

A Meeting of the

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

will be held at 9:00 a.m., on Thursday, May 23, 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 April 25, 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. Delta Conveyance Project
- \* C. Suspended Table A Reacquisition
- D. State Water Project Contract Extension
- E. State Water Project Water Management Contract Amendment
- F. State Water Contract Assignment Update
- \* G. CCWA 2019 Water Storage Program
- \* H. Santa Ynez Pumping Plant, Tank Sites #2 and #5 Pavement Maintenance Project
- \* I. Legislative Report
- J. Personnel Committee
  - \* 1. Personnel Policy Manual Changes
  - \* 2. Succession Planning Presentation

**V. Closed Session:**

- A. Public Employee Performance Evaluation - Government Code Section 54957  
Title: Executive Director
- B. Conference with Labor Negotiator - Government Code Section 54957.6  
Name of Negotiator: Jeffrey Dinkin  
Unrepresented Employees: Executive Director, Deputy Director

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

- A. City of Santa Maria Appointment of Etta Waterfield as CCWA representative, Shad Springer as Alternate

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

**VIII. Date of Next Regular Meeting: June 27, 2019**

**IX. Adjournment**

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

\* Indicates attachment of document to original agenda packet.

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

**April 25, 2019**

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

Chairman Friedman 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%
Farfalla Borah	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. Consent Calendar**

- A. Approve Minutes of the March 28, 2019 Regular Meeting
- B. Approve Bills
- C. Controller's Report
- D. Operations Report

Director Borah moved to approve the Consent Calendar, seconded by Director Burchardi and carried with all in favor and none opposed.

**IV. Executive Director's Report**

- A. CCWA Water Supply Situation Report

John Brady, CCWA Deputy Director, reported the 8 stage index showed precipitation at 133%, with this year registering at the 4<sup>th</sup> highest historical precipitation. San Joaquin and Tulare indices showed precipitation at 123% of average, and the snowpack is at about 162% of average. Oroville Lake level is continuing to increase, and San Luis Reservoir has started releases.

Table A allocation is at 70%, or 31,841 AF for CCWA project participants. Including carryover, transfers and Article 21 water, 42,372 AF are available for delivery. Water debt for project participants is 9,924 AF.

Mr. Brady reported that CCWA is still unable to utilize the penstock for deliveries to Lake Cachuma, and has been working on alternatives for delivery. Included in the alternatives are a bypass pipe to deliver water to the lake, and repair of the barge used to deliver water to Hilton Creek for water rights releases. Mr. Brady reported that he will be meeting with USBR and local politicians to consider ways to resume delivery to the lake for South Coast participants, and currently CCWA is working with La Cumbre Mutual Water Agency to exchange water with the City of Santa Barbara, who will be providing some of their Santa Ynez exchange water from the Lake in trade for some of La Cumbre's Table A water.

Mr. Wicks asked if additional transfers may be possible, as the USBR does not have a timetable for resolution of the problems related to CCWA ability to deliver water to the Lake, and South Coast project participants remain unable to take delivery of State Water. It was also noted in the discussion that some of the General Managers of agencies with water debt are using this period to repay their water debt from prior year's exchanges.

Discussion took place regarding the USBR facilities at the dam, and if consideration was given to replacing the barge currently in use. Mr. Brady reviewed a study of the penstock that was performed earlier involving all the stakeholders, and the alternatives that were considered in that study. In response to a question from the Board, he stated that copies of the report could be made available for review upon request.

B. Finance Committee

1. FY 2018/19 Third Quarter Investment Report

Lisa Long, CCWA Deputy Controller, stated as of March 31, 2019 the CCWA investment portfolio totaled \$32.5 million and had an effective rate of return of 2.38% on an average daily balance for the month of March 31, 2019 of about \$34.4 million. The investments were comprised of the State of California Local Agency Investment Fund (LAIF), (\$11.4 million), and Montecito Bank & Trust money market accounts (\$10.4 million), U.S. Treasury Notes held in a Charles Schwab Brokerage Account (\$10 million), and funds held by the CCWA revenue bond trustee for the April 1, 2019 bond interest payment (\$0.7 million).

All investments during the quarter complied with the CCWA investment policy provisions and current pro forma projections indicate that the Authority will have sufficient cash with which to operate for the next six months.

Upon a motion by Director Rubalcaba, seconded by Director Wicks and carried with all in favor and none opposed, the Board approved the Third Quarter FY 2018/19 Investment Report.

2. Annual Review of the CCWA Investment Policy

Section XV of the CCWA Investment Policy states the "...investment policy shall be reviewed at least annually to ensure its consistency with the

overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends.”

The CCWA Investment Policy is prepared in conformance with Government Code Section 53630-53686 which addresses investment of surplus funds by local government agencies. There have been no significant changes in Government Code Section 53630-53686 since the last review of the CCWA Investment Policy which require an amendment to the policy.

Director Wicks asked if CCWA would consider private lending to member agencies as a way of increasing the rate of return on investments. Staff stated they would investigate the option.

#### C. Final FY 2019/20 Budget

The FY 2019/20 Budget was presented at the prior month’s board meeting and Ms. Long reviewed the changes in the final FY 2019/20 Budget. The proposed final FY 2019/20 Budget is \$74,373,766 or \$346,677 less than the Preliminary FY 2019/20 Budget as described below and \$10.5 million more than the final FY 2018/19 Budget, primarily attributed to the \$9.9 million increase in DWR Fixed costs due to the under collection by DWR of the Transportation Minimum OMP&R costs for prior years.

The Final FY 2019/20 budget includes an increase of \$50,000 in non-Capital Projects for the USBR (Warren Act) Contract Extension project, an increase of \$32,445 in CCWA Fixed Operating Expenses, comprised of a \$26,000 increase in SWC dues primarily for the addition of the CA WaterFix Legal Fund; an increase of \$5,000 in estimated fixed utilities; plus the related changes to Appropriated Contingency. The increases were offset by the application of \$429,122 in credits for certain participants not opting into the Board approved DWR Reserve Fund.

In response to a question from the Board, Mr. Brady explained the \$50,000 increase related to the Warren Act Contract extension was due to fees required by the Bureau as well as fees for legal and engineering consulting services.

Upon a motion by Director Burchardi, seconded by Director Andrisek and carried with all in favor and none opposed, the Board approved the Final FY 2019/20 Budget as presented authorized CCWA staff to obtain bids for those projects included in the FY 2019/20 Budget which require formal bids.

#### D. Annual Chemical Contract Negotiations

The operation of CCWA requires the use of various chemicals in bulk quantities for water treatment and CCWA purchases these chemicals using yearly contracts to secure reasonable and consistent pricing. The contracts allow for up to two one-year extensions, which are based on performance and proposed pricing for the extension period. In May 2019, with the exception of Ammonium Hydroxide, all of the existing bulk chemical contracts will expire with one remaining optional contract extension available. All but one of CCWA current chemical venders agreed to essentially maintain the same pricing for their respective chemicals. Chemtrade, CCWA’s Liquid Aluminum Sulfate vender, has requested a 16.65%

increase in pricing due to increased costs in raw materials as well as increased freight costs.

Mr. Brady provided the cost per unit for Liquid Aluminum Sulfate, Ammonium Hydroxide, Chlorine, Sodium Hydroxide, Sodium Hypochlorite and Sodium Bisulfite as compared to the prior year's cost, including the percentage change for each chemical.

Director Wicks suggested the possible use of phosphates in the treated water as an alternative or as a supplement to the use of Sodium Hydroxide. Director Wicks noted that the cost of Sodium Hydroxide is a significant portion of the overall chemical budget. Mr. Brady noted that phosphates are typically used as a means for corrosion control and CCWA is using Sodium Hydroxide primarily to adjust pH to optimize the stability of Chloramines as well as for corrosion control.

Upon a motion by Director Burchardi, seconded by Director Johnson and carried with all in favor and none opposed, the Board authorized the Executive Director to exercise the one year extensions in the existing chemical contracts at the prices listed below:

- Chemtrade LLC for Liquid Aluminum Sulfate at a cost of \$349.00 per dry ton
- Hill Brothers for Ammonium Hydroxide at a cost of \$1,495.00 per dry ton
- JCI Jones Chemical for Liquid Chlorine at a cost of \$540.00 per ton
- JCI Jones Chemical for Sodium Hydroxide at a cost of \$787.00 per dry ton
- Univar USA Inc. for Sodium Hypochlorite at a cost of \$3.0243 per gallon
- Univar USA Inc. for Sodium Bisulfite at a cost of \$903.00 per dry ton

**E. Santa Ynez Pumping Plant, Tanks Sites #2 and #5 Pavement Maintenance Project**

CCWA issued a Request For Bids (RFB) for slurry sealing for the Santa Ynez Pumping Plant, Tank 2 and Tank 5 and only received one bid. Following discussion with the sole bidder and a detailed review by CCWA staff and CCWA's engineering consultant, it was determined that there was an error in the RFB document that affected the bid results. Staff discussed the error with CCWA's legal Counsel and determined that the issue was a material matter. CCWA staff subsequently recommended to the Board that the bid should be rejected the RFB should be corrected and re-issued.

Upon a motion by Director Johnson, seconded by Director Borah and carried with all in favor and none opposed the Board authorized the Executive Director to reject all bids, and revise and re-issue the Request for Bids for the subject project.

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

Mr. Springer reported that the City of Santa Maria has appointed Etta Waterfield as its representative to CCWA's Board.

There were no other reports from Board members.

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

**VII. Date of Next Regular Meeting: May 23, 2019**

**VIII. Adjournment**

The meeting was adjourned at 10:00 AM.

Respectfully submitted,

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Elizabeth Watkins  
Secretary to the Board

# CENTRAL COAST WATER AUTHORITY

**Meeting:** CCWA Board of Directors

**Date:** April 25, 2019

NAME	ORGANIZATION	TELEPHONE
Farfalla Borah	GWCD	879-4621
Harlan Burchardi	Syracuse EOI	688 6015
Shirley Johnson	CVWD	805 8818011
Floyd Wicks	Montecito W.D.	805-455-1670
SHAD SPRINGER	CITY OF SANTA MARIA	805 925-0951
ED ANDRISEK	City of Buellton	805-688-1459
Sina Rubalcaba	City of Guadalupe	805-356-3891
Shannon Sweeney	CSM	925-0951
PETER GARCIA	Syracuse, Co No. 1	805.688-6015
MIKE ALVARADO	LA CUMBRE	805-967-2376
LAURA MATTHEWS	CCWA	805.688.2292
Lisa Long	CCWA	" "
Eric Friedman	City of SFB	805-564-5318
Steven Ameritaner	BHFS	805 882-1407

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 - April 2019

VENDOR	INVOICE AMOUNT	DESCRIPTION
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>		
Bank of America Business Card	169.99	Publications, subscriptions, postage
Bank of America Business Card	221.63	CWEA Conference - Travel expense
Bank of America Business Card	248.82	SWC/DWR - Travel and meetings
Bank of America Business Card	435.00	GFOA Review Fee
Bank of America Business Card	575.00	Board Secretary Conference Registration
Bank of America Business Card	591.81	JPIA Training - Travel Expense (2 employees)
Bank of America Business Card	641.58	Staff meetings
Bank of America Business Card	756.45	ClearSCADA Training - Travel Expense
Bank of America Business Card	691.03	Advertisement
Bazzell, David	56.97	Reimbursable expenses -Training travel expense
Federal Express	61.31	Express shipping
Hetland, Wayne	99.76	Reimbursable expenses - Travel expenses
Kieding, Eric	62.04	Reimbursable expenses - Travel expenses
Total Funds	200.00	Postage - postage machine
United Parcel Service	156.45	Shipping expenses
Valley Oaks Printing	43.10	Budget Cover Printing
	<b>\$ 5,010.94</b>	<b>Total General &amp; Administrative</b>
<b>MONITORING EXPENSES</b>		
AmeriPride Services, Inc.	317.04	Lab supplies
	<b>\$ 317.04</b>	<b>Total Monitoring Expenses</b>
<b>OFFICE EXPENSES</b>		
Bank of America Business Card	314.68	Office and Kitchen Supplies
Deluxe Business Checks & Solutions	215.49	Office supplies
Gonzalez, Cynthia	30.00	Reimbursable expenses - Kitchen Supplies
Grainger Inc.	26.68	Janitorial supplies
Office Depot	462.99	Office, janitorial & kitchen supplies
Solvang Bakery	51.90	Board and Committee meeting pastries
Staples Inc.	275.74	Office, janitorial & kitchen supplies
Ultrax Business Products	474.10	Office supplies
Valley Oaks Printing	86.20	Business cards/Envelopes
Zoom Imaging Solutions Inc	10.99	Office Supplies
	<b>\$ 1,948.77</b>	<b>Total Office Expenses</b>
<b>OTHER EXPENSES</b>		
American Marborg	164.72	Tank 2/EDV Rental
Bank of America Business Card	69.86	Computer miscellaneous expenses
Comcast	193.16	Internet Service
CompuVision	1,225.35	SonicWall Renewal
CompuVision	1,371.60	BitDefender Software
CompuVision	4,590.00	Managed Service Agreement
CompuVision	4,927.50	Fiber Network Switches Support
De Lage Landen Financial Services	248.01	Copier Lease - BAO
Dell Business Credit	1,900.35	Laptop Computer
Environmental Systems Research	2,500.00	Geographical Information Systems
Home Depot Card Services	97.17	Computer miscellaneous expenses
Impulse Internet Services	4,195.13	T-1 System and Internet Service (Buellton and Shandon)
Mail Finance	442.65	Postage Machine Lease





# CENTRAL COAST WATER AUTHORITY

## Normal and Recurring Costs

Bills for Ratification - April 2019

VENDOR	INVOICE AMOUNT	DESCRIPTION
Marborg Industries	310.18	Tank 5/Tank 7 Rental
Thompson, James	133.00	DSL reimbursement
Xerox Financial Services	188.62	Copier Lease - WTP
	<b>\$ 22,557.30</b>	<b>Total Other Expenses</b>
<b>OTHER MISCELLANEOUS EXPENSES</b>		
Comb-Warren Act Trust Fund	62,780.00	Trust Fund Quarterly payment
Department of Water Resources	2,323,583.00	Variable OMP&R, Delta Water & Transport Charge
	<b>\$ 2,386,363.00</b>	<b>Total Other Miscellaneous Expenses</b>
<b>PERSONNEL EXPENSES</b>		
ACWA/JPIA	13,672.54	Workman's Compensation Insurance
Bank of America Business Card	100.00	Employee Achievement Awards Program
CalPERS Health	34,601.48	Health Insurance
CalPERS Retirement	36,488.93	Pension Contributions
CCWA Payroll Wages/Taxes	220,588.16	Gross Payroll Wages/Taxes
Dental/Vision Payments	2,572.10	Dental/Vision Benefits
MetLife SBC Insurance	1,013.95	Life Insurance
Other Misc Employee Benefits	9,147.06	Vehicle, Uniform and Cafeteria Plan Benefits
Standard Insurance Company	1,330.43	Disability Insurance
	<b>\$ 319,514.65</b>	<b>Total Personnel Expenses</b>
<b>PROFESSIONAL SERVICES</b>		
Deep Blue Integration	4,180.00	CCWA Website design service
PAPE Material Handling Inc	181.42	Forklift Service
Quinn Company	400.00	Fuel sampling kits
Safety Kleen Systems, Inc	365.70	Washer Parts/Service
	<b>\$ 5,127.12</b>	<b>Total Professional Services</b>
<b>CIP PROJECTS - MATERIALS &amp; OVERHEAD</b>		
American Industrial Supply	23.66	CP Rectifier Upgrade
City of Solvang	104.00	Security Fencing Permit
Consolidated Electrical Dist	295.44	CP Rectifier Upgrade
Fastenal Company	12.58	CP Rectifier Upgrade
Home Depot	38.33	New Phone Server
Mueller Water Products Inc.	9,333.35	Clarifier Valve and Actuator Replacement
	<b>\$ 9,807.36</b>	<b>Total CIP Project - Materials and Overhead</b>
<b>REPAIRS &amp; MAINTENANCE</b>		
AmeriPride Services, Inc.	342.54	Building maintenance supplies
Bank of America Business Card	231.41	Vehicles repairs and maintenance
Bank of America Business Card	2,148.40	Equipment repairs and maintenance
Battery Systems Inc	523.51	Batteries replaced
Carquest Auto Parts	34.45	Auto parts and supplies
City of Buellton	96.89	Landscape maintenance - water
Consolidated Electrical Distributors	749.22	Parts, repair and maintenance
Coverall North America, Inc	979.00	Janitorial service - BAO/SYPS
D&H Water Systems Inc.	1,407.78	Equipment repairs and maintenance
Ditch Witch Central California	446.07	Equipment repairs and maintenance
Forestry Supplies Inc.	450.19	Parts, repair and maintenance
Galco Industrial Electric, Inc.	818.09	Parts, repair and maintenance



# CENTRAL COAST WATER AUTHORITY

## Normal and Recurring Costs

Bills for Ratification - April 2019

VENDOR	INVOICE AMOUNT	DESCRIPTION
Gary Brown Service & Repair	517.00	HVAC service and repairs
GFG Instrumentation Inc.	579.63	Equipment repairs and maintenance
Grainger Inc.	646.11	Parts, repair and maintenance
Harrington Industrial Plastics	1,706.23	Parts, repair and maintenance
Home Depot	122.26	Parts, repair and maintenance
IFM Efector Inc.	683.55	Equipment Repair
Meadowlark Ranch Association	600.00	Road Maintenance Fee
Paso Robles Chevrolet	60.30	Vehicle maintenance
Praxair Distribution, Inc.	34.65	Repairs & maintenance supplies
Precision Digital Corp	505.77	Equipment repairs and maintenance
Procare Janitorial Supply	172.82	Janitorial supplies - WTP
Progressive Greenery	330.00	Landscape maintenance - WTP
Rio Vista Chevrolet	487.83	Vehicle maintenance
San Luis Personnel Service	1,145.88	Janitorial Service - WTP
Santa Ynez Valley Hardware	26.61	Maintenance supplies
Staples	47.09	Janitorial Supplies
Steve's Wheel & Tire	22.00	Equipment repairs and maintenance
Ultrex Business Products	185.73	Copier maintenance
Zoom Imaging Solutions, Inc	49.81	Copier Maintenance
	<b>\$ 16,150.82</b>	<b>Total Repairs &amp; Maintenance</b>
<b>SUPPLIES &amp; EQUIPMENT</b>		
AmeriPride Services, Inc.	936.91	Uniform expenses
Bank of America Business Card	7.52	Landscape materials
Bank of America Business Card	81.45	Safety supplies
Bank of America Business Card	276.95	Equipment & maintenance supplies
Bank of America Business Card	358.78	Minor tools
California Electrical Supply	43.95	Electrical parts
Chemtrade Chemicals US, LLC	10,009.40	Chemicals - WTP
Eagle Energy	663.15	Equipment service
Farm Supply	161.59	Landscape materials
Fastenal Company	189.87	Maintenance supplies and hardware, safety supplies
Forestry Suppliers, Inc.	387.22	Small tools, maintenance supplies
Grainger Inc.	2,144.69	Minor tools, equipment & maintenance supplies, safety supplies
Hill Brothers Chemical Company	(361.35)	Chemicals - WTP
Home Depot	546.07	Minor tools, equipment & maintenance supplies
JCI Jones Chemical	23,545.51	Chemicals - WTP
McMaster-Carr Supply Company	59.26	Minor tools, equipment & maintenance supplies, safety supplies
Quinn Company	832.84	Maintenance supplies and hardware
Santa Ynez Valley Hardware	77.81	Maintenance supplies and hardware
Univar USA, Inc.	907.80	Chemicals - WTP
WEX Bank - Wright Express	5,516.59	Fuel - Autos
	<b>\$ 46,386.01</b>	<b>Total Supplies &amp; Equipment</b>
<b>UTILITIES</b>		
Bank of America Business Card	82.94	Telephone conference charge
City of Buellton	182.86	Water - BAO
Delta Liquid Energy	1,417.37	Propane gas
First Choice Technology	14.95	Phone - Long distance carrier, 800#
Frontier	273.35	Telephone charges



# CENTRAL COAST WATER AUTHORITY

## Normal and Recurring Costs

Bills for Ratification - April 2019

<b>VENDOR</b>	<b>INVOICE AMOUNT</b>	<b>DESCRIPTION</b>
Health Sanitation Services	200.38	Waste Disposal - SYPS
Marborg Industries	236.35	Waste Disposal - BAO
Pacific Gas & Electric	14,444.76	Utilities - BAO/SYPS/WTP
Safety Kleen Systems Inc.	216.20	Waste Oil removal
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.	150.00	Wireless Internet - Chorro
The Gas Company	38.30	Natural Gas - BAO
Verizon Wireless	366.01	Cell phone charges
	<b>\$ 18,068.91</b>	<b>Total Utilities</b>
<b>Subtotal - Bills for Ratification</b>	<b>\$2,831,251.92</b>	



# CENTRAL COAST WATER AUTHORITY

## Bills for Approval

<b>VENDOR</b>		<b>INVOICE AMOUNT</b>	<b>DESCRIPTION</b>
State of California DWR	\$	2,330,438.00	Capital Cost and Minimum OMP&R Charges -May'19
<b>Subtotal - Bills for Approval</b>	<b>\$</b>	<b>2,330,438.00</b>	
<b>Total Ratification and Approval Bills</b>	<b>\$</b>	<b><u>5,161,689.92</u></b>	

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## Statements of Net Position

