298</b>	

(1) Percent of year expended: 66.6%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred to FY 2018/19.



# Budget and Actual Santa Ynez I

	February 28, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b><u>Operating Revenues</u></b>			
Fixed operating assessments <sup>(2)</sup>	\$ 575,328	575,328	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
<b>Total Operating Revenues</b>	<b>575,328</b>	<b>575,328</b>	<b>100.00%</b>
<b><u>Operating Expenses <sup>(2)</sup></u></b>			
Personnel expenses	271,613	160,888	59.23%
Office expenses	645	239	37.06%
General and administrative	5,198	2,144	41.25%
Professional services	18,217	1,969	10.81%
Supplies and equipment	16,506	8,228	49.85%
Monitoring expenses	-	-	N/A
Repairs and maintenance	13,168	8,045	61.09%
Utilities	9,616	3,520	36.60%
Depreciation and amortization	-	-	N/A
Other expenses	90,857	22,933	25.24%
<b>Total Operating Expenses</b>	<b>425,819</b>	<b>207,965</b>	<b>48.84%</b>
<b>Operating Income</b>	<b>149,509</b>	<b>367,363</b>	
<b><u>Non-Operating Revenues</u></b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b><u>Non-Operating Expenses</u></b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 149,509</b>	<b>367,363</b>	

(1) Percent of year expended: 66.6%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred to FY 2018/19.



# Budget and Actual Santa Ynez II

	February 28, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b><u>Operating Revenues</u></b>			
Fixed operating assessments <sup>(2)</sup>	\$ 1,019,674	1,019,674	100.00%
Variable operating assessments	1,047,985	1,050,258	100.22%
Other revenues	-		N/A
<b>Total Operating Revenues</b>	<b>2,067,659</b>	<b>2,069,932</b>	<b>100.11%</b>
<b><u>Operating Expenses</u> <sup>(2)</sup></b>			
Personnel expenses	549,645	290,746	52.90%
Office expenses	1,305	483	37.05%
General and administrative	10,518	4,337	41.23%
Professional services	36,866	4,972	13.49%
Supplies and equipment	33,401	16,208	48.53%
Monitoring expenses	-	-	N/A
Repairs and maintenance	26,646	13,354	50.12%
Utilities	1,067,444	649,645	60.86%
Depreciation and amortization	-	-	N/A
Other expenses	196,436	31,268	15.92%
<b>Total Operating Expenses</b>	<b>1,922,262</b>	<b>1,011,014</b>	<b>52.60%</b>
<b>Operating Income</b>	<b>145,397</b>	<b>1,058,918</b>	
<b><u>Non-Operating Revenues</u></b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b><u>Non-Operating Expenses</u></b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 145,397</b>	<b>1,058,918</b>	

(1) Percent of year expended: 66.6%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred to FY 2018/19.



# Budget and Actual Reach 33B

	February 28, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b><u>Operating Revenues</u></b>			
Fixed operating assessments <sup>(2)</sup>	\$ 700,375	700,375	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
<b>Total Operating Revenues</b>	<b>700,375</b>	<b>700,375</b>	<b>100.00%</b>
<b><u>Operating Expenses <sup>(2)</sup></u></b>			
Personnel expenses	366,564	211,873	57.80%
Office expenses	870	322	37.04%
General and administrative	7,015	2,892	41.23%
Professional services	24,586	5,078	20.65%
Supplies and equipment	22,276	10,399	46.68%
Monitoring expenses	-	-	N/A
Repairs and maintenance	17,771	10,997	61.88%
Utilities	12,978	6,229	47.99%
Depreciation and amortization	-	-	N/A
Other expenses	118,753	14,538	12.24%
<b>Total Operating Expenses</b>	<b>570,813</b>	<b>262,328</b>	<b>45.96%</b>
<b>Operating Income</b>	<b>129,563</b>	<b>438,048</b>	
<b><u>Non-Operating Revenues</u></b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b><u>Non-Operating Expenses</u></b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 129,563</b>	<b>438,048</b>	

(1) Percent of year expended: 66.6%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred to FY 2018/19.



# Budget and Actual Reach 34

	February 28, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b><u>Operating Revenues</u></b>			
Fixed operating assessments <sup>(2)</sup>	\$ 233,090	233,090	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
<b>Total Operating Revenues</b>	<b>233,090</b>	<b>233,090</b>	<b>100.00%</b>
<b><u>Operating Expenses <sup>(2)</sup></u></b>			
Personnel expenses	157,605	99,331	63.03%
Office expenses	374	139	37.04%
General and administrative	3,016	1,243	41.23%
Professional services	10,571	7,944	75.15%
Supplies and equipment	9,577	4,901	51.17%
Monitoring expenses	-	-	N/A
Repairs and maintenance	7,641	11,984	156.85%
Utilities	5,580	3,579	64.14%
Depreciation and amortization	-	-	N/A
Other expenses	17,505	6,372	36.40%
<b>Total Operating Expenses</b>	<b>211,868</b>	<b>135,494</b>	<b>63.95%</b>
<b>Operating Income</b>	<b>21,222</b>	<b>97,597</b>	
<b><u>Non-Operating Revenues</u></b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b><u>Non-Operating Expenses</u></b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 21,222</b>	<b>97,597</b>	

(1) Percent of year expended: 66.6%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred to FY 2018/19.



# Budget and Actual Reach 35

	February 28, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b><u>Operating Revenues</u></b>			
Fixed operating assessments <sup>(2)</sup>	\$ 86,836	86,836	100.00%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
<b>Total Operating Revenues</b>	<b>86,836</b>	<b>86,836</b>	<b>100.00%</b>
<b><u>Operating Expenses</u> <sup>(2)</sup></b>			
Personnel expenses	58,008	34,137	58.85%
Office expenses	138	51	37.02%
General and administrative	1,110	457	41.21%
Professional services	3,891	384	9.87%
Supplies and equipment	3,525	1,633	46.32%
Monitoring expenses	-	-	N/A
Repairs and maintenance	2,812	700	24.91%
Utilities	2,054	780	38.00%
Depreciation and amortization	-	-	N/A
Other expenses	6,443	27,237	422.75%
<b>Total Operating Expenses</b>	<b>77,980</b>	<b>65,380</b>	<b>83.84%</b>
<b>Operating Income</b>	<b>8,855</b>	<b>21,456</b>	
<b><u>Non-Operating Revenues</u></b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b><u>Non-Operating Expenses</u></b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 8,855</b>	<b>21,456</b>	

(1) Percent of year expended: 66.6%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred to FY 2018/19.





# Budget and Actual Reach 37

	February 28, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b><u>Operating Revenues</u></b>			
Fixed operating assessments <sup>(2)</sup>	\$ 59,138	59,139	100.00%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
<b>Total Operating Revenues</b>	<b>59,138</b>	<b>59,139</b>	<b>100.00%</b>
<b><u>Operating Expenses</u> <sup>(2)</sup></b>			
Personnel expenses	39,944	21,183	53.03%
Office expenses	95	35	37.04%
General and administrative	764	315	41.24%
Professional services	2,679	264	9.87%
Supplies and equipment	2,427	1,125	46.35%
Monitoring expenses	-	-	N/A
Repairs and maintenance	1,936	483	24.92%
Utilities	1,414	307	21.74%
Depreciation and amortization	-	-	N/A
Other expenses	4,437	1,475	33.25%
<b>Total Operating Expenses</b>	<b>53,697</b>	<b>25,188</b>	<b>46.91%</b>
<b>Operating Income</b>	<b>5,441</b>	<b>33,951</b>	
<b><u>Non-Operating Revenues</u></b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b><u>Non-Operating Expenses</u></b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 5,441</b>	<b>33,951</b>	

(1) Percent of year expended: 66.6%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred to FY 2018/19.



# Budget and Actual Reach 38

	February 28, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b><u>Operating Revenues</u></b>			
Fixed operating assessments <sup>(2)</sup>	\$ 95,715	95,715	100.00%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
<b>Total Operating Revenues</b>	<b>95,715</b>	<b>95,715</b>	<b>100.00%</b>
<b><u>Operating Expenses</u> <sup>(2)</sup></b>			
Personnel expenses	64,681	39,673	61.34%
Office expenses	154	57	37.06%
General and administrative	1,238	511	41.26%
Professional services	4,338	428	9.88%
Supplies and equipment	3,931	1,823	46.37%
Monitoring expenses	-	-	N/A
Repairs and maintenance	3,136	782	24.93%
Utilities	2,290	498	21.76%
Depreciation and amortization	-	-	N/A
Other expenses	7,184	2,390	33.27%
<b>Total Operating Expenses</b>	<b>86,951</b>	<b>46,162</b>	<b>53.09%</b>
<b>Operating Income</b>	<b>8,764</b>	<b>49,553</b>	
<b><u>Non-Operating Revenues</u></b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b><u>Non-Operating Expenses</u></b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 8,764</b>	<b>49,553</b>	

(1) Percent of year expended: 66.6%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred to FY 2018/19.



## CENTRAL COAST WATER AUTHORITY

### MEMORANDUM

March 19, 2019

**TO:** CCWA Board of Directors

**FROM:** John Brady  
Deputy Director, Operations and Engineering

**SUBJECT:** Operations Report, January and February, 2019

The Polonio Pass Water Treatment Plant's production and chemical costs, as well as the Santa Ynez Pumping Plant production for January and February 2019 are presented below:

Month	Plant Production (AF)	Chemical Costs (\$/AF)	SYPP Pumping (AF)
January, 2019	2,080.23	\$30.32	1,281.92
February, 2019	997.75	\$42.61	178.17

#### WATER TREATMENT PLANT (WTP)

- The water quality of the raw water had some significant changes, with Total Organic Carbon concentrations increasing to the 6.0 mg/l range. This triggered higher chemical costs in February. In addition, the salinity of the raw water improved with chloride levels dropping to the 60 mg/l range. The WTP also responded to a significant reduction in demand, arising from the shutdown of lake delivery operations, through increasing chlorine residual.
- The Chemical Tank Inspection Program continued with the inspection of the Aqua-Ammonia Tank. WTP Staff prepared for the inspection through installing a temporary tank and timing the change-over to the temporary tank. Staff also prepared the tank for inspection through thoroughly cleaning it and properly managing the rinsate. A third party inspection venter conducted a full inspection, including holiday testing of the rubber liner. The findings of the inspection indicate that the tank is in excellent condition.
- WTP Staff continued work on the refurbishment of the sludge collection system head shaft and sprocket assemblies in Basin #1 and #3.
- In early January, high winds caused damage to the waterline copper cladding as well as the chain and flights of the sludge collection system in Sedimentation Basin #1. The wind essentially tore the copper cladding off the basin's wall and the cladding subsequently caused damage to the chain and flights assembly. This shutdown Basin #1 completely, which reduced the TP production capacity by 33%. Staff promptly ordered the proper materials and repaired the damage. The Basin was returned to service in early March.
- WTP staff provided a tour to water treatment plant operators from the Vandenberg Air Force Base (VAFB). A total of six operators from VAFB attended the tour.
- Analyzed selected staffing issues including janitorial service (considering whether to hire a venter, employee or temporary staff) and the potential of adding another Maintenance Technician.
- The Maintenance staff completed the following items: (1) replaced the plant's hot water heater, (2) replaced alarm flow switch of one eye wash station. (3) installed new gate camera, (4) completed rollup door maintenance, (5) labeling all valves on the Aqua-Ammonia Tank, (6) coordinated a roof inspection for all buildings, (7) coordinating the procurement of the Clarifier actuators, including submittal review, (8) coordinated the inspection and certification of all lifting equipment and (9) coordinated forklift service.

## **DISTRIBUTION**

- Distribution staff performed routine monitoring of Lake Cachuma and the CCWA Penstock Bypass Pipeline. Ultimately, it was determined the lake level would rise inundate the bedrock shelf located upstream of the spillway, which triggered the need to remove the section of pipeline between the spillway gate and the discharge point.
- Distribution staff removed the bypass pipe from the bedrock shelf on February 1, as requested by the Bureau. Once lake levels stabilized, the spillway gates were opened and Distribution staff re-installed the pipe to discharge water through the spillway gate into the lake on February 8. Due to storms, the Lake level started rising again and the bypass pipe was removed on February 12 and the spillway gates were closed. Currently, CCWA has no delivery path to the lake. Two parallel efforts are underway: the Bureau is working on their damaged equipment in order to create a source of water to Hilton Creek and free up the Penstock for CCWA lake deliveries and CCWA prepared a proposal to extend the Bypass Pipeline over the top of the Dam.
- Staff worked several encroachment requests: (1) staff meet with Alisal Ranch representatives to discuss a proposed installation of irrigation piping within the CCWA easement, (2) supervise a pot-hole investigation for Southern California Gas Company in Santa Margarita, and (3) supervise a pot-hole investigation for AT&T in Arroyo Grande.
- Staff coordinated the repair of erosional damage to the access road at the North Portal of the Cuesta Tunnel, staff conducted a pot-hole investigation to identify critical piping through the work location, supervised and directed work of the contractor and worked with regulatory agencies to ensure compliance with permit conditions.
- In response to the low flows within the pipeline, due to the shutdown of lake delivery operations, Distribution staff implemented the existing Nitrification Control Plan. The levels of all tanks were lowered, Tank 5 and 7 chlorination systems were optimized, the WTP increased the chlorine residual in treated water and staff increased nitrification monitoring on the end of the pipeline.
- The new Distribution Sample truck and Crew truck were received and equipped. The retired vehicles were also prepared for auction.
- Distribution staff were dispatched to the WTP to assist with the repair of the sludge removal system in Sedimentation Basin #1.
- Distribution staff completed winter inspections before and after storm events to check for erosional damage. No issues were identified.
- The Guadalupe Chief Operator experienced some water quality issues within the Guadalupe distribution system and contacted CCWA. Staff responded immediately through collecting and analyzing water quality samples as well as providing technical information. It was concluded that the water quality issue did not originate from water delivered by CCWA but was isolated to the Guadalupe System. The Guadalupe Chief Operator was provided full access to CCWA's Chief T5 Treatment Operator, Chief D5 Operator and the Deputy Director.

## **LABORATORY**

- Laboratory staff continued water quality instrumentation calibration work throughout the plant. Staff also continued routine analysis of compliance and process samples to support operations and completed the quarterly quality assurance/quality control (QA/QC) testing of staff's chemical analytical skills.
- Laboratory staff worked on the preparation of the annual Water Quality Tables for the Consumer Confidence Reports. The Water Quality Tables will be available to CCWA Participants well before the March 31 deadline.

- Laboratory staff initiated the historical review of raw water chloride and total dissolved solids data to compare it to the State Water Project Water Supply Agreement Article 19 Water Quality Specifications.

## **INSTRUMENTATION/NETWORK**

- Mr. Adam Sheer was hired as CCWA's new Instrumentation, Calibration and Repair Technician and started work on January 28, 2019. Mr. Sheer has 15 years of experience, with the last two in water. Mr. Sheer was also awarded Instrumentation Technician of the year at the California Water and Environment Association in 2017.
- Recruitment efforts for the Instrumentation, Controls, Electrical and Maintenance Superintendent continued. Efforts were expanded to include attending conferences to distribute recruitment flyers as well as sending brochures and recruitment letters to agencies around the State.
- Instrumentation staff coordinated several design efforts including the upgrade of the Heating, Ventilation and Air Conditioning (HVAC) of the WTP and the electrical upgrade of the Santa Ynez Pumping Plant.
- The network security penetration testing results were presented to Instrumentation Staff by the consultant, Beckman Consulting, on January 24, 2019. A plan to correct all issues that were identified was prepared and implemented. In general, the network was well protected from access by unauthorized personnel, but the consultant made recommendations to upgrade selected hardware and operating systems. CCWA staff also sought input on the use of the cloud for remote data storage and a phone system.
- Based on assurances by CCWA network consultants and network security consultant, CCWA plans to migrate to using a cloud based phone system. Instrumentation Staff coordinated a demonstration by a cloud based phone system provider for Administrative Staff. Also, to maintain redundant service, an additional high speed internet connection was needed at the WTP. Staff was able to identify an internet service provider for the WTP via wireless connection and also identified equipment needs for the new cloud based systems as well.
- Due to failing wire insulation from weather and rodents, the power and communication lines at the Tank 2 facility was evaluated. It was determined that no additional spare wires are available and additional shorting of the wiring will occur. Staff concluded that the wiring will need to be replaced. A cost estimate of this work was developed and included in the FY 2019/2020 budget.
- The annual Network Planning Meeting with CCWA's Network Consultant was held on January 16, 2019. This meeting is held annually to discuss the network performance over the prior year and to plan network development for the coming fiscal year.
- Staff provided information and provided a facility tour to Siemens in their effort to develop a proposal for CCWA to develop solar energy systems at the WTP.
- Instrumentation staff completed the following: (1) completed the new fiber optic cable switches, (2) installed two new security cameras – SYPP and WTP location, (3) made changes to the Shandon Turnout Pressure Alarms, (4) installed a new Fire Wall at the Chorro Valley Turnout, (5) procured a new rectifier monitoring system, and (6) procured new level sensors for the chemical tanks.

## **GENERAL**

- Staff completed a number of water accounting tasks that included (1) reclassification of Article 56c water to Article 14b, (2) developed an analysis of the risk of spill for all CCWA Participants, (3) process several internal transfers designed to protect Article 56C water, (4) prepared 2019 Delivery Status report Template and Sorting Tables, (5) started scheduling Article 21 water during the spill event at San Luis reservoir.

- Supervisors worked to prepare cost estimates for the new Fiscal Year 2019/2020 budget. Several meetings to review the general ledger line items for each Department. In addition, the supervisors participated in a project meeting with CCWA's engineering consultant to schedule projects for FY 2019/2020 as well as update the ten year Extraordinary Project Schedule.
- Staff participated in several administrative functions including (1) execution of the Municipal Water Quality Investigation Agreement, (2) conference call to discuss the high DWR variable OMP&R charges, (3) review of the procurement policies and procedures.
- Several safety reports were updated with supervisor participation including the update of the Emergency Response Plan and the Process Safety Management Plan.

