

A REGULAR MEETING OF THE OPERATING COMMITTEE
of the
CENTRAL COAST WATER AUTHORITY

will be held at 9:00 a.m., on Thursday, January 13, 2022
via URL: https://v.ringcentral.com/join/494753780
or via telephone by dialing 1 (650) 419-1505 and entering code 494753780 #



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

In response to the spread of the COVID-19 virus, Governor Newsom declared a state of emergency which directly impacts the ability of legislative bodies and the public to meet safely in person. To help minimize the potential spread of the COVID-19 virus, CCWA's Operating Committee has decided to hold this public meeting telephonically pursuant to the requirements of Government Code section 54953(e), as amended by Assembly Bill 361 (2021). Members of the Operating Committee and public will participate in this meeting by video call or telephone.

Public Comment on agenda items may occur via video call or telephonically, or by submission to the CCWA Board Secretary via email at lf@ccwa.com no later than 8:00 a.m. on the day of the meeting. In your email, please specify (1) the meeting date and agenda item (number and title) on which you are providing a comment and (2) that you would like your comment read into the record during the meeting. If you would like your comment read into the record during the meeting (as either general public comment or on a specific agenda item), please limit your comments to no more than 250 words.

Every effort will be made to read comments into the record, but some comments may not be read due to time limitations. Please also note that if you submit a written comment and do not specify that you would like this comment read into the record during the meeting, your comment will be forwarded to Board members for their consideration.

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Committee less than seventy-two (72) hours prior to the meeting will be available on the CCWA internet web site, accessible at https://www.ccwa.com.

- I. Call to Order and Roll Call
II. Public Comment - (Any member of the public may address the Committee relating to any matter within the Committee's jurisdiction. Individual Speakers may be limited to five minutes; all speakers to a total of fifteen minutes.)
III. * Consent Calendar
A. Minutes of the October 14, 2021 Operating Committee Meeting - For Approval
IV. Executive Director's Report
A. Operations Update - For Information Only
B. Water Supply Situation Report - For Information Only
C. FY 2022/23 Estimated Water Deliveries for Budgeting Purposes - For Information Only
* D. FY 2022/23 Budget Preparation Schedule - For Information Only
E. CCWA Warren Act Contract Renewal Update - For Information Only
F. Water Infrastructure Financing Authority Status - For Information Only
V. CLOSED SESSION
A. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Government Code section 54956.9(d)(1)
Name of case: CCWA et al. v. SBCFCWCD et al. [Case No. 21CV02432]
VI. RETURN TO OPEN SESSION
VII. Reports from Committee Members for Information Only
VIII. Date of Next Regular Meeting: March 10, 2022
IX. Adjournment

* Indicates attachment of document to agenda packet

255 Industrial Way
Buellton, CA 93427
(805) 688-2292
Fax (805) 686-4700
www.ccwa.com

Handwritten signature in blue ink.

**MINUTES OF THE
CENTRAL COAST WATER AUTHORITY
OPERATING COMMITTEE**

October 14, 2021

The Operating Committee meeting was conducted pursuant to California Government Code Section 54953 subdivision (e), due to the Governor's proclaimed state of emergency and local officials' recommended "social distancing" measures in response to the COVID-19 pandemic. Committee members participated in this meeting by video call or telephone. Public Comment on agenda items also occurred telephonically.

Ms. Lisa Watkins, Board Secretary, confirmed that all Committee members could hear each other, had received a copy of the meeting agenda, and could hear the proceedings.

I. Call to Order and Roll Call

Mr. Garcia, Committee Chair, called the October 14, 2021, Central Coast Water Authority Operating Committee meeting held at 255 Industrial Way, Buellton, California, to order at 9:00 a.m.

Committee members present:

Paeter Garcia	-	Santa Ynez River Water Conservation District, ID#1
Ryan Drake	-	Goleta Water District
Rose Hess	-	City of Buellton
Robert McDonald	-	Carpinteria Valley Water District
Shad Springer	-	City of Santa Maria
Shannon Sweeney	-	City of Guadalupe
Dakota Corey	-	City of Santa Barbara
Nick Turner	-	Montecito Water District

Matt Van der Linden, Advisory Member for the City of Solvang was also present.