### ASSETS

	<u>April 30, 2019</u>	<u>March 31, 2019</u>
<b><u>Current Assets</u></b>		
Cash and investments	\$ 6,087,967	\$ 6,444,740
Accounts Receivable (Note 1)	-	-
Accrued interest receivable	162,263	214,402
Other assets	1,795,955	1,812,347
<b>Total Current Assets</b>	<u>8,046,185</u>	<u>8,471,488</u>
<b><u>Restricted Assets</u></b>		
Cash and investments with fiscal agents	-	721,750
<b><u>Investment Accounts</u></b>		
Operations and Maintenance Reserve Fund (Note 2)	2,145,136	2,138,126
Rate Coverage Reserve Fund (Note 3)	9,411,240	9,380,486
Debt Service Payments (Note 4)	105,962	101,760
Department of Water Resources (Note 5a)	11,512,010	12,338,177
Credits Payable (Note 6)	1,137,607	1,134,231
Escrow Deposits (Note 7)	484,913	483,324
<b>Total Restricted Assets</b>	<u>24,796,867</u>	<u>26,297,854</u>
<b><u>Property, Plant and Equipment</u></b>		
Construction in progress (Note 8)	1,724,661	1,713,053
Fixed assets (net of accumulated depreciation)	91,478,194	91,664,929
<b>Total Property, Plant and Equipment</b>	<u>93,202,855</u>	<u>93,377,981</u>
<b><u>Other Assets</u></b>		
Unamortized bond issuance costs (Note 9)	620,227	658,258
Long term receivable (Note 10)	3,632,703	3,632,703
<b>Total Other Assets</b>	<u>4,252,930</u>	<u>4,290,961</u>
<b>Total Assets</b>	<u>\$ 130,298,837</u>	<u>\$ 132,438,284</u>

Central Coast Water Authority

MAY



# Statements of Net Position

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## LIABILITIES AND FUND EQUITY

	<u>April 30, 2019</u>	<u>March 31, 2019</u>
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 81,926	\$ 77,499
DWR and Warren Act Charge Deposits (Note 5a)	11,512,011	12,338,179
CCWA Variable Charge Deposits (Note 5b)	12,573	12,573
Accrued interest payable	120,293	721,751
Other liabilities	683,371	711,341
Rate Coverage Reserve Fund	9,222,497	9,222,497
Unearned Revenue	911,829	859,247
Credits Payable to Project Participants	1,679,298	1,608,620
<b>Total Current Liabilities</b>	<b><u>24,223,798</u></b>	<b><u>25,551,707</u></b>
<b><u>Non-Current Liabilities</u></b>		
Bonds payable (Note 11)	28,870,000	28,870,000
Bond Original Issue Premium, net	1,662,702	1,764,657
OPEB Liability	831,506	831,506
Escrow Deposits	484,913	483,324
Net Pension Liability	3,756,159	3,756,159
<b>Total Non-Current Liabilities</b>	<b><u>35,605,280</u></b>	<b><u>35,705,646</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	47,907,326	48,618,497
<b>Total Net Assets</b>	<b><u>70,469,759</u></b>	<b><u>71,180,930</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 130,298,837</u></b>	<b><u>\$ 132,438,284</u></b>



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

	April 30, 2019	March 31, 2019
<b><u>Operating Revenues</u></b>		
Operating reimbursements from project participants	\$ 21,219,678	\$ 21,235,547
Other revenues	98,362	16,905
<b>Total Operating Revenues</b>	21,318,039	21,252,451
<b><u>Operating Expenses</u></b>		
Personnel expenses	3,792,600	3,453,757
Office expenses	14,899	12,950
General and administrative	166,164	151,632
Professional services	235,115	229,849
Supplies and equipment	896,533	849,448
Monitoring expenses	54,944	54,627
Repairs and maintenance	217,980	201,829
Utilities	842,673	824,604
Depreciation and amortization	1,075,539	971,404
Other expenses	496,143	466,474
<b>Total Operating Expenses</b>	7,792,591	7,216,574
<b>Operating Income</b>	13,525,449	14,035,877
<b><u>Non-Operating Revenues</u></b>		
Investment income	1,005,338	950,327
<b>Total Non-Operating Revenues</b>	1,005,338	950,327
<b><u>Non-Operating Expenses</u></b>		
Interest	1,311,917	1,191,625
Current year credits payable	726,855	591,393
<b>Total Non-Operating Expenses</b>	2,038,772	1,783,018
<b>Net Income</b>	12,492,015	13,203,187
<b><u>Retained Earnings</u></b>		
Retained earnings at beginning of period	35,415,311	35,415,311
Retained earnings at end of period	\$ 47,907,326	\$ 48,618,497



# Budget and Actual All Reaches

	<b>April 30, 2019</b>		
	<u>Budget</u>	<u>Actual</u>	<u>Percent Expended <sup>(1)</sup></u>
<b><u>Operating Revenues</u></b>			
Fixed operating assessments <sup>(2)</sup>	\$ 9,368,796	9,368,796	100.00%
Variable operating assessments	3,069,046	2,598,627	84.67%
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
<b>Total Operating Revenues</b>	<u>12,437,843</u>	<u>11,967,423</u>	<u>96.22%</u>
<b><u>Operating Expenses <sup>(2)</sup></u></b>			
Personnel expenses	5,032,011	3,792,600	75.37%
Office expenses	20,500	14,899	72.68%
General and administrative	275,985	166,164	60.21%
Professional services	425,520	235,115	55.25%
Supplies and equipment	2,115,202	896,533	42.39%
Monitoring expenses	113,624	54,944	48.36%
Repairs and maintenance	279,880	217,980	77.88%
Utilities	1,302,775	842,673	64.68%
Depreciation and amortization	-	-	N/A
Other expenses	1,912,356	496,143	25.94%
<b>Total Operating Expenses</b>	<u>11,477,854</u>	<u>6,717,051</u>	<u>58.52%</u>
<b>Operating Income</b>	<u>959,989</u>	<u>5,250,372</u>	
<b><u>Non-Operating Revenues</u></b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<u>-</u>	<u>-</u>	
<b><u>Non-Operating Expenses</u></b>			
<b>Total Non-Operating Expenses</b>	<u>-</u>	<u>-</u>	
<b>Net Income (Loss)</b>	<u>\$ 959,989</u>	<u>5,250,372</u>	

(1) Percent of year expended: 83%

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





# Budget and Actual Administration

	April 30, 2019		Percent Expended <sup>(1)</sup>
	Budget	Actual	
<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	783,952	82.79%
Office expenses	10,500	9,602	91.45%
General and administrative	192,185	119,911	62.39%
Professional services	215,748	137,582	63.77%
Supplies and equipment	-	-	N/A
Monitoring expenses	-	-	N/A
Repairs and maintenance	31,695	20,193	63.71%
Utilities	16,316	11,592	71.05%
Depreciation and amortization	-	-	N/A
Other expenses	277,313	121,735	43.90%
<b>Total Operating Expenses</b>	<b>1,690,676</b>	<b>1,204,567</b>	<b>71.25%</b>
<b>Operating Income</b>	<b>82,987</b>	<b>569,095</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>569,095</b>	

(1) Percent of year expended: 83%

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



# Budget and Actual Water Treatment Plant

	April 30, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b>Operating Revenues</b>			
Fixed operating assessments <sup>(2)</sup>	\$ 4,410,369	4,410,369	100.00%
Variable operating assessments	2,021,062	1,568,315	77.60%
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
<b>Total Operating Revenues</b>	<b>6,431,430</b>	<b>5,978,683</b>	<b>92.96%</b>
<b>Operating Expenses <sup>(2)</sup></b>			
Personnel expenses	2,399,833	1,778,654	74.12%
Office expenses	6,000	3,696	61.59%
General and administrative	51,550	30,333	58.84%
Professional services	96,739	72,861	75.32%
Supplies and equipment	2,012,791	835,357	41.50%
Monitoring expenses	113,624	54,944	48.36%
Repairs and maintenance	166,485	124,946	75.05%
Utilities	178,809	136,746	76.48%
Depreciation and amortization	-	-	N/A
Other expenses	1,042,861	219,868	21.08%
<b>Total Operating Expenses</b>	<b>6,068,692</b>	<b>3,257,403</b>	<b>53.68%</b>
<b>Operating Income</b>	<b>362,738</b>	<b>2,721,280</b>	
<b>Non-Operating Revenues</b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b>Non-Operating Expenses</b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 362,738</b>	<b>2,721,280</b>	

(1) Percent of year expended: 83%

(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**  
 April 30, 2019

	July 2018	Aug. 2018	Sept. 2018	Oct. 2018	Nov. 2018	Dec. 2018	Jan. 2019	Feb. 2019	Mar. 2019	April 2019	Total for Year
<b>WTP Fixed O&amp;M Costs</b>											
Fixed O&M Expenses	\$ 340,685	\$ 207,536	\$ 213,293	\$ 237,669	\$ 268,514	\$ 246,007	\$ 241,799	\$ 253,561	\$ 202,439	\$ 201,546	\$ 2,413,048
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	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	\$ 4.61	\$ 4.59	\$ 54.96
<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	\$ 63,591	\$ 37,272	\$ 844,355
Actual Water Treated	3,281	3,285	2,740	2,607	1,076	2,389	1,967	942	1,090	1,579	20,956
Variable WTP Cost per AF	\$ 45.36	\$ 44.23	\$ 29.98	\$ 32.58	\$ 39.97	\$ 38.04	\$ 52.47	\$ 47.93	\$ 58.34	\$ 23.60	\$ 40.29

(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

	April 30, 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	150,676	85.03%
Office expenses	421	168	40.05%
General and administrative	3,391	1,675	49.39%
Professional services	11,885	1,482	12.47%
Supplies and equipment	10,768	6,523	60.58%
Monitoring expenses	-	-	N/A
Repairs and maintenance	8,590	11,880	138.30%
Utilities	6,274	19,059	303.80%
Depreciation and amortization	-	-	N/A
Other expenses	19,681	23,056	117.15%
<b>Total Operating Expenses</b>	<b>238,208</b>	<b>214,520</b>	<b>90.06%</b>
<b>Operating Income</b>	<b>74,561</b>	<b>98,249</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>98,249</b>	

(1) Percent of year expended: 83%

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



# Budget and Actual Santa Ynez I

	April 30, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b>Operating Revenues</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>Operating Expenses <sup>(2)</sup></b>			
Personnel expenses	271,613	198,824	73.20%
Office expenses	645	258	40.04%
General and administrative	5,198	2,566	49.37%
Professional services	18,217	2,279	12.51%
Supplies and equipment	16,506	10,018	60.69%
Monitoring expenses	-	-	N/A
Repairs and maintenance	13,168	9,999	75.93%
Utilities	9,616	4,504	46.84%
Depreciation and amortization	-	-	N/A
Other expenses	90,857	26,687	29.37%
<b>Total Operating Expenses</b>	<b>425,819</b>	<b>255,135</b>	<b>59.92%</b>
<b>Operating Income</b>	<b>149,509</b>	<b>320,193</b>	
<b>Non-Operating Revenues</b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b>Non-Operating Expenses</b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 149,509</b>	<b>320,193</b>	

(1) Percent of year expended: 83%

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



## Budget and Actual Santa Ynez II

	April 30, 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	1,030,312	98.31%
Other revenues	-	-	N/A
<b>Total Operating Revenues</b>	2,067,659	2,049,986	99.15%
<b><u>Operating Expenses</u> <sup>(2)</sup></b>			
Personnel expenses	549,645	359,006	65.32%
Office expenses	1,305	522	40.03%
General and administrative	10,518	5,192	49.36%
Professional services	36,866	6,331	17.17%
Supplies and equipment	33,401	19,859	59.46%
Monitoring expenses	-	-	N/A
Repairs and maintenance	26,646	16,359	61.39%
Utilities	1,067,444	652,641	61.14%
Depreciation and amortization	-	-	N/A
Other expenses	196,436	39,746	20.23%
<b>Total Operating Expenses</b>	1,922,262	1,099,656	57.21%
<b>Operating Income</b>	145,397	950,330	
<b><u>Non-Operating Revenues</u></b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	-	-	
<b><u>Non-Operating Expenses</u></b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	-	-	
<b>Net Income (Loss)</b>	\$ 145,397	950,330	

(1) Percent of year expended: 83%

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



# Budget and Actual Reach 33B

	April 30, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b>Operating Revenues</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>Operating Expenses <sup>(2)</sup></b>			
Personnel expenses	366,564	257,633	70.28%
Office expenses	870	348	40.02%
General and administrative	7,015	3,463	49.36%
Professional services	24,586	5,552	22.58%
Supplies and equipment	22,276	12,893	57.88%
Monitoring expenses	-	-	N/A
Repairs and maintenance	17,771	11,885	66.88%
Utilities	12,978	7,671	59.11%
Depreciation and amortization	-	-	N/A
Other expenses	118,753	19,537	16.45%
<b>Total Operating Expenses</b>	<b>570,813</b>	<b>318,981</b>	<b>55.88%</b>
<b>Operating Income</b>	<b>129,563</b>	<b>381,394</b>	
<b>Non-Operating Revenues</b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b>Non-Operating Expenses</b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 129,563</b>	<b>381,394</b>	

(1) Percent of year expended: 83%

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



# Budget and Actual Reach 34

	April 30, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b>Operating Revenues</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>Operating Expenses <sup>(2)</sup></b>			
Personnel expenses	157,605	121,887	77.34%
Office expenses	374	150	40.02%
General and administrative	3,016	1,489	49.36%
Professional services	10,571	7,948	75.19%
Supplies and equipment	9,577	5,939	62.01%
Monitoring expenses	-	-	N/A
Repairs and maintenance	7,641	12,412	162.45%
Utilities	5,580	4,351	77.98%
Depreciation and amortization	-	-	N/A
Other expenses	17,505	8,568	48.95%
<b>Total Operating Expenses</b>	<b>211,868</b>	<b>162,744</b>	<b>76.81%</b>
<b>Operating Income</b>	<b>21,222</b>	<b>70,347</b>	
<b>Non-Operating Revenues</b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b>Non-Operating Expenses</b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 21,222</b>	<b>70,347</b>	

(1) Percent of year expended: 83%

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





# Budget and Actual Reach 35

	April 30, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b>Operating Revenues</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>Operating Expenses <sup>(2)</sup></b>			
Personnel expenses	58,008	40,999	70.68%
Office expenses	138	55	40.00%
General and administrative	1,110	548	49.33%
Professional services	3,891	385	9.91%
Supplies and equipment	3,525	2,015	57.16%
Monitoring expenses	-	-	N/A
Repairs and maintenance	2,812	841	29.90%
Utilities	2,054	979	47.66%
Depreciation and amortization	-	-	N/A
Other expenses	6,443	27,993	434.49%
<b>Total Operating Expenses</b>	<b>77,980</b>	<b>73,815</b>	<b>94.66%</b>
<b>Operating Income</b>	<b>8,855</b>	<b>13,021</b>	
<b>Non-Operating Revenues</b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b>Non-Operating Expenses</b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 8,855</b>	<b>13,021</b>	

(1) Percent of year expended: 83%

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



# Budget and Actual Reach 37

	April 30, 2019		
	Budget	Actual	Percent Expended <sup>(1)</sup>
<b>Operating Revenues</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>Operating Expenses <sup>(2)</sup></b>			
Personnel expenses	39,944	25,936	64.93%
Office expenses	95	38	40.02%
General and administrative	764	377	49.36%
Professional services	2,679	266	9.91%
Supplies and equipment	2,427	1,388	57.19%
Monitoring expenses	-	-	N/A
Repairs and maintenance	1,936	579	29.92%
Utilities	1,414	379	26.79%
Depreciation and amortization	-	-	N/A
Other expenses	4,437	1,996	44.99%
<b>Total Operating Expenses</b>	<b>53,697</b>	<b>30,959</b>	<b>57.65%</b>
<b>Operating Income</b>	<b>5,441</b>	<b>28,179</b>	
<b>Non-Operating Revenues</b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	
<b>Non-Operating Expenses</b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	
<b>Net Income (Loss)</b>	<b>\$ 5,441</b>	<b>28,179</b>	

(1) Percent of year expended: 83%

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



# Budget and Actual Reach 38

	April 30, 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>	95,715	95,715	100.00%
<b><u>Operating Expenses</u> <sup>(2)</sup></b>			
Personnel expenses	64,681	49,861	77.09%
Office expenses	154	61	40.05%
General and administrative	1,238	611	49.39%
Professional services	4,338	430	9.92%
Supplies and equipment	3,931	2,249	57.22%
Monitoring expenses	-	-	N/A
Repairs and maintenance	3,136	939	29.93%
Utilities	2,290	614	26.81%
Depreciation and amortization	-	-	N/A
Other expenses	7,184	3,234	45.02%
<b>Total Operating Expenses</b>	86,951	57,999	66.70%
<b>Operating Income</b>	8,764	37,716	
<b><u>Non-Operating Revenues</u></b>			
Interest income	-	-	
<b>Total Non-Operating Revenues</b>	-	-	
<b><u>Non-Operating Expenses</u></b>			
Interest	-	-	
<b>Total Non-Operating Expenses</b>	-	-	
<b>Net Income (Loss)</b>	\$ 8,764	37,716	

(1) Percent of year expended: 83%  
(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred to FY 2018/19.

Central Coast Water Authority  
**Notes to Financial Statements**  
April 30, 2019

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**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	\$ 28,777
City of Santa Maria	847,625
Golden State Water Company	26,161
Vandenberg AFB	388,257
City of Buellton	30,242
Santa Ynez ID #1 (Solvang)	78,483
Santa Ynez ID #1	26,161
Goleta Water District	235,451
Morehart Land Co.	10,465
La Cumbre Mutual Water Company	52,316
Raytheon Systems Company	2,616
City of Santa Barbara	156,968
Montecito Water District	156,968
Carpinteria Valley Water District	104,645
TOTAL:	<u>\$ 2,145,136</u>

**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	\$ 193,669
City of Santa Maria	5,112,957
City of Buellton	280,999
Santa Ynez ID #1 (Solvang)	625,516
Santa Ynez ID #1	471,222
La Cumbre Mutual Water Company	405,921
Montecito Water District	1,463,279
Carpinteria Valley Water District	842,130
Shandon	15,547
TOTAL:	<u>\$9,411,240</u>

Central Coast Water Authority  
**Notes to Financial Statements**  
April 30, 2019

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**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.

Participant	Amount
Avila Beach	\$ 132
California Men's Colony	1,158
County of SLO	1,233
Cuesta College	579
Morro Bay	7,469
Oceano	968
Pismo Beach	1,599
Shandon	131
Guadalupe	1,649
Buellton	2,910
Santa Ynez (Solvang)	8,332
Santa Ynez	3,129
Goleta	25,151
Morehart Land	1,225
La Cumbre	5,807
Raytheon	259
Santa Barbara	15,461
Montecito	18,327
Carpinteria	10,443
TOTAL:	\$ 105,962

Central Coast Water Authority  
**Notes to Financial Statements**  
 April 30, 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	\$ 143,608
City of Santa Maria	3,599,705
Golden State Water Company	117,969
Vandenberg AFB	2,539,395
City of Buellton	145,773
Santa Ynez ID #1 (Solvang)	354,534
Santa Ynez ID #1	225,260
Goleta Water District	1,438,878
Morehart Land Co.	34,092
La Cumbre Mutual Water Company	285,597
Raytheon Systems Co.	13,036
City of Santa Barbara	925,143
Montecito Water District	1,103,621
Carpinteria Valley Water District	585,397
TOTAL:	<u>\$ 11,512,010</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	9,546
Goleta Water District	-
Morehart Land Co.	-
La Cumbre Mutual Water Company	-
Raytheon Systems Co.	3,027
City of Santa Barbara	-
Montecito Water District	-
Carpinteria Valley Water District	-
Shandon	-
Lopez Turnout	-
Chorro Turnout	-
TOTAL:	<u>\$ 12,573</u>

Central Coast Water Authority  
**Notes to Financial Statements**  
 April 30, 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	189,635
Golden State Water Company	8,801
Vandenberg AFB	279,330
City of Buellton	14,485
Santa Ynez ID #1 (Solvang)	33,070
Santa Ynez ID #1	374,550
Goleta Water District	14,570
Morehart Land Co.	1,784
La Cumbre Mutual Water Company	9,357
Raytheon Systems Co.	469
City of Santa Barbara	9,722
Montecito Water District	150,211
Carpinteria Valley Water District	6,402
Shandon	(650)
Lopez Turnout	17,819
Chorro Turnout	28,227
TOTAL:	<u>\$ 1,137,607</u>

**Note 7: Escrow Deposits**

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

Project Participant	Amount
Morehart Land Company	\$ 383,934
Raytheon Systems Company	100,979
TOTAL:	<u>\$ 484,913</u>

**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	\$ 125,252
Materials	738,516
Overhead	860,893
Project CIP Total:	<u>\$ 1,724,661</u>

Central Coast Water Authority  
**Notes to Financial Statements**  
April 30, 2019

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**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**  
April 30, 2019

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**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>



## CENTRAL COAST WATER AUTHORITY

### MEMORANDUM

May 15, 2019

**TO:** CCWA Board of Directors

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

**SUBJECT:** Operations Report, April 2019

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

Month	Plant Production (AF)	Chemical Costs (\$/AF)	SYPP Pumping (AF)
April, 2019	1,640.95	#31.38	0

#### WATER TREATMENT PLANT (WTP)

- The annual chemical contract negotiations were completed and a Board Report was prepared to request extension of the Liquid Aluminum Sulfate, Ammonium Hydroxide, Liquid Chlorine, Sodium Hydroxide, Sodium Hypochlorite and Sodium Bisulfite.
- The Joint Powers Insurance Authority reimbursed CCWA for certain costs related to the repair of the sludge collection system in Sedimentation Basin #1. This system was damaged from severe weather and rendered inoperable last February but was fully repaired by CCWA staff by March 15. CCWA received \$26,593.65. Although there was a deductible of \$5,000, this reimbursement fully covered the cost of the new equipment (\$24,025.69) and some of CCWA's labor (\$7,567.96).
- An updated Spill Prevention Control and Countermeasure Plan (SPCC) was prepared by CCWA staff. An update to the SPCC Plan is required every five years. The update include the additional monitoring systems and new procedures that were put into place since the last update.
- The Chlorine Equipment Vender provided calibration and maintenance training of the chlorinator equipment. This equipment was also wired to the WTP's Process Logic Control system and subsequently connected to the Supervisory Control and Data Acquisition (SCADA) System by CCWA's maintenance and instrumentation staff.
- The 2018 Annual Operations Report for the Division of Drinking Water was prepared and submitted on time.
- The Maintenance staff completed the following items: (1) completed chlorine manifold and load cell maintenance, (2) installed a new flow meter on the WTP Fire Pump, (3) serviced the chlorine cylinder emergency shutoff valve system, (4) installed a new Chemical Tank level indicator at the chemical fill station, (5) serviced the emergency electrical generator and associated engine, (6) completed emergency electrical generator load bank maintenance, and (7) mowed portions of the WTP grounds.