JLB  
Attachments

**MONTHLY SUMMARY OF MINERAL AND PHYSICAL ANALYSIS  
RAW WATER (RW) AND SETTLED WATER (SW)**

System Name:

Central Coast Water Authority

System Number:

4210030

Treatment Plant Name:

Polonio Pass Water Treatment Plant

February

2019

Date:	RW pH (SU)	RW Turbidity (NTU)	SW Turbidity (NTU)	RW Odor (TON)	RW Total Coliform (MPN)	RW E. Coli (MPN)	RW Cl- (mg/L)	RW Alkalinity (mg/L)		RW Hardness (mg/L)		RW E.C. (uS/cm)	RW TOC (mg/L)
								Total	Phenol	Total	Ca		
1	8.94	2.97	0.82	1.0			137	82	14	139	59		
2	8.88	3.10	0.81	1.0			133	83	13	140	59		
3	8.83	2.15	0.72	1.0			135	83	12	136	56		
4	8.73	2.07	0.71	1.0	37	1	134	82	7	142	60	691	
5	8.70	3.22	0.79	1.0			137	81	7	135	61		
6	8.70	5.25	0.99	1.0			137	83	7	133	57		3.9
7	8.70	4.78	1.00	1.0			137	84	8	130	56		
8	8.72	3.37	0.89	1.0			134	82	6	134	56		
9	8.82	4.10	1.12	1.0			133	83	8	134	58		
10	8.75	4.35	1.47	1.0			127	84	6	134	57		
11	8.65	3.95	1.55	1.0	59	3	115	81	4	135	62	625	
12	8.61	4.35	1.47	1.0			110	84	8	129	58		
13	8.59	4.12	1.32	1.0			110	85	6	126	53		
14	8.51	3.75	1.25	1.0			107	84	2	126	61		
15	8.40	3.02	1.15	1.0			104	85	1	127	58		
16	8.34	3.35	1.12	1.0			106	83	1	132	58		
17	8.28	2.68	1.18	1.0			106	82	0	132	57		
18	8.22	2.79	1.23	1.5	31	<1	102	83	0	128	57		
19	8.15	3.42	1.38	1.5			96	82	0	130	62	564	
20	8.12	5.60	1.63	1.0			90	81	0	132	62		
21	8.10	7.12	1.72	1.0			81	78	0	126	63		
22	8.05	7.57	1.72	1.0			75	76	0	121	60		
23	8.08	7.33	1.77	1.0			69	75	0	117	57		
24	8.07	7.33	1.82	1.0			63	72	0	117	56		
25	8.03	8.12	1.87	1.0	37	3	62	69	0	121	53	428	
26	8.00	9.90	2.13	1.0			60	71	0	111	51		
27	8.03	10.55	2.08	1.0			60	70	0	107	50		
28	8.04	9.68	1.88	1.0			53	69	0	108	52		
<b>Avg</b>	<b>8.43</b>	<b>5.00</b>	<b>1.34</b>	<b>1.0</b>	<b>41</b>	<b>2</b>	<b>104</b>	<b>80</b>	<b>4</b>	<b>128</b>	<b>57</b>	<b>577</b>	<b>3.9</b>

**MONTHLY SUMMARY OF MINERAL AND PHYSICAL ANALYSIS  
TREATED WATER (TW) & CLEARWELL (CW)**

System Name: Central Coast Water Authority

System Number: 4210030

Treatment Plant Name: Polonio Pass Water Treatment Plant

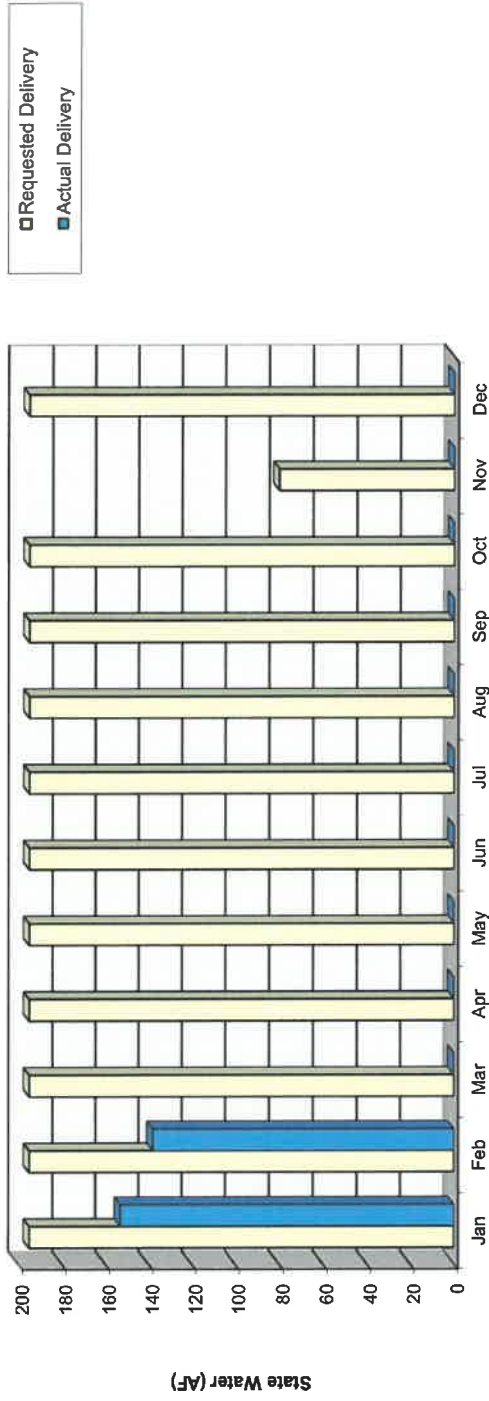
February 2019

Date:	TW pH (SU)	TW Turbidity (NTU)	Filter Rate (gpm/ft <sup>2</sup> )	CW Odor (TON)	TW Total Coliform	CW Cl- (mg/L)	CW Total Alk (mg/L)	CW Hardness (mg/L)		TW Chlorine (mg/L)		CCB3 Chlorine Free (mg/L)	TW NH3-N (mg/L)		(CCB3 Cl2 Free) / (TW NH3-N Total)	CW E.C. (uS/cm)	TW TOC (mg/L)
								Total	Ca	Total	Free		Total	Free			
1	8.41	0.05	3.64	0.0	ABSENT	144	73	140	59	2.93	0.00	2.78	0.54	0.00	5.1		
2	8.30	0.05	2.75	0.0	ABSENT	142	72	137	56	3.09	0.00	3.02	0.56	0.00	5.4		
3	8.36	0.05	2.59	0.0	ABSENT	140	73	133	56	3.05	0.00	2.93	0.56	0.00	5.2		
4	8.27	0.05	2.42	0.0	ABSENT	139	71	137	59	3.13	0.00	3.00	0.57	0.00	5.3	762	
5	8.35	0.05	2.26	0.0	ABSENT	141	74	136	59	3.48	0.00	3.35	0.66	0.00	5.1		
6	8.35	0.05	2.59	0.0	ABSENT	139	75	135	54	3.53	0.00	3.35	0.67	0.00	5.0		2.4
7	8.38	0.04	2.91	0.0	ABSENT	140	74	131	56	3.58	0.00	3.36	0.67	0.00	5.0		
8	8.43	0.05	3.80	0.0	ABSENT	138	76	133	56	3.57	0.00	3.50	0.67	0.00	5.2		
9	8.42	0.05	4.97	0.0	ABSENT	139	74	135	58	3.60	0.00	3.38	0.69	0.01	4.9		
10	8.29	0.05	4.69	0.0	ABSENT	132	77	135	59	3.50	0.00	3.22	0.67	0.00	4.8		
11	8.25	0.06	4.27	0.0	ABSENT	123	76	134	57	3.20	0.00	2.87	0.60	0.00	4.8	709	
12	8.33	0.06	3.67	0.0	ABSENT	116	75	129	59	3.02	0.00	2.73	0.56	0.00	4.9		
13	8.28	0.06	2.59	0.0	ABSENT	113	79	131	53	3.47	0.00	3.29	0.66	0.00	5.0		
14	8.29	0.06	2.43	0.0	ABSENT	110	76	127	58	3.40	0.00	3.30	0.63	0.00	5.2		
15	8.23	0.06	2.48	0.0	ABSENT	107	76	128	58	3.42	0.00	3.29	0.65	0.00	5.1		
16	8.37	0.06	2.59	0.0	ABSENT	110	72	127	58	3.43	0.00	3.30	0.66	0.00	5.0		
17	8.28	0.06	2.70	0.0	ABSENT	109	73	129	56	3.38	0.00	3.19	0.65	0.00	4.9		
18	8.23	0.06	2.91	0.0	ABSENT	106	78	132	58	3.40	0.00	3.26	0.64	0.00	5.1		
19	8.31	0.06	3.16	0.0	ABSENT	107	75	130	62	3.49	0.00	3.37	0.66	0.00	5.1	671	
20	8.23	0.06	3.40	0.0	ABSENT	99	74	131	62	3.55	0.00	3.30	0.66	0.00	5.0		
21	8.18	0.06	3.45	0.0	ABSENT	95	73	130	61	3.43	0.00	3.32	0.66	0.00	5.0		
22	8.37	0.06	3.61	0.0	ABSENT	87	72	122	59	3.50	0.00	3.30	0.66	0.00	5.0		
23	8.28	0.06	3.88	0.0	ABSENT	79	68	120	58	3.42	0.00	3.18	0.65	0.00	4.9		
24	8.26	0.06	4.21	0.0	ABSENT	73	66	117	56	3.27	0.00	3.06	0.62	0.00	4.9		
25	8.32	0.07	4.10	0.0	ABSENT	68	64	121	55	3.29	0.00	3.08	0.62	0.00	5.0	529	
26	8.34	0.06	3.88	0.0	ABSENT	67	64	110	52	3.25	0.00	3.10	0.62	0.00	5.0		
27	8.41	0.06	3.88	0.0	ABSENT	64	64	111	53	3.32	0.00	3.10	0.62	0.00	5.0		
28	8.31	0.06	3.99	0.0	ABSENT	59	64	106	47	3.30	0.00	3.21	0.63	0.01	5.1		
Avg	8.32	0.06	3.35	0.00		110	72	128	57	3.36	0.00	3.18	0.63	0.00	5.0	668	2.40



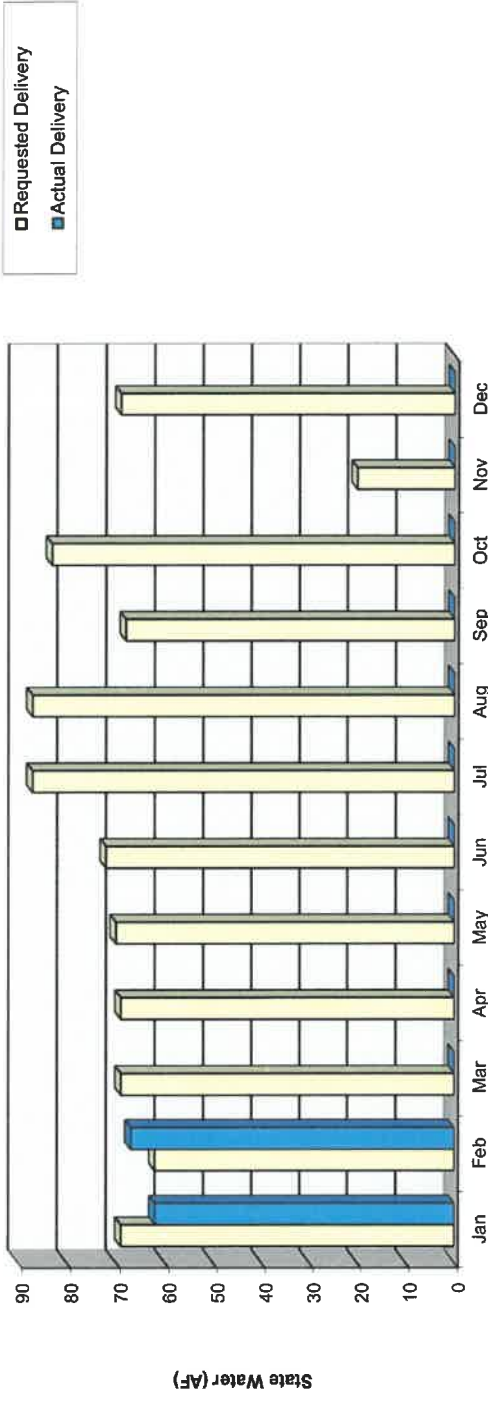
### Chorro Valley T.O. - SWP Deliveries in Year 2019

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	195	153	
Feb	195	138	
Mar	195	0	
Apr	195	0	
May	195	0	
Jun	195	0	
Jul	195	0	
Aug	195	0	
Sep	195	0	
Oct	195	0	
Nov	80	0	
Dec	195	0	
<b>Total</b>	<b>2225</b>	<b>291</b>	



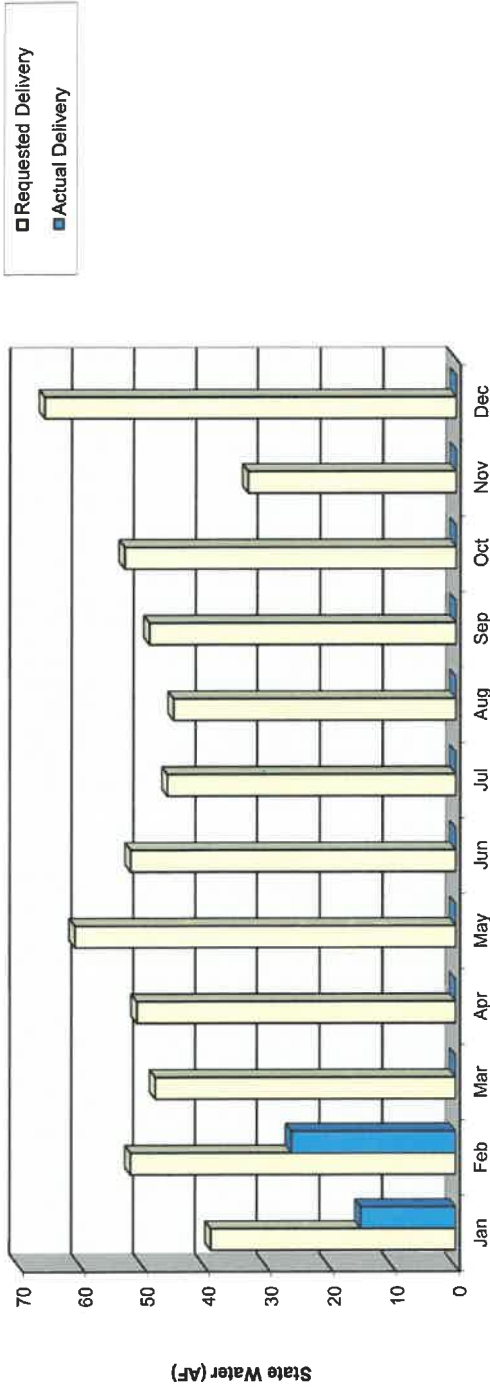
### Lopez T.O. - SWP Deliveries in Year 2019

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	69	62	
Feb	62	67	
Mar	69		
Apr	69		
May	70		
Jun	72		
Jul	87		
Aug	87		
Sep	68		
Oct	83		
Nov	20		
Dec	69		
<b>Total</b>	<b>825</b>	<b>129</b>	



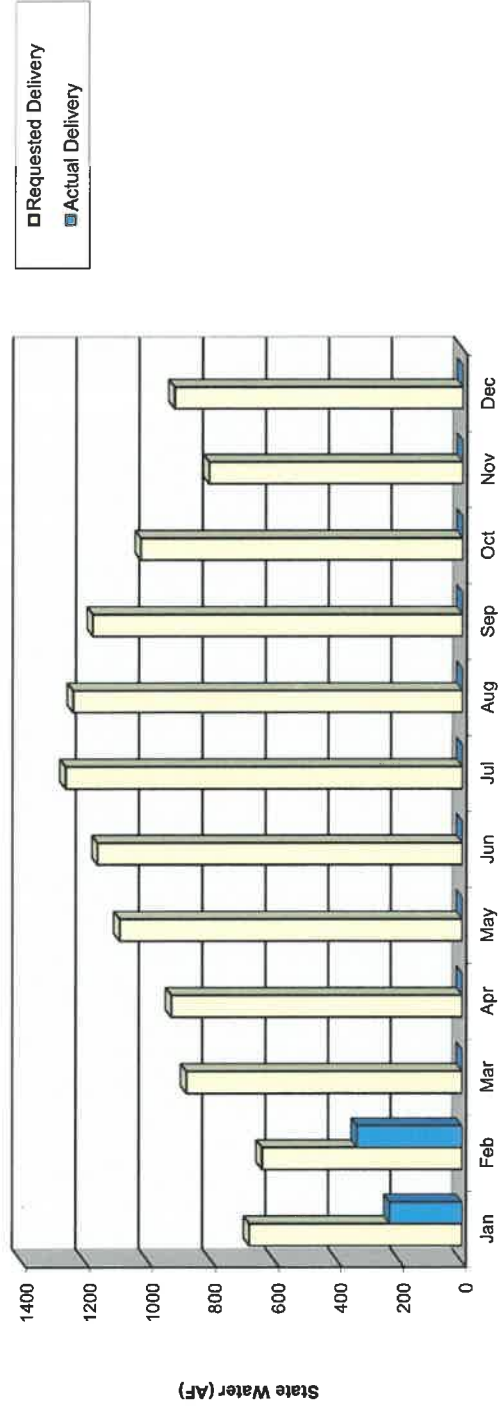
### Guadalupe - SWP Deliveries in Year 2019

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	39	15	
Feb	52	26	
Mar	48		
Apr	51		
May	61		
Jun	52		
Jul	46		
Aug	45		
Sep	49		
Oct	53		
Nov	33		
Dec	66		
<b>Total</b>	<b>595</b>	<b>41</b>	



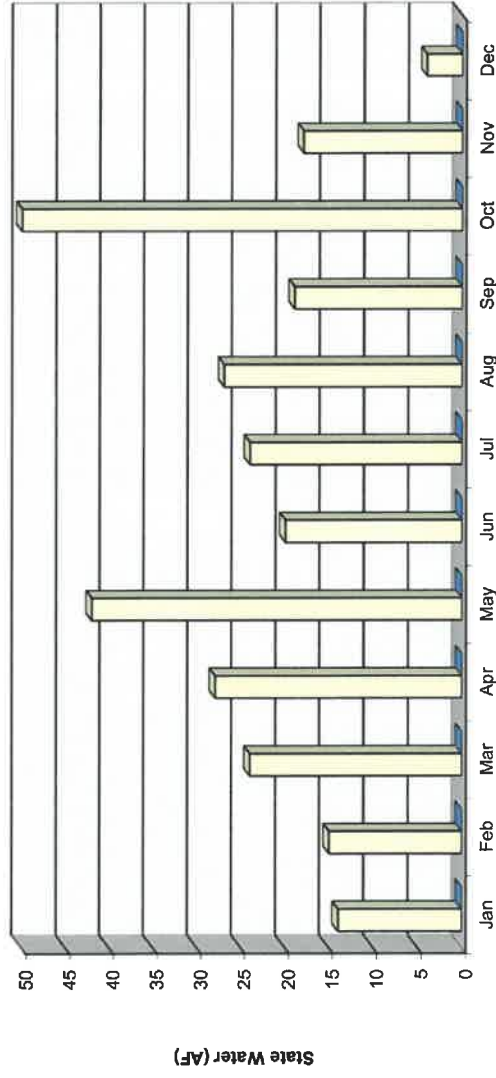
### Santa Maria - SWP Deliveries in Year 2019

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	682	234	
Feb	642	339	
Mar	881		
Apr	928		
May	1091		
Jun	1161		
Jul	1262		
Aug	1239		
Sep	1177		
Oct	1026		
Nov	811		
Dec	920		
<b>Total</b>	<b>11820</b>	<b>573</b>	



### Golden State - SWP Deliveries in Year 2019

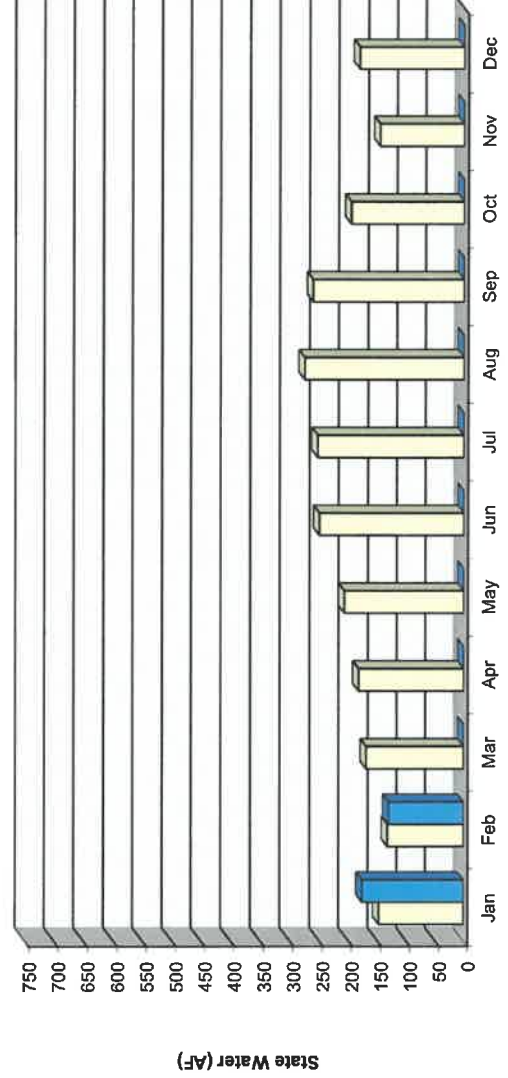
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	14	0	
Feb	15	0	
Mar	24		
Apr	28		
May	42		
Jun	20		
Jul	24		
Aug	27		
Sep	19		
Oct	50		
Nov	18		
Dec	4		
<b>Total</b>	<b>285</b>	<b>0</b>	