II. Consideration of Resolution No. 21-01 to Authorize the Operating Committee to Meet via Remote Teleconference Pursuant to the Brown Act as Amended by Assembly Bill 361

Ms. Stephanie Hastings, CCWA General Counsel, provided background on the request to adopt Resolution No. 21-01 with specific findings to continue to hold remote teleconference meetings during the COVID-19 pandemic pursuant to amendments to the Ralph M. Brown Act (Brown Act) by Assembly Bill (AB) 361.

Following discussion, upon a motion by Mr. McDonald, seconded by Mr. Springer and carried following a roll call vote with Committee Members Garcia, Hess, McDonald, Drake, Springer, Sweeney, Corey and Turner in favor and none opposed, the Committee adopted a Resolution of the Operating Committee of the Central Coast Water Authority Authorizing Remote Teleconference Meetings under the Ralph M. Brown Act, and found that this action is exempt from review pursuant to the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines (Cal. Code Regs., tit 14, § 15000 et seq.) Section 15061(b)(3), the "common sense" exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment.

III. Public Comment

There was no public comment.

IV. Consent Calendar

A. Approve Minutes of the July 8, 2021 Operating Committee Meeting

Motion to approve the consent calendar was made by Mr. Springer, seconded by Mr. Garcia, and carried following a roll call vote with Committee Members Garcia, Hess, McDonald, Drake, Springer, Sweeney, Corey and Turner in favor and none opposed.

V. Executive Director's Report

A. Operations Update

John Brady, CCWA Deputy Director, reported plant production, chemical costs, and totals pumped into Lake Cachuma. Estimates of water needs for the next 18 months of operations were provided by project participants, and the resulting estimates of water travel time based on water flow were provided to the Committee. DWR has also requested calculation of health and safety needs for local water agencies, and CCWA will be discussing those calculations with project participants.

Mr. Brady also provided an overview of operations:

- A new portable chemical dosing system for use at Tank sites.
- A mobile actuator was fabricated by the Maintenance Crew to lift the flocculation basin gates.
- Chemical delays and material delivery issues due to the supply chain problems and the plans to address these issues were discussed.
- A recent First Amendment Auditor exchange at CCWA's Buellton office, as well as security changes made and proposed after the exchange were detailed.
- The PLC upgrade at the Water Treatment Plant will be proceeding with Cannon doing programming and CCWA purchasing and installing the equipment during winter shutdown in 2022.
- CCWA has recently completed the sanitary survey with the Department of Drinking water, with no deficiencies noted.
- As a result of a prior "take" of red legged frogs, CCWA developed a plan to prevent future "takes". This plan is under review by CCWA's environmental consultant. The prior "take" involved finding a frog in the filters, catching the frog and releasing the frog back into the wild. Winter shutdown will begin November 1, 2021 and end November 15, 2021.
- Negotiations with Westlands District led to cancellation of the planned pump-in.

B. Pacheco Reservoir Expansion Project

Ray Stokes, CCWA Executive Director, introduced Ryan McCarter, Aaron Baker and Kathleen Low from the Santa Clara Valley Water District (Valley Water), who

provided a presentation and information on an expansion project of the Pacheco Reservoir, which they noted may provide some advantages to downstream water banking to CCWA project participants. Currently Valley Water is looking for letters of interest for partners in the project in exchange for up to 50,000 AF of storage.

The project includes a new 300 foot dam which would increase storage capacity at the reservoir from 5.5 to 140 TAF. The benefits of the expansion include resiliency and emergency water supply, restoration of steelhead fish habitat, elimination of water quality issues from San Luis Reservoir, improvement of the Delta Watershed Wetlands and opportunity for incidental reduction of downstream flooding.

The total cost of the project is estimated at \$2.5 billion, with the partners in the project to pay \$0.9 billion, with estimated completion in 2030. The EIR for the project is in final stages of completion and will be released soon.

Mr. Stokes asked if a return analysis has been conducted, and Mr. McCarter stated the return analysis led to the decision to allow for project partners up to 50,000 AF of the new storage capacity.

C. Water Supply Situation Report and Supplemental Water Purchase Program Update

The precipitation indices and current reservoir storage conditions were reviewed, and Mr. Stokes noted Lake Oroville is at an all-time low, at about half of the DWR target storage level, and San Luis Reservoir at 22% of capacity.