#### DISTRIBUTION

- As a result of no lake deliveries and the Santa Ynez Turnout being inactive, the water at the end of the CCWA pipeline began to nitrify. In order to re-activate the Santa Ynez Turnout, purging the water at the end of the pipeline was required. CCWA staff developed a plan to

purge most of the nitrifying water into the Santa Ynez Pumping Plant Forebay and Overflow Basin. This operation was timed and coordinated with Santa Ynez ID#1 staff.

- Staff continued development of the design for a new bypass pipeline alignment over the top of the Dam. Staff also participated in a teleconference with engineers from the Bureau to discuss their requirements for the design submittals. Also, staff arranged to have HDR Engineering to complete a peer review of CCWA design before the design is submitted to the Bureau.
- Distribution staff completed the crack sealing work of asphalt pavements at the Santa Ynez Pumping Plant, Tank 2 and Tank 5. This work was completed in preparation for the planned slurry seal work, which will be contracted out.
- Distribution Staff initiated mowing of the pipeline Right-of-Way access roads and appurtenances. This annual mowing is completed in spring as a fire prevention measure.
- Staff worked several encroachment requests: (1) staff supervised a pot-hole investigation at the Rancho Sanja Cota in Santa Ynez, (2) staff transmitted comments on revised plans for an irrigation pipeline on the Alisal Ranch (3) staff provided additional comments on the draft DWR encroachment permit for the Southern California Gas Company project in northern San Luis Obispo County.
- Two Distribution Technicians received detailed training on Cla-Valve operations at the Cla-Valve Training center.
- Staff completed design work for the security fencing project for Solvang, Santa Ynez, Vandenberg Air Force Base and Lopez Turnouts. An encroachment permit was secured from the City of Solvang and the Vandenberg Air Force Base to allow the new security fencing to be installed. Competitive bids will be solicited from contractors in May.

#### **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.
- Due to a planned retirement in July, the job description for the Laboratory Analyst position was reviewed and updated. Recruitment efforts for the position were also implemented.
- Laboratory staff submitted the required certification letter for the annual Water Quality Tables for the Consumer Confidence Reports to the Division of Drinking Water prior to the deadline.
- Laboratory staff completed the procurement work for the Laboratory's new autoclave through developing autoclave specifications and soliciting three competitive bids.

#### **INSTRUMENTATION/NETWORK**

- Recruitment efforts for the Instrumentation, Controls, Electrical and Maintenance Superintendent continued. Efforts were expanded to include attending conferences to distribute recruitment fliers as well as sending brochures and recruitment letters to agencies around the State. Two qualified candidates were interviewed in April.
- Due to retirements, the Instrumentation Department staff will be reduced by 50%, leaving one highly experienced employee and one newly hired employee. The transition plan that was developed last month has been implemented through increasing the recruitment effort for staff, escalating the pace of training of the newly hired employee, and retaining contractor support for on-call service for electrical network and PLC issues.
- A migration plan was developed by CCWA staff and its managed network service provider, CompuVision, to migrate network operations from the TC-Com switches to the new Cisco fiber switches. This plan included specific steps and schedule for changing over from the old to new switches.

- As part of the cloud based phone system project, a high speed internet connection was established at the WTP. CCWA staff installed the required antenna and associated equipment to receive wireless high speed internet service connection at the WTP. Staff also solicited competitive bids to upgrade the communication cabling at the WTP and Buellton Administrative Offices.

#### **GENERAL**

- A notice was issued to CCWA Participants to notify them that Article 21 water was no longer available as of April 1, 2019. CCWA staff subsequently stopped requesting weekly forecasts and submitting Article 21 water requests to DWR.
- CCWA staff continued work with the US Bureau of Reclamation to develop a proposal and design to relocate the bypass pipeline from the spillway of Bradbury Dam to the Dam face and over the top of the Dam for lake deliveries. After reviewing several CCWA submittals, the Bureau convened a teleconference to review the information submitted and to discuss all concerns Bureau staff may have. It was concluded that a detailed design was required and CCWA committed to having the design peer reviewed by its engineering consultant.
- CCWA staff's ad-hoc committee initiated work on a complete review of the procurement procedures, with the aim of updating and improving CCWA procurements procedures. Staff received training on prevailing wage requirements and will be incorporating these requirements into the updated procurement procedures.
- CCWA staff worked on a presentation that outlines the CCWA Succession Plan to handle the multiple retirements that are likely to occur within the next five year timeframe.
- CCWA staff meet with Mr. Michael Jackson of the US Bureau of Reclamation and Ms. Wendy Motta of Congressman Carbajal's office to discuss the lake delivery issue and specifically to discuss how La Cumbre Mutual Water Company would be able to receive urgently needed water supply. The internal transfer between the City of Santa Barbara and La Cumbre was described and a tour of the Bradbury Dam was also provided.

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

April

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	8.53	3.62	0.68	1.0	27	4	22	46	2	59	31	211	
2	8.50	3.60	0.74	1.0			24	46	3	61	30		
3	8.43	4.00	0.63	1.0			22	42	1	55	30		2.9
4	8.26	5.97	0.75	1.0			23	44	0	55	28		
5	8.20	5.75	0.73	1.0			23	44	0	54	31		
6	8.13	5.58	0.72	1.0			24	44	0	59	28		
7	8.07	5.50	0.79	1.0			24	44	0	59	31		
8	8.23	4.85	0.77	1.0	40	<1	22	42	0	54	28	227	
9	8.53	5.40	0.78	1.0			23	44	3	57	28		
10	8.50	4.47	0.64	1.0			23	44	2	62	30		
11	8.38	3.98	0.62	1.0			27	45	1	62	29		
12	8.58	3.77	0.63	1.0			32	46	2	66	32		
13	8.63	3.43	0.59	1.0			35	50	4	73	30		
14	8.74	3.35	0.59	1.0			42	53	6	74	35		
15	8.88	2.63	0.58	1.0	84	4	45	54	10	76	35	333	
16	8.90	2.05	0.44	1.0			48	54	7	75	38		
17	8.83	2.08	0.53	1.0			53	56	6	78	39		
18	8.61	2.68	0.57	1.0			55	56	6	81	38		
19	8.67	2.78	0.59	1.0			64	59	4	86	40		
20	8.80	2.07	0.60	1.0			67	63	7	91	43		
21	8.88	1.80	0.56	1.0			68	62	9	88	46		
22	8.95	1.43	0.60	1.0	172	7	68	63	10	89	44	428	
23	8.83	1.47	0.53	1.0			72	66	8	88	39		
24	8.69	1.40	0.52	1.0			72	66	6	88	41		
25	8.58	1.62	0.53	1.0			74	69	6	92	41		
26	8.53	1.57	0.54	1.0			75	68	3	93	42		
27	8.50	1.67	0.56	1.0			75	69	3	94	43		
28	8.52	1.37	0.47	1.0			76	68	3	92	44		
29	8.49	1.22	0.54	1.0	105	17	76	70	2	95	43	456	
30	8.33	1.13	0.47	1.0			77	69	2	101	45		
<b>Avg</b>	<b>8.56</b>	<b>3.07</b>	<b>0.61</b>	<b>1.0</b>	<b>85</b>	<b>8</b>	<b>47</b>	<b>55</b>	<b>4</b>	<b>75</b>	<b>36</b>	<b>331</b>	<b>2.9</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

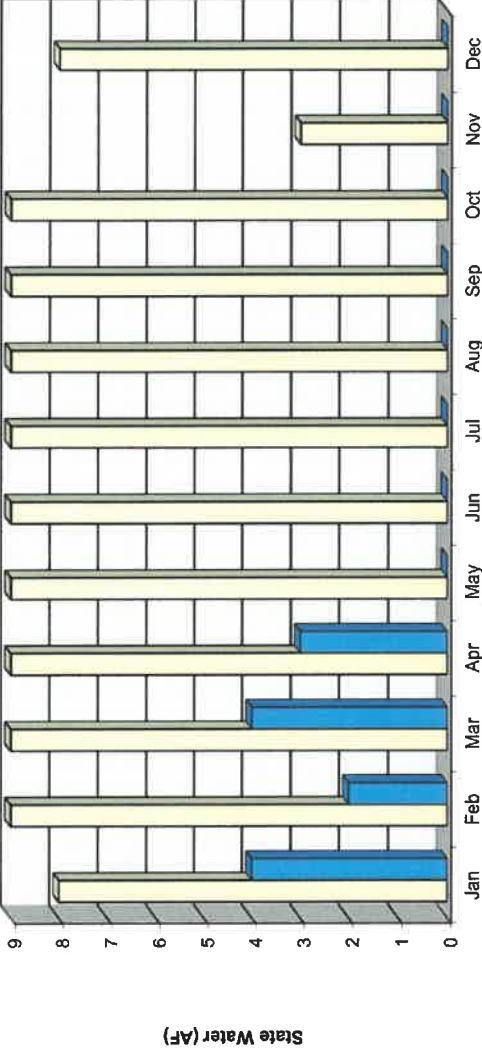
April

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	8.48	0.05	4.53	0.0	ABSENT	26	40	61	31	3.30	0.00	3.22	0.66	0.00	4.9	257	
2	8.44	0.05	4.86	0.0	ABSENT	28	41	57	27	3.26	0.00	3.26	0.64	0.00	5.1		
3	8.28	0.04	4.86	0.0	ABSENT	26	40	56	29	3.28	0.00	3.22	0.64	0.00	5.0		1.5
4	8.43	0.04	4.61	0.0	ABSENT	25	41	54	27	3.33	0.00	3.13	0.67	0.00	4.7		
5	8.39	0.04	4.37	0.0	ABSENT	26	40	58	29	3.30	0.00	3.18	0.68	0.00	4.7		
6	8.29	0.04	4.61	0.0	ABSENT	28	41	60	28	3.30	0.00	3.20	0.67	0.00	4.8		
7	8.34	0.04	5.02	0.0	ABSENT	27	40	56	29	3.27	0.00	3.23	0.66	0.00	4.9		
8	8.33	0.04	4.13	0.0	ABSENT	25	40	57	27	3.28	0.00	3.17	0.65	0.00	4.9	240	
9	8.48	0.04	3.63	0.0	ABSENT	25	40	56	26	3.28	0.00	3.25	0.64	0.00	5.1		
10	8.41	0.05	3.74	0.0	ABSENT	25	42	60	26	3.28	0.00	3.26	0.66	0.00	4.9		
11	8.24	0.05	4.75	0.0	ABSENT	28	41	59	28	3.23	0.00	3.13	0.63	0.00	5.0		
12	8.32	0.04	4.17	0.0	ABSENT	34	42	66	32	3.12	0.00	3.04	0.61	0.01	5.0		
13	8.33	0.04	4.26	0.0	ABSENT	37	43	72	30	3.23	0.00	3.26	0.62	0.00	5.3		
14	8.42	0.04	4.49	0.0	ABSENT	41	49	70	33	3.28	0.00	3.16	0.64	0.00	4.9		
15	8.42	0.04	4.47	0.0	ABSENT	46	49	74	32	3.20	0.00	3.10	0.62	0.00	5.0	341	
16	8.42	0.05	4.12	0.0	ABSENT	51	48	71	35	3.24	0.00	3.13	0.64	0.00	4.9		
17	8.40	0.05	4.25	0.0	ABSENT	53	48	71	37	3.27	0.00	3.25	0.65	0.00	5.0		
18	8.32	0.05	4.61	0.0	ABSENT	56	49	80	37	3.27	0.00	3.24	0.64	0.00	5.1		
19	8.38	0.05	4.67	0.0	ABSENT	63	55	82	41	3.25	0.00	3.19	0.64	0.00	5.0		
20	8.43	0.05	4.55	0.0	ABSENT	67	56	85	42	3.28	0.00	3.23	0.63	0.00	5.1		
21	8.43	0.05	4.73	0.0	ABSENT	70	57	88	44	3.37	0.00	3.25	0.66	0.00	4.9		
22	8.36	0.05	4.85	0.0	ABSENT	70	57	89	43	3.37	0.00	3.26	0.66	0.00	4.9	443	
23	8.24	0.04	4.85	0.0	ABSENT	76	60	88	41	3.33	0.00	3.23	0.64	0.00	5.0		
24	8.30	0.05	4.77	0.0	ABSENT	75	63	88	42	3.31	0.00	3.25	0.63	0.00	5.2		
25	8.43	0.04	4.77	0.0	ABSENT	77	63	91	41	3.09	0.00	3.01	0.60	0.00	5.0		
26	8.34	0.05	4.93	0.0	ABSENT	78	64	95	42	2.96	0.00	2.80	0.57	0.00	4.9		
27	8.29	0.04	5.10	0.0	ABSENT	78	64	95	42	2.98	0.00	2.92	0.57	0.00	5.1		
28	8.28	0.04	4.98	0.0	ABSENT	78	66	96	45	2.93	0.00	2.84	0.58	0.00	4.9		
29	8.25	0.04	4.61	0.0	ABSENT	80	66	98	44	2.98	0.00	2.87	0.59	0.00	4.9	498	
30	8.31	0.04	4.55	0.0	ABSENT	81	66	104	46	3.04	0.00	2.95	0.59	0.00	5.0		
<b>Avg</b>	<b>8.36</b>	<b>0.04</b>	<b>4.56</b>	<b>0.00</b>		<b>50</b>	<b>50</b>	<b>75</b>	<b>35</b>	<b>3.22</b>	<b>0.00</b>	<b>3.14</b>	<b>0.63</b>	<b>0.00</b>	<b>5.0</b>	<b>356</b>	<b>1.50</b>

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

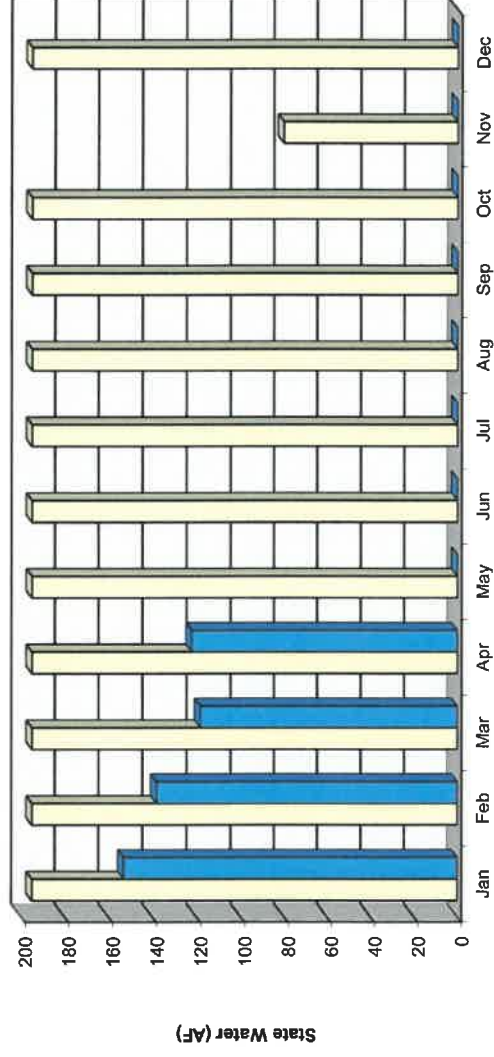
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	8	4	
Feb	9	2	
Mar	9	4	
Apr	9	3	
May	9	0	
Jun	9	0	
Jul	9	0	
Aug	9	0	
Sep	9	0	
Oct	9	0	
Nov	3	0	
Dec	8	0	
<b>Total</b>	<b>100</b>	<b>13</b>	



Requested Delivery  
Actual Delivery

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

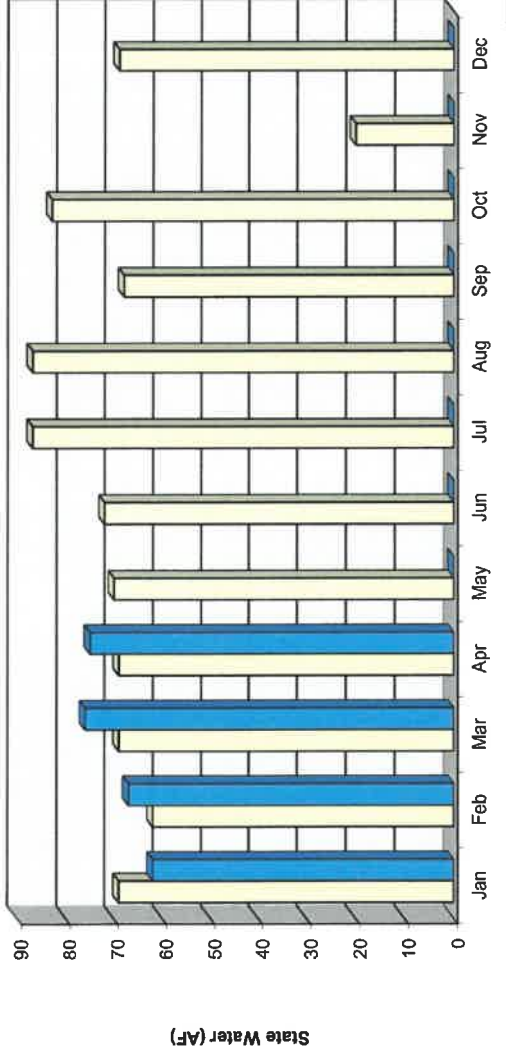
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	195	153	
Feb	195	138	
Mar	195	118	
Apr	195	122	
May	195	0	
Jun	195	0	
Jul	195	0	
Aug	195	0	
Sep	195	0	
Oct	195	0	
Nov	80	0	
Dec	195	0	
<b>Total</b>	<b>2225</b>	<b>531</b>	



Requested Delivery  
Actual Delivery

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

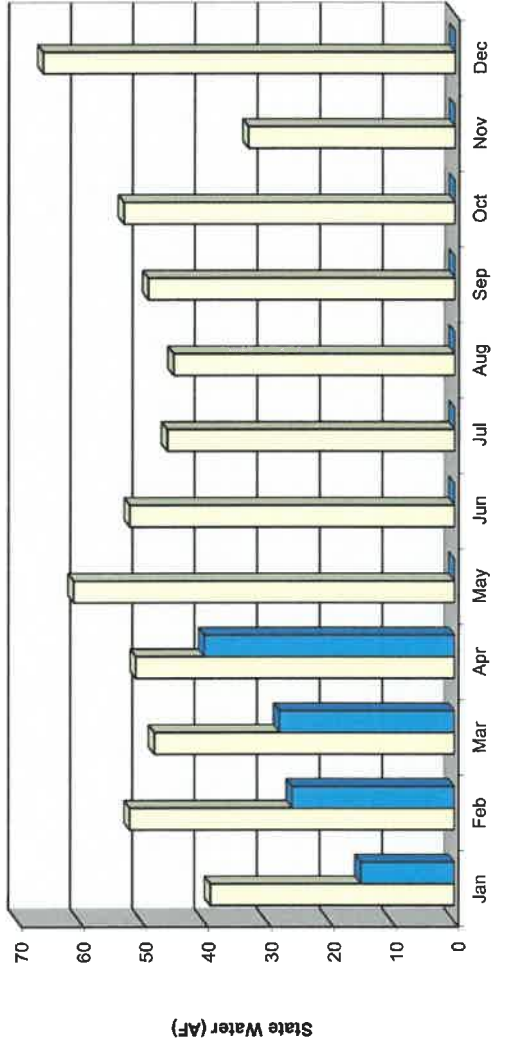
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	69	62	
Feb	62	67	
Mar	69	76	
Apr	69	75	
May	70		
Jun	72		
Jul	87		
Aug	87		
Sep	68		
Oct	83		
Nov	20		
Dec	69		
<b>Total</b>	<b>825</b>	<b>280</b>	



Requested Delivery  
Actual Delivery

### Guadalupe - SWP Deliveries in Year 2019

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	39	15	
Feb	52	26	
Mar	48	28	
Apr	51	40	
May	61		
Jun	52		
Jul	46		
Aug	45		
Sep	49		
Oct	53		
Nov	33		
Dec	66		
<b>Total</b>	<b>595</b>	<b>109</b>	