Requested Delivery  
Actual Delivery

### VAFB - SWP Deliveries in Year 2019

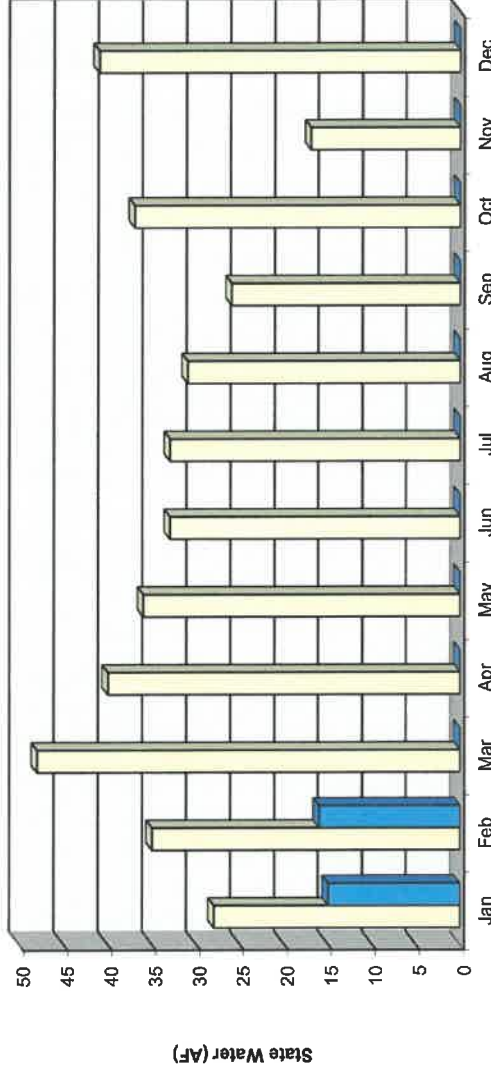
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	148	177	
Feb	133	131	
Mar	170		
Apr	183		
May	207		
Jun	250		
Jul	253		
Aug	275		
Sep	261		
Oct	196		
Nov	147		
Dec	182		
<b>Total</b>	<b>2405</b>	<b>308</b>	



Requested Delivery  
Actual Delivery

### Buellton - SWP Deliveries in Year 2019

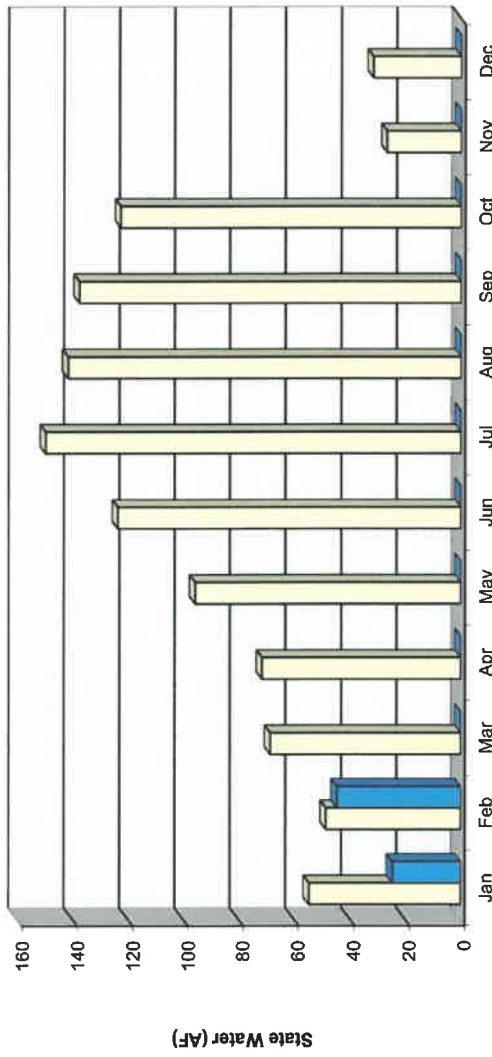
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	28	15	
Feb	35	16	
Mar	48		
Apr	40		
May	36		
Jun	33		
Jul	33		
Aug	31		
Sep	26		
Oct	37		
Nov	17		
Dec	41		
<b>Total</b>	<b>405</b>	<b>31</b>	



Requested Delivery  
Actual Delivery

### Santa Ynez - Solvang Only - SWP Deliveries in Year 2019

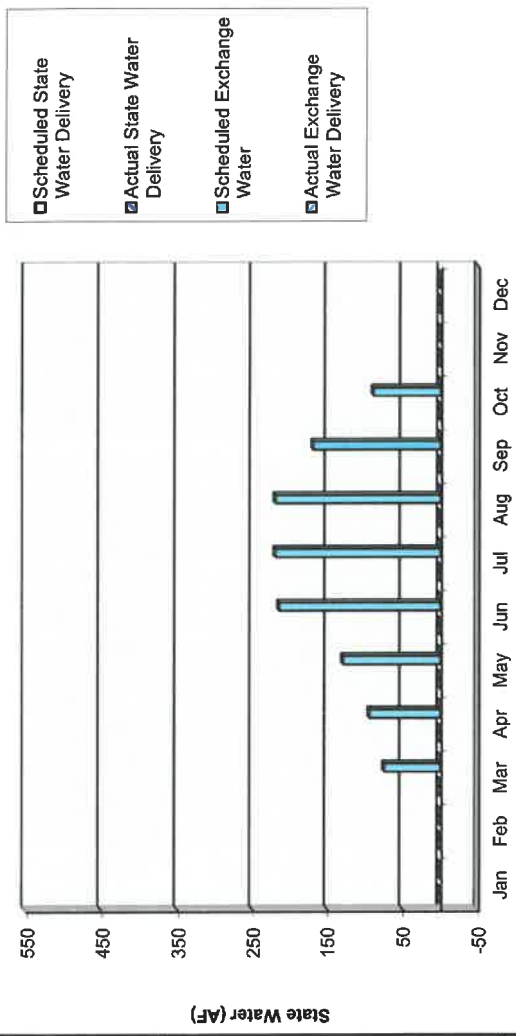
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	55	25	
Feb	49	45	
Mar	69		
Apr	72		
May	96		
Jun	124		
Jul	150		
Aug	142		
Sep	138		
Oct	123		
Nov	27		
Dec	32		
<b>Total</b>	<b>1077</b>	<b>70</b>	



Requested Delivery  
Actual Delivery

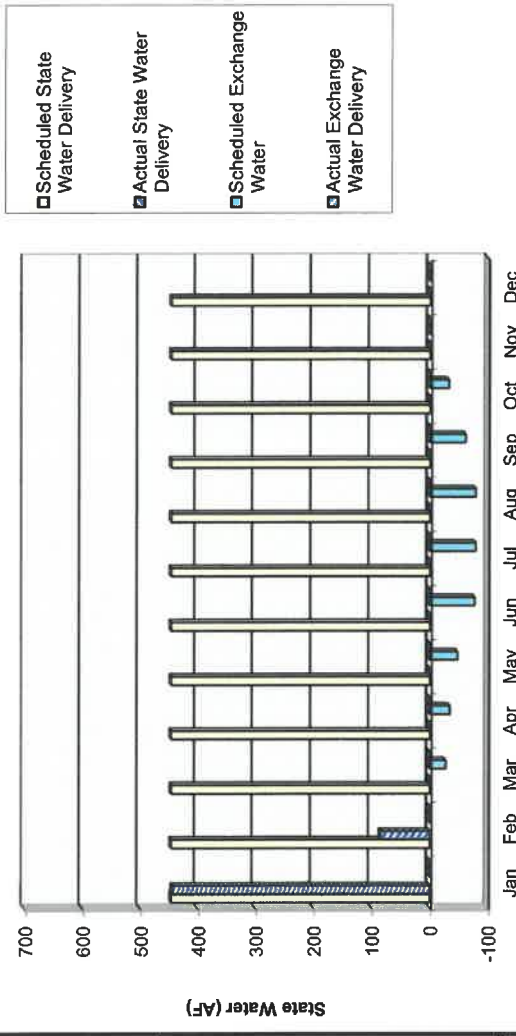
**Santa Ynez (Without Solvang) - SWP Deliveries in Year 2019**

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sched. Water	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	0	0	0	0	0	0	
Feb	0	0	0	0	0	0	
Mar	0	75	75	0	0	75	
Apr	0	95	95	0	0	95	
May	0	130	130	0	0	130	
Jun	0	215	215	0	0	215	
Jul	0	220	220	0	0	220	
Aug	0	220	220	0	0	220	
Sep	0	170	170	0	0	170	
Oct	0	90	90	0	0	90	
Nov	0	0	0	0	0	0	
Dec	0	0	0	0	0	0	
<b>Total</b>	<b>0</b>	<b>1215</b>	<b>1215</b>	<b>0</b>	<b>0</b>	<b>1215</b>	<b>0</b>



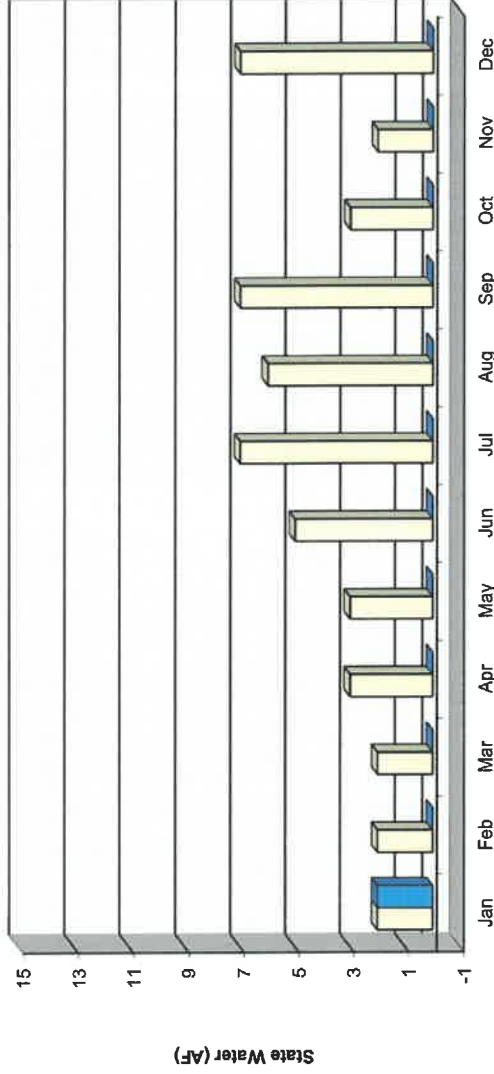
**Goleta - SWP Deliveries in Year 2019**

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sched. Water	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	446	0	446	444	0	444	
Feb	446	0	446	84	0	84	
Mar	446	-27	419	0	0	0	
Apr	446	-34	412	0	0	0	
May	446	-47	399	0	0	0	
Jun	446	-77	369	0	0	0	
Jul	446	-79	367	0	0	0	
Aug	446	-79	367	0	0	0	
Sep	446	-61	385	0	0	0	
Oct	446	-32	414	0	0	0	
Nov	446	0	446	0	0	0	
Dec	446	0	446	0	0	0	
<b>Total</b>	<b>5352</b>	<b>-436</b>	<b>4916</b>	<b>528</b>	<b>0</b>	<b>528</b>	<b>528</b>



### Morehart Land - SWP Deliveries in Year 2019

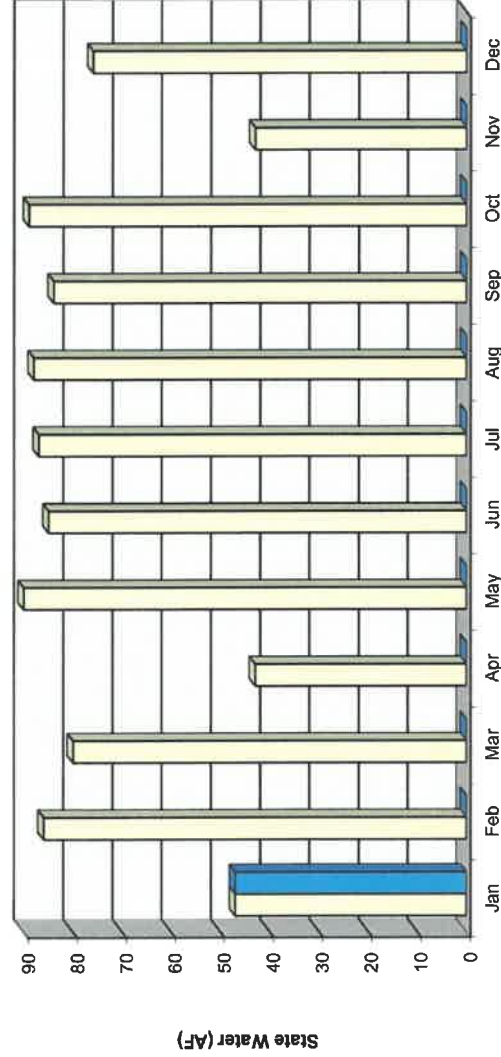
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	2	2	
Feb	2	0	
Mar	2		
Apr	3		
May	3		
Jun	5		
Jul	7		
Aug	6		
Sep	7		
Oct	3		
Nov	2		
Dec	7		
<b>Total</b>	<b>49</b>	<b>2</b>	



Requested Delivery  
Actual Delivery

### La Cumbre - SWP Deliveries in Year 2019

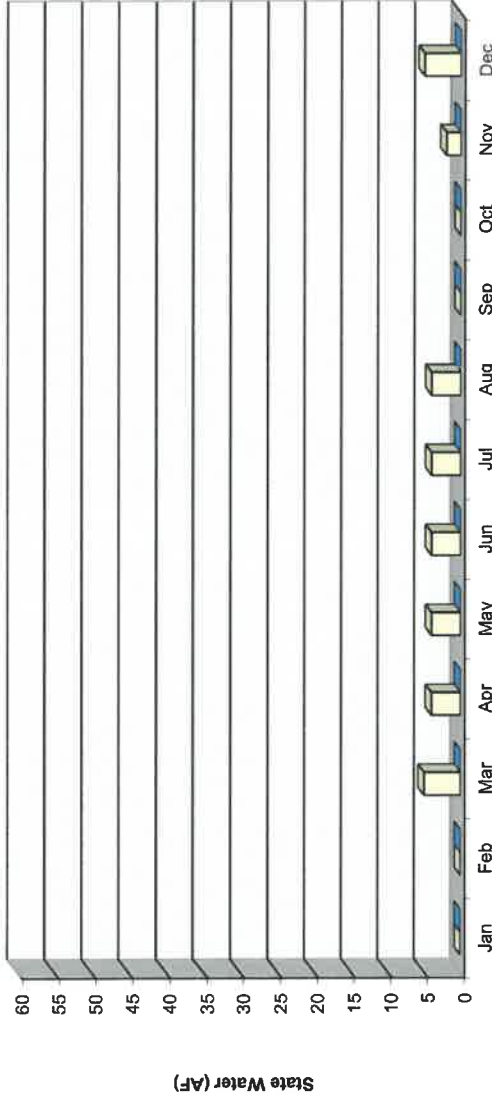
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	47	47	
Feb	86	0	
Mar	80		
Apr	43		
May	90		
Jun	85		
Jul	87		
Aug	88		
Sep	84		
Oct	89		
Nov	43		
Dec	76		
<b>Total</b>	<b>898</b>	<b>47</b>	



Requested Delivery  
Actual Delivery

### Raytheon (SBRC) - SWP Deliveries in Year 2019

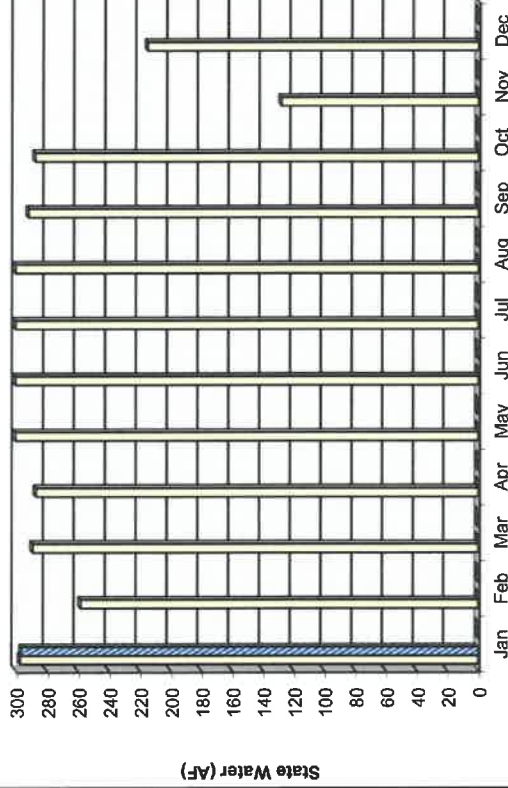
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	0	0	
Feb	0	0	
Mar	5		
Apr	4		
May	4		
Jun	4		
Jul	4		
Aug	4		
Sep	0		
Oct	0		
Nov	2		
Dec	5		
<b>Total</b>	<b>32</b>	<b>0</b>	



Requested Delivery  
Actual Delivery

### Santa Barbara - SWP Deliveries in Year 2019

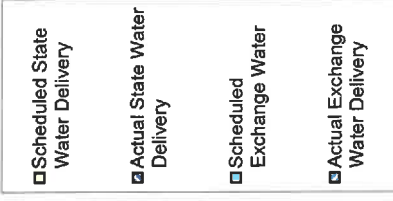
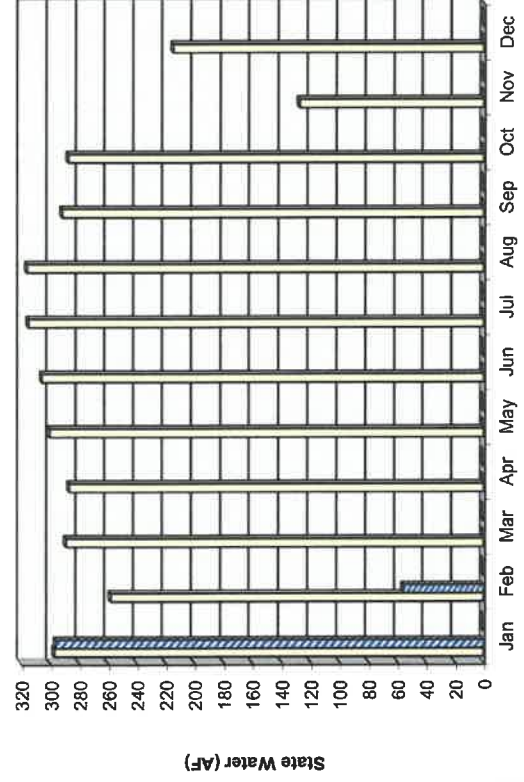
Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sch'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	297	0	297	296	0	296	
Feb	258	0	258	0	0	0	
Mar	289	-18	271				
Apr	287	-23	264				
May	300	-31	269				
Jun	306	-52	254				
Jul	315	-53	262				
Aug	316	-53	263				
Sep	292	-41	251				
Oct	288	-22	266				
Nov	128	0	128				
Dec	215	0	215				
<b>Total</b>	<b>3290</b>	<b>-292</b>	<b>2998</b>	<b>296</b>	<b>0</b>	<b>296</b>	



Scheduled State Water Delivery  
Actual State Water Delivery  
Scheduled Exchange Water  
Actual Exchange Water Delivery

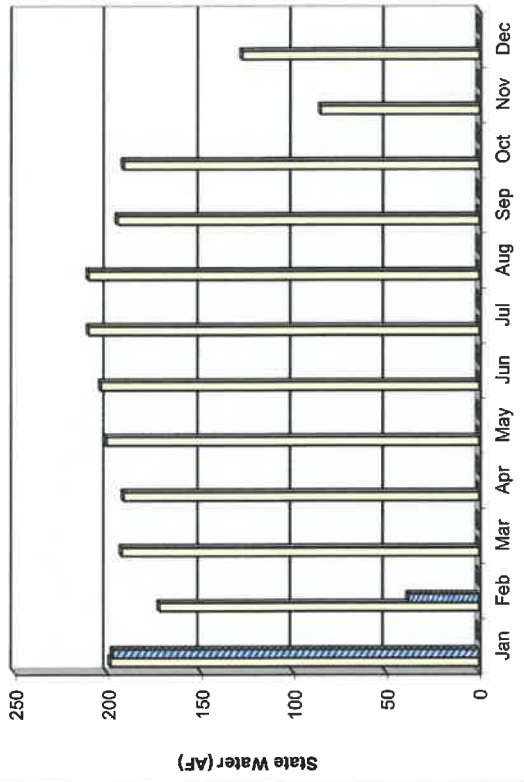
**Montecito - SWP Deliveries in Year 2019**