CCWA's Supplemental Water Purchase Program potentially will not be able to access stored water in banking programs as operational exchange may not be possible in 2022. Currently the program has four participants for 2021, and four source program have been identified, including the SWC Dry Year Transfer Program, Yuba Accord, and water sales from Casitas Municipal Water District and Mojave Water Agency. Dudley Ridge Water District is negotiating with Cachuma for an additional 100 AF purchase at \$2,000 per AF.

D. CCWA/San Luis Obispo County State Water Transfer Proposal

CCWA and representatives from San Luis Obispo County (SLO County) have been in discussions on a temporary transfer of SLO County's State water Table A with CCWA. A draft term sheet was provided in the meeting materials, and Mr. Stokes noted the exchange is very similar to one that was considered in 2016.

E. Ventura-Santa Barbara Counties Intertie Project

Casitas Municipal Water District (CMWD) and Carpinteria Valley Water District have been in discussion to construct an intertie pipeline between Carpinteria and Casitas to allow Casitas to take delivery of its State Water allotment through the Coastal Branch facilities of the State Water Project. Kelly Dyer, Mike Flood, and Julia Aranda from CMWD provided a presentation with additional information on the proposal.

Mr. Stokes reviewed the project as it relates to use of the facilities at Lake Cachuma under CCWA's Warren Act agreement with the USBR. General

discussion took place regarding specifics of the project and its ramifications on CCWA member agencies.

F. DWR Capital Cost Compression and Possible Financing JPA

Mr. Stokes provided a presentation detailing issues due to uncertainty of the timing of implementation of the Contract Extension Amendment, which is delayed until resolution of a validation lawsuit, which may not be resolved through the appeals process until as late as 2030. Some SWP Contractors have discussed the possible need for an alternative financing mechanism for large capital needs for the interim period, and are considering establishing a Joint Powers Authority (JPA). The JPA would issue long term bonds, based on the financing needs of the individual contractors. Mr. Stokes provided financing diagrams illustrating the debt service payments through financing agreements created for Capital Cost Projections, whereby the JPA would issue bonds through a Bond Trustee.

Mr. Doug Brown, Bond Counsel, explained that DWR has requested contractors have a plan in place in the event an alternative to the contract extension is needed, and the establishment of a JPA takes time. In response to a question from the Committee, he noted that the bond rating for this JPA would not be as good as that of DWR, but the JPA is contemplated to be an interim measure.

The Committee adjourned to closed session at 11:20 AM.

VI. Closed Session

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code section 54956.9(d) (1)
Name of case: Central Coast Water Authority, et al. v. Santa Barbara County Flood Control and Water Conservation District, et al. (Case No. 21CV02432)

VII. Return to Open Session

The Committee reconvened to open session at 11:30 AM.

Ms. Hastings, CCWA General Counsel, announced there were no reportable actions as a result of closed session.

VIII. Reports from Committee Members for Information Only

There were no reports from the Committee members.

IX. Date of Next Regular Meeting:

January 13, 2022 is the date of the next Regular meeting.

X. Adjourment

The meeting was adjourned at 11:31 AM.






Respectfully submitted,

Elizabeth F. Watkins
Secretary to the Board

CCWA Budget Planning Schedule FY 2022/23 Budget

January							February							March							April						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5			1	2	3	4	5						1	2
2	3	4	5	6	7	8	6	7	8	9	10	11	12	6	7	8	9	10	11	12	3	4	5	6	7	8	9
9	10	11	12	13	14	15	13	14	15	16	17	18	19	13	14	15	16	17	18	19	10	11	12	13	14	15	16
16	17	18	19	20	21	22	20	21	22	23	24	25	26	20	21	22	23	24	25	26	17	18	19	20	21	22	23
23	24	25	26	27	28	29	27	28						27	28	29	30	31			24	25	26	27	28	29	30
30	31																										

May							June							July						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7				1	2	3	4						1	2
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
													31							

- Receive DWR Statement of Charges (for following calendar year)
-  Prepare Draft Budget
-  Submit Preliminary Budget to Operating Committee
-  Submit Preliminary Budget to Board of Directors
-  Board Approval of Final Budget
-  Beginning of 2022/23 Budget Expenditure Cycle

- July 1, 2021
- November 1, 2021- February 28, 2022
- March 10, 2022
- March 24, 2022
- April 28, 2022
- July 1, 2022