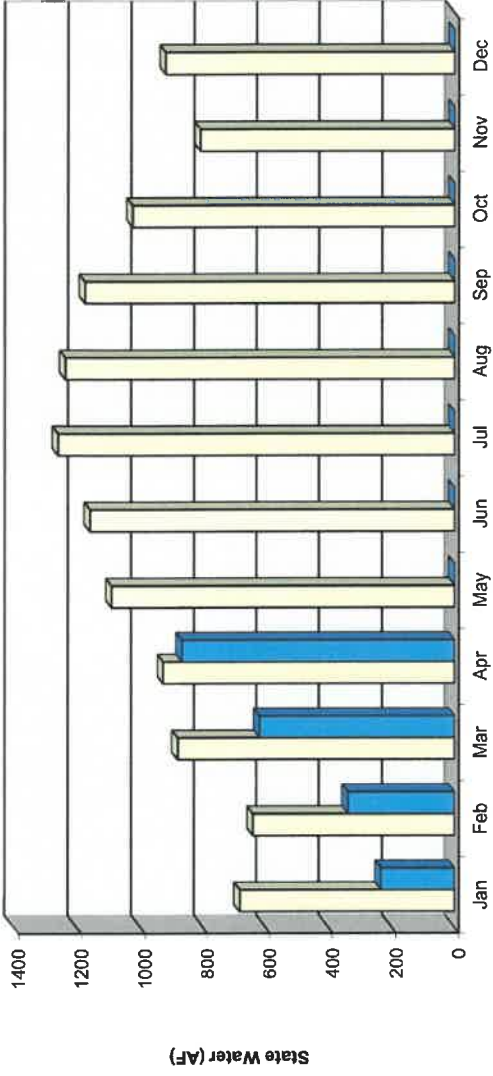


Requested Delivery  
Actual Delivery



# Santa Maria - SWP Deliveries in Year 2019

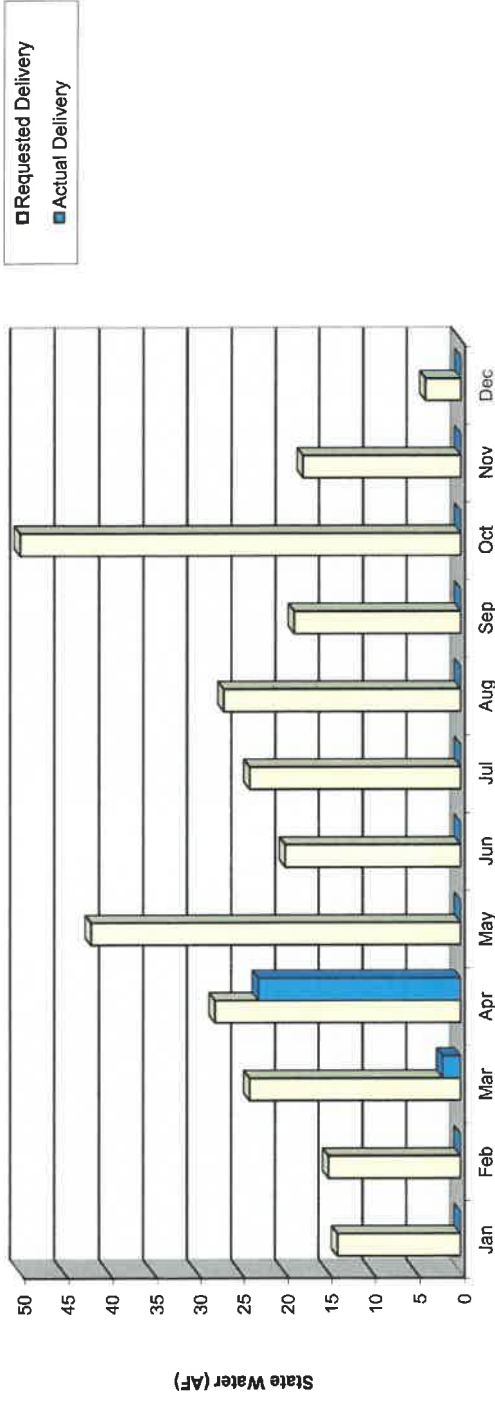
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	682	234	
Feb	642	339	
Mar	881	621	
Apr	928	868	
May	1091		
Jun	1161		
Jul	1262		
Aug	1239		
Sep	1177		
Oct	1026		
Nov	811		
Dec	920		
<b>Total</b>	<b>11820</b>	<b>2062</b>	



Requested Delivery  
Actual Delivery

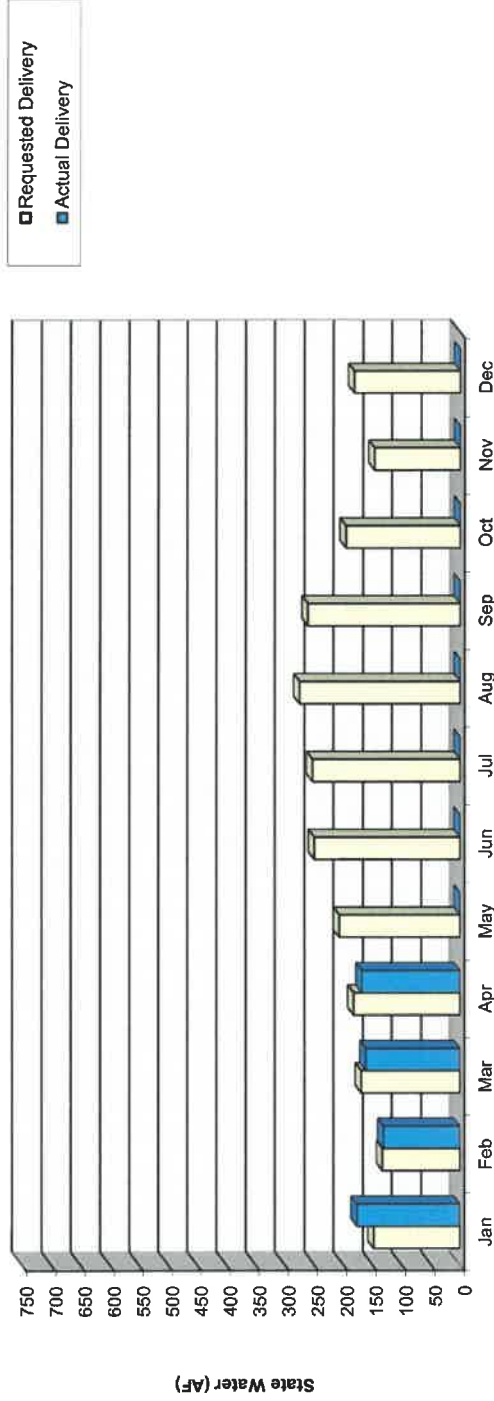
### Golden State - SWP Deliveries in Year 2019

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	14	0	
Feb	15	0	
Mar	24	2	
Apr	28	23	
May	42		
Jun	20		
Jul	24		
Aug	27		
Sep	19		
Oct	50		
Nov	18		
Dec	4		
<b>Total</b>	<b>285</b>	<b>25</b>	



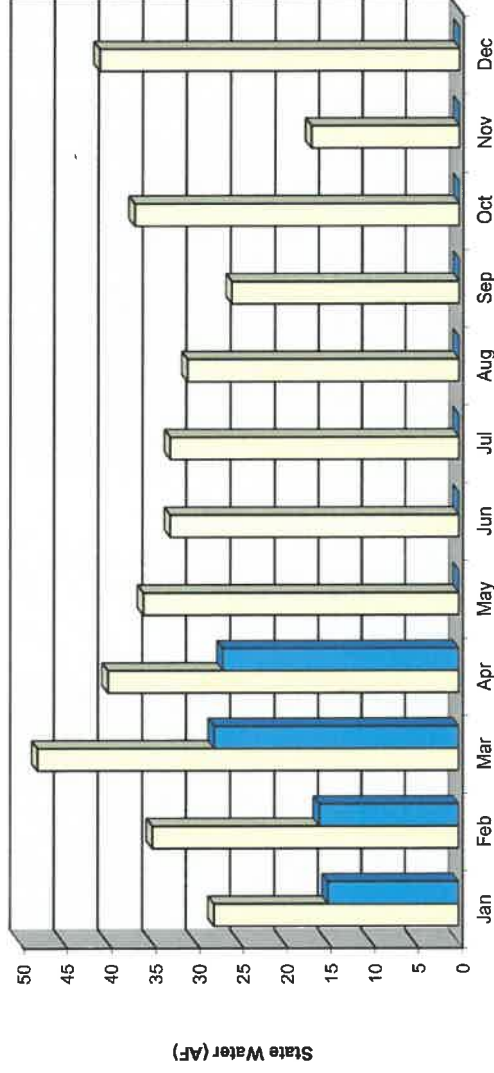
### VAFB - SWP Deliveries in Year 2019

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	148	177	
Feb	133	131	
Mar	170	162	
Apr	183	169	
May	207		
Jun	250		
Jul	253		
Aug	275		
Sep	261		
Oct	196		
Nov	147		
Dec	182		
<b>Total</b>	<b>2405</b>	<b>639</b>	



### Buellton - SWP Deliveries in Year 2019

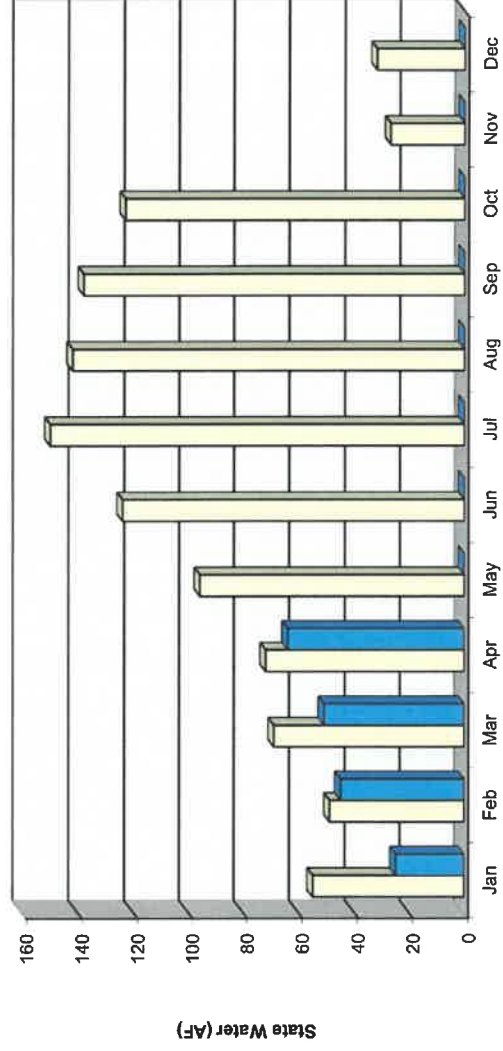
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	28	15	
Feb	35	16	
Mar	48	28	
Apr	40	27	
May	36		
Jun	33		
Jul	33		
Aug	31		
Sep	26		
Oct	37		
Nov	17		
Dec	41		
<b>Total</b>	<b>405</b>	<b>86</b>	



Requested Delivery  
Actual Delivery

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

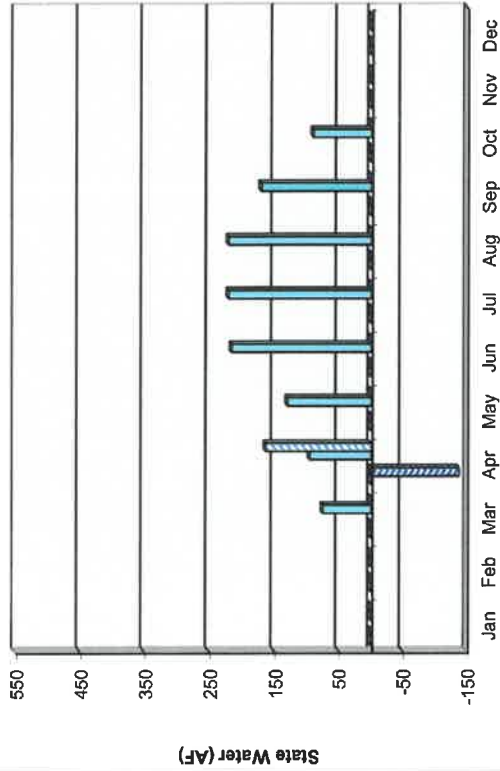
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	55	25	
Feb	49	45	
Mar	69	51	
Apr	72	64	
May	96		
Jun	124		
Jul	150		
Aug	142		
Sep	138		
Oct	123		
Nov	27		
Dec	32		
<b>Total</b>	<b>1077</b>	<b>185</b>	



Requested Delivery  
Actual Delivery

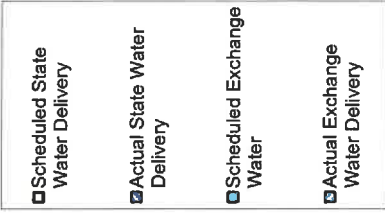
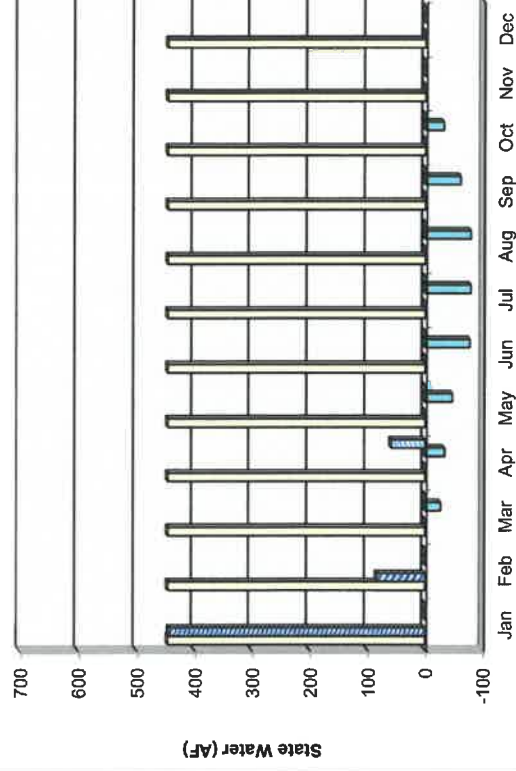
**Santa Ynez (Without Solvang) - SWP Deliveries in Year 2019**

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sched'd State & Exch. Water Delivery	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	0	
Apr	0	95	95	-138	163	25	
May	0	130	130				
Jun	0	215	215				
Jul	0	220	220				
Aug	0	220	220				
Sep	0	170	170				
Oct	0	90	90				
Nov	0	0	0				
Dec	0	0	0				
<b>Total</b>	<b>0</b>	<b>1215</b>	<b>1215</b>	<b>-138</b>	<b>163</b>	<b>25</b>	



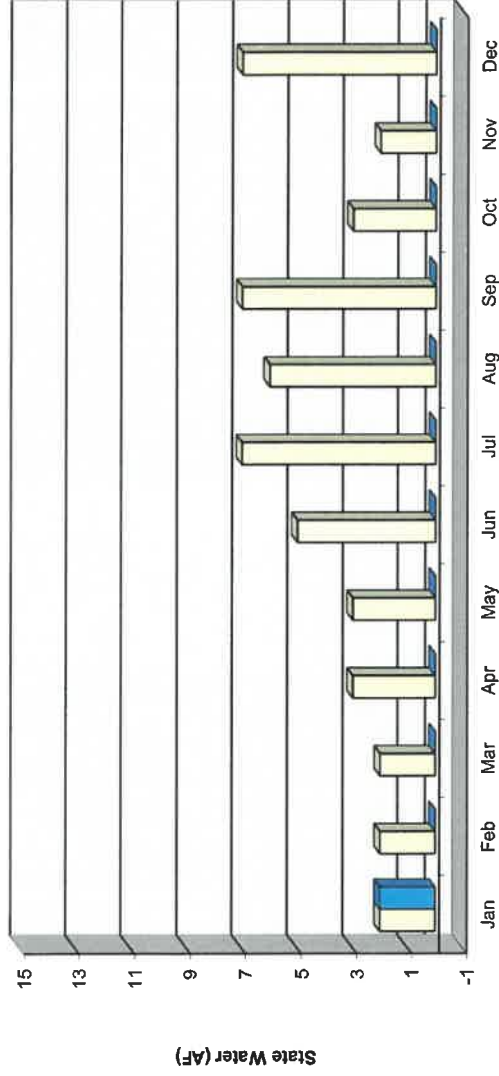
**Goleta - SWP Deliveries in Year 2019**

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sched'd State & Exch. Water Delivery	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	59	59	
May	446	-47	399				
Jun	446	-77	369				
Jul	446	-79	367				
Aug	446	-79	367				
Sep	446	-61	385				
Oct	446	-32	414				
Nov	446	0	446				
Dec	446	0	446				
<b>Total</b>	<b>5352</b>	<b>-436</b>	<b>4916</b>	<b>528</b>	<b>59</b>	<b>587</b>	



**Morehart Land - SWP Deliveries in Year 2019**

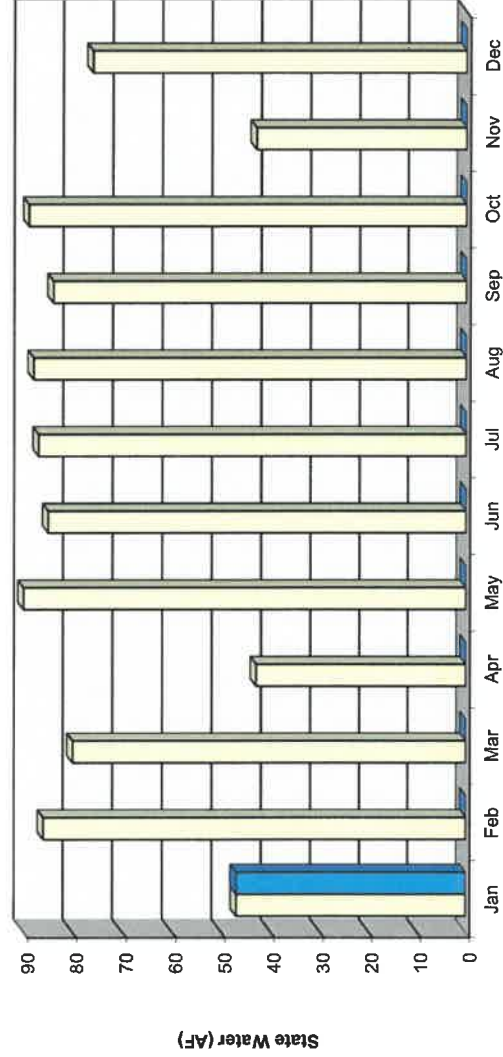
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	2	2	
Feb	2	0	
Mar	2	0	
Apr	3	0	
May	3	0	
Jun	5		
Jul	7		
Aug	6		
Sep	7		
Oct	3		
Nov	2		
Dec	7		
<b>Total</b>	<b>49</b>	<b>2</b>	



Requested Delivery  
Actual Delivery

**La Cumbre - SWP Deliveries in Year 2019**

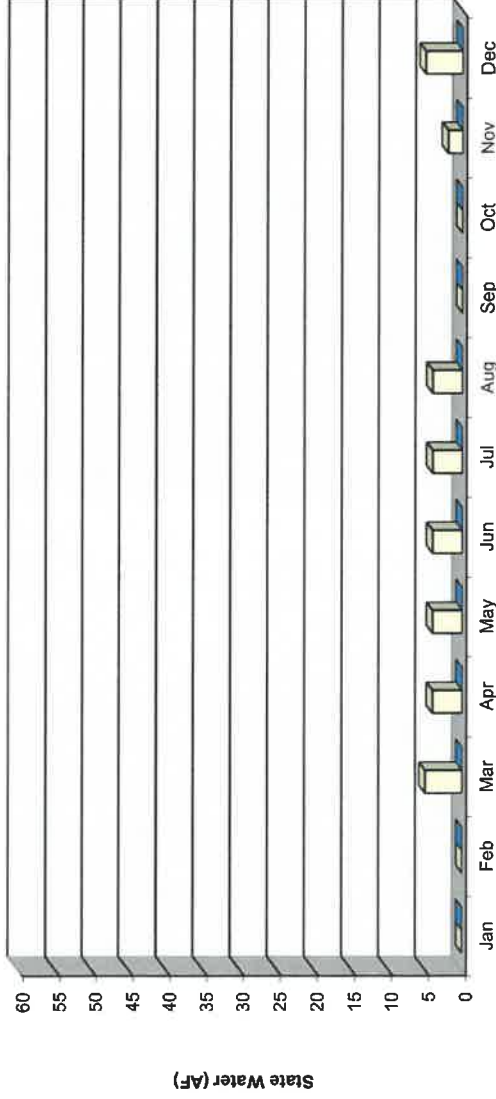
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	47	47	
Feb	86	0	
Mar	80	0	
Apr	43	0	
May	90	0	
Jun	85		
Jul	87		
Aug	88		
Sep	84		
Oct	89		
Nov	43		
Dec	76		
<b>Total</b>	<b>898</b>	<b>47</b>	



Requested Delivery  
Actual Delivery

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

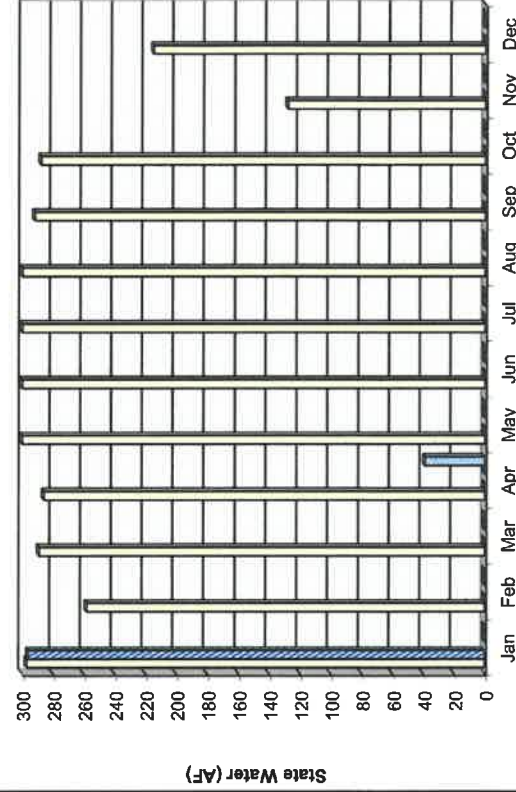
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	0	0	
Feb	0	0	
Mar	5	0	
Apr	4	0	
May	4		
Jun	4		
Jul	4		
Aug	4		
Sep	0		
Oct	0		
Nov	2		
Dec	5		
<b>Total</b>	<b>32</b>	<b>0</b>	