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sched. Water	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	297	0	297	296	0	296	
Feb	258	0	258	56	0	56	
Mar	289	-18	271				
Apr	287	-23	264				
May	300	-31	269				
Jun	306	-52	254				
Jul	315	-53	262				
Aug	316	-53	263				
Sep	292	-41	251				
Oct	288	-22	266				
Nov	128	0	128				
Dec	215	0	215				
<b>Total</b>	<b>3290</b>	<b>-292</b>	<b>2998</b>	<b>352</b>	<b>0</b>	<b>352</b>	



**Carpinteria - SWP Deliveries in Year 2019**

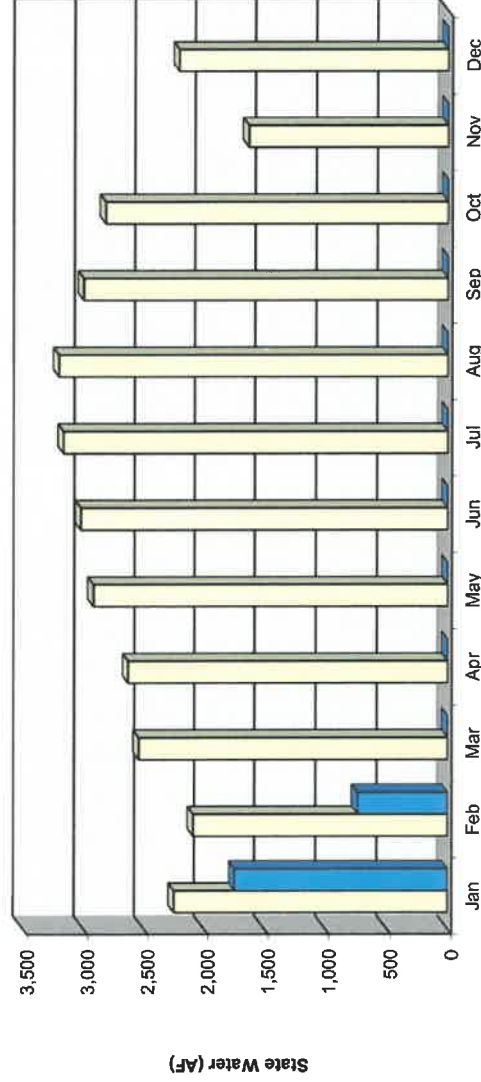
Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sched. State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	198	0	198	197	0	197	
Feb	172	0	172.14	38	0	38	
Mar	192	-12	180.41				
Apr	191	-15	176.2				
May	200	-21	179.63				
Jun	204	-34	169.15				
Jul	210	-35	174.96				
Aug	210	-35	175.1				
Sep	195	-27	167.4				
Oct	192	-14	177.17				
Nov	86	0	85.626				
Dec	128	0	127.82				
<b>Total</b>	<b>2178</b>	<b>-194</b>	<b>1984</b>	<b>235</b>	<b>0</b>	<b>235</b>	





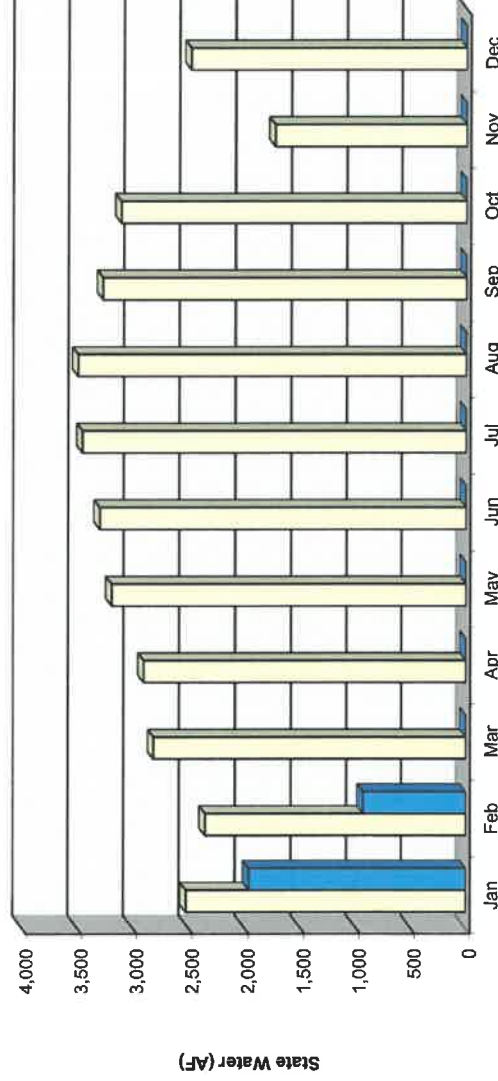
### Total SB County - SWP Deliveries in Year 2019

Month	Requested Delivery	Actual Delivery
Jan	2,253	1,748
Feb	2,089	737
Mar	2,543	
Apr	2,633	
May	2,922	
Jun	3,026	
Jul	3,169	
Aug	3,209	
Sep	3,004	
Oct	2,826	
Nov	1,635	
Dec	2,215	
<b>Total</b>	<b>31,525</b>	<b>2,485</b>



### Total SB and SLO County - SWP Deliveries in Year 2019

Month	Requested Delivery	Actual Delivery
Jan	2,525	1,967
Feb	2,355	942
Mar	2,816	
Apr	2,906	
May	3,196	
Jun	3,302	
Jul	3,460	
Aug	3,500	
Sep	3,276	
Oct	3,113	
Nov	1,738	
Dec	2,487	
<b>Total</b>	<b>34,675</b>	<b>2,909</b>





## CENTRAL COAST WATER AUTHORITY

### MEMORANDUM

March 20, 2019

**TO:** CCWA Board of Directors

**FROM:** John Brady  
Deputy Director, Operations and Engineering

**SUBJECT:** Lake Cachuma Pumping Restrictions and Alternatives

---

#### Background

The Central Coast Water Authority (CCWA) entered into a contract with the United States Bureau of Reclamation (Bureau) for the use of excess capacity of the Cachuma Project on July 25, 1995. This contract provided a critical link for the conveyance of State Water Project (SWP) water to the South Coast Water Agencies. It allows for the delivery of SWP water to Lake Cachuma and also allows the South Coast Water Agencies to convey SWP water through the lake, Tecolote Tunnel and South Coast Conduit. Throughout most of the contract term, CCWA delivered SWP water to the Bradbury Dam Penstock and water either passed into Lake Cachuma or into a Water Rights Release to the Santa Ynez River.

This contract allowed use of the Cachuma Project facilities only if the Bureau determines that excess capacity exists to accommodate the CCWA lake delivery operation. From 1995 to 2014, the issue of available excess capacity was not significant due to the South Coast Water Agencies requesting deliveries well below the maximum capacity of the CCWA delivery system, coupled with the Bureau's infrequent use of the Penstock. However, with the onset of the drought in 2014, there was a sharp increase in delivery requests by the South Coast Water Agencies and, simultaneously, the Bureau determined that they needed the Penstock as a source of water supply for their Hilton Creek operation. Due to the Biological Opinion requirements, the Bureau essentially determined that there was no excess capacity available in the Penstock to accommodate the CCWA lake delivery operation.

To respond to the loss of the Penstock as a means to deliver SWP water to Lake Cachuma, CCWA requested use of the Bradbury Dam Spillway and authorization to install a temporary bypass pipeline so that lake deliveries could continue. CCWA also noted that the Warren Act Contract was amended in 2005 to allow for the installation of a temporary bypass pipeline that was needed due to a Bureau construction project that made the penstock unavailable for lake delivery operations. After consideration, the Bureau determined that the Spillway was not in use at the time of our request and therefore could be used by CCWA to install a temporary bypass pipeline. They also agreed that the 2005 Amendment was valid and applicable for CCWA's proposed project. The bypass pipeline was subsequently installed. From 2014 to present, the bypass pipeline has been removed and reinstalled several times to accommodate the Bureau's need for closing the Spillway Gates.

A plan for the bypass pipeline operation was developed in March 2017 and approved by Mr. Michael Jackson of the US Bureau of Reclamation in April 2017. The plan formalized the bypass pipeline operations which dictated when the pipeline must be extended out onto the bedrock shelf on the lake side of the spillway, when the pipeline must be removed from the bedrock shelf and when the pipeline must be completely removed from the spillway entirely.

### **Penstock Evaluation**

The Penstock is used for three purposes: Water Rights Releases, SWP Delivery and Fish Releases. Due to various rules and agreements, all three uses cannot occur simultaneously. Water Rights Releases desires to maximize SWP delivery to the Penstock, while Fish Releases prohibit SWP in the Penstock.

In attempt to coordinate all three uses of the Penstock, CCWA initiated a project to conduct an evaluation of the Penstock. This evaluation was completed by HDR Engineering and the project included significant input from all of the Penstock Stakeholders. This project included a report and a Stakeholder Workshop. The Workshop reviewed the report and ultimately generated 135 comments from the Stakeholder Group. The report is final and all comments were responded to in the amended report. CCWA recently distributed the report to the Stakeholder Group.

In terms of securing a reliable route for CCWA lake delivery operations, the report identified several options. The option that is the least expensive and has shortest implementation schedule is to install a flange connection through the Spillway Gate so that SWP water deliveries could continue when the Spillway Gate is closed. The temporary bypass pipeline would simply be connected to the flange when the Spillway Gate is closed. Currently, when the Spillway Gate closes, CCWA has no way to deliver SWP water to the lake until the Bureau can establish the siphon operation through the Bureau's raft-mounted pumping facility to provide a source of water to Hilton Creek, which is when the lake level is in the 730 foot range. Once the siphon operation begins, CCWA will be able to use the Penstock again for deliveries.

For your review, Table 1 and 2 of the Penstock Evaluation Report is attached. Table 1 summarizes the operational constraints for SWP water delivery, Water Rights Releases and Fish Releases by lake level. Table 2 outlines the various alternatives to optimize the use of the Penstock.

### **Recent Activities**

On January 31, 2019, CCWA requested the County of Santa Barbara to run their River Model to estimate the potential lake level rise associated with a heavy storm that was forecasted. The model results suggested that the lake level could rise to 715 feet, which would mean the bedrock shelf would potentially be submerged, along with the established discharge location. CCWA considered this Trigger #1 and, in consultation with the Bureau, we subsequently mobilized to the Dam and removed the section of pipe between the spillway gate and the established discharge location on February 1, 2019, with the removed pipe being stored in the spillway, on the river side of the gate. Once CCWA completed work, the Bureau closed the spillway gates. This shut down CCWA lake delivery operations completely.

Once the storm passed and lake levels stabilized, CCWA requested the Bureau to open the spillway gates so that lake delivery operations could resume. The Bureau approved the plan and opened the gates on February 8, 2019. CCWA installed a short section of pipe to direct lake

deliveries through the spillway gate and onto the concrete apron of the spillway inlet. CCWA lake delivery operations resumed on the same day.

On February 11, 2019, the County advised CCWA that their River Model indicated that the lake level could rise up to 721 feet level, which is above the bottom of the spillway gate. Consequently, on February 12, 2019, CCWA ceased lake deliveries so that the Bureau could close the spillway gates. CCWA has not been able to resume lake delivery operations since that time.

On February 25, 2019, CCWA contacted the Bureau to discuss a proposal to route the temporary bypass pipeline over the top of the Dam. The Bureau indicated that they would review a proposal but did not commit to approving it. A proposal was subsequently prepared and submitted March 4, 2019. The proposal was to (1) use stockpiled 24 inch HDPE pipe to tie into the existing bypass pipeline at a location outside of the spillway and route it over the top of the Dam, (2) use a specialized pipeline roadway crossing that is designed to cross road above ground without blocking traffic and (3) to discharge the delivered water directly into the water, in the deepest section of the concrete apron of the spillway inlet.

On March 5, 2019, the County provided information on an approaching storm and the results of their River Model, which suggested that lake levels may rise to 740 feet. This lake level is high enough to establish a siphon operation for the Hilton Creek Water Supply System. CCWA contacted the Bureau to request that they implement that operation as soon as conditions merit and to subsequently allow CCWA to deliver SWP water through the Penstock. Unfortunately, the Bureau informed CCWA that the suction line of their raft-mounted pumping facility was floating due to gas accumulation and due to a mechanical binding of the suction line. The Bureau conducted a remote operated vehicle inspection below the water to investigate the issue on March 14, 2019. They confirmed a mechanical binding and are currently developing a plan to repair.

Currently there are two parallel efforts to re-establish CCWA's lake delivery operation: (1) the Bureau is developing a plan to fix their raft-mounted pumping facility so that they can begin a siphon operation and thereby open the Penstock for CCWA lake deliveries and (2) the Bureau Dam Safety Division is reviewing CCWA's proposal to extend the bypass pipeline over the dam. CCWA has provided additional information, as requested by the Bureau, to support the proposal and is currently awaiting a response from the Bureau.

JLB  
Attachments

**Table 1. Current Operational Constraints**

Lake Levels	Supply to Hilton Creek	CCWA Deliveries to Lake Cachuma	CCWA Deliveries for Water Rights Release
Above 730 ft	Gravity flow from Bureau pumping barge to creek	Through penstock, up to 22 cfs. No bypass pipe needed or allowed <sup>6</sup> .	Up to 50% of total flow, within 18C temperature limit <sup>7</sup>
725 to 730 ft	Total required flows of 5.8 to 8.5 cfs met by gravity flow from Bureau pumping barge until siphon is disrupted <sup>8</sup>  When siphon is disrupted, flows are met by combination of pumping barge and river outlet releases  HCEBS provides short-term (backup) flows of 2 to 4 cfs  Manually operated 20,000-gal storage tanks can provide up to 90 minutes of 0.5 cfs, if needed	No deliveries possible.  Use of penstock is not allowed, since gravity flow may be suddenly interrupted.  Bypass pipe in spillway not allowed, since spillway gates are closed.	Not available
720 to 725 ft	Total flows up to 6.0 cfs provided by Bureau pumping barge and river outlet. HCEBS and tank storage are secondary sources, as described above.	No deliveries possible.  Use of penstock is not allowed, since gravity flow may be suddenly interrupted.  Bypass pipe in spillway not allowed, since spillway gates are closed.	Not available
667 to 720 ft	Total flows of 3.3 to 6.0 cfs provided by Bureau pumping barge and river outlet. HCEBS and tank storage are secondary sources, as described above.	Through bypass pipe over dam (laid in spillway), 19 to 23 cfs.  Use of penstock not allowed, since it is needed for Hilton Creek supply  Use of bypass in spillway depends on lake-level forecasts. <sup>10</sup>	Not available
655 to 667	Gravity and pumped flow via penstock and HCEBS, up to 2.75 cfs <sup>11</sup>	Same as above.	Not available
Below 655 ft	When gravity flow is not possible or remaining water allocations are insufficient, water is pumped from the Stilling Basin to the LRP at about 8 gpm. Two pumps are installed and operated as one duty pump one spare.  If the above methods fail, water may be trucked from a 2-inch hose bibb at the River Outlet Works (supplied through the penstock) to the tanks to sustain flows.	Through penstock, up to 25 cfs. No bypass needed, but remains in place.  If trucking operations are necessary, CCWA flows through the penstock are not allowed and bypass is used.	Up to 50% of flow, within 18C temperature limit <sup>6</sup>

<sup>6</sup> Bypass pipe must be removed from spillway when the lake level is above 720 feet.

<sup>7</sup> If temperature and flow limits cannot be met, CCWA use of the penstock is constrained.

<sup>8</sup> See Appendix B. Siphon has functioned to an elevation of 717.50 feet, but gas bubbles break the siphon. This has occurred at elevations as high as 728.78 feet when pumping.

<sup>10</sup> Inflows have ranged to 80,000 AF have occurred in 3 days.

<sup>11</sup> Gravity flows to lower release point are disrupted at approximately 655 ft due to a high point of 651.83 ft



Table 2. Comparison of Costs/Benefits of Alternatives

	A. Controlled Flushing	B. New Pump Station	C. Pipe Connection	D. Permanent or Semi-Permanent CCWA Penstock Bypass	E. Permanent Hilton Creek Penstock Bypass	F. Increase Santa Ynez PP Flows
<b>Purpose</b>	Allows sharing of penstock, except during outage of primary Hilton Creek pumping system	Better primary Hilton Creek reliability, eliminates need to use penstock for emergency backup.	Allows limited WR89-18 supplement under most conditions	Eliminates CCWA need to use penstock and to remove / reinstall bypass pipe (cost: \$45,000)	Allows greater range of gravity flow to Hilton Creek	Higher flows during penstock bypass and other conditions
<b>Requires</b>	Motor control of 42" valve and SCADA programming	New on-shore pumping station (slant casing or caisson style)	Pipe, motor-actuated valve, meter and SCADA programming	Pipe around north side of dam; or modifications to pipe within spillway	Approx. 1800 feet of 18-inch pipe around south side of dam, installed using HDD.	1. Surge Analysis 2. Surge Upgrades? 3. Pipe assessment 4. Pipe repairs?
<b>Cost</b>	\$120,000	\$1.75 million (slant-casing-style) \$4.1 million (caisson-style)	\$95,000	\$5M to 10M (permanent bypass) \$250,000 (placeholder, semi-perm bypass)	\$3M to \$4M	\$30k initial Additional \$200k to \$800k possible
<b>CCWA Delivery Capacity</b>	23 to 25 cfs, except during temporary outage of Hilton Creek pumping barge	23 to 25 cfs at all times, under all conditions	No change; 21 to 23 cfs when EWBS is in service or standby mode	21 to 25 cfs at all times, depending on what is constructed	23 to 25 cfs when lake is above ~685 feet	Possibly > 25 cfs, particularly if lake level is low and penstock is available
<b>WR89-18 Supplement</b>	23 to 25 cfs or 50% of total flow, except during temporary outage of Hilton Creek pumping barge	23 to 25 cfs or 50% of total flow, at all times, under all conditions	Up to 15 cfs (or higher, if water can be discharged directly to the spillway)	None.	23 to 25 cfs or 50% of total flow, when lake is above ~685 feet	Possibly > 25 cfs, if penstock is available
<b>Permits Needed<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Encroachment</li> <li>Operations Agreement</li> </ul>	<ul style="list-style-type: none"> <li>Encroachment</li> <li>CEQA / NEPA</li> <li>Operations Agreement</li> <li>Dam Safety if located on dam face</li> <li>Section 404 Permit for pipes below high water level</li> </ul>	<ul style="list-style-type: none"> <li>Encroachment</li> </ul>	<ul style="list-style-type: none"> <li>Encroachment</li> <li>CEQA / NEPA</li> <li>Dam Safety if located in spillway</li> <li>Section 404 Permit for pipes below high water level</li> </ul>	<ul style="list-style-type: none"> <li>Encroachment Permit</li> <li>CEQA / NEPA</li> <li>Dam Safety</li> <li>Section 404 Permit for pipes below high water level</li> </ul>	Section 404 Permit for portions of pipe adjacent to river
<b>Negatives</b>	Operationally complex. Alternative C also needed for WR89-18 supplement if HCEBS is running. Could strand fish at upper release point. May not work under new BiOp.	100% reliability of PS needs to be proven, otherwise HCEBS may still be required	Only benefits SR89-18 deliveries. Does not improve deliveries to South Coast	Alternative C also needed for WR89-18 supplement	No benefit for lake levels below ~685 ft	Final cost and feasibility TBD. Alternative C also needed for WR89-18 supplement at other times.

<sup>1</sup> Because Bradbury Dam is USBR owned and operated, an encroachment permit from the Bureau is required for any modifications



## CENTRAL COAST WATER AUTHORITY

### MEMORANDUM

March 18, 2019

**TO:** CCWA Board of Directors

**FROM:** Ray A. Stokes   
Executive Director

**SUBJECT:** CCWA Reserve Fund for DWR Charges

---

#### SUMMARY

At the February 28, 2019 CCWA Board meeting, CCWA staff presented a proposal to create a DWR Reserve Fund to be held by CCWA to cover differences between the DWR Statement of Charges (SOC) and amounts billed to our project participants as part of the annual budgeting process. The Board requested additional clarification on the mechanics of how the DWR Reserve Fund will work, a formal written policy, and that participation in the reserve fund be voluntary.

This report presents the details of the reasons for the recommended DWR Reserve Fund and the attached DWR Reserve Fund policy more fully explains the mechanics of the DWR Reserve Fund.