Requested Delivery  
Actual Delivery

### Santa Barbara - SWP Deliveries in Year 2019

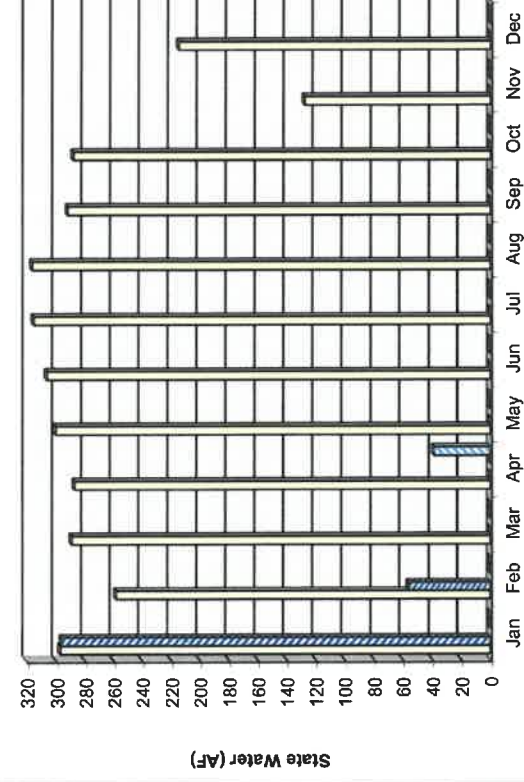
Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sched'd Water	Total Sched'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	297	0	297	296	296	0	296	
Feb	258	0	258	0	0	0	0	
Mar	289	-18	271	0	0	0	0	
Apr	286	-22	264	39	0	39	39	
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>39</b>	<b>335</b>	



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

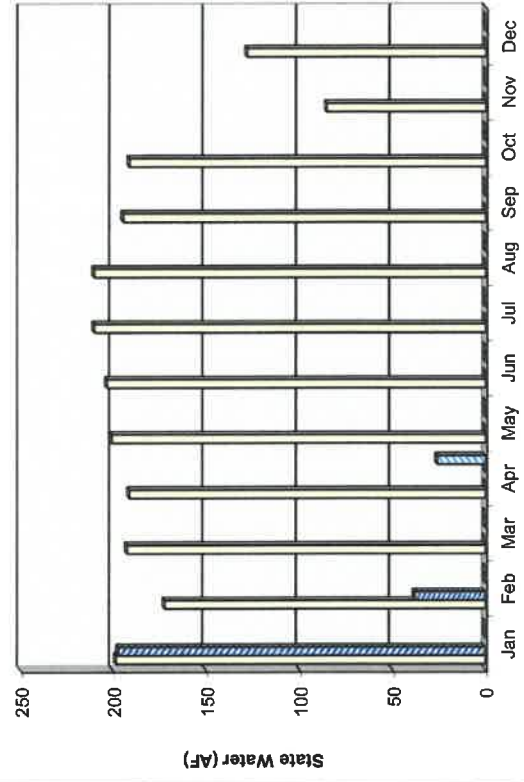
**Montecito - SWP Deliveries in Year 2019**

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	Available Allocation
Jan	297	0	297	296	0	296	
Feb	258	0	258	56	0	56	
Mar	289	-18	271	0	0	0	
Apr	287	-23	264	0	39	39	
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>3291</b>	<b>-293</b>	<b>2998</b>	<b>352</b>	<b>39</b>	<b>391</b>	



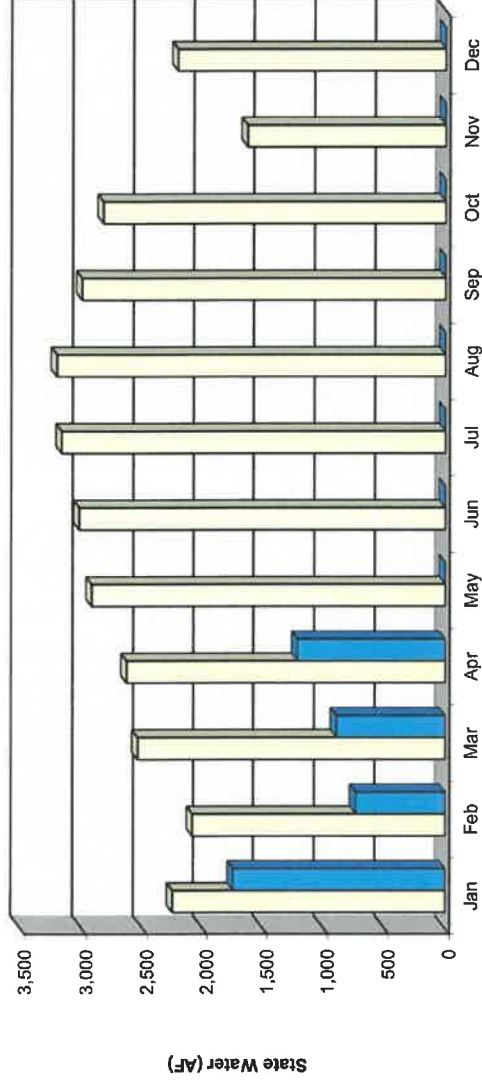
**Carpinteria - SWP Deliveries in Year 2019**

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	Available Allocation
Jan	198	0	198	197	0	197	
Feb	172	0	172.14	38	0	38	
Mar	192	-12	180.41	0	0	0	
Apr	191	-15	176.2	0	26	26	
May	201	-21	179.63				
Jun	203	-34	169.15				
Jul	210	-35	174.96				
Aug	210	-35	175.1				
Sep	194	-27	167.4				
Oct	191	-14	177.17				
Nov	86	0	85.626				
Dec	128	0	127.82				
<b>Total</b>	<b>2177</b>	<b>-193</b>	<b>1984</b>	<b>235</b>	<b>26</b>	<b>261</b>	



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

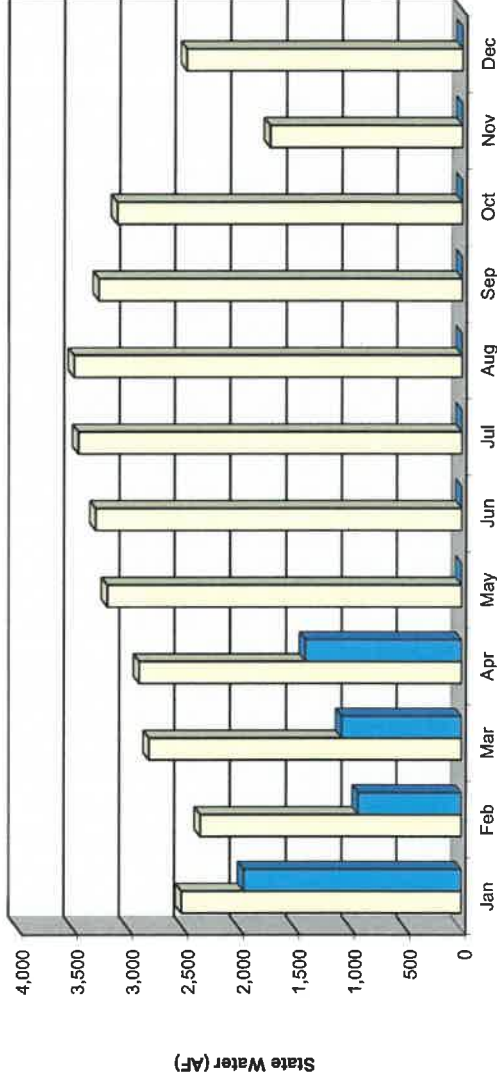
Month	Requested Delivery	Actual Delivery
Jan	2,253	1,748
Feb	2,089	737
Mar	2,543	896
Apr	2,633	1,219
May	2,922	
Jun	3,026	
Jul	3,169	
Aug	3,209	
Sep	3,004	
Oct	2,826	
Nov	1,635	
Dec	2,215	
<b>Total</b>	<b>31,525</b>	<b>4,600</b>



□ Requested Delivery  
■ Actual Delivery

**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	1,090
Apr	2,906	1,416
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>5,415</b>



□ Requested Delivery  
■ Actual Delivery






## CENTRAL COAST WATER AUTHORITY

### MEMORANDUM

May 8, 2019

**TO:** CCWA Board of Directors

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

**SUBJECT:** Delta Conveyance Project

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#### SUMMARY

On May 2, 2019, the Department of Water Resources Director sent out the attached memorandum, "New Delta Conveyance Planning Activities" to all State Water Project (SWP) Contractors outlining the need for a new Delta Conveyance Project and stepping away from the "CA WaterFix" Project. This was in response to Governor Newsom's directive to begin a renewed planning process for a smaller, single tunnel project. This report will provide additional information regarding the Delta Conveyance and the SWP Contractors' efforts to allocate costs and benefits of a project that will later be defined through environmental review. This will be the first of what is anticipated to be a three-month review of Delta Conveyance by CCWA and its project participants, with the ultimate goal of coming to a participation decision by September 2019.

#### DISCUSSION

In the previously mentioned DWR memorandum, the DWR Director states that DWR will develop a Notice of Preparation (NOP) under CEQA to begin a new environmental review process. While it is too early to know the exact project DWR will propose, it is anticipated that the project will need to meet project purposes. The NOP will be developed from a new negotiation with DWR.

#### Delta Conveyance Project

Delta Conveyance would serve the purpose of allowing some diversion to take place in the North Delta through new infrastructure, while water would continue to be diverted in the South Delta and the existing SWP infrastructure.

Delta Conveyance is designed to reduce the SWP's environmental impacts related to the various fish and other wildlife species in the Delta which is the catalyst for continued reductions in pumping imposed by the various federal and state regulatory agencies. The reduced environmental impacts would be achieved by moving the intakes on the Sacramento River, which will significantly reduce the negative river flows closest to the state and federal pumps that potentially harm protected fish species.

## **Delta Conveyance Project Cost Allocation and Financial Impacts**

In addition to DWR's efforts to begin a new planning process for a smaller, single tunnel project pursuant to the Governor's directive, the SWP Contractors have simultaneously been discussing amongst themselves potential cost allocation methodologies. The methodologies under discussion could potentially provide a way for SWP Contractors to opt out of Delta Conveyance. Since this is a new project, the SWP Contractors will have to negotiate a new cost allocation with DWR through public negotiations.

During April and May 2019, the SWP Contractors have had discussions on how to allocate the costs and benefits of Delta Conveyance. A preliminary summary of one of the potential allocation methodologies is described below. However, as noted above there will need to be a public negotiation with DWR on the issue.

1. **Elected Participation – Completely Opt-In or Opt-Out:** A SWP Contractor, for either their Agricultural or Municipal and Industrial contracted Table A Amounts, may elect to opt into Delta Conveyance for (1) their full contracted Table A Amount, (2) an amount greater than their full contracted Table A Amount, or (3) they may elect to decline participation completely. However, they may not participate in the project for less than their contracted Table A Amount.
2. **Elected Participation - Closing the Non-Participation Gap:** After all Contractors have provided their elected participation level, each participating SWP Contractor can ask for a portion of the amount remaining (gap) from the first iteration. Finally, any remaining amount (gap) will be allocated to all the participating SWP Contractors. Obviously, since this amount will not be known until the end of the process, there is no way to know what each participating SWP Contractor's share of the project will be. However, this report makes some assumptions based on the discussion so far among the SWP Contractors.
3. **\$300 Million Additional Planning Costs:** The Delta Conveyance Design and Construction Authority ("DCA") has stated that it needs an additional \$300 million from the participating SWP Contractors for additional planning work on the single-tunnel Delta Conveyance. This will require contractors to commit to the amount of Delta Conveyance they intend to invest in to provide the necessary planning monies.

## **Single-Tunnel Cost Estimates**

We will not know the exact cost estimates on the newly proposed single tunnel project until DWR has determined the scope of the project. However, during the CA WaterFix Project discussions, there were some estimates prepared for a single tunnel which provide a preliminary basis for the anticipated cost of the project.

The following assumptions are used in preparing the cost estimates:

**PRELIMINARY COST ESTIMATES ONLY**

Construction Cost Estimate	\$14 Billion
(CCWA share of construction Cost \$14 B times 1.251%)	\$ 175,140,000
Bonding Term	40 years
Interest Rate:	6%
Estimated Average Costs per year with O&M	\$1 Billion

<b>CCWA Estimated Annual Costs</b>	<b>\$ 12,510,000</b>
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Costs for CCWA Based Table A (45,486)	\$ 10,855,037
Costs to pick up non-participant shares	\$ 1,654,963

CCWA Costs over 40 Years:	\$ 500,400,000
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*Note: The \$14 billion construction cost estimate is based on an \$11 billion estimate plus inflation at 3% per year during the 10-year construction term of the project.*

**Additional Reliability Costs**

It is estimated that by participating in Delta Conveyance, the long-term reliability for the participants will not decline to an estimated 48% but maintain reliability between 67% and 69%. For CCWA that means an average annual increase in water availability of around 9,710 AF per year as shown below.

**Cost of Additional Reliability from Participating in the Project**

Annual additional Reliability from participating in the conveyance project (acre-feet)	9,710
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Est. Annual Cost to CCWA:	\$ 12,510,000
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<b>Annual Cost Per Acre-Foot of Additional Reliability</b>	<b>\$ 1,288</b>
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**Delta Conveyance Additional Planning Costs**

As previously mentioned, DCA has indicated that an additional \$300 million will be necessary to move the project into the next phases of planning and that those funds would be paid by the participating SWP Contractors.

Based on CCWA's assumed participation percentage of 1.251%, CCWA's share of the additional planning costs would be around \$3.75 million.

## **NEXT STEPS**

As currently proposed, SWP Contractors may only Opt-In at their full or an amount greater than their contracted Table A Amount or Opt-out completely in the Delta Conveyance Project.

We anticipate continuing this discussion at both the June and July 2019 CCWA Board meetings, with the goal of obtaining a final participation decision by the September 2019 CCWA Board meeting.

CCWA Project Participants should begin considering the following:

1. Does your agency wish to participate in Delta Conveyance?
2. If so, and CCWA elects not to participate fully, are you willing to purchase participation rights through CCWA from another participating SWP Contractor?
3. And are you willing to pay your allocated share of the additional planning costs?

I will discuss this in detail at the CCWA Board meeting.

RAS




## CENTRAL COAST WATER AUTHORITY

### MEMORANDUM

May 13, 2019

**TO:** CCWA Board of Directors

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

**SUBJECT:** Suspended Table A Reacquisition

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#### SUMMARY

CCWA has made efforts to reacquire 12,214 AF of Table A water that was suspended, or set aside by DWR on behalf of the Santa Barbara County Flood Control and Water Conservation District (the County) in the 1980's. The most recent efforts in December 2016, resulted in the County and CCWA executing a term sheet regarding the reacquisition of the suspended Table A (attached) outlining the terms to which CCWA and the County would base the reacquisition upon. This report will present an update on the suspended Table A efforts.

#### DISCUSSION

As discussed above, CCWA and the County executed a term sheet in December 2016 outlining the terms and conditions upon which CCWA could reacquire the 12,214 AF of suspended Table A through the County's water supply contract with DWR (attached).

Four agencies within CCWA have executed contracts with CCWA to participate in the reacquisition of the suspended Table A and all costs to date to reacquire the water have been allocated to this four agencies.

City of Santa Maria	10,814 AF
City of Guadalupe	600 AF
Santa Ynez ID#1	500 AF
City of Solvang	300 AF

After execution of the term sheet, there were some concerns that reacquiring the suspended Table A plus the additional costs that were to be placed on the State Water Project Contractors for the Cal Waterfix Project, might be too much of a financial burden. Additionally, there were some political concerns raised by some on the County Board of Supervisors regarding where the water might be used and for what purposes within the County. For these and other reasons, the reacquisition efforts were placed on hold pending resolution of some of the financial and political concerns.

Attached is a white paper that provides a timeline and history of the suspended Table A water, as well as the benefits of reacquiring the water.

### Long-Term Reliability of the State Water Project

DWR has estimated that the long-term reliability of the SWP (i.e., the amount of water the SWP can expect to provide as a percentage of the contract amounts for each of the SWP Contractors) could continue to decline from the current 62% to around 48% or lower. For CCWA, that means that for our 45,486 AF contract amount, at 48%, we could expect to see around 22,000 AF per year over the long-term. This is attributed to continued environmental restrictions and limits on pumping through the delta to protect threatened and endangered fish species.

If CCWA were to reacquire the 12,214 AF of suspended Table A water, which would act as an additional drought buffer (described in the attached white paper), the long-term reliability would be approximately as follows:

	Current Table A	With Suspended Table A	Difference
CCWA Table A Contract Amount (acre-feet)	45,486	45,486	
Suspended Table A (acre-feet)	-	12,214	
New Contract Amount with DWR		57,700	
Long-Term Reliability Percentage Estimate	62%	48%	-14%
Estimated long-term acre-feet per year	28,201	27,696	(505)

The table above shows that by reacquiring the suspended Table A, CCWA could achieve almost the same 62% long-term reliability DWR currently projects, with just a little more than a 500 AF difference.

### Updated Cost Estimates

The following costs are an estimate of the costs to reacquire the suspended Table A water through 2018:

**DRAFT -September 2018**

<i>Estimated Current Costs to Reacquire and Finance Suspended Water</i>		
<b>Cost Component (1982 to 2018 only)</b>	<b>Total Costs 2018 SOC</b>	<b>Cost per AF (12,214 AF)</b>
DWR Transportation Capital	\$ 7,814,582	\$ 640
DWR Transportation Minimum OMP&R	19,178,104	1,570
DWR WSRB Surcharge	4,056,683	332
Subtotal DWR Costs	31,049,369	\$ 2,542
Present Value-SB County Costs <sup>(1964 to 1981)</sup>	6,765,907	554
Other Bond Issue Costs, underwriter's, etc.	-	-
Total Financed Costs	\$ 37,815,276	\$ 3,096

<b>Estimated Annual Costs for Calendar Year 2018</b>	<b>2018 Costs</b>
Transportation Capital	116,121
Transportation Minimum OMP&R	509,671
WSRB Surcharge	131,396
Delta Water Charge	928,264
Current Annual Cost	\$ 1,685,452
Divided by 12,214 AF	\$ 138

Some of the CCWA Board members have requested that this be brought back to the CCWA Board for consideration, as some of the CCWA project participants may be interested in joining in the reacquisition of the suspended Table A.

RAS

Attachments



## Reacquisition of 12, 214 AFY State Water Project "Table A" Amount

Contact: Ray Stokes  
CCWA Executive Director  
ras@ccwa.com  
805.688.2292 x214

This report provides information relating to potential reacquisition by Santa Barbara County area interests of 12,214 AFY<sup>1</sup> of Table A<sup>2</sup> amount of (potential water deliveries from) the California State Water Project. The report includes an initial summary of the history and issues relating to the reacquisition decision.

The report follows the following outline:

- Timeline/History
- Background on Current Table A Amounts
- Ability to Reacquire
- SWP Transportation System Capacity and Ownership
- Potential Benefits of Reacquisition
- Estimated Costs of Suspended Table A Water
- Proposed Steps of Reacquisition

### Timeline/History

February 1963	The Santa Barbara Flood Control and Water Conservation District (FCD) executed a water supply contract with the State Department of Water Resources (DWR) for the delivery of up to 57,700 acre feet of water per year from the State Water Project (SWP).
1979	Bond election for construction of in-County SWP distribution facilities fails.
1979	FCD began to reconsider ongoing financial responsibility for SWP Contract. Distributes questionnaire to all local water agencies and cities to determine quantity of Table A that the County should retain.
1981	FCD and DWR execute Amendment No. 9 reducing the Table A amount from 57,700 AFY to 45,486 AFY.
1982-86	The FCD executes Water Supply Retention Agreements with local water purveyors for a total 45,486 AFY. These agreements obligated the subscribing water agencies to pay the County's costs for maintaining the future water supply.

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<sup>1</sup> AFY – Acre Foot per Year. The volume of one acre of surface area to a depth of one foot. A typical family in Goleta uses about 0.25 acre-feet of water per year.

<sup>2</sup> A water contracting agency's maximum entitlement.



Payments for Table A amount of 12,214 AFY were suspended by DWR under Amendment 9. Repayment to FCD of past charges was provided if the Table A amount was sold or allocated for some other project purpose.

- 1982 The FCD filed a lawsuit against DWR regarding proportionate use factors for Reach 31A. The suit was settled in 1987. Part of the negotiated settlement included DWR granting a one-year option for the FCD to reacquire all or part of the 12,214 AFY relinquished in Amendment 9.
- The option period was extended by DWR several times between 1988 and 2001 at the request of the FCD and, later, the County Water Agency. In 2001, DWR stopped responding to the County's requests for extensions to the option, stating that the annual request was unnecessary.
- May 1991 EIR for Coastal Branch and in-County facilities certified. It discussed a 57,700 AFY alternative for in-County facilities.
- June 1991 Voters in 11 out of 14 Water Supply Retention Agreement purveyor service areas approved funding and constructing local facilities to distribute SWP deliveries.
- August 1991 Central Coast Water Authority (CCWA) formed to manage SWP operations on behalf of coastal branch participants.
- November 1991 County and CCWA execute an agreement transferring certain rights and authorities to CCWA in return for CCWA (and its members) accepting responsibility for all SWP related costs. However state declines to allow a full assignment of the contract to CCWA. As a result, FCD must act on behalf of CCWA in certain SWP contract related actions.
- 2007-09 CCWA acquires concurrence from SWP contractors and DWR that reacquisition of 12,214 AFY of Table A amount may occur. CCWA approaches County to discuss reacquisition process.
- 2009 Due to the extreme downturn in the economy, CCWA postpones reacquisition of the suspended water until a later time when the local economy recovers.
- 2014-2015 CCWA once again requests the ability to reacquire the 12,214 AFY of suspended Table A water for a small sub-set of CCWA project participants including, the City of Santa Maria, City of Guadalupe and the Santa Ynez River Water Conservation District, ID#1 (including the City of Solvang).

## Background on Current Table A Amounts

The 1963 State Water Contract, in its current form, includes a "Table A" that provides for 45,486 AFY for Santa Barbara County. The various Water Supply Agreements between CCWA and its Project Participants divides this Table A Amount into the following three parts:

- A. Project Allotments (total: 39,078 AFY). Each Project Participant has a "Project Allotment" in a specified amount. For example, Santa Maria has a Project Allotment of 16,200 AFY. This amount is explicitly stated in Santa Maria's Water Supply Agreement with CCWA. The Project

Participant has certain contractual rights as to its Project Allotment, including (i) the right to transfer it to another Project Participant without CCWA approval, (ii) the right to transfer it to a non-Participant in the county with CCWA approval (which may not be unreasonably withheld), and (iii) the right to transfer it outside the County with CCWA approval and subject to a right of first refusal by existing Project Participants.