#### DISCUSSION

The volatility of the DWR SOC, and more specifically, the Transportation Minimum OMP&R cost component, necessitated a supplemental assessment from the CCWA project participants this fiscal year for the first time in many years. Unfortunately, we don't see that the volatility will improve anytime soon given the various billing constraints and cost allocation methodologies utilized by DWR. However, there are efforts underway at DWR that will hopefully improve the budgeting and planning of costs so that sometime in the future, DWR will be more able to predict with greater certainty the amounts to be charged to CCWA and all SWP Contractors.

Historically, CCWA has been able to cover any shortfall between the amounts actually billed to CCWA compared to the estimates used in preparing the fiscal year budget and corresponding bills to the CCWA project participants. However, that is becoming increasingly difficult due to the magnitude of the variances.

In order to avoid future supplemental assessments, CCWA staff proposes to create a DWR Reserve Fund to be used to fund differences between the actual charges from DWR and the estimates used for budgeting and billing to the CCWA project participants. The reserve fund could be used for any DWR cost component, but it is anticipated that it will mostly be used for differences in the Transportation Minimum OMP&R cost component.

Staff proposes that a target amount be set at \$10 million, allocated to each CCWA project participant in proportion to their Transportation Minimum OMP&R allocation percentages as follows:

***DWR Reserve Fund Target***

Project Participant	Table A	Percentage	DWR Reserve Fund Target
Guadalupe	550	1.41%	\$ 140,744
Santa Maria	16,200	41.46%	4,145,555
Golden State Water Co.	500	1.28%	127,949
VAFB	5,500	14.07%	1,407,442
Buellton	578	1.48%	147,909
Santa Ynez (Solvang) <sup>(1)</sup>	1,500	3.84%	383,848
Santa Ynez <sup>(1)</sup>	500	1.28%	127,949
Goleta	4,500	11.52%	1,151,543
Morehart	200	0.51%	51,180
La Cumbre	1,000	2.56%	255,898
Raytheon	50	0.13%	12,795
Santa Barbara	3,000	7.68%	767,695
Montecito	3,000	7.68%	767,695
Carpinteria	2,000	5.12%	511,797
<b>Subtotal:</b>	<b>39,078</b>	<b>100.00%</b>	<b>\$ 10,000,000</b>

In order to fund the DWR reserve fund, staff proposes that annual budget surpluses from the CCWA Operating Expense budget, interest earnings on other reserve accounts and excess amounts within the DWR accounts be transferred to the DWR reserve fund for each project participant until the target level has been achieved. After the target funding amount has been reached, each of the credits and interest earnings would continue to be refunded back to the project participant. If the DWR reserve fund falls below the funding target, credits and interest earnings will be used to bring the funding level back to the funding target.

CCWA is currently holding about \$1.3 million in credits and interest earnings from FY 2017/18 that could be deposited into the DWR reserve fund, as follows:



Project Participant	CCWA O&M Credits (Due)	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments and Miscellaneous Interest Credits	DWR Interest Income	Total CCWA Credits (Due)
Guadalupe	\$ -	\$ 371	\$ 923	\$ -	\$ 5,241	\$ 6,535
Santa Maria	188,340	10,927	65,914	-	143,454	408,635
Golden State Water Co.	8,742	337	-	-	4,959	14,038
Vandenberg AFB	276,996	103,294	-	-	970,575	1,350,865
Buellton	14,387	390	3,622	-	6,096	24,495
Santa Ynez (Solvang)	32,846	1,011	8,047	-	14,792	56,697
Santa Ynez	372,007	337	6,062	-	5,943	384,349
Goleta	14,473	3,035	-	-	50,371	67,879
Morehart Land	1,772	135	-	4,517	1,856	8,279
La Cumbre	9,294	674	1,934	-	10,532	22,434
Raytheon	466	34	-	1,075	494	2,069
Santa Barbara	9,658	2,024	-	-	34,503	46,184
Montecito	148,889	2,023	6,971	-	34,763	192,646
Carpinteria	6,360	1,349	10,835	-	20,590	39,134
<b>TOTAL:</b>	<b>\$ 1,084,228</b>	<b>\$ 125,942</b>	<b>\$ 104,308</b>	<b>\$ 5,591</b>	<b>\$ 1,304,169</b>	<b>\$ 2,624,239</b>

If the average deposit into the DWR reserve fund is around \$1 million annually, it will obviously take almost ten years to fully fund the reserve. Some years may be slightly more and some slightly less. However, this funding methodology seems to be the easiest way to fund the reserve as the funds have already been paid to CCWA. (NOTE: CCWA Variable credits will not be deposited into the reserve fund, as the CCWA variable costs are trued-up on a quarterly basis).

If the credits shown above were placed into the DWR reserve fund, the remaining target balances would be as follows:

***DWR Reserve Fund Target***

Project Participant	DWR Reserve Fund		DWR Reserve Fund Target	Deposit March 2019	Remaining Funds to Meet Target
	Table A	Percentage			
Guadalupe	550	1.41%	\$ 140,744	\$ 6,535	\$ 134,210
Santa Maria	16,200	41.46%	4,145,555	408,635	3,736,920
Golden State Water Co.	500	1.28%	127,949	14,038	113,912
VAFB	5,500	14.07%	1,407,442	1,350,865	56,576
Buellton	578	1.48%	147,909	24,495	123,414
Santa Ynez (Solvang)	1,500	3.84%	383,848	56,697	327,151
Santa Ynez	500	1.28%	127,949	384,349	(256,400)
Goleta	4,500	11.52%	1,151,543	67,879	1,083,664
Morehart	200	0.51%	51,180	8,279	42,900
La Cumbre	1,000	2.56%	255,898	22,434	233,464
Raytheon	50	0.13%	12,795	2,069	10,726
Santa Barbara	3,000	7.68%	767,695	46,184	721,512
Montecito	3,000	7.68%	767,695	192,646	575,049
Carpinteria	2,000	5.12%	511,797	39,134	472,663
<b>Subtotal:</b>	<b>39,078</b>	<b>100.00%</b>	<b>\$ 10,000,000</b>	<b>\$ 2,624,239</b>	<b>\$ 7,375,761</b>

## **DWR Reserve Fund Policy**

The proposed DWR Reserve Fund Policy is attached to this report. The policy provides specifics regarding the funding, administration, use and withdrawal of funds in the DWR Reserve Fund.

## **RECOMMENDATION**

That the CCWA Board of Directors approve the creation of the DWR Reserve Fund and that the attached DWR Reserve Fund Policy be approved.

Attachment

RAS

**Central Coast Water Authority  
DWR Reserve Fund Policy**

During its March 28, 2019 regular meeting, the Board of Directors approved a “DWR Reserve Fund Policy” as follows:

**Purpose:** The DWR Reserve Fund is intended to provide a funding source for payments to the State of California Department of Water Resources (DWR) when there is a difference between estimates used to prepare the DWR portion of the annual CCWA budget and the actual amounts billed to the Authority by DWR.

**Contributions:** Contributions to the DWR Reserve Fund are voluntary. Project Participants wanting to participate in the DWR Reserve Fund shall notify the Authority of such intent. The Authority will in turn, notify the participating Project Participant of its “Target DWR Reserve Fund Amount” (Target Amount). The Target Amount will be equal to the participating Project Participant’s proportional share of a \$10 million allocation of DWR Transportation Minimum OMP&R charges as calculated in the most recent DWR Statement of Charges at the time the DWR Reserve Fund Policy is approved by the CCWA Board of Directors, and updated periodically.

Funding of each participating Project Participant’s share of the DWR Reserve Fund will come from a combination of (1) CCWA Operating Expense budget surpluses, if any (2) Interest earnings on funds held in all other accounts on behalf of the participating Project Participant and (3) excess amounts, if any, from any of the DWR Statement of Charges cost components.

After the participating Project Participant’s share of the DWR Reserve Fund has been fully funded up to the participating Project Participant’s Target Amount, the credits, interest earnings and excess DWR amounts will be returned to the participating Project Participant as a credit against future bills from the Authority.

If the balance of the participating Project Participant’s DWR Reserve Fund falls below the Target Amount, the Authority will retain the credits listed above until the balance once again equals the Target Amount.

**Withdrawal:** A participating Project Participant may withdraw from the DWR Reserve Fund by notifying the Authority in writing of its request to withdraw its funds on deposit in the DWR Reserve Fund. Within 60 days, the Authority will either credit the funds on deposit against the participating Project Participant’s next invoice from the Authority, or at the request of the participating Project Participant, issue a check for the refund of the deposit amount.

**Administration:** The Treasurer shall invest funds held in the DWR Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. DWR Reserve Fund investment earnings shall be redeposited into the DWR Reserve Fund for each participating Project Participant up to the Target Amount. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the DWR Reserve Fund.


**Use of Fund:** Monies held in the DWR Reserve Fund may be used by the Authority to fund the difference between the estimates used for billing purposes to the participating Project Participants for the annual DWR Statement of Charges (all fixed cost components) and the actual Statement of Charges received from DWR.



**CENTRAL COAST WATER AUTHORITY**  
**MEMORANDUM**

March 19, 2019

**TO:** CCWA Board of Directors

**FROM:** Ray A. Stokes  
Executive Director 

**SUBJECT:** CCWA FY 2019/20 Preliminary Budget

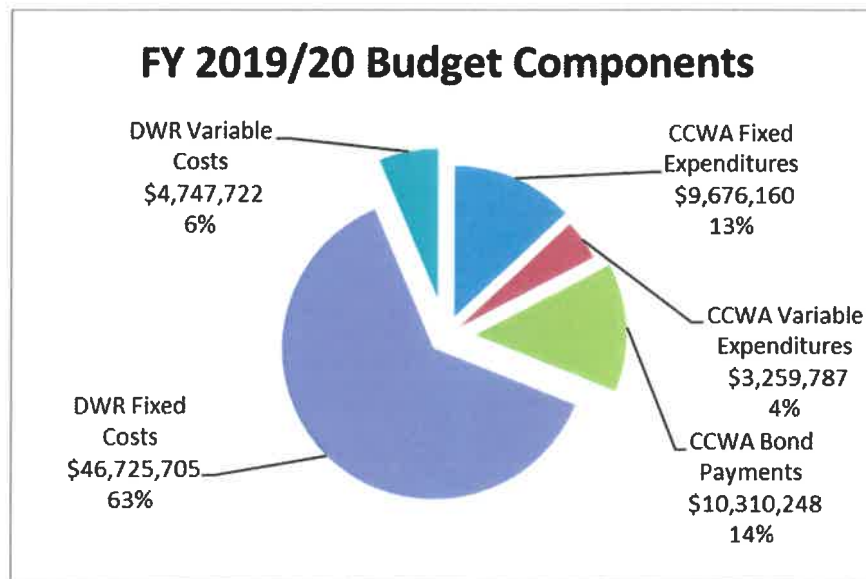
**SUMMARY**

The Preliminary FY 2019/20 Budget document has been posted for review at the CCWA website <http://www.ccwa.com/docs/Budget2019-20/PreliminaryFY19-20Budget.pdf>. This memorandum provides an overview of the preliminary budget and highlights significant changes between it and the Final FY 2018/19 Budget. Staff provided an overview of the Preliminary FY 2019/20 Budget at the March 14, 2019 Operating Committee meeting, and will be providing an overview at the March 28, 2019 CCWA Board Meeting.

**DISCUSSION**

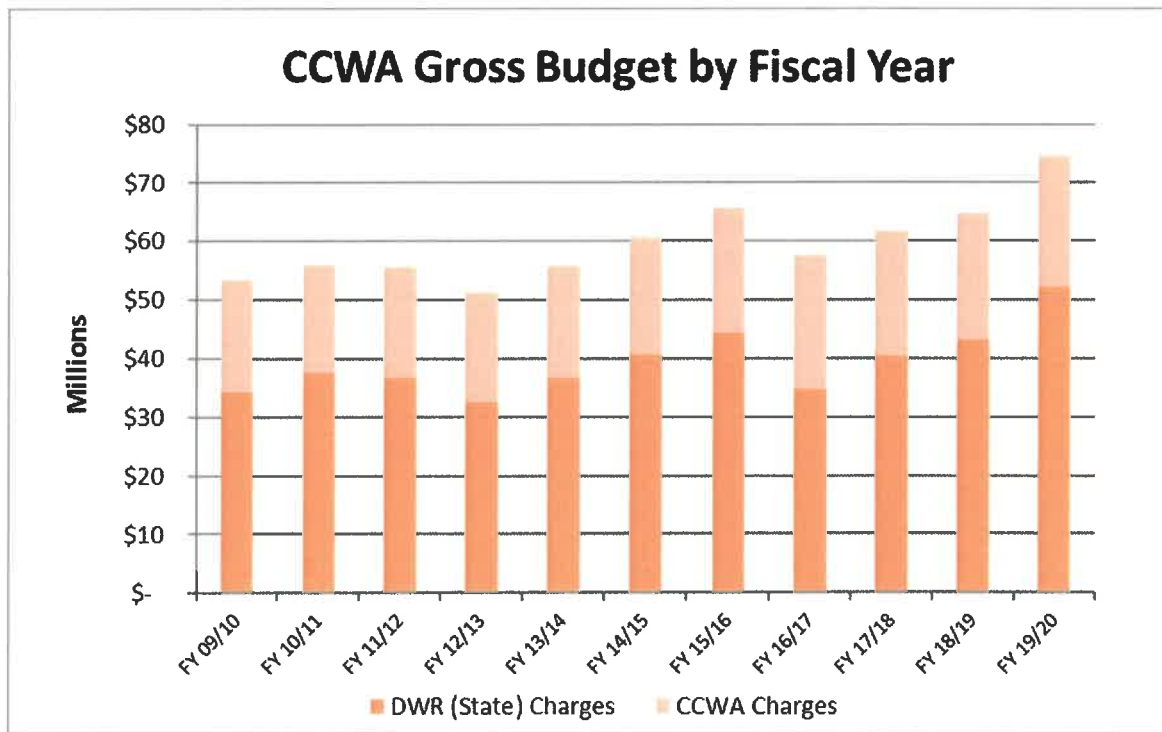
The FY 2019/20 Preliminary Budget calls for total project participant payments of \$74.7 million compared to the FY 2018/19 budget of \$63.8 million, a \$10.9 million increase.

The following graph shows the various components of the FY 2019/20 Preliminary Budget and subsequent table compares the Preliminary FY 2019/20 Budget and the Final FY 2018/19 Budget:



Budget Item	Final FY 2018/19 Budget	Preliminary FY 2019/20 Budget	Increase (Decrease)
<b>CCWA Expenses</b>			
CCWA Operating Expenses - Fixed	\$ 7,106,709	\$ 7,296,802	\$ 190,094
CCWA Operating Expenses - Variable	3,069,046	3,259,787	190,741
Revenue Bond Debt Service Payments	10,349,474	10,310,248	(39,226)
Capital/Non-Capital Projects	959,989	1,669,206	709,217
<b>Total CCWA Expenses:</b>	<b>21,485,218</b>	<b>22,536,043</b>	<b>1,050,826</b>
<b>Pass-Through Expenses</b>			
DWR Fixed Costs	36,819,361	46,725,705	9,906,345
DWR Variable Costs	5,723,126	4,747,722	(975,404)
Warren Act and Trust Fund Payments	732,824	710,152	(22,672)
<b>Total Pass-Through Expenses:</b>	<b>43,275,310</b>	<b>52,183,579</b>	<b>8,908,268</b>
<b>Subtotal Gross Budget:</b>	<b>64,760,528</b>	<b>74,719,622</b>	<b>9,959,094</b>
CCWA (Credits) Due	(906,997)	821	907,818
<b>TOTAL:</b>	<b>\$ 63,853,531</b>	<b>\$ 74,720,443</b>	<b>\$ 10,866,912</b>

The following graph shows the CCWA and DWR gross budget (without CCWA credits) for the past eleven years.



## CCWA Operating Expense Budget

The Preliminary FY 2019/20 CCWA operating expense budget totals \$10,556,589 which is \$380,835 more than the FY 2018/19 operating expense budget, or a 3.74% increase.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2019/20 and FY 2018/19.

	<b>Final FY 2018/19 Budget</b>	<b>Preliminary FY 2019/20 Budget</b>	<b>Increase</b>	<b>Percentage Change</b>
Fixed O&M	\$ 7,106,709	\$ 7,296,802	\$ 190,094	2.67%
Variable O&M	3,069,046	3,259,787	190,741	6.21%
<b>Total:</b>	<b>\$ 10,175,755</b>	<b>\$ 10,556,589</b>	<b>\$ 380,835</b>	<b>3.74%</b>

The following is a list of the major highlights of the operating expense budget. Additional highlights and detailed explanations are available in the departmental sections of the preliminary budget.

### Water Deliveries

Total requested water deliveries for FY 2019/20 are 34,644 acre feet compared to the FY 2018/19 requested deliveries of 34,359 acre feet, an increase of 285 acre-feet.

### Personnel Expenses

Personnel expenses are increasing by about \$170,000 which includes the following changes from the prior year:

- The FY 2019/20 Budget includes the \$121,625 salary pool amount for employee salary increases representing an increase of \$3,738 over the FY 2018/19 budgeted amount of \$117,887. The salary pool percentage for FY 2019/20 is a flat 4% of salaries.

The FY 2019/20 total salaries and wages budget for all departments is held to an increase of \$97,178 as compared to the prior fiscal year budget due to the hiring of new Distribution Tech Trainee and IC&R Technician at lesser starting salaries when compared to the ending salary of the existing employees. Also, certain employees reaching the top of their salary range caused actual total salaries on July 1, 2018 to be lower than what was included in the budget for FY 2018/19.

- CalPERS retirement expenses are increasing by approximately \$53,000 because of an increase of approximately \$38,000 in the required Unfunded Actuarial Liability (UAL) contribution and an increase of approximately \$15,000 in employer contributions. The combined CCWA paid employer, employee and unfunded actuarial liability contribution rates for the FY 2019/20 total 25.170% as compared to the prior year amount of 24.285%, for a combined increase of 0.885%. In FY 2017/18 CCWA employees began paying 50% of the increase in the "normal" PERS employer contribution. Additionally, CCWA now has 5 PEPRA employees, and anticipates hiring another PEPRA employee by FY 2019/20.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are decreasing by about \$19,000 due to the realignment of employee benefits and other

changes as described below: 1) Effective January 1, 2018, the CCWA cafeteria plan health plan allowance is based on the lowest cost plan available to all CCWA employees; 2) Beginning with calendar year 2018, CCWA employees pay 50% of the increase in costs for the dependent portion of healthcare premiums; 3) The 2019 CalPERS health insurance plan with the lowest premiums decreased by 29.33% over the 2018 premiums, as opposed to the increase of 5% budgeted for the calendar year 2019. The 2019 health allowances have remained at same levels used in 2018; 4) The FY 2019/20 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2020.

- The FY 2019/20 Budget includes a \$156,800 deposit into the Retiree Benefit Trust Program, an increase of \$4,573 for FY 2019/20 over the FY 2018/19 budget amount of \$152,227. This increase is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums for employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of CCWA service.

### Supplies and Equipment

Supplies and equipment are increasing by about \$180,000 based primarily on the increased cost of chemicals needed due to the highly variable flows in the California Aqueduct resulting in lesser water quality. Estimates are based on historical data and the costs of treatment are directly related to changes in water quality, which is expected to be a challenge in FY 2019/20 due to the anticipated changing water conditions as seen in the preceding fiscal years.

### Monitoring Expenses

Monitoring expenses are decreasing by about \$8,000 due to a reduced need for additional lab supplies and equipment as identified by the Senior Chemist.

### Repairs and Maintenance

Repairs and maintenance costs are increasing by about \$6,000 because of an increase in age related equipment and building repairs and maintenance.

### Professional Services

Professional Services are increasing by a total of about \$7,000 for the following reasons: A decrease of \$11,000 in engineering services not required in FY 19/20; a \$17,000 decrease in professional services due to removal of switchgear maintenance, and an increase in costs for Santa Barbara County staff time regarding the reassignment of the State water Project Contract to CCWA; an increase of about \$7,200 for additional WTP permit needs; and \$28,000 for additional accounting services for audit of the DWR Statement of Charges and actuarial services for Governmental Accounting Standards Board (GASB) reporting of pension and other post-employment benefits (OPEB).