- B. Additional Allotment (total: 2,500 AFY). Goleta Water District holds Additional Allotment of 2,500 AFY which it acquired by contract from Golden State Water Company in the early 1990's. This is in addition to its Project Allotment of 4,500 AFY. In essence, this Additional Allotment is a "drought buffer" for Goleta's exclusive use. The term drought buffer is used to describe an allotment that is held in excess of the Project Allotments and serves the purpose of enhancing the year to year reliability of the Project Allotment.
- C. Drought Buffer (total: 3,908 AFY). CCWA holds 3908 AFY of Table A water as a drought buffer for the benefit of all Project Participants. By Board policy, this drought buffer has been made available to all Project Participants on a pro-rata basis. This amount is not subject to any contract with the Project Participants, and therefore no Project Participant has the contractual right to transfer its share of the "drought buffer" to anyone else.

The state water distribution and treatment system constructed by CCWA in the 1990's was sized to deliver the total of the Project Allotments (39,078 AFY), with allowance for delivery interruptions due to annual maintenance. For this reason, the Project Participants understand that they will not receive in any year an amount of water greater than their Project Allotment, unless another Project Participant voluntarily accepts a shortfall.

The "drought buffer" concept is intended to increase the amount of water delivered in any year in which the State Water Project is unable to deliver 100% of Project Allotments. This is why the drought buffer water is considered to be a reliability-enhancement strategy.

## Ability to Reacquire

In 2007 and 2008, CCWA discussed reacquisition of 12,214 AFY "Table A" amount (right to request delivery from the SWP) with the other State Water Contractors and DWR. Both the Contractors and DWR approved moving forward with this reacquisition. Since both the original Water Supply Contract and Amendment 9 were signed by the FCD, however, the request for reacquisition must come from the FCD. In addition, formal amendment of the SWP contract to modify Table A (adding the 12,214 AFY) would require FCD action. Since this would be a discretionary action (by DWR, CCWA and the FCD), compliance with the California Environmental Quality Act (CEQA) is required.

The reacquisition of 12,214 AFY would be accomplished by a very simple revision to Table A: "45,486 AFY" would be replaced with "57,700 AFY." At the same time, there would be **no change** to the agreements between CCWA and the Project Participants. There would be **no change** in the total Project Allotment of 39,078. There would be **no change** in the size of the delivery and treatment facilities. There would be **no change** in the "Additional Allotment" of 2,500 AFY held by Goleta.

The only change would be an increase in the "drought buffer" amount by 12,214 AFY, from 3908 AFY to 16,122 AFY. The net result is an increase in project reliability.

Currently, three CCWA project participants have requested some or all of the 12,214 AF of suspended water: The City of Santa Maria, City of Guadalupe and the Santa Ynez River Water Conservation District, Improvement District #1, which also includes a portion to be allocated to the City of Solvang.

## SWP Transportation System Capacity and Ownership

Design of Coastal Branch: The Coastal Branch was constructed in two phases. The first, phase, through Reach 31A, included capacity for 57,700 AFY of FCD annual deliveries. These original “Coastal Branch Phase I” facilities are located directly off the main stem of the California Aqueduct near Kettleman City in Kings County, referred to as Reach 31A and were constructed in the early years of the State Water Project to serve Berrenda Mesa Water District, and ultimately San Luis Obispo and Santa Barbara Counties when the additional facilities were built to bring State Water into each County. Below Reach 31A, including the Polonio Pass water treatment plant, the design capacity was 45,486, the amount of Table A entitlement originally held by CCWA and its members. Due to its conservative design, the Coastal Branch below Reach 31A appears to have roughly 10% operational capacity above its nominal design. This may provide operational flexibility to transport some of the additional 12,214 AFY during years of full deliveries.

Ownership of Coastal Branch: The Coastal Branch is financed (and owned by) DWR through the tank farm in the Casmalia hills. The rest of the delivery system, including the Polonio Pass Treatment Plant and the system from Casmalia to Lake Cachuma, was financed and is owned by CCWA and its members. The capital costs of the various elements of the system were financed by bonds issued by either CCWA or DWR. Interest payments on those bonds is a significant element of the systems annual cost.

Operation of SWP system: CCWA operates the entire Coastal Branch, Phase II, including the Polonio Pass Treatment Plant. Several times each year leading up to each water year the state announces projected system-wide deliveries and each contractor provides a requested delivery schedule. Actual deliveries are made based on actual system capabilities and water availability. Storage facilities located south of the Delta are used to regulate the system, improve reliability and manage the cost of pumping.

Delivery Constraints: SWP operations are constrained by three basic factors: system design, availability of water in project source areas, and environmental protection constraints. The SWP system design is generally **limited to deliver the annual Table A** amount to each contractor at their designated turnout with factors such as downtime for Operations and Maintenance (O&M) and operational constraints known at the time of design factored in. Deliveries are also limited by **availability of water** in the project source areas, particularly the nature and timing of runoff in the Feather River watershed. In particular the timing and amount of snowmelt affects the total supply available to the project in any given year due in part to storage limitations and **pumping constraints to protect environmental resources**. Because the volume, timing and nature of pumping water from the Sacramento River on the north side of the delta to the pumping plant on the south affects hydrology and habitat of endangered species, operations of the SWP are constrained at certain times of the year.

These constraints in effect set operational "windows" during which the SWP can move water, but also times when no or greatly curtailed operations occur. These constraints affect both water available in any given year, and limit SWP ability to deliver peak daily and total annual volumes. Numerical simulation (models) of the SWP and related water supply systems have been developed to evaluate the effects of existing (and potential future) constraints on SWP deliveries. DWR regularly updates their models and provides that information to the public. The latest reliability estimate is available at: <http://baydeltaoffice.water.ca.gov/swpreliability/>. The available information indicates that the SWP can supply between 6 and 90% of existing Table A amount to its contractors under the range of conditions assumed for the analysis. The long term average SWP annual delivery capability is considered to be 58% (DWR 2015 Delivery Capability Report). Since CCWA and Goleta Water District have acquired Table A

amount in excess of their direct needs, (a so called drought buffer), the average annual delivery capability to CCWA members is estimated to be approximately 75% or greater.

## Potential Benefits of Reacquisition

A number of potential benefits may be realized by reacquisition of SWP Table A amount. Existing SWP supplies were developed in the early 1990s to address water supply and water quality improvement needs identified in the 1970s and 1980s. SWP supplies are available to most urban and suburban areas in the County.

The actual benefits of any additional supplies would depend on specific management decisions in relationship to other supplies. The potential benefits are listed below.

- Supplemental supply: The region has fully developed most local water supplies, Additional SWP supplies, depending on their management, may address potential supply shortages in certain local areas.
- Dependability: SWP deliveries are subject to reduction due to shortages of supply in the watersheds of origin and constraints in operation of transportation facilities, (i.e. the Sacramento-San Joaquin Delta.). In addition, deliveries may be suspended due to required maintenance or natural disaster. Thus SWP supplies are not generally relied upon as a sole source of supply. Additional Table A amount may be used to augment requests in periods when full deliveries will not occur.
- Water quality: SWP deliveries replace high TDS groundwater for some purveyors, reducing treatment costs and improving the quality of return flows.
- Drought protection: Additional SWP allocation during dry periods may "firm up" actual deliveries and thus lessen drought related measures imposed on retail water customers. This firming up, or drought buffer, allows additional deliveries (based on unallocated Table A amounts) to be requested of DWR to make up for projected shortages in any given year.
- Value: Estimated value of reacquired water under various use scenarios can be developed using one or more methodologies. The "value" of supplemental water may be estimated several ways including:
  - comparison to other supplemental supply alternatives such as desalination,
  - comparison to water acquired by substituting for an existing use (such as agriculture), and
  - comparison to greater water efficiency.

Each of these methods of evaluation may have its shortcomings, but if taken together, they allow the "value" of the reacquisition to be placed in a reasonable context.

## Estimated Costs of Suspended Table A Water

As was discussed earlier in this report, the SWP facilities that existed prior to the successful vote to bring State Water into Santa Barbara County in 1991, included capacity for the full 57,700 AFY of Santa Barbara County Table A. These original “Coastal Branch Phase I” facilities are located directly off the main stem of the California Aqueduct near Kettleman City in Kings County, referred to as Reach 31A and were constructed in the early years of the State Water Project to serve Berrenda Mesa Water District, and ultimately San Luis Obispo and Santa Barbara Counties when the additional facilities were built to bring State Water into each County.

DWR allocates capital and operations and maintenance costs proportionally based on where each State Water Project Contractor takes water from the State Water Project facilities.

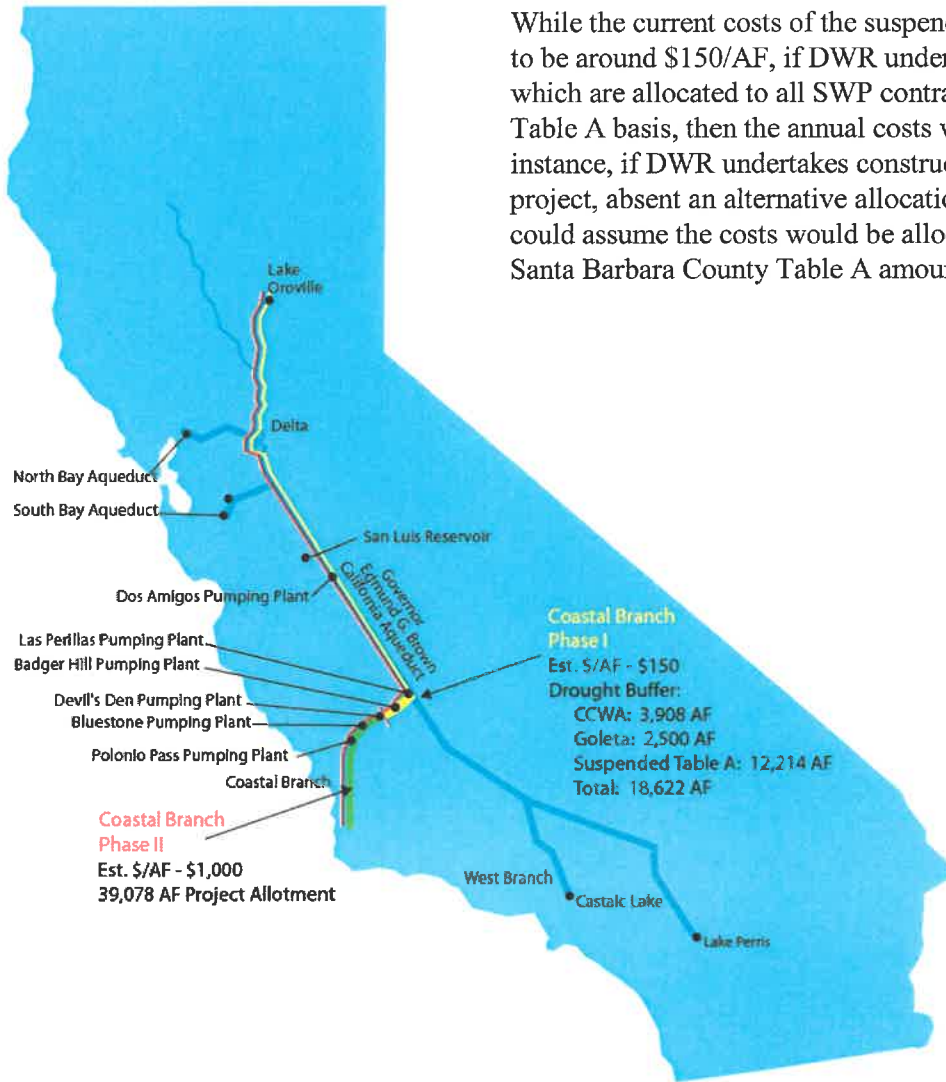
After the 1991 vote to authorize bonds to construct facilities to deliver State Water through Santa Barbara County, DWR and CCWA began the process to construct the facilities to extend the then-existing Coastal Branch Phase I facilities. The Phase II facilities were NOT designed to include the additional 12,214 AF of suspended Table A water, or the currently existing Goleta Water District drought buffer of 2,500 AF or the CCWA 3,908 AF of drought buffer. Therefore, DWR only allocates costs for three different drought buffers totaling 18,622 AF from Lake Oroville (Reach 1) through Reach 31A, (the Coastal Branch Phase I). These costs are estimated to be around \$150 per acre-foot (fixed costs only).

The costs allocated by DWR to the facilities that include the Coastal Branch Phase II include costs from Lake Oroville (Reach 1) through Reach 38 at Vandenberg Air Force Base, which includes all the newly constructed facilities to bring State Water into Santa Barbara County. These DWR costs are currently around \$1,000 per acre-foot.

The following table shows the current estimate of costs for each type of water discussed above:

	<i>Dollars per acre-foot</i>				Estimated Total Annual Costs (2015 Charges)
	Acre-Feet	Estimated DWR Costs Lake Oroville to Coastal Branch Phase I (Rch 31a)	Estimated DWR Costs CB Phase I through CB Phase II (Rch 38)	Estimated Total DWR Costs Through CB Phase II	
Project Allotment	39,078	\$ 150	\$ 850	\$ 1,000	\$ 39,078,000
CCWA Drought Buffer	3,908	\$ 150	-	\$ 150	586,200
Goleta WD Drought Buffer	2,500	\$ 150	-	\$ 150	375,000
Suspended Table A Drought Buffer	12,214	\$ 150	-	\$ 150	1,832,100
<b>TOTAL:</b>	<b>57,700</b>				<b>\$ 41,871,300</b>

The following graphic shows the same information in relation to the entire State Water Project:



While the current costs of the suspended Table A are estimated to be around \$150/AF, if DWR undertakes future projects which are allocated to all SWP contractors allocated on a Table A basis, then the annual costs will increase. For instance, if DWR undertakes construction of the Twin Tunnels project, absent an alternative allocation methodology, one could assume the costs would be allocated to all 57,700 AF of Santa Barbara County Table A amount.

### Proposed Steps of Reacquisition

- The FCD and CCWA create and sign an agreement to go through a process relating to reacquisition of the 12,214 AFY of Table A amount from DWR.
- CCWA and its members create the mechanism to fund the reacquisition process.
- The FCD and CCWA consult with DWR to initiate the process and prepare a project description and initiate the CEQA process to evaluate potential impacts to the human and natural environment.
- County certifies CEQA document after appropriate public process.
- County and DWR execute amendment.
- County and CCWA execute agreement regarding reacquisition.



RECEIVED

DEC 27 2016

CCWA

Santa Barbara County Public Works Department  
Flood Control & Water Agency

**TRANSMITTAL**

DATE: December 22, 2016

TO: Mr. Ray Stokes, Executive Director  
Central Coast Water Authority  
255 Industrial Way  
Buellton, CA 93427

RE: **Term Sheet regarding Reacquisition of Table A**

Enclosed is an original of the Term Sheet regarding Reacquisition of Table A Water that was approved at our Board meeting of December 13, 2016. This original is for your records.

Sincerely,

A handwritten signature in blue ink that reads "Christina Lopez". The signature is fluid and cursive.

Christina Lopez  
AOP

Enclosure: Term Sheet regarding Reacquisition of Table A Water (original)

**TERM SHEET  
REGARDING REACQUISITION OF TABLE A WATER**

This Term Sheet is entered into by and between the Santa Barbara County Flood Control and Water Conservation District (District) and the Central Coast Water Authority (CCWA) on its behalf and on behalf of the CCWA members who will participate in the acquisition which may include, but not limited to, the City of Guadalupe, the Carpinteria Valley Water District, the Santa Ynez River Water Conservation District, ID 1, the La Cumbre Mutual Water Company, the Montecito Water District, and the City of Santa Maria (Participants).

The purpose of this Term Sheet is to memorialize (i) the preliminary terms discussed among the parties to reacquire 12,214 acre-feet of Table A water (the Project, also referred to as additional Table A water) from the State Water Project (SWP) and (ii) the present intent of the parties in the manner approved by the California Court of Appeal in *Cedar Fair v City of Santa Clara* (2011) 194 Cal.App.4th 1150. The Project shall not proceed unless and until the parties have negotiated, executed and delivered mutually acceptable contractually binding agreements based upon information produced from the California Environmental Quality Act (CEQA) review process and other public review and hearing processes, subject to any applicable governmental approvals.

This Term Sheet is a non-binding statement of intent and does not preclude the possibility that the parties may take actions contrary to the current stated intent of the parties in order to comply with CEQA, state statutes, or other provisions of law. The use of the terms “will” or “shall” or “may” or use of the passive or active voice in any description in this document is meant to be merely descriptive, pending CEQA review and final decisions and negotiations of terms and procedures mentioned herein, and shall not, in any way, change the speculative nature of the description of the Project or terms thereof in this document.

As background the following are a list of some of the previous agreements related to the State Water Project (SWP):

- |                     |  |
|---------------------|--|
| “1963 DWR Contract” | Agreement for delivery of State Water between the California Department of Water Resources (DWR) and DISTRICT, as amended, and also referred to as the SWP Contract. |
| 1980s WSRA          | Water Supply Retention Agreements between DISTRICT and various water purveyors who ultimately formed CCWA  |



- 1991 WSA                      Water Supply Agreement between CCWA and Project Participants
- 1991 TFRA                     Transfer of Financial Responsibility Agreement between DISTRICT and CCWA

**1. Parties**

The Santa Barbara County Flood Control and Water Conservation District (District), the Central Coast Water Authority (CCWA), and each CCWA member acquiring the additional Table A water (hereinafter referred to as "Participants") which may include, but are not limited to, the City of Guadalupe, the Carpinteria Valley Water District, the Santa Ynez River Water Conservation District, ID 1, the La Cumbre Mutual Water Company, the Montecito Water District, and the City of Santa Maria, intend to execute an agreement in accordance with this Term Sheet through approval of each party's governing board, as evidenced by a resolution.

**2. Term**

Begins on execution of the agreement and ends on termination or expiration of the 1963 DWR Contract.

**3. Amendment to 1963 DWR Contract**

The District will execute an amendment to the 1963 DWR Contract revising the Table A amount from 45,486 acre-feet per year (AFY) to 57,700 AFY. Form of amendment subject to reasonable approval by the District and CCWA.

**4. Level of Participation for Additional Table A Water**

Level of participation in the acquisition and use of the additional Table A water by CCWA Members is anticipated to be as follows, but may be amended if additional CCWA members join this effort or if listed agencies withdraw:

- City of Santa Maria- \_\_ AFY
- City of Guadalupe- \_\_ AFY
- Carpinteria Valley Water District- \_\_ AFY
- Santa Ynez River Water Conservation District, ID 1- \_\_ AFY
- La Cumbre Mutual Water Company - \_\_ AFY
- Montecito Water District- \_\_ AFY

CCWA and each participating CCWA member agrees to be bound by all the terms and conditions contained in the SWP Contract and SWP Contract amendment with

respect to the rights held by CCWA or the participating CCWA members under or in connection with the SWP Contract and SWP Contract amendment.

**5. One Time Payment of Back Costs by CCWA**

CCWA will pay, from amounts collected by CCWA from participants,:

- A. To DWR: full amount required by DWR to reimburse it for costs incurred by DWR with respect to the additional Table A water.
- B. To District: full amount required by the District to reimburse it for costs incurred by the District with respect to the additional Table A water in the amount of \$\_\_\_\_\_. In lieu of Amendment 9 to the SWP Contract, CCWA may pay this amount in a lump sum to the District.

Timing: After the Amendment to 1963 DWR Contract and the agreement to which this Term Sheet pertains have been adjudged to be valid by a final judgment issued by a court of competent jurisdiction, and the Amendment to the 1963 DWR Contract has been signed.

**6. Payment of Annual Costs by CCWA**

CCWA will pay, when due and from amounts collected by CCWA from the participants, all costs arising from the additional Table A as stated in the annual Statement of Charges from DWR in accordance with Section 2 of the 1991 Transfer of Financial Responsibility Agreement between the District and CCWA.

**7. Costs**

CCWA will pay for any and all costs for the process to acquire this additional water and the acquisition of the additional Table A water.

**8. Indemnification of District by CCWA**

CCWA will indemnify, defend, and hold harmless the District against any liability arising from the additional 12,214 AFY of Table A water acquired pursuant to the amendment to the 1963 DWR Contract on behalf of the Participants.

**9. Participating Purveyor Covenants**

**A. Indemnification.**

- (i) Each Participant will, pro rata, indemnify, defend and hold harmless

the District from and against any liability arising from the amount of additional Table A water acquired by each Participant.

- (ii) In addition to any other indemnification provided under any of the other prior agreements related to the SWP, each Participant confirms that they indemnify the District for their total SWP allocation including current and additional Table A water.

- B. No Effect on Voting Rights. The agreement shall not have any effect on the voting rights of the CCWA Board of Directors and Operating Committee.
- C. Use of Water. Any water received as a result of this additional Table A water is for use within Santa Barbara County by the participants or as exchanged with other CCWA members within Santa Barbara County. In addition, this water may be used as payment for prior water exchanges or for use by any other CCWA Member within the District.
- D. CCWA will enter into separate agreements with each of the Participants who will be part of this program.

**10. Special Provisions Applicable to City of Santa Maria.**

- A. Deposit. City of Santa Maria will maintain on deposit with CCWA a fund in the amount of 2 years of payments (or an amount no less than \$\_\_\_ [note- to be determined in the final agreement based on the City's level of participation in Section 4]) to be used in the event of a payment default by the City of Santa Maria with respect to the additional Table A water.
- B. Excess Water. City of Santa Maria agrees to make any excess water available to other CCWA members, at no profit, prior to its transfer to any other person or entity. "Excess water" shall be defined as water that exceeds the needs of the City's customers and the City's need to place adequate State Water in storage outside of the County to meet projected water needs of the City's customers for a period of eighteen (18) months beyond October 1<sup>st</sup>.