### General and Administrative

General and Administrative costs are increasing by about \$8,000 mostly due to an increase of \$19,000 for Water Research Foundation fees, offset by a decrease of \$16,000 for the elimination of fees paid for the now-retired State Water Project Contractors Authority, coupled with a \$4,000 increase in employee training.

### Utilities

Utility expenses are increasing by about \$23,000 primarily due to an increase in the estimated cost of electricity, which is partially offset by a slight decrease in requested water deliveries to Cachuma Lake of 391 AF when compared to the prior fiscal year.

### Other Expenses

Other expenses are increasing by about \$18,000 due mostly to the increase in computer expenses related to the migration to a cloud-based remote data storage system.

### **CCWA Capital Improvement & Non-Capital Projects**

The Preliminary FY 2019/20 Budget includes \$1,669,206 for capital and non-capital improvement projects, a \$709,217 increase over the prior year amount. All capital improvement and non-capital projects are funded on a current basis from project participant assessments.

Please refer to the “*Projects*” section of the Preliminary FY 2019/20 Budget for additional information on the budgeted capital improvement projects.

### **Regional Water Treatment Plant Allocation and Santa Ynez Exchange Agreement Modifications**

The Preliminary FY 2019/20 fixed, capital and variable regional water treatment plant allocation expense and corresponding credit is \$2,081,045 or \$53.25/AF for all Project Participants. The Preliminary FY 2019/20 fixed, capital and variable Santa Ynez exchange agreement modifications total \$278,833, or \$229/AF.

Please refer to the Water Treatment Plant section of the Budget for additional information on the regional water treatment plant allocation and Santa Ynez exchange agreement modifications.

### **CCWA 2016A Revenue Bond Debt Service**

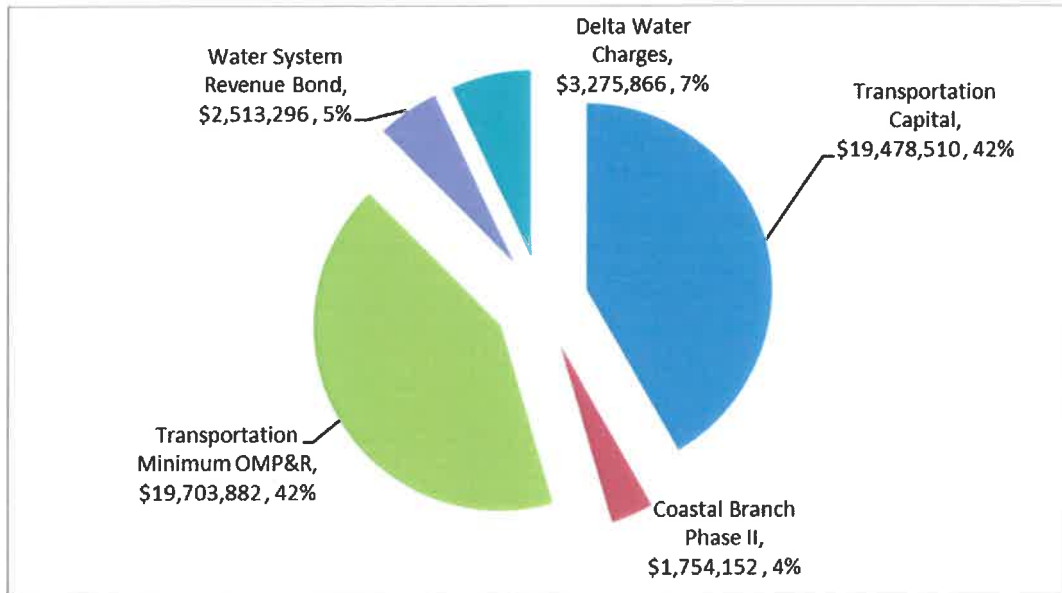
CCWA 2016A revenue bond debt service for FY 2019/20 totals \$10.3 million, which is \$39,226 lower than the prior year amount.

## Warren Act and Trust Fund Payments

The Preliminary FY 2019/20 Budget includes \$710,152 for Warren Act and Trust Fund MOU payments based on \$58 per acre foot for 12,244 acre feet of water to be delivered to Cachuma Lake.

## DWR FIXED COSTS

The DWR fixed costs are comprised of the following cost components:



The FY 2019/20 DWR fixed charges total \$46,725,705 which is \$9,728,150 higher than the FY 2018/19 Budget. The reasons for the cost component variances are described later in this report.

## Transportation Capital

The Transportation Capital cost component covers the use of facilities to transport water to the vicinity of each State water contractor turnout. Generally, the charge represents each contractor's proportionate share of the reimbursable capital costs and fixed operating costs.

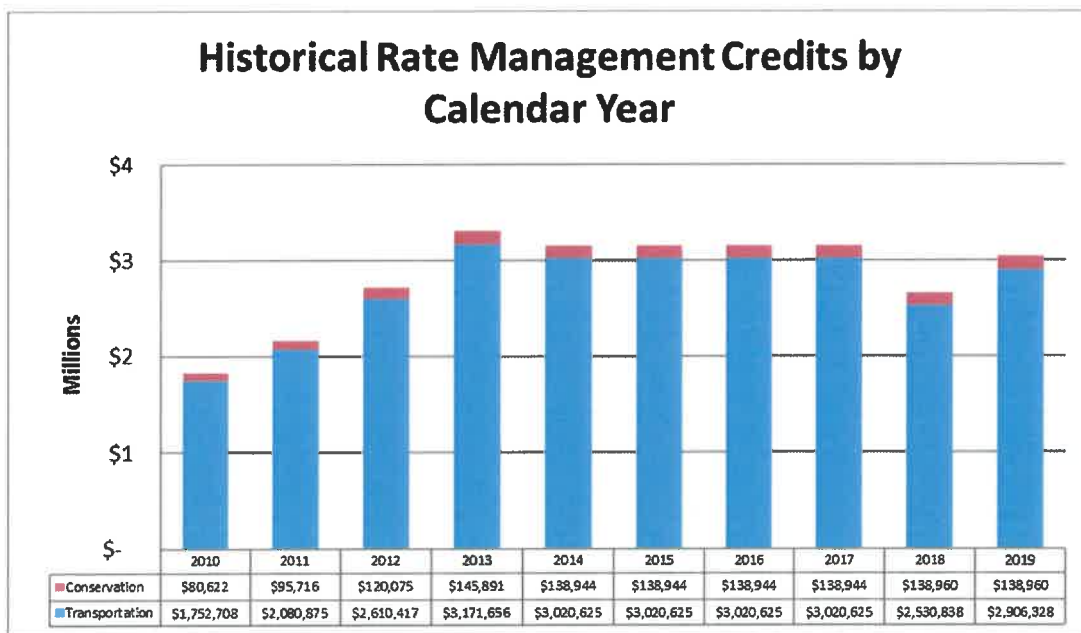
The FY 2019/20 Transportation capital charges are decreasing by \$408,806 due to the following:

Transportation Capital Budget-to-Budget Changes			
	FY 2018/19	FY 2019/20	Change
Calculated Component	\$ 22,875,229	\$ 22,855,214	\$ (20,015)
Rate Management Credits	(2,377,281)	(2,729,988)	(352,707)
Prior Year amount due	175,840	148,035	(27,805)
Prior Year Overcollection Credit	(778,872)	(786,170)	(7,298)
Other Adjustments	(7,600)	(8,581)	(981)
<b>Total:</b>	<b>\$ 19,887,316</b>	<b>\$ 19,478,510</b>	<b>\$ (408,806)</b>

**Rate Management Credits**

One provision of the contract between CCWA and the Department of Water Resources provides for the reduction of capital charges based on excess revenues collected by DWR due to differences between collections from the State Water Project Contractors and the actual amounts paid for capital related charges. These credits are referred to as “rate management credits” and are allocated to each Contractor in proportion to their total repayment of capital charges to DWR. As such, CCWA receives a large portion of the annual rate management credits (currently about 9.00%) because our facilities were constructed in the 1990’s while most other Contractor’s facilities were constructed in the 1960’s so that CCWA’s capital repayments to DWR are quite high when compared to other Contractors.

Each year, DWR prepares a financial analysis to determine the revenues that are available to pay rate management credits. Pursuant to the Contract, the maximum amount of rate management credits in any one year does not exceed \$40.5 million to all Contractors. There are a number of factors that can impact the revenues available to pay rate management credits, and therefore, the actual credits provided by DWR have been somewhat volatile as can be seen in the following graph showing the actual historical calendar year rate management credits provided by DWR.



It is anticipated that the revenues available for rate management credits in the future will be substantially more stable and therefore not subject to the volatility as has been the case in the past. For 2019 and beyond, CCWA is projecting DWR will have revenues to pay rate management credits each year of about \$2.5 million.

## Coastal Branch Extension-Transportation Capital Reach 37 and 38

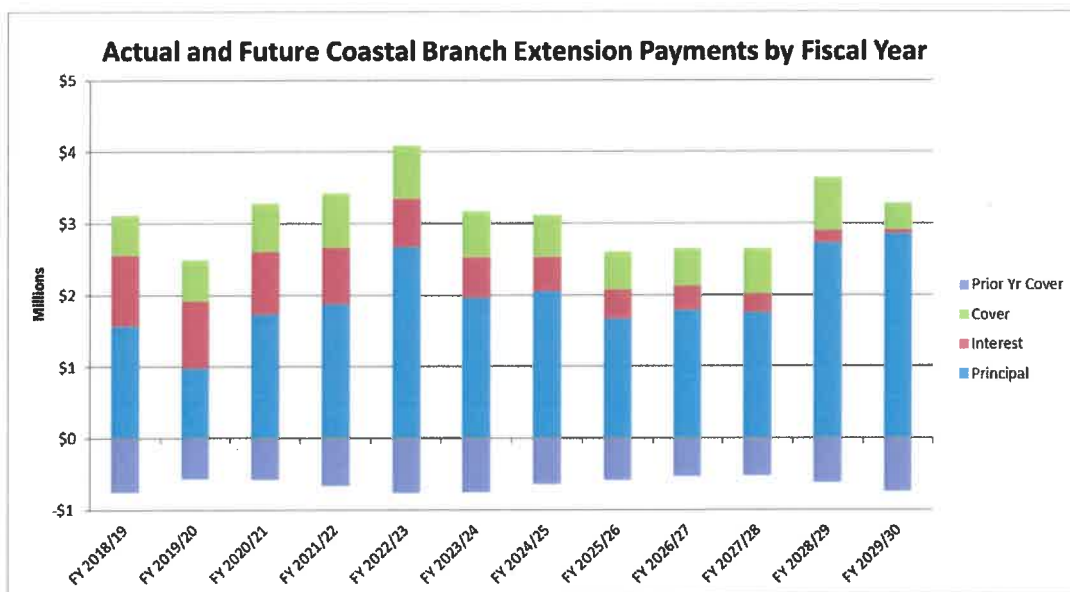
This represents the debt service for the Coastal Branch Extension bonds issued by DWR for the Coastal Branch Extension facilities in Santa Barbara County south of the Santa Maria River. CCWA is solely responsible for repayment of the debt service on these bonds to DWR. The charges are allocated according to DWR's actual construction costs for the project with 51.84% allocated to Reach 37 and 48.16% allocated to Reach 38.

Coastal Branch Extension debt service payments for FY 2019/20 total \$1,754,152, which is \$366,931 lower than the prior year amount due to the following:

<b>Coastal Branch Extension Debt Service</b>			
	<b>FY 2018/19</b>	<b>FY 2019/20</b>	<b>Change</b>
Principal Payments	\$ 1,680,036	\$ 983,122	\$ (696,914)
Interest Payments	966,408	938,414	(27,993)
Bond Cover	588,314	574,935	(13,380)
Rate Management Credits	(153,557)	(176,340)	(22,783)
Return of Prior Year Cover	(769,622)	(565,980)	203,642
Prior year amount due (credit)	(190,496)	-	190,496
<b>Total:</b>	<b>\$ 2,121,083</b>	<b>\$ 1,754,152</b>	<b>\$ (366,931)</b>

### Principal, Interest and Bond Cover Changes

Over the years, DWR has refinanced some of the original bonds used to finance these facilities and the resulting debt service repayment fluctuates significantly between years as can be seen in the following graph.



In addition to the revenue bond principal and interest, DWR also collects bond cover or an additional 25% of revenue bond payments as an additional security for the bond holders. DWR holds one year of bond cover and then returns the prior year bond cover payments as credits.

### Coastal Branch Extension Bond Allocation

CCWA is challenging DWR's allocation of revenue bond debt service payments to CCWA for the Coastal Branch Extension. Total construction and finance related costs were around \$35 million for the project, but DWR is allocating approximately \$46 million in revenue bond principal payments to CCWA. Recently, DWR agreed that the additional bonds allocated above the construction costs is incorrect and that the bonds should be reallocated to the general water system for the State Water Project away from the Coastal Branch Extension.

DWR still has not finalized the corrections to the Coastal Branch Extension debt service schedules for the over allocation of revenue bonds above the construction costs. The corrections, once implemented, will reduce the total debt service costs for the Coastal Branch Extension facilities.

### Transportation Minimum OMP&R

Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operate the State Water Project that generally do not depend on or vary with the quantities of water delivered to CCWA.

For FY 2019/20, total Transportation Minimum OMP&R charges are \$19,703,882, which is \$9,793,612 more than the prior year amount due to the following:

<i>Transportation Minimum OMP&amp;R</i>			
	<b>FY 2018/19</b>	<b>FY 2019/20</b>	<b>Change</b>
Calculated Component	\$ 8,660,511	\$ 13,344,588	\$ 4,684,077
Prior Year (Over)/Under Collection	1,249,759	6,359,294	5,109,535
<b>Total:</b>	<b>\$ 9,910,270</b>	<b>\$ 19,703,882</b>	<b>\$ 9,793,612</b>

DWR estimates the calendar year charges for each Contractor and then reconciles or "trues-up" the actual charges incurred in the following year(s) resulting in either an over or under-payment of charges.

### Water System Revenue Bond Surcharge

The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual revenue bond debt service payments paid by DWR. For FY 2019/20, the WSRB is \$694,291 higher than the prior year amount.

### Delta Water Charge

The Delta Water Charge is a unit charge applied to each acre-foot of State water Table A. The unit charge covers repayment of all outstanding reimbursable costs of the DWR Project Conservation Facilities with appropriate interest, by the end of the State water contract repayment period in 2035.

The FY 2019/20 Delta Water Charge totals \$3,275,866, which is \$15,985 higher than the prior year amount for the following reasons.

<b>Delta Water Charge</b>			
	<b>FY 2018/19</b>	<b>FY 2019/20</b>	<b>Change</b>
Rate per acre-foot	\$ 74.47	\$ 75.07	\$ 0.60
Delta Water Charge	3,387,364	3,414,826	27,462
Rate Management Credits	(138,952)	(138,960)	(8)
Replacement Deposits	-	-	-
Prior year amount due (credit)	11,469	-	(11,469)
<b>Total:</b>	<b>\$ 3,259,881</b>	<b>\$ 3,275,866</b>	<b>\$ 15,985</b>

As the table above shows, the FY 2019/20 rate per acre-foot totals \$75.07, which is \$0.60/AF more than the prior year amount.

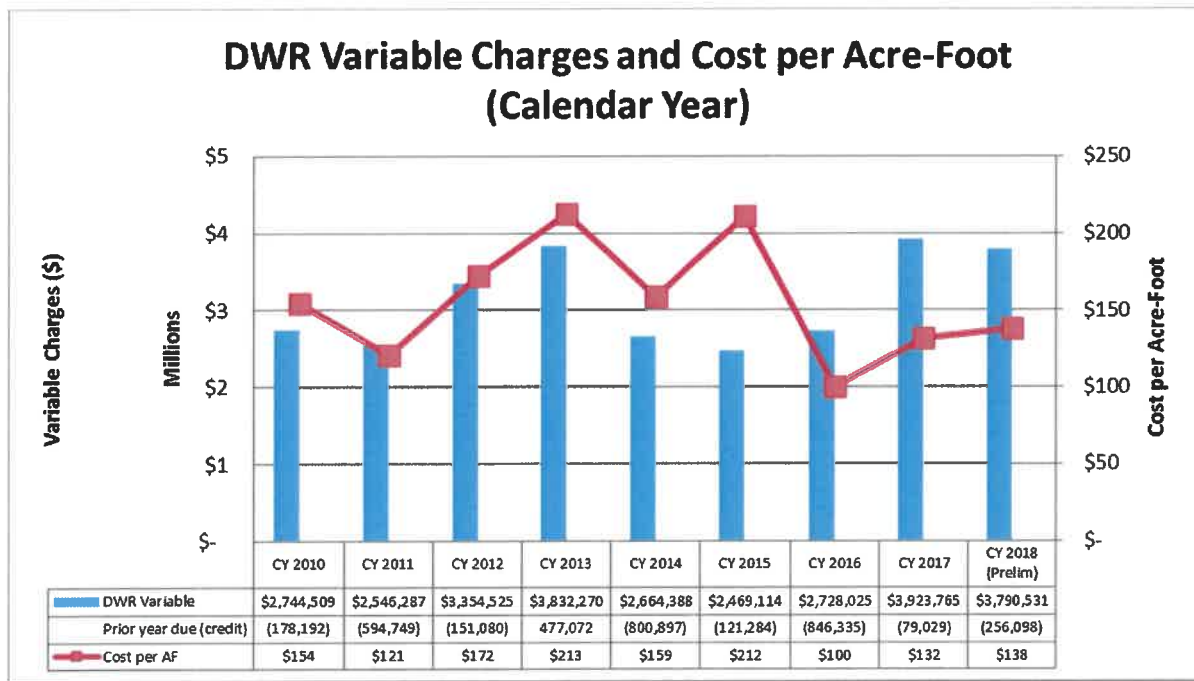
The FY 2019/20 rate includes an estimated \$5.00/AF increase for calendar year 2019 for potential other conservation and delta related facilities (\$2.50/AF on a fiscal year basis).

### **DWR VARIABLE COSTS**

The DWR variable charges are comprised of the following two cost components:

- Off-Aqueduct Charge
- Variable OMP&R

The following graph shows the nine-year history of the actual and estimated DWR variable costs and cost per acre-foot for each calendar year.



The DWR variable charges for FY 2019/20 total \$4,747,722, which is \$975,404 lower than the budgeted FY 2018/19 variable charges.

### **Off-Aqueduct Charges**

Off-aqueduct charges are the bond debt service, bond cover, reserve, and operations and maintenance expenses allocated to power facilities not located on the State water aqueduct.

For FY 2019/20, the budgeted off-aqueduct charges are \$17,398, which is \$28,412 less than the prior year budget.

### **Variable OMP&R Charges**

Variable OMP&R costs basically represent power costs to pump the water and represent costs that are based on and vary with the amount of State water deliveries.

For FY 2019/20, the variable OMP&R charges total \$4,730,324, which is \$946,992 less than the prior year amount. The budget is based on estimated water deliveries of 30,745 acre-feet.

The cost per acre-foot for water deliveries in the first half of FY 2019/20 is estimated to be \$173/AF and \$173/AF for the second half of the fiscal year.

### **Variable Cost Per Acre-Foot Analysis**

The Preliminary FY 2019/20 variable cost per acre-foot for Table A water is \$262.54 for the North County project participants and \$343.71 for South Coast project participants.

The Preliminary Budget for FY 2019/20 reflects 1,215 AF in exchange deliveries between Santa Ynez ID#1 and the South Coast exchange participants.

### Three-Year Total Payments History by Project Participant

The following table shows the total budgeted payments by project participant for FY 2017/18 through the FY 2019/20 Preliminary Budget and the corresponding increase or decrease for each year.