**11. Reserve Fund**

CCWA will establish and maintain a fund in the amount of 2 years of payments to be made by the City Santa Maria to CCWA to be used in the event of a payment default by the City of Santa Maria with respect to the additional Table A water.

If the District determines that DWR did not receive from CCWA, or its Participant(s), sufficient funds to pay the costs of the reacquired Table A water in any year, after the exhaustion of the reserve fund and all other remedies to the extent that District is not financially exposed during CCWA's exhausting of remedies, in the District's sole discretion, the additional Table A water may revert permanently to the District who may relinquish the water to DWR.

**12. Effective Date**

The agreement will become effective after validation by the Court.

**13. CEQA Compliance**

CCWA will complete compliance with CEQA, including defending any litigation resulting therefrom, and will indemnify District against all costs thereof.

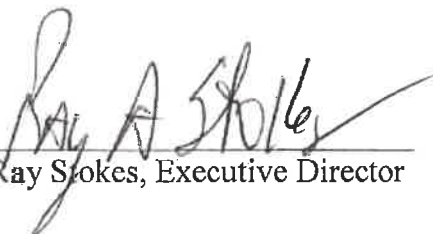
In order to comply with CEQA and give the public opportunity to participate in the CEQA process, the District and CCWA, on its behalf and on behalf of the Participants, retains the discretion to (i) modify the transaction, create and enter into documents and modify the Project as necessary to comply with CEQA, (ii) identify and select other feasible alternatives to avoid significant environmental impacts, if any, (iii) balance the benefit of the Project against any significant environmental impacts prior to taking final action if such significant impacts cannot otherwise be avoided, and/or (iv) determine not to proceed with the Project. No legal obligations will exist until the parties have negotiated, executed and delivered mutually acceptable agreements based upon information produced from the CEQA environmental review process and on other public review and hearing processes.

**14. Effect of Signatures.**

By signing below, the parties evidence their general agreement with the provisions of this Term Sheet and agree to use this Term Sheet as the framework for the negotiations of the definitive agreement. Any agreements resulting from negotiations will become effective only if considered and approved by the necessary parties following conduct of all legally required review procedures, including any necessary CEQA process. This paragraph remains a statement of general intent and does not create a legal or contractual obligation for any party to enter into any agreement described or contemplated in this Term Sheet.

**In Witness Whereof**, the parties executed this Term Sheet, as of \_\_\_\_\_, 2016:

CENTRAL COAST WATER AUTHORITY

By   
Ray Stokes, Executive Director

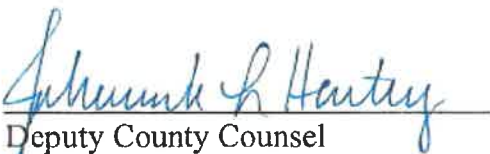
SANTA BARBARA COUNTY FLOOD  
CONTROL AND WATER CONSERVATION  
DISTRICT

By   
Chair, Board of Directors

ATTEST:  
MONA MIYASATO,  
COUNTY EXECUTIVE OFFICER  
CLERK OF THE BOARD and ex officio  
Clerk of the Santa Barbara County Flood  
Control and Water Conservation District

By   
Deputy

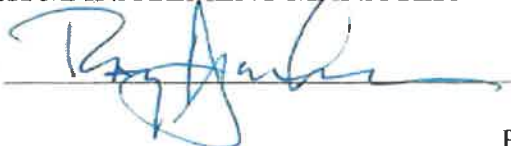
APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI,  
COUNTY COUNSEL

By   
Deputy County Counsel

APPROVED AS TO FORM:  
THEODORE FALLATI,  
AUDITOR CONTROLLER

By   
Deputy

APPROVED AS TO FORM:  
RAY AROMATORIO, ARM, AIC  
RISK MANAGEMENT MANAGER

By 

RECOMMENDED:  
SCOTT D. MCGOLPIN  
PUBLIC WORKS DIRECTOR

By 




## CENTRAL COAST WATER AUTHORITY

### MEMORANDUM

May 13, 2019

**TO:** CCWA Board of Directors

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

**SUBJECT:** CCWA 2019 Water Storage Program

---

#### SUMMARY

CCWA staff have been in discussions with various water banking entities to allow CCWA to possibly move water from San Luis reservoir into a ground water bank in order to avoid losing the water if San Luis reservoir fills and spills, or the amount of State water currently available exceeds the current needs of our project participants who may wish to store the water for use in the future.

In 2017, CCWA staff established the "CCWA Water Storage Program" to allow individual CCWA project participants to participate in identified water storage programs. This report will request approval of a Water Storage Program for calendar 2019 and request that the Executive Director be authorized to establish a water storage program in the future, based on requests from the CCWA project participants.

#### DISCUSSION

##### CCWA Water Storage Program

In 2017, the CCWA Board of Directors authorized the creation of the CCWA Water Storage Program (WSP) with the goal of identifying potential water storage opportunities for those project participants who desire to store some of their State water for future needs. The WSP included contracts that effectively insulated the other non-participants of the CCWA WSP from any and all liability associated with storing water supplies. The agreements include:

WSP Participation Agreement: Contract between CCWA and the CCWA WSA participant in which the participant agrees to be part of the current year WSP.

Binding Agreement to Store: Contract between CCWA and the CCWA WSP participant in which the participant agrees to participate in a specific water storage opportunity identified by CCWA.

Generally, when a CCWA project participant determines it needs to store some or all of their water supplies, it will execute the WSP Participation Agreement, which then allows the participant to review any water storage opportunity identified by CCWA. Then, after reviewing a particular water storage opportunity, if the participant desires to store a portion of the available water, the participant will execute the Binding Agreement to Store, which obligates the participant to provide funding (if any) and all other obligations of the storage agreement.

Attached are two contracts: The CCWA Water Storage Program Participation Agreement and the CCWA Binding Agreement to Store Water.

**RECOMMENDATION**

CCWA staff is requesting that the CCWA Board of Directors approve the CCWA Water Storage Program (WSP) and associated contracts and that the Executive Director be authorized to execute all necessary contracts under the WSP as CCWA project participants agree to participate in the various water storage programs identified under the WSP. Additionally, staff is requesting that the Executive Director be authorized to implement a Water Storage Program in future years if a need has been identified by CCWA project participants.

RAS

Attachments

5/13/19

**CENTRAL COAST WATER AUTHORITY  
WATER STORAGE PROGRAM  
PARTICIPATION AGREEMENT (for 2019)**

This Water Storage Program Participation Agreement (“Agreement”) is made as of \_\_\_\_\_ by

CENTRAL COAST WATER AUTHORITY (“Authority”)

and

\_\_\_\_\_ (“Contractor”).

**Recitals**

A. The Authority owns, operates and maintains water conveyance, storage and treatment facilities to deliver water from California’s State Water Project to cities, water districts and other water purveyors and users in Santa Barbara County.

B. The Authority and Contractor are parties to a Water Supply Agreement dated August 1, 1991 related to the matters described in Recital A.

C. Due to California’s drought and precipitation cycle, it is anticipated that the Authority and its participants will find it beneficial to have water storage available for their use.

D. The Authority has determined that it should seek to identify water storage opportunities.

E. The Contractor has determined that it wishes to participate in the Authority’s program to secure water storage opportunities, and is willing to share in the expenses pertaining thereto.

**Agreement**

1. Representation; Delivery Goal; Cooperation with Authority. Contractor agrees that the Authority shall be authorized to represent Contractor in the identification, structuring and negotiation of transactions for the use of water storage facilities, including groundwater basins, for storage of water (collectively, the “Water Storage Agreements”). Contractor represents that it is seeking to acquire the right to store \_\_\_\_ AFY of water over the term of this Agreement (“Contractor’s Storage Goal”). Contractor shall be entitled to request an increase in the Contractor’s Storage Goal stated in this paragraph (which shall be known as the “Revised Storage Goal”) by executing and delivering to the Authority, at any time during the term of this Agreement, an Amendment to Participation Agreement in a form approved by the Authority,



subject to the provisions of this Contract requiring that all costs allocated under this contract – including costs incurred prior to the delivery of the notice -- shall be allocated to the Contractor in accordance with the Revised Storage Goal.

2. Notification of Water Storage Opportunity; Statement of Intent; Allocation of Storage Space; Allocation of Costs; Deposits.

2.1 Notification of Water Storage Opportunity. The Authority shall notify Contractor of each opportunity to utilize a water storage facility identified by the Authority, which notification to the Contractor shall be either in electronic or written format and shall include a deadline for the Contractor’s response and the following information to the extent it is available to the Authority: anticipated available storage quantity, price (including both financial terms and the quantity of water to be retained by the storage facility’s owner), date of scheduled delivery of water into storage, requirements for the return of stored water, delivery risk (including anticipated transmission losses), and the anticipated procedure and schedule for environmental review.

2.2 Statement of Intent. The Contractor may submit to the Authority a Statement of Intent (“Statement of Intent” or “SOI”), in the form of the attached **Exhibit A**, which shall include the quantity of water the Contractor seeks to store in connection with that specific water storage transaction (“SOI Quantity”). If the Contractor submits a Statement of Intent prior to the deadline, the Authority shall secure and provide to the Contractor (1) a copy of the proposed water storage agreement, and (2) a Binding Agreement to Store Water in the form of the attached **Exhibit B** to be signed by the Contractor under which the Contractor agrees to participate in the specific water storage opportunity to the extent of the SOI Quantity on the terms and conditions stated therein.

2.3 Oversubscription; Allocation of Available Storage Capacity. For each water storage opportunity, if the Contractors who have delivered signed Statements of Intent (“Participating Contractors”) collectively indicate an intent to store more water than the offered storage capacity would accommodate, the total amount of water storage capacity being offered shall be allocated in proportion to the respective Storage Goals of the Participating Contractors, provided, however, that no Participating Contractor shall be allocated an amount that exceeds that Contractor’s Storage Goal.

2.4 Allocation of Costs. The Contractor shall pay to the Authority the Contractor’s pro-rata share of the Authority’s Total Expenses, which pro-rata share shall be calculated as follows:

2.4.1 For Total Expenses arising from services rendered by the Authority prior to the Authority’s identification, in writing, of a specific water storage opportunity, the Contractor’s pro-rata share shall be that Contractor’s Storage Goal as stated herein (or the Revised Storage Goal) divided by the sum of all Contractors’ Storage Goals as stated in their respective Agreements. Once a Contractor has placed into storage a quantity of water that meets its Storage Goal, that Contractor is no longer obligated to share in the Total Expenses allocated under this Subparagraph 2.4.1.

2.4.2 For Total Expenses arising from services rendered by the Authority after the Authority's identification, in writing, of a specific water storage opportunity, and that relate specifically to that storage opportunity, the Contractor's initial pro-rata share shall be that Contractor's SOI Quantity for that particular opportunity divided by the sum of SOI Quantities of all Contractors that have submitted a signed Statement of Intent for that storage opportunity. In the event that no Statements of Intent are executed and delivered by any Contractor, the pro-rata share under this subparagraph shall be calculated in accordance with subparagraph 2.4.1 above. After all water storage related to a specific water storage opportunity has been delivered, and all expenses have been determined, the Total Expenses related to that storage opportunity shall be reallocated by the Authority among the participating Contractors according to the actual quantity of storage utilized by each Participant.

2.4.3 For all payments made by the Authority to any Seller (as that term is defined in a Binding Agreement to Store Water), the Participating Contractor's pro-rata share shall be that Contractor's quantity of storage to be acquired under the Binding Agreement to Store Water divided by the sum of such quantities for all Contractors who have executed such Binding Agreements to Store Water.

2.4.4 In any event, for Total Expenses arising from services that are of benefit to only one Contractor, that Contractor shall pay for the expenses related to said services.

2.4.5 "Total Expenses" shall include all out-of-pocket expenditures made by the Authority for environmental review, consultant reports, legal expenses and other costs related to any transaction arising under this Agreement.

2.5 Deposit. Prior to execution of this Agreement, the Authority prepared and delivered to the Contractor an estimate of the Contractor's anticipated financial obligations under subparagraph 2.4 of this Agreement through the end of the 2019 calendar year, and has provided that estimate to the Contractor. Concurrently with execution of this Agreement, Contractor shall place on deposit with the Authority the amount stated in the estimate.

2.6 Subsequent Deposits. Prior to the end of the 2019 calendar year, the Authority shall provide to the Contractor an estimate of the Contractor's anticipated financial obligations under subparagraph 2.4 of this Agreement for such period of time as shall be determined by the Authority's Executive Director. The Contractor shall place on deposit with the Authority the amount stated in the estimate no later than the deadline established by the Authority's Executive Director.

2.7 Invoices and Payments. In the event the Authority reasonably determines that the deposit paid by Contractor to the Authority will be insufficient to cover Contractor's financial obligations hereunder, the Authority is authorized to deliver to the Contractor a revised estimate of those financial obligations and an invoice for an additional deposit. The Contractor shall remit the amount stated in the invoice within thirty (30) days of receipt.

## 2.8 Obligation in the Event of Default.

2.8.1 Written Demand Upon Failure to Make Payment. Upon failure of the Contractor to make any payment in full when due under this Agreement or to perform any other obligation hereunder, the Authority shall make written demand upon the Contractor, and if such failure is not remedied within thirty (30) days from the date of such demand, such failure shall constitute a default at the expiration of such period. Notice of such demand shall be provided to each other Contractor by the Authority. Upon failure of the Authority to perform any obligation of the Authority hereunder, the Contractor shall make written demand upon the Authority, and if said failure is not remedied within thirty (30) days from the date of such demand, such failure shall constitute a default at the expiration of such period. Notice of such demand shall be provided to each Contractor by the Contractor making such written demand.

2.8.2 Other Events of Default. In addition to any default resulting from breach by the Authority or the Contractor of any agreement, condition, covenant or term hereof, if the Authority or the Contractor shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the Authority or the Contractor asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension or time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the Authority or the Contractor shall make a general or any assignment for the benefit of its creditors, then in each and every such case the Authority or the Contractor, as the case may be, shall be deemed to be in default hereunder.

2.8.3 Termination of Contractual Rights; Continuing Obligations. Upon the failure of the Contractor to make any payment which failure constitutes a default under this Agreement and causes the Authority to be in default under the Purchase Agreement, the Authority may (in addition to the remedy provided by section 2.8.2 hereof), terminate the provisions of this Agreement insofar as the same entitle the Contractor to use of any storage facilities. Irrespective of such termination, the obligations of the Contractor to the Authority to pay the full amount of costs under this Agreement shall continue in full force and effect.

2.8.4 Increase in Non-defaulting Contractor Costs. Upon the failure of any Contractor to make any payment which failure constitutes a default under its respective Binding Agreement to Store Water, and except as transfers are made pursuant to Section 2.8.2 hereof, (i) the pro-rata share of each non-defaulting Contractor shall be automatically increased for the remaining term of the Water Storage Agreement pro rata with those of the other non-defaulting Contractors, and (ii) such defaulting Contractor's right to store water shall be reduced accordingly. Upon payment of such increase, a non-defaulting Contractor shall be entitled to utilize its pro rata share of such defaulting Contractor's water storage rights.

2.8.5 Right of Recovery from Defaulting Contractor. If a Contractor shall fail or refuse to pay any amounts due to the Authority, the fact that a non-defaulting Contractor has increased its obligation to make such payments shall not relieve the defaulting

Contractor of its liability for such payments, and the non-defaulting Contractor shall have a right of recovery from the defaulting Contractor to the extent of such respective increase in obligation caused by the defaulting Contractor. Any amounts received by the Authority from the defaulting Contractor for costs that were previously paid by a Non-Defaulting Contractor pursuant to Section 2.8.4 above, shall be reimbursed by the Authority to the Non-Defaulting Contractor.

2.9 Reconciliation. Upon termination of this Agreement, the Authority shall provide to the Contractor an accounting of the actual amounts Contractor is obligated to pay hereunder. Any overpayment by Contractor shall be promptly refunded by the Authority and any underpayment by the Contractor shall be promptly paid to the Authority.

3. Term; Termination.

3.1 Term. The term of this Agreement shall commence on the date this program is approved by the CCWA Board of Directors and shall continue until December 31, 2019, unless sooner terminated as provided for herein.

3.2 Termination.

3.2.1 This Contract may be terminated by the Authority at any time, provided all Contractors agree in writing thereto.

3.2.2 This Contract may be terminated by Contractor upon the expiration of thirty (30) days following the later of (i) delivery of written notice of termination to the Authority, and (ii) discharge by the Contractor, or satisfactory assurance of performance, of all financial obligations hereunder. The Authority shall promptly transmit any such notice of termination to all other Contractors.

3.2.3 In the event any Contractor submits a notice of termination pursuant to Section 3.2.2, any other Contractor may terminate this Contract effective March 1, 2017, or such other date as may be established by the Authority, upon the expiration of forty-five (45) days) following the later of (i) delivery of written notice of termination to the Authority, and (ii) discharge by the Contractor all financial obligations hereunder.

4. Contractor's Representative; Coordination Among Contractors.

4.1 Contractor's Representative. For purposes of this Agreement, Contractor shall provide to the Authority a written Designation of Representative identifying its authorized representative with full authority to grant, provide and enter into, by and on behalf of the Contractor, any and all consents, approvals, instructions, authorizations or agreements by the Contractor in connection with this Agreement (collectively, "Contractor Directions"). The Authority shall be entitled to rely upon, without inquiry, the full authority of the Contractor's designated representative. Without limiting the foregoing, the Contractor's representative shall be solely responsible for requesting and obtaining in advance any special or further authorizations on behalf of Contractor that may be necessary in connection with any Contractor Direction given to the Authority hereunder and the Authority may assume, without further

inquiry, that all such authorizations have been obtained. Contractor may designate a different individual as its representative in connection with this Agreement at any time by written notice to Authority.

#### 4.2 Coordination Among Contractors.

4.2.1 Contractors Committee. A Contractors Committee shall be created with each Contractor's Representative as stated in Section 4.1. The Committee shall be authorized to advise the Authority with respect to its duties under this Agreement, and to perform such other functions as the Contractors shall deem appropriate. Each member of the Committee shall have a weighted vote corresponding to the Contractor's Storage Goal as a proportion of the total Storage Goals for all Contractors. A quorum shall be at least 50% of the voting percentages. Committee decisions shall be made by the following vote:

4.2.1.1 If the Committee has two members, a majority of the voting percentages shall be necessary to adopt a motion.

4.2.1.2 If the Committee has three or more members, sixty percent (60%) of the voting percentages, plus the affirmative vote of at least two members, shall be necessary to adopt a motion.

4.2.2 Subcommittees of Participating Contractors. For each water storage transaction in which one or more Contractors have signed and delivered a Binding Agreement to Store Water, a Subcommittee shall be created with a representative from each such participating Contractor. The Subcommittee shall be authorized to advise the Authority with respect to its duties under the Binding Agreement to Store Water for that water storage transaction, and to perform such other functions as those Participating Contractors shall deem appropriate. Each member of the Subcommittee shall have a weighted vote corresponding to the quantity of water to be stored on behalf of that Contractor under its Binding Agreement to Store Water as a proportion of the total quantity of water to be stored for all Participating Contractors under their respective Binding Agreements to Store Water. A quorum shall be at least 50% of the voting percentages. Subcommittee decisions shall be made by the following votes:

4.2.2.1 If the Subcommittee has two members, a majority of the voting percentages shall be necessary to adopt a motion.

4.2.2.2 If the Subcommittee has three or more members, sixty percent (60%) of the voting percentages, plus the affirmative vote of at least two members, shall be necessary to adopt a motion.

#### 5. Miscellaneous

5.1 Incorporation of Recital and Exhibits. The Recitals to this Agreement and exhibits attached to this Agreement are incorporated herein and made a part hereof by this reference.

5.2 Headings. The headings in this Agreement are for convenience of reference only and shall not be used in construing this Agreement.

5.3 Legal Advice. Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions of this Agreement. Any rule of contract interpretation to the effect that ambiguities or uncertainties are to be interpreted against the drafting party or the party who caused it to exist shall not be employed in the interpretation of this Agreement or any document executed in connection herewith.

5.4 Terms Generally. The defined terms in this Agreement shall apply equally to both the singular and the plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The terms "person" and "party" include individuals, corporations, partnerships, trust, and other entities and associations. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation."

5.5 Attorneys' Fees. In any action to enforce or interpret this Agreement, the prevailing party shall recover from the non-prevailing party, in addition to any damages, injunctive or other relief, all costs (whether or not allowable as "cost" items by law) reasonably incurred by the prevailing party at, before and after trial or on appeal, or in any bankruptcy proceeding, including attorneys' and witness (expert and otherwise) fees, deposition costs, copying charges and other expenses.

5.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

5.7 Time of the Essence. Except as otherwise provided in this Agreement, time is of the essence with respect to this Agreement and the performance of each and every obligation contained in this Agreement.

5.8 Severability. If any provision of this Agreement or its application to any party or circumstance is held invalid or unenforceable, then the remainder of this Agreement and the affected provision to the extent it is not so held shall remain valid and enforceable and in full force and effect. The forgoing shall not apply, however, if the invalid or unenforceable provision in question or, as applicable, the portion or application thereof held invalid or unenforceable, is a fundamental and material provision of this Agreement.

5.9 Time for Performance. Notwithstanding any provision of this Agreement to the contrary, in the event a party fails to perform any obligation under this Agreement (other than an obligation to pay money) because of strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, government or judicial actions, inclement weather or other causes beyond its reasonable control, that failure will not constitute a default under this Agreement, and the performance in question will be excused during the period in which the cause for failure continues.