#### *Three-Year Total Payments History by Project Participant*

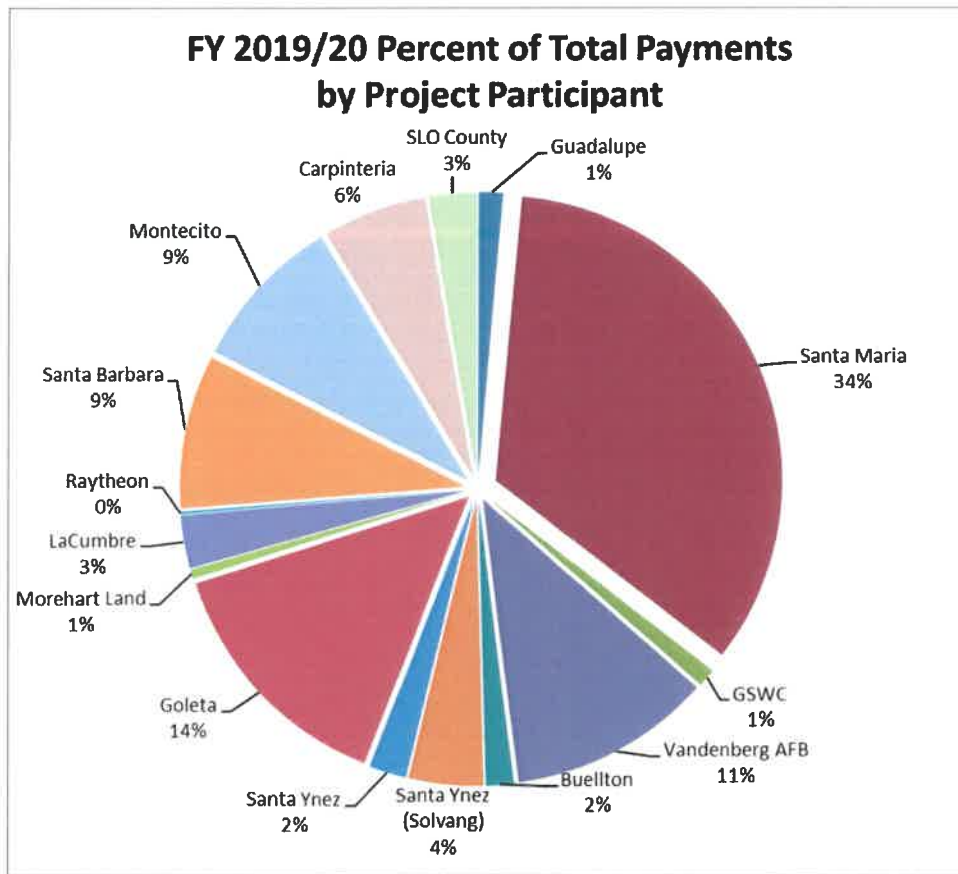
Project Participant	Total Payments FY 2017/18	Total Payments <sup>(1)</sup> FY 2018/19	Total Payments FY 2019/20	Change FY 2017/18 to FY 2018/19	Change FY 2018/19 to FY 2019/20
Guadalupe	\$ 813,842	\$ 994,854	\$ 1,050,428	\$ 181,012	\$ 55,575
Santa Maria	19,404,361	23,681,596	25,450,429	4,277,235	1,768,833
Golden State Water Co.	596,013	706,091	766,328	110,078	60,237
Vandenberg AFB	6,862,060	8,148,113	8,575,274	1,286,053	427,161
Buellton	1,000,133	1,199,910	1,185,932	199,777	(13,977)
Santa Ynez (Solvang)	2,692,253	3,035,288	3,165,009	343,035	129,721
Santa Ynez	1,385,566	907,609	1,561,768	(477,957)	654,159
Goleta	9,078,465	10,161,181	10,624,951	1,082,716	463,769
Morehart Land	330,244	375,756	403,144	45,512	27,388
La Cumbre	1,900,921	2,132,889	2,242,186	231,968	109,297
Raytheon	86,469	98,918	107,383	12,449	8,465
Santa Barbara	5,797,827	6,431,034	6,510,331	633,207	79,297
Montecito	5,866,356	6,675,813	6,625,586	809,457	(50,227)
Carpinteria	3,651,058	4,219,778	4,419,625	568,720	199,847
Shandon	34,302	28,932	32,345	(5,370)	3,413
Chorro Valley	1,289,989	1,271,501	1,329,536	(18,488)	58,035
Lopez	567,072	529,768	670,186	(37,304)	140,418
<b>TOTAL:</b>	<b>\$61,356,931</b>	<b>\$ 70,599,031</b>	<b>\$ 74,720,443</b>	<b>\$ 9,242,100</b>	<b>\$ 4,121,412</b>

(1) Includes \$6.7 million in payments collected with the FY 2018/19 Supplemental Fixed Assessment for the large increase in DWR's Transportation Minimum OMP&R cost component for the first half of calendar year 2019.



## FY 2019/20 Total Payments by Percentage

The following chart shows the percentage of total payments for FY 2019/20 by project participant.



### Budget in Brief

Attached to this report is a "FY 2019/20 Preliminary Budget in Brief" which provides a snapshot of each major component of the proposed FY 2019/20 Preliminary Budget.

### Budget Items Not Included in the Preliminary Budget

The following is a partial list of the items that are not included in the preliminary budget but will be included in the final budget.

- Ten Year Financial Plan
- Budget transmittal letter
- Appendix to the budget
- Miscellaneous charts and graphs
- Significant Accomplishments, Goals and Performance Measures

If you have specific questions that can be addressed before the meeting, please call me at 805-688-2292, extension 214.

RAS



## Central Coast Water Authority FY 2019/20 Preliminary Budget in Brief

### FY 2019/20 PRELIMINARY BUDGET SUMMARY

	FY 2018/19	FY 2019/20	Increase
	Budget	Budget	(Decrease)
CCWA Operating Expenses	\$ 10,175,755	\$ 10,556,589	\$ 380,835
DWR Fixed and Variable Costs	42,542,488	51,473,427	8,930,939
Capital Improvement & Non Capital Projects	959,989	1,669,206	709,217
Warren Act Charges	732,824	710,152	(22,672)
Debt Service Payments	10,349,474	10,310,248	(39,226)
Subtotal	64,760,530	74,719,622	9,959,093
CCWA Credits	(906,997)	821	907,818
<b>TOTAL :</b>	<b>\$ 63,853,532</b>	<b>\$ 74,720,443</b>	<b>\$ 10,866,911</b>

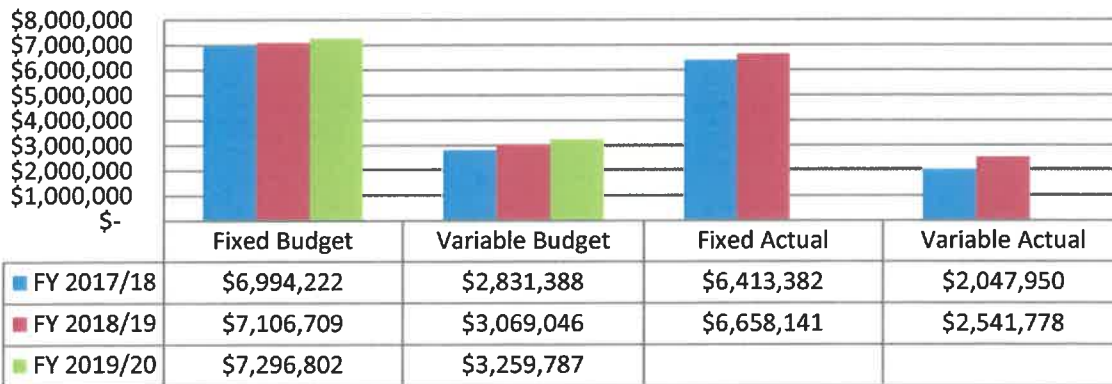
\$10.0 million increase in the gross budget, excluding CCWA credits

### CCWA OPERATING EXPENSES

	FY 2018/19	FY 2019/20	Increase
	Budget	Budget	(Decrease)
Personnel	\$ 5,032,011	\$ 5,201,852	\$ 169,841
Office Expenses	20,500	20,500	-
Supplies & Equipment	2,115,202	2,297,803	182,601
Monitoring Expenses	113,624	105,604	(8,020)
Repairs & Maintenance	279,880	285,620	5,740
Professional Services	425,520	432,843	7,323
General & Administrative	275,985	283,797	7,812
Utilities	1,302,775	1,325,628	22,852
Other Expenses	610,257	602,943	(7,315)
<b>Total Operating Expense</b>	<b>\$ 10,175,755</b>	<b>\$ 10,556,589</b>	<b>\$ 380,835</b>

Total operating expense increase of \$0.38 million inclusive of the following factors: \$170K increase in personnel; \$183K increase in supplies and equipment due to increases in chemicals needed for anticipated drought related water quality changes; \$23K increase in utilities due to the estimated increase in the cost of electricity per acre foot.

### Operating Expenses Fixed and Variable Expenses



## DWR FIXED AND VARIABLE CHARGES

DWR Fixed cost increase of \$9.7 million due to an under collection by DWR in the Transportation Minimum OMP&R costs for prior years, plus a combined \$0.65 million decrease in all other DWR Fixed charges

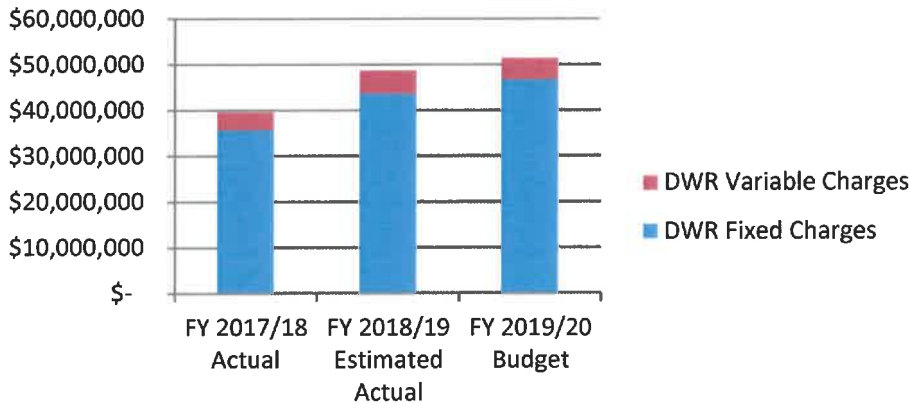
DWR Variable cost decrease of \$1.0 million over FY 2018/19 is due to a decrease in the estimated Variable OMP&R costs for the calendar year 2019.

Transportation Capital  
Coastal Branch Phase II  
Transportation Minimum OMP&R  
Water System Revenue Bond  
Delta Water Charge  
Subtotal Fixed DWR Charges

Off-Aqueduct Charges  
Variable OMP&R  
Subtotal Variable DWR Charges  
DWR Account Investment Income  
Total DWR Charges

	FY 2018/19 Budget	FY 2019/20 Budget	Increase (Decrease)
Transportation Capital	\$ 19,887,316	\$ 19,478,510	\$ (408,806)
Coastal Branch Phase II	2,121,083	1,754,152	(366,931)
Transportation Minimum OMP&R	9,910,270	19,703,882	9,793,611
Water System Revenue Bond	1,819,005	2,513,296	694,291
Delta Water Charge	3,259,881	3,275,866	15,985
<b>Subtotal Fixed DWR Charges</b>	<b>36,997,555</b>	<b>46,725,705</b>	<b>9,728,150</b>
Off-Aqueduct Charges	45,810	17,398	(28,412)
Variable OMP&R	5,677,316	4,730,324	(946,992)
<b>Subtotal Variable DWR Charges</b>	<b>5,723,126</b>	<b>4,747,722</b>	<b>(975,404)</b>
DWR Account Investment Income	(178,193)	-	178,193
<b>Total DWR Charges</b>	<b>\$ 42,542,488</b>	<b>\$ 51,473,427</b>	<b>\$ 8,930,939</b>

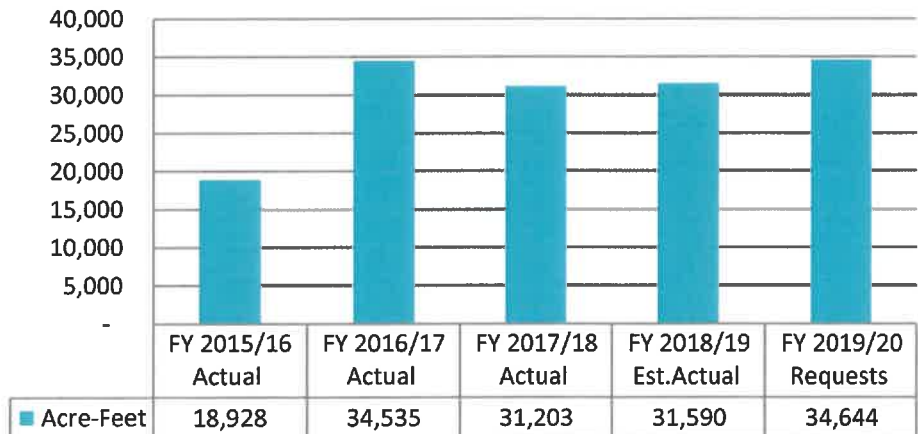
### DWR Fixed and Variable Charges



The significant fluctuations in DWR fixed costs year-to-year is due to the DWR Transportation Minimum OMP&R cost component and its calculation for annual over and under-collections. Historically, the Transportation Minimum cost component of DWR SOC has been the most volatile DWR charge. The volatility is partly based on DWR's SOC being based on estimates and then reconciling or preparing a "true-up" based on the actual costs incurred.

DWR Delivery Allocation Percentage	
Calendar Year	Percentage
2009	40%
2010	50%
2011	80%
2012	65%
2013	60%
2014	5%
2015	20%
2016	60%
2017	85%
2018	35%

### Water Deliveries and Requests



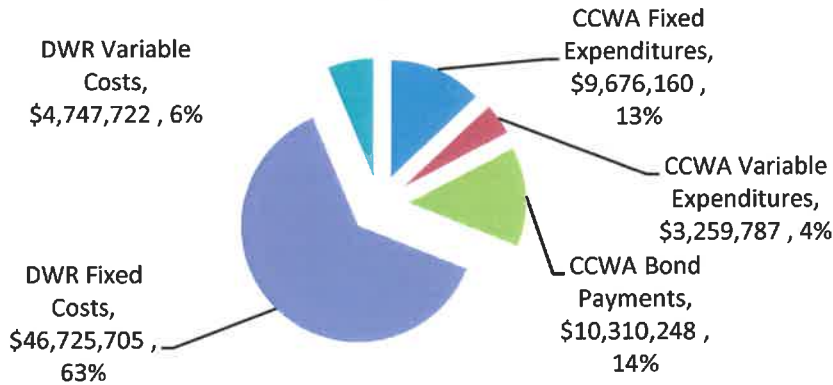
## OTHER EXPENDITURES

Debt Service Payments  
 Capital Improvement Projects  
 Warren Act Charges  
**Total Other Expenditures**

	FY 2018/19 Budget	FY 2019/20 Budget	Increase (Decrease)
Debt Service Payments	\$ 10,349,474	\$ 10,310,248	\$ (39,226)
Capital Improvement Projects	959,989	1,669,206	709,217
Warren Act Charges	732,824	710,152	(22,672)
<b>Total Other Expenditures</b>	<b>\$ 12,042,287</b>	<b>\$ 12,689,606</b>	<b>\$ 647,319</b>

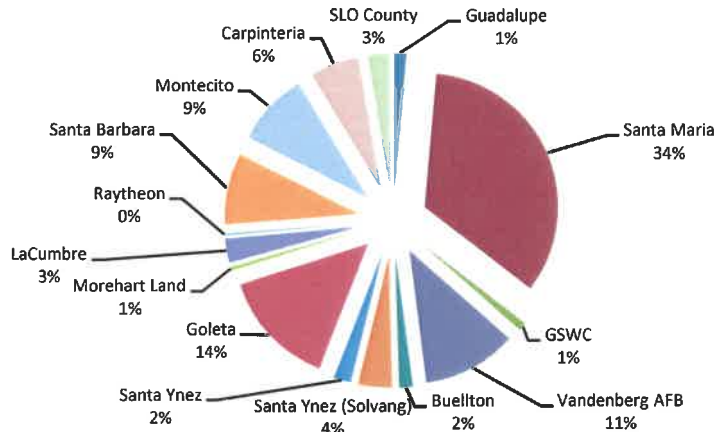
\$0.04 million decrease in debt service payments; \$0.7 million decrease in Capital Improvement Projects.

### FY 2019/20 Budget Components



**83% of the CCWA Budget is outside of the direct control of CCWA.** DWR costs comprise 69% of the total CCWA Budget with another 14% representing the CCWA revenue bond debt service payments

### FY 2019/20 Percent of Total Payments by Project Participant



#### FY 2019/20 Variable Cost Per Acre-Foot

Table A Water

North Santa Barbara County	\$ 262.54
South Santa Barbara County	\$ 343.71

Santa Ynez Exchange Water

Santa Ynez ID#1	\$ 229.49
South Coast Exchange Participants	\$ 173.79

For more information, please contact the Central Coast Water Authority at (805) 688-2292 or visit our website at: [ccwa.com](http://ccwa.com)



**CENTRAL COAST WATER AUTHORITY**  
**MEMORANDUM**

March 12, 2019

**TO:** CCWA Board of Directors  
**FROM:** Ray A. Stokes  
Executive Director   
**SUBJECT:** FY 2017/18 Continuing Disclosure Annual Report for Ratification

---

**SUMMARY**

The FY 2017/18 Continuing Disclosure Annual Report was submitted to the CCWA Revenue Bond Trustee prior to the due date of March 25, 2019, and is available online at [ccwa.com](http://ccwa.com). If you require a hard copy, please contact Lisa Watkins at [lfw@ccwa.com](mailto:lfw@ccwa.com). Hard copies have been included in the Board members' packets.

Please refer to the transmittal letter in the front of the document for the highlights of the report. Additionally, staff will present an overview of the report at the March 28, 2019 Board meeting and request ratification of the report.

**RECOMMENDATION**

That the CCWA Board of Directors ratify the CCWA FY 2017/18 Continuing Disclosure Annual Report.

RAS

Enclosure




## CENTRAL COAST WATER AUTHORITY

### MEMORANDUM

March 18, 2019

**TO:** CCWA Board of Directors

**FROM:** Ray A. Stokes  
Executive Director 

**SUBJECT:** Legislative Update

---

#### DISCUSSION

Attached is information regarding current legislative issues for which CCWA may want to take a position given the importance to CCWA and its project participants. These include:

- ACWA's request for support of SB 669 (Caballero) – Safe Drinking Water Trust
- Potential other legislation important to CCWA

CCWA staff will discuss these issues at the Board meeting and request direction from the Board regarding support or opposition for certain legislation.

Attachments

RAS

# OUTREACH ALERT

SAFE DRINKING WATER TRUST/ DRINKING WATER TAX

Feb. 22, 2019

## Members Urged to Support SB 669 (Caballero) – Safe Drinking Water Trust

*Member Agencies Asked to Support ACWA/CMUA-Sponsored Safe Drinking Water Trust Legislation and Maintain Opposition to Proposed Statewide Water Tax*

ACWA is urging members to support SB 669, which would create a Safe Drinking Water Trust that will help community water systems in disadvantaged communities provide access to safe drinking water. ACWA and the California Municipal Utilities Association (CMUA) are sponsoring the bill by Senator Anna Caballero (D-Salinas).

The Trust would be created in the State Treasury and funded with General Fund dollars during a state budget surplus year. The principal would be invested and the net income from the Trust would be transferred to a Safe Drinking Water Fund, which the State Water Resources Control Board would administer.

This proposal would create a durable funding source for costs associated with operation and maintenance (O&M) and consolidation efforts and would complement existing federal and state funding sources for capital costs. The record budget surplus for the 2019-'20 fiscal year makes this the perfect time to create and fund the Trust.

This solution is a better approach than the statewide water tax, which is being proposed by Gov. Gavin Newsom through budget trailer bill language (very similar to the 2018 budget trailer bill language). ACWA urges members to continue opposition to the proposed water tax, which could also be advanced in a regular bill.

### Take Action Now

ACWA is requesting that member agencies take the following actions immediately:

**1. Send a Support Letter for SB 669 to the Senate Environmental Quality Committee Members, the Committee's Chief Consultant and the Author.** A [sample support letter](#) is available for your use. Following are fax numbers for the Committee Members, the Committee's Chief Consultant, and the bill's Author – Senator Caballero.

Contact	Fax Number
Senator Benjamin Allen (Chair)	(916) 651-4926
Senator Patricia C. Bates (Vice Chair)	(916) 651-4936
Senator Jerry Hill	(916) 651-4913
Senator Nancy Skinner	(916) 651-4909
Senator Henry Stern	(916) 651-4927
Senator Jeff Stone	(916) 651-4928
Senator Bob Wieckowski	(916) 651-4910
Chief Consultant Gabrielle Meindl	(916) 322-3519
Senator Anna Caballero (cc)	(916) 651-4912

**2. Send Your Agency's SB 669 Support Letter to Your Local Senator(s) and Assembly Member(s) via a Fax.** Legislators' contact information can be found on the California Legislature's [website](#).

**3. Contact Your Senator(s) and Assembly Member(s) by phone.** Explain why your agency opposes the proposed statewide water tax and supports the Safe Drinking Water Trust in SB 669 as the better approach. [Talking points](#) are available for your use.

**Please Note:** For member agencies that opposed the statewide water tax budget trailer bill in 2018, ACWA plans to continue using your organization's name on coalition letters opposing the 2019 statewide water tax budget trailer bill (and any policy bills that are amended to include the proposal) which has essentially the same proposed water tax provisions.

**4. Send an Electronic Copy of the Letter to ACWA.** Please send electronic copies of your letter to [outreach@acwa.com](mailto:outreach@acwa.com) and [sorenn@acwa.com](mailto:sorenn@acwa.com).



**5. Testify at Upcoming Hearings.** Please plan to have an agency representative testify in opposition to the proposed statewide water tax budget trailer and in support of the Trust bill as a better approach at the following two hearings:

1. Assembly Budget Subcommittee No. 3, Wed., March 20, 3:30 p.m., State Capitol Room 447
2. Senate Budget Subcommittee No. 2, Thur., March 21, on adjournment of Senate Floor Session, State Capitol Room 112.

Please provide the information of the person(s) who will be giving brief testimony (e.g., name, agency name, and position) at the hearing by contacting ACWA State Legislative Analyst Soren Nelson at [sorenn@acwa.com](mailto:sorenn@acwa.com)

The Senate Environmental Quality Committee hearing date on SB 669 has not been scheduled yet. ACWA will send out a notification when the hearing has been scheduled and will be asking member agencies to testify in support of the bill at the first policy committee hearing.

## Updated Toolkit

In addition to the immediate requested actions listed above, ACWA urges its members to use the following updated materials to help educate key audiences about how the proposed Safe Drinking Water Trust would work and the potential negative impacts of the proposed tax.

- **Educate Key Audiences.** Talk to your customers, news media, local leaders and other key stakeholders about the investments your agency has made to ensure safe drinking water in your community and why these types of investments are often financially out of reach for disadvantaged communities. Educate them about how the Safe Drinking Water Trust would work and the potential negative impacts of a tax on your agency and the customers who would pay it. ACWA has updated the informational website [www.WaterTaxFacts.org](http://www.WaterTaxFacts.org) and created a new [fact sheet](#) and [infographic](#) about the Trust.
- **Pass a Board Resolution.** ACWA members interested in adopting a resolution in support of SB 669 (the Safe Drinking Water Trust) may use this [sample resolution](#).
- **Work with ACWA to Place a Local Op-Ed.** During the past two years, op-eds have played a critical role in educating Californians about the negative impacts of a proposed drinking water tax. ACWA is writing and coordinating placement of op-eds throughout the state. If you would like to work with ACWA on this effort, please contact ACWA Communications Specialist [Will Holbert](#) at (916) 441-4545.
- **Educate Using Social Media and Other Platforms.** ACWA members are encouraged to share educational messages on their social media accounts, websites, newsletters, or other platforms. ACWA has created [sample social media posts](#) for your use.

These tools and other resources have been posted on ACWA's website at [www.acwa.com/trust](http://www.acwa.com/trust). Log-in is required to access members-only tools.

## **Questions**

For questions about SB 669 (the Safe Drinking Water Trust) or opposition to a statewide water tax, please contact ACWA Deputy Executive Director for Government Relations [Cindy Tuck](#) at (916) 441-4545.

For questions about the toolkit items, please contact ACWA Director of Communications [Heather Engel](#) at (916) 441-4545.

**State Water Contractors  
State Legislation Impacting  
SWP March 21, 2019**

- AB 56 (Garcia, Eduardo D) California Clean Electricity Authority  
Current Text: Amended: 3/18/2019  
Introduced: 12/3/2018  
Last Amend: 3/18/2019  
Status: 3/19/2019-Re-referred to Com. on U. & E.  
Location: 1/17/2019-A. U. & E.  
Calendar: 4/3/2019 1:30 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND ENERGY, HOLDEN, Chair
- Summary: Would authorize the Public Utilities Commission (PUC) and the State Energy Resources Conservation and Development Commission (Energy Commission) to jointly establish the California Clean Electricity Authority, a nonprofit, public benefit corporation, if both commissions make certain findings. The bill would authorize the authority to undertake procurement of electricity on behalf of retail end-use customers of electrical corporations, community choice aggregators, and electric service providers, collectively referred to as load-serving entities, and local publicly owned electric utilities, in support of certain energy, environmental, economic, public health, and public safety policy objectives.*
- AB 62 (Fong R) State government: FISCal: transparency.  
Current Text: Introduced: 12/3/2018  
Introduced: 12/3/2018  
Status: 2/15/2019-Referred to Coms. on A. & A.R. and BUDGET.  
Location: 2/15/2019-A. A. & A.R.  
Calendar: 4/9/2019 Upon Adjournment of the Joint Hearing of Budget Sub. 6 and Transportation- State Capitol, Room 447 ASSEMBLY BUDGET SUBCOMMITTEE NO. 6 ON BUDGET PROCESS, OVERSIGHT AND PROGRAM EVALUATION, TING, Chair
- Summary: Would enact the Budget Transparency Act of 2019. The bill would modify the transparency component of the system described above to require it to have information regarding all state expenditures, including the amount, the type, and a description of each state expenditure. The bill would require the Internet Web site to be interactive, searchable, regularly updated, and include specified features, including information on each state expenditure.*
- AB 441 (Eggman D) Water: underground storage.  
Current Text: Introduced: 2/11/2019  
Introduced: 2/11/2019  
Status: 2/21/2019-Referred to Com. on W., P., & W.  
Location: 2/21/2019-A. W.,P. & W.  
Calendar: 3/26/2019 9 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, EDUARDO, Chair
- Summary: Under current law, the right to water or to the use of water is limited to that amount of water that may be reasonably required for the beneficial use to be served. Current law provides for the reversion of water rights to which a person is entitled when the person fails to beneficially use the water for a period of 5 years. Current law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would revise the above declaration to additionally provide that certain uses of stored water while underground constitute beneficial use.*

**State Water Contractors  
State Legislation Impacting  
SWP March 21, 2019**

**AB 557**      *(Wood D) Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.*  
*Current Text: Introduced: 2/13/2019*  
*Introduced: 2/13/2019*  
*Status: 2/25/2019-Referred to Com. on W., P., & W.*  
*Location: 2/25/2019-A. W.,P. & W.*  
*Calendar: 3/26/2019 9 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, EDUARDO, Chair*

*Summary: Would appropriate \$9,250,000 from the General Fund to the Department of Water Resources in the 2019–20 fiscal year to operate the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.*

**AB 658**      *(Arambula D) Water rights: water management.*  
*Current Text: Introduced: 2/15/2019*  
*Introduced: 2/15/2019*  
*Status: 2/25/2019-Referred to Com. on W., P., & W.*  
*Location: 2/25/2019-A. W.,P. & W.*  
*Calendar: 3/26/2019 9 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, EDUARDO, Chair*

*Summary: Would authorize a groundwater sustainability agency or local agency to apply for, and the State Water Resources Control Board to issue, a conditional temporary permit for diversion of surface water to underground storage for beneficial use that advances the sustainability goal of a groundwater basin, as specified.*

**AB 1194**      *(Frazier D) Sacramento-San Joaquin Delta: Delta Stewardship Council.*  
*Current Text: Introduced: 2/21/2019*  
*Introduced: 2/21/2019*  
*Status: 3/11/2019-Referred to Com. on W., P., & W.*  
*Location: 3/11/2019-A. W.,P. & W.*  
*Calendar: 4/9/2019 9 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, EDUARDO, Chair*

*Summary: Would increase the membership of the Delta Stewardship Council to 13 members, including 11 voting members and 2 nonvoting members, as specified. By imposing new duties upon local officials to appoint new members to the council, the bill would impose a state-mandated local program.*

**SWC POSITION - OPPOSE**

**AB 1653**      *(Frazier D) Sacramento-San Joaquin Delta.*  
*Current Text: Introduced: 2/22/2019*  
*Introduced: 2/22/2019*  
*Status: 2/25/2019-Read first time.*  
*Location: 2/22/2019-A. PRINT*  
*Summary: Current law makes legislative findings and declarations relating to the Sacramento-San Joaquin Delta and its invaluable and unique resources of major statewide significance. This bill would make nonsubstantive changes to those findings and declarations.*

**State Water Contractors  
State Legislation Impacting  
SWP March 21, 2019**

AJR 8

*(Quirk D) Invasive species: federal Nutria Eradication and Control Act of 2003.*

*Current Text: Introduced: 2/15/2019*

*Introduced: 2/15/2019*

*Status: 2/19/2019-From printer.*

*Location: 2/15/2019-A. PRINT*

*Summary: Would urge the United States Congress to specifically add California to the Nutria Eradication and Control Act of 2003 and to authorize an appropriation of \$4,000,000 to help the state implement a nutria eradication program.*

SB 1

*(Atkins D) California Environmental, Public Health, and Workers Defense Act of 2019.*

*Current Text: Introduced: 12/3/2018*

*Introduced: 12/3/2018*

*Status: 2/12/2019-Set for hearing March 20.*

*Location: 1/16/2019-S. E.Q.*

*Calendar: 3/20/2019 9:00 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, ALLEN, Chair*

*Summary: Current state law regulates the discharge of air pollutants into the atmosphere. The Porter-Cologne Water Quality Control Act regulates the discharge of pollutants into the waters of the state. The California Safe Drinking Water Act establishes standards for drinking water and regulates drinking water systems. The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species, and generally prohibits the taking of those species. This bill would require specified agencies to take prescribed actions regarding certain federal requirements and standards pertaining to air, water, and protected species, as specified.*

**SWC POSITION – OPPOSE UNLESS AMENDED**

SB 19

*(Dodd D) Water resources: stream gages.*

*Current Text: Amended: 2/28/2019*

*Introduced: 12/3/2018*

*Last Amend: 2/28/2019*

*Status: 3/12/2019-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (March 12).*

*Re-referred to Com. on APPR.*

*Location: 3/12/2019-S. APPR.*

*Summary: Would require the Department of Water Resources and the State Water Resources Control Board, upon an appropriation of funds by the Legislature, to develop a plan to deploy a network of stream gages that includes a determination of funding needs and opportunities for modernizing and reactivating existing gages and deploying new gages, as specified. The bill would require the department and the board, in consultation with the Department of Fish and Wildlife, the Department of Conservation, the Central Valley Flood Protection Board, interested stakeholders, and, to the extent they wish to consult, local agencies, to develop the plan to address significant gaps in information necessary for water management and the conservation of freshwater species.*

**State Water Contractors  
State Legislation Impacting  
SWP March 21, 2019**

**SB 45**

*(Allen D) Wildfire, Drought, and Flood Protection Bond Act of 2020.*

*Current Text: Amended: 3/5/2019*

*Introduced: 12/3/2018*

*Last Amend: 3/5/2019*

*Status: 3/13/2019-Set for hearing March 26.*

*Location: 1/16/2019-S. N.R. & W.*

*Calendar: 3/26/2019 9:30 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, STERN, Chair*

*Summary: Would enact the Wildfire, Drought, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$4,300,000,000 pursuant to the State General Obligation Bond Law to finance projects to restore fire damaged areas, reduce wildfire risk, create healthy forest and watersheds, reduce climate impacts on urban areas and vulnerable populations, protect water supply and water quality, protect rivers, lakes, and streams, reduce flood risk, protect fish and wildlife from climate impacts, improve climate resilience of agricultural lands, and protect coastal lands and resources.*

**SB 62**

*(Dodd D) Endangered species: accidental take associated with routine and ongoing agricultural activities: state safe harbor agreements.*

*Current Text: Amended: 3/19/2019*

*Introduced: 1/3/2019*

*Last Amend: 3/19/2019*

*Status: 3/19/2019-Read second time and amended. Re-referred to Com. on APPR.*

*Location: 3/19/2019-S. APPR.*

*Summary: The California Endangered Species Act provides, until January 1, 2020, that the accidental take of candidate, threatened, or endangered species resulting from an act that occurs on a farm or a ranch in the course of otherwise lawful routine and ongoing agricultural activities is not prohibited by the act. This bill would extend this exception to January 1, 2024, and would limit this exception to an act by an individual farmer or rancher or a bona fide employee of a farmer or rancher. The bill would also require a person, when an accidental take is known to occur under these provisions, to report the take to the department within 10 days.*

**SB 69**

*(Wiener D) Ocean Resiliency Act of 2019.*

*Current Text: Amended: 3/6/2019*

*Introduced: 1/9/2019*

*Last Amend: 3/6/2019*

*Status: 3/15/2019-Set for hearing April 9.*

*Location: 3/13/2019-S. N.R. & W.*

*Calendar: 4/9/2019 9:30 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, STERN, Chair*

*Summary: Current law requires the Fish and Game Commission to establish fish hatcheries for the purposes of stocking the waters of California with fish, and requires the Department of Fish and Wildlife to maintain and operate those hatcheries. This bill would require the department to undertake a pilot project to assess the effectiveness of parentage-based tagging, as defined, in improving the management of central valley Chinook salmon hatcheries and in rebuilding salmon runs and the California salmon fishing industry.*

**SWC POSITION – OPPOSE UNLESS AMENDED**

**State Water Contractors  
State Legislation Impacting  
SWP March 21, 2019**

**SB 204**

*(Dodd D) State Water Project: contracts.*

*Current Text: Amended: 3/18/2019*

*Introduced: 2/4/2019*

*Last Amend: 3/18/2019*

*Status: 3/18/2019-Read second time and amended. Re-referred to Com. on APPR.*

*Location: 3/18/2019-S. APPR.*

*Summary: Would require the Department of Water Resources to provide at least 10 days' notice to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature before holding public sessions to negotiate any potential amendment of a long-term water supply contract that is of projectwide significance with substantially similar terms intended to be offered to all contractors. The bill would require the department, before the execution of a specified proposed amendment to a long-term water supply contract and at least 60 days before final approval of such an amendment, to submit to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature certain information regarding the terms and conditions of a proposed amendment of a long-term water supply contract and to submit a copy of the long-term contract as it is proposed to be amended.*

**SWC POSITION – OPPOSE UNLESS AMENDED**

**SB 241**

*(Moorthach R) Public agencies: joint powers authorities: contracts.*

*Current Text: Introduced: 2/11/2019*

*Introduced: 2/11/2019*

*Status: 2/21/2019-Referred to Coms. on GOV. & F. and L., P.E. & R.*

*Location: 2/21/2019-S. GOV. & F.*

*Summary: Would require the governing body of each member agency of an agency established pursuant to a joint powers agreement to approve and ratify each memorandum of understanding negotiated between the joint powers agency and its employees. This bill would further require each member agency to a joint powers agreement to approve and ratify each contract for municipal services or functions, as defined, negotiated between the joint powers agency and the entity providing the services or functions.*

**SB 355**

*(Portantino D) Joint powers agencies: meetings.*

*Current Text: Introduced: 2/19/2019*

*Introduced: 2/19/2019*

*Status: 2/28/2019-Referred to Com. on GOV. & F.*

*Location: 2/28/2019-S. GOV. & F.*

*Summary: Current law authorizes a joint powers agency to include in its joint powers agreement provisions authorizing, among others, any designated alternate member of the legislative body of the joint powers agency is also a member of the legislative body of a member local agency, and who is attending in lieu of that agency's regularly appointed member, to attend closed sessions of the joint powers agency, as specified. This bill would eliminate the requirement that the designated alternate member of the legislative body of the joint powers agency also be a member of the legislative body of a member local agency.*

**State Water Contractors  
State Legislation Impacting  
SWP March 21, 2019**

SB 474

*(Stern D) Department of Water Resources: appropriations of water.*

*Current Text: Introduced: 2/21/2019*

*Introduced: 2/21/2019*

*Status: 3/13/2019-Set for hearing April 9.*

*Location: 3/7/2019-S. N.R. & W.*

*Calendar: 4/9/2019 9:30 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, STERN, Chair*

*Summary: Under existing law, the Department of Water Resources is required to make and file with the State Water Resources Control Board applications for the appropriation of any water that, in the department's judgment, is or may be required in the development and completion of all or part of a general or coordinated plan for the development, utilization, or conservation of the water resources of the state. Existing law gives those applications priority, as of the date of filing the application, over any subsequent application and exempts certain water rights diligence provisions from generally applying to the applications. This bill would eliminate the exemption from the application of the diligence provisions as of January 1, 2021.*

SB 487

*(Caballero D) Department of Water Resources: aerial snow survey.*

*Current Text: Introduced: 2/21/2019*

*Introduced: 2/21/2019*

*Status: 3/13/2019-Set for hearing March 26.*

*Location: 3/7/2019-S. N.R. & W.*

*Calendar: 3/26/2019 9:30 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, STERN, Chair*

*Summary: Would require the Department of Water Resources' California snow survey program to conduct aerial surveys of the snowpack in the Trinity Alps and Sierra Nevada Mountains, including hydrologic areas that drain or supply water to certain major reservoirs and lakes. The bill would require the department to collect the aerial survey data up to 10 times per year in each hydrologic area and to summarize and make publicly available the data obtained and digital products used to produce runoff forecasts, as specified.*

SB 559

*(Hurtado D) Department of Water Resources: grant: Friant-Kern Canal.*

*Current Text: Introduced: 2/22/2019*

*Introduced: 2/22/2019*

*Status: 3/13/2019-Set for hearing April 9.*

*Location: 3/7/2019-S. N.R. & W.*

*Calendar: 4/9/2019 9:30 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, STERN, Chair*

*Summary: Under current law, the United States Bureau of Reclamation operates the federal Central Valley Project and the Department of Water Resources operates the State Water Project to supply water to persons and entities in the state. This bill would appropriate \$400,000,000 to the department for the purposes of restoring the Friant-Kern Canal to its full capacity. The bill would require the department to make a grant of \$400,000,000 to a specified joint powers authority to restore the capacity of the canal.*



**State Water Contractors  
State Legislation Impacting  
SWP March 21, 2019**

SB 699

*(Hill D) Director of Water Resources.*

*Current Text: Introduced: 2/22/2019*

*Introduced: 2/22/2019*

*Status: 3/14/2019-Referred to Com. on RLS.*

*Location: 2/22/2019-S. RLS.*

*Summary: Current law establishes in the Natural Resources Agency the Department of Water Resources, which is under the control of the Director of Water Resources. Current law provides for the appointment of the director by the Governor, subject to confirmation by the Senate. Current law requires the director to organize the department as necessary and authorizes the director to create divisions, subdivisions, and branch offices, as prescribed. This bill would make nonsubstantive changes relating to the powers of the director.*

SB 762

*(Jones R) Groundwater storage: beneficial use.*

*Current Text: Introduced: 2/22/2019*

*Introduced: 2/22/2019*

*Status: 3/14/2019-Referred to Com. on RLS.*

*Location: 2/22/2019-S. RLS.*

*Summary: Current law specifies that the storing of water underground, including the diversion of streams and the flowing of water on lands necessary to the accomplishment of that storage, constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would make a nonsubstantive change in those provisions.*

SB 772

*(Bradford D) Long duration bulk energy storage: procurement.*

*Current Text: Introduced: 2/22/2019*

*Introduced: 2/22/2019*

*Status: 3/14/2019-Referred to Com. on E., U. & C.*

*Location: 3/14/2019-S. E. U., & C.*

*Summary: Would require the ISO, on or before June 30, 2022, to complete a competitive solicitation process for the procurement of one or more long duration energy storage projects that in aggregate have at least 2,000 megawatts capacity, but not more than 4,000 megawatts, except as provided. The bill would require that the competitive solicitation process provide for cost recovery from load-serving entities within the ISO-controlled electrical grid that the ISO determines is just and reasonable and that takes into account the distribution of benefits from the long duration bulk energy storage.*