5.10 Notices. All notices required or permitted hereunder shall be in writing and shall be served on the Parties at the following address:

If to Contractor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

If to Authority:

Central Coast Water Authority  
255 Industrial Way  
Buellton, CA 93427  
Attn: Executive Director  
Telephone: (805) 688-2292  
Facsimile: (805) 686-4700

Any such notices may be sent by (a) certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the U.S. mail, (b) a recognized and reputable overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with such courier (on or prior to 5:00 p.m., local time of the sender; if deposited after such time, it shall be deemed to have been deposited on the next business day); provided, however, that this method of delivery will not be applicable to a party that has specified a P.O. Box for its address, or (c) facsimile transmission, in which case notice shall be deemed delivered upon electronic verification (on or prior to 5:00 p.m., local time of the recipient; if verification is received after such time, it shall be deemed to have been delivered on the next business day) that transmission to recipient was completed (which verification may include a fax transmission receipt, or fax transmission log, from the sending party's fax machine which includes the date and time of a stated successful transmission to the recipient). The above addresses and facsimile numbers may be changed by written notice to the other party; provided that no notice of a change of address or facsimile number shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice.

5.11 Governing Law; Venue. This Agreement and all matters relating to this Agreement shall be governed by the laws of the State of California, without regard to principles of conflicts of laws. Venue for any disputes under this Agreement shall be in Santa Barbara County, California.

5.12 Due Authority. The parties hereby represent that the individuals executing this Agreement are expressly authorized to do so on and in behalf of the parties.

5.13 Counterparts; Delivery by Facsimile. The Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute one and the same document. The signature of any party to any

counterpart shall be deemed a signature to, and may be appended to, any other counterpart. Any party may deliver its signed counterpart of the Agreement to any other party by facsimile transmission, and such delivery shall be deemed made and completed upon receipt of such facsimile transmission by the other party. Any party delivering a signed counterpart by facsimile transmission agrees to promptly send the counterpart bearing its original signature to the other party; provided that a delay or failure to do so shall not negate the effectiveness of the delivery made by the facsimile transmission.

5.14 Entire Agreement; Modification. The making, execution and delivery of this Agreement have not been induced by any representations, statements, warranties or agreements other than those herein expressed. This Agreement constitutes the entire agreement and understanding of the parties concerning the subject matter hereof. This Agreement supersedes all prior negotiations, agreements, representation and understandings of the parties relating to the subject matter hereof. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all of the parties.

5.15 Indemnification and Defense. Contractor agrees to indemnify, defend, protect and hold harmless the Authority and its officers, directors, employees, agents, Members, Associate Members and contractors from and against all claims, actions, damages, losses and expenses, including reasonable attorneys' fees, arising from or relating to this Agreement, whether said claims, actions, damages, losses or expenses arise prior to or following termination or expiration of this Agreement. If more than one Contractor signs this Agreement, the obligations of this paragraph 5.15 shall be allocated among such Contractors according to their respective Delivery Goals as stated herein.

5.16 Third Party Beneficiary; Enforcement. The parties agree that this Agreement is for the benefit of (i) the Contractor, (ii) the Authority, (iii) all Project Participants under their respective Water Supply Agreements with the Authority dated August 1, 1991, and (iv) all other Contractors who are signatories to agreements in substantially the same form as this Agreement, and all of the aforementioned entities and persons shall be entitled to enforce the provisions of this Agreement.

5.17 Superseding Previous Agreement. This Agreement entirely supersedes and replaces any agreement concerning the same subject executed between the parties hereto.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.



“Authority”

CENTRAL COAST WATER AUTHORITY  
a California joint powers agency

By: \_\_\_\_\_  
Ray Stokes, Executive Director

Approved as to form:

Brownstein Hyatt Farber Schreck

By: \_\_\_\_\_

“Contractor”

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to form:

[Insert Contractor’s counsel name]

By: \_\_\_\_\_

Attachments:

Exhibit A – Statement of Intent

Exhibit B – Binding Agreement to Store Water

#46204v1

5/13/19

## BINDING AGREEMENT TO STORE WATER

[Water Storage Facility Owner: \_\_\_\_\_]

This Binding Agreement to Store Water (“Agreement”) is made as of \_\_\_\_\_, 201\_ by

CENTRAL COAST WATER AUTHORITY (“Authority”)

and

\_\_\_\_\_ (“Participant”).

### Recitals

A. The Authority and Participant have entered into a Water Storage Program Participation Agreement as of \_\_\_\_\_, 2019 (“Participation Agreement”), and the Participant is designated as a “Contractor” under that agreement.

B. The Participant has determined to participate in a specific water storage opportunity that has been identified by the Authority, and has submitted a Statement of Intent related thereto.

### Agreement

1. Delivery and Acceptance. The Authority agrees to make available to Participant, and the Participant agrees to utilize, water storage capacity to be provided to Authority by \_\_\_\_\_ (“Seller”) pursuant to, and subject to the terms and conditions of, an agreement between the Authority and Seller (“Storage Agreement”), and subject to the availability of capacity in the water transmission and treatment facilities owned or operated by the Authority. The water storage capacity being acquired by Authority for the Participant shall be as stated on **Exhibit A** and shall be determined either (i) by agreement of all Participants with respect to that Water Storage Agreement or, (ii) in the event no agreement is reached among all Participants, by an allocation based on the pro-rata amounts stated in the respective Storage Goals of the Participants.

2. Participant Payments. The Participant agrees to pay the Authority in accordance with the provisions of the Participation Agreement.

2.1 Deposit. Prior to execution of this Agreement, the Authority prepared and delivered to the Participant an estimate of the Participant’s anticipated financial obligations hereunder with respect to the Purchase Agreement, and shall provide that estimate to the

Participant. Concurrently with execution of this Agreement, Participant shall place on deposit with the Authority the amount stated in the estimate.

2.2 Invoices and Payments. In the event the Authority reasonably determines that the deposit paid by Participant to the Authority will be insufficient to cover Participant's financial obligations hereunder, the Authority is authorized to deliver to the Participant a revised estimate of those financial obligations and an invoice for an additional deposit. The Participant shall remit the amount stated in the invoice within thirty (30) days of receipt.

2.3 Obligation in the Event of Default.

2.3.1 Written Demand Upon Failure to Make Payment. Upon failure of the Participant to make any payment in full when due under this Agreement or to perform any other obligation hereunder, the Authority shall make written demand upon the Participant, and if such failure is not remedied within thirty (30) days from the date of such demand, such failure shall constitute a default at the expiration of such period. Notice of such demand shall be provided to each other Participant by the Authority. Upon failure of the Authority to perform any obligation of the Authority hereunder, the Participant shall make written demand upon the Authority, and if said failure is not remedied within thirty (30) days from the date of such demand, such failure shall constitute a default at the expiration of such period. Notice of such demand shall be provided to each Participant by the Participant making such written demand.

2.3.2 Other Events of Default. In addition to any default resulting from breach by the Authority or the Participant of any agreement, condition, covenant or term hereof, if the Authority or the Participant shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the Authority of the Participant asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension or time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the Authority or the Participant shall make a general or any assignment for the benefit of its creditors, then in each and every such case the Authority or the Participant, as the case may be, shall be deemed to be in default hereunder.

2.3.3 Transfer for Defaulting Participant's Account. Upon the failure of the Participant to make any payment which failure constitutes a default under this Agreement, the Authority shall use its best efforts to transfer for the Participant's account, all or a portion of the water storage capacity to which the Participant is entitled hereunder for all or a portion of the remainder of the term of this Agreement. Notwithstanding that all or any portion of the Participant's water storage capacity is so transferred, the Participant shall remain liable to the Authority to pay the full amount of its share of costs hereunder as if such sale or transfer has not been made, except that such liability shall be discharged to the extent that the Authority shall receive payment from the transferee thereof.

2.3.4 Termination of Contractual Rights; Continuing Obligations. Upon the failure of the Participant to make any payment which failure constitutes a default under this Agreement and causes the Authority to be in default under the Storage Agreement, the Authority may (in addition to the remedy provided by section 2.3.3 hereof), terminate the provisions of this Agreement insofar as the same entitle the Participant to use of any water storage facilities. Irrespective of such termination, the obligations of the Participant to the Authority to pay the full amount of costs under this Agreement shall continue in full force and effect.

2.3.5 Increase in Non-defaulting Participant Costs. Upon the failure of any Participant to make any payment which failure constitutes a default under its respective Participation Agreement, and except as transfers are made pursuant to Section 2.3.3 hereof, (i) the pro-rata share of each non-defaulting Participant shall be automatically increased for the remaining term of the Purchase Agreement pro rata with those of the other non-defaulting Participants, and (ii) such defaulting Participant's right to utilize water storage capacity shall be reduced accordingly. Upon payment of such increase, a non-defaulting Participant shall be entitled to utilize its pro rata share of the water storage capacity of such defaulting Participant's water storage rights.

2.3.6 Right of Recovery from Defaulting Participant. If a Participant shall fail or refuse to pay any amounts due to the Authority, the fact that a non-defaulting Participant has increased its obligation to make such payments shall not relieve the defaulting Participant of its liability for such payments, and the non-defaulting Participant shall have a right of recovery from the defaulting Participant to the extent of such respective increase in obligation caused by the defaulting Participant. Any amounts received by the Authority from the defaulting Participant for costs that were previously paid by a Non-Defaulting Participant pursuant to Section 2.3.5 above, shall be reimbursed by the Authority to the Non-Defaulting Participant.

2.4 Reconciliation. Upon termination of the Storage Agreement, and the cessation of use of all water storage capacity specified therein, the Authority shall provide to the Participant an accounting of the actual amounts Participant is obligated to pay hereunder. Any overpayment by Participant shall be promptly refunded by the Authority and any underpayment by the Participant shall be promptly paid to the Authority.

3. Term; Termination. The term of this Agreement shall commence on the date this Agreement is signed by the Participant and the Authority, and said executed agreement is delivered to the Authority accompanied by the deposit required by Section 2.3, and shall continue until the termination of the Water Storage Agreement, unless sooner terminated as provided for herein.

4. Participant's Representative. The provisions of Section 4.1 of the Participation Agreement are incorporated herein by reference as though set forth in full herein.

5. Miscellaneous. The provisions of Section 5.1 to 5.14 of the Participation Agreement are incorporated herein by reference as though set forth in full herein.

6. Indemnification and Defense. Participant agrees to indemnify, defend, protect and hold harmless (i) the Authority and its officers, directors, employees and agents, and (ii) all Contractors under a Water Storage Participation Agreement (as described in Recital A, above) who are not Participants in the water storage which is the subject of this Agreement, from and against all claims, actions, damages, losses and expenses, including reasonable attorneys' fees, arising from or relating to this Agreement, the Storage Agreement, and the Participation Agreement. If more than one Participant signs this Agreement, the obligations of this paragraph 6 shall be allocated among such Participants in the same manner as the water storage capacity is allocated pursuant to paragraph 2 hereof.

7. Third Party Beneficiary: Enforcement. The parties agree that this Agreement is for the benefit of (i) the Contractor, (ii) the Authority, (iii) all Project Participants under their respective Water Supply Agreements with the Authority dated August 1, 1991, and (iv) all other Contractors who are signatories to agreements in substantially the same form as this Agreement, and all of the aforementioned entities and persons shall be entitled to enforce the provisions of this Agreement.

8. Superseding Previous Agreement. This Agreement entirely supersedes and replaces any Participation Agreement concerning the same subject executed between the parties hereto.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

"Authority"

"Participant"

CENTRAL COAST WATER AUTHORITY  
a California joint powers agency

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved as to form:

Approved as to form:

Brownstein Hyatt Farber Schreck

[Insert name of Participant's counsel]

By: \_\_\_\_\_

By: \_\_\_\_\_

Attachment:

Exhibit A: Table of Amounts To Be Stored by All Participants

**CENTRAL COAST WATER AUTHORITY**  
**WATER STORAGE PROGRAM**

**STATEMENT OF INTENT**

Contractor's Name: \_\_\_\_\_

Pursuant to the Water Storage Program Participation Agreement for 2019 between the Central Coast Water Authority and the above-named Contractor, the undersigned, on behalf of the Contractor states its intent to store \_\_\_\_\_ AFY of water in connection with the proposed water storage program from \_\_\_\_\_.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_




**CENTRAL COAST WATER AUTHORITY**

**MEMORANDUM**

May 15, 2019

**TO:** CCWA Board of Directors

**FROM:** John Brady, Deputy Director 

**SUBJECT:** Santa Ynez Pumping Plant, Tank Sites #2 and #5 Pavement Maintenance Project

**BACKGROUND**

The Central Coast Water Authority (CCWA) manages and maintains approximately 1,000,000 square feet of asphaltic pavement at CCWA and DWR owned facilities. Accordingly, CCWA implemented a number of measures to ensure that an organized pavement assessment and maintenance program was put into place for these facilities. The program includes: (1) periodic condition assessments of pavement, (2) repair of pavement cracking using in-house resources, and (3) utilization of an approved CCWA contractor to service selected areas of pavement through fog sealing, slurry coating or asphalt overlay, as conditions may dictate.

Based on staff's ongoing assessments of all of the paved surfaced areas managed by CCWA, the asphalt surface of the Santa Ynez Pumping Plant, Tank 2 and Tank 5 were identified as needing the application of a slurry seal. This measure serves to rehabilitate the pavement and to reverse the oxidation process that occurs with asphalt through time due to exposure. Through implementing these rehabilitative measures, re-paving the asphalt pavement is postponed, which results in an overall reduction in the operations and maintenance costs for the pavement over the long term. The total area of all three locations to be serviced in this project is approximately 170,280 Sq. Ft.

**DISCUSSION**

CCWA staff solicited competitive bids for the project through advertising in the Santa Maria Times on May 1 and 8, 2019. Staff also forwarded the Request For Bids (RFB) to 17 qualified licensed paving contractors as well as posting the RFB on the CCWA webpage and the Santa Barbara and San Luis Obispo Counties Contractor Association webpages. All contractors were provided an opportunity to tour the facilities in need of slurry sealing work on May 9, 2019. One Addendum was issued and circulated to the plan holders. Bids were publically opened on May 15, 2019 in the CCWA Board Room. The following bids were received:

Central Coast Water Authority – 2019 Slurry Seal Project		Pavement Coating Co.			Ramsey Asphalt		
Item	Description	Unit Tons	Unit Price \$	Total \$	Unit Ton	Unit Price \$	Total \$
1	Tank Site 2 (37-3 Type I Slurry Seal)	63	\$685.00	\$43,155.00	57.5	\$1,141.00	\$65,607.50
2	Tank Site 5 (37-3 Type I Slurry Seal)	25	\$1,130.00	\$28,250.00	31	\$1,141.00	\$35,371.00
3	Santa Ynez Pumping Plant (37-3 Type I Slurry Seal)	16	\$1,538.00	\$24,608.00	14.5	\$1,141.00	\$16,544.50
4	Type A HMA 0.20 to 0.25 foot Thick Pavement Replacement	8	\$875.00	\$7,000.00	5.5	\$450.00	\$2,475.00
<b>Totals</b>				<b>\$103,013.00</b>			<b>\$119,998.00</b>

CCWA staff reviewed the above Bids to determine the lowest responsive and responsible Bidder. Staff determined that the bid from Pavement Coatings Co was the lowest responsive and responsible Bidder.

## **FINANCIAL**

This project is a combination of three projects that are included in the current fiscal year budget. The budget for all three projects were based on past slurry seal projects completed for CCWA. The three projects and their respective budgets are as follows:

- Tank 2 Slurry Seal, E18PAVET2, \$80,850
- Tank 5 Slurry Seal, E18PAVET5, \$37,800
- Santa Ynez Pumping Plant Slurry Seal, E18PAVEPS, \$21,000

The total budget for all three projects is \$139,650. All three projects were bid as one package to produce a project of sufficient size that will attract slurry seal contractors to bid on the project.

Since the lowest responsive and responsible bidder's price is \$103,013, the bid is well under the established budget.

## **RECOMMENDATION**

That the Board:

- Authorize the Executive Director to award the Santa Ynez Pumping Plant and reservoir Sites Slurry Seal Project Contract to Pavement Coatings Co in the amount of \$103,013.

JLB



## SWC State Legislative Report 5/16/2019

**AB 56 (Garcia, Eduardo D) Electricity: procurement by the California Alternative Energy and Advanced Transportation Financing Authority.**

**Current Text:** Amended: 4/30/2019

**Introduced:** 12/3/2018

**Last Amended:** 4/30/2019

**Status:** 5/8/2019-In committee: Set, first hearing. Referred to APPR. suspense file.

**Location:** 5/8/2019-A. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS SUSPENSE, GONZALEZ, Chair

**Summary:**

Would authorize the Public Utilities Commission, if it makes certain findings, to authorize the California Alternative Energy and Advanced Transportation Financing Authority to undertake procurement of electricity to meet the state's climate, clean energy, and reliability goals that are not satisfied by load-serving entities. The bill would authorize the authority to undertake procurement consistent with specified objectives and to manage the resale of electricity for its contracted resources. The bill would provide for the reduction in procurement compliance obligations for load-serving entities for the electricity procured by the authority.

**SWC Position:** Monitor

**AB 62 (Fong R) State government: FI\$Cal: transparency.**

**Current Text:** Amended: 3/28/2019

**Introduced:** 12/3/2018

**Last Amended:** 3/28/2019

**Status:** 4/26/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was A. & A.R. on 2/15/2019)(May be acted upon Jan 2020)

**Location:** 4/26/2019-A. 2 YEAR

**Summary:**

The Financial Information System for California (FI\$Cal) Act establishes the FI\$Cal system, a single integrated financial management system for the state. Current law requires that the system include a state transparency component that allows the public to have access to expenditure data using an internet website. Current law limits that public access to information regarding General Fund, special fund, and federal fund expenditure data. This bill 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.

**SWC Position:** Monitor

**AB 441 (Eggman D) Water: underground storage.**

**Current Text:** Amended: 3/27/2019

**Introduced:** 2/11/2019

**Last Amended:** 3/27/2019

**Status:** 4/24/2019-In committee: Set, first hearing. Referred to APPR. suspense file.

**Location:** 4/24/2019-A. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS SUSPENSE, GONZALEZ, 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 instead provide that any diversion of water to underground storage constitutes a diversion of water for beneficial use for which an appropriation may be made if the diverted water is put to beneficial use, as specified.

**SWC Position:** Monitor

**AB 557 (Wood D) Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.**

**Current Text:** Introduced: 2/13/2019

**Introduced:** 2/13/2019

**Status:** 4/3/2019-In committee: Set, first hearing. Referred to APPR. suspense file.

**Location:** 4/3/2019-A. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS SUSPENSE, GONZALEZ, 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.

**SWC Position:** Monitor

**AB 658 (Garcia, Eduardo D) Water rights: water management.**

**Current Text:** Amended: 4/2/2019

**Introduced:** 2/15/2019

**Last Amended:** 4/2/2019

**Status:** 4/24/2019-In committee: Set, first hearing. Referred to APPR. suspense file.

**Location:** 4/24/2019-A. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS SUSPENSE, GONZALEZ, 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.

**SWC Position:** Monitor

**AB 1194 (Frazier D) Sacramento-San Joaquin Delta: Delta Stewardship Council.**

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

**Introduced:** 2/21/2019

**Status:** 4/26/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 3/11/2019)(May be acted upon Jan 2020)

**Location:** 4/26/2019-A. 2 YEAR

**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

**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:** 5/7/2019-In Senate. To Com. on RLS.

**Location:** 5/7/2019-S. RLS.

**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.

**SWC Position:** Monitor

**SB 1 (Atkins D) California Environmental, Public Health, and Workers Defense Act of 2019.**

**Current Text:** Amended: 4/11/2019

**Introduced:** 12/3/2018

**Last Amended:** 4/11/2019

**Status:** 5/14/2019-Set for hearing May 16.

**Location:** 5/13/2019-S. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS SUSPENSE, PORTANTINO, 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

**SB 19 (Dodd D) Water resources: stream gages.**

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

**Introduced:** 12/3/2018

**Last Amended:** 2/28/2019

**Status:** 5/10/2019-Set for hearing May 16.

**Location:** 4/8/2019-S. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS  
SUSPENSE, PORTANTINO, Chair

**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.

**SWC Position:** Watch

**SB 45 (Allen D) Wildfire, Drought, and Flood Protection Bond Act of 2020.**

**Current Text:** Amended: 4/4/2019

**Introduced:** 12/3/2018

**Last Amended:** 4/4/2019

**Status:** 5/1/2019-May 6 set for first hearing canceled at the request of author.

**Location:** 4/25/2019-S. APPR.

**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 the 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.

**SWC Position:** Watch

**SB 62 (Dodd D) Endangered species: accidental take associated with routine and ongoing agricultural activities: state safe harbor agreements.**

**Current Text:** Amended: 4/3/2019 **Introduced:** 1/3/2019

**Last Amended:** 4/3/2019

**Status:** 5/9/2019-Read third time. Passed. (Ayes 37. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

**Location:** 5/9/2019-A. DESK

**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 a person acting as a farmer or rancher, a bona fide employee of a farmer or rancher, or an individual otherwise contracted by a farmer or rancher.

**SWC Position:** Monitor

**SB 69 (Wiener D) Ocean Resiliency Act of 2019.**

**Current Text:** Amended: 4/29/2019

**Introduced:** 1/9/2019

**Last Amended:** 4/29/2019

**Status:** 5/14/2019-Set for hearing May 16.

**Location:** 5/13/2019-S. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS SUSPENSE, PORTANTINO, 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

**SB 204 (Dodd D) State Water Project: contracts.**

**Current Text:** Amended: 4/25/2019

**Introduced:** 2/4/2019

**Last Amended:** 4/25/2019

**Status:** 5/10/2019-Set for hearing May 16.

**Location:** 5/6/2019-S. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS SUSPENSE, PORTANTINO, Chair

**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

**SB 241 (Moorlach R) Personal Income Tax: California Voluntary Contribution Program.**

**Current Text:** Amended: 4/29/2019

**Introduced:** 2/11/2019

**Last Amended:** 4/29/2019

**Status:** 5/14/2019-Set for hearing May 16.

**Location:** 5/13/2019-S. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS SUSPENSE, PORTANTINO, Chair

**Summary:**

Current law contains administrative provisions generally applicable to a new or extended voluntary tax contribution. Current law provides for various voluntary contribution funds to be listed on the personal income tax return, including the California Firefighters' Memorial Fund and the California Peace Officer Memorial Foundation Fund, which are both repealed on January 1, 2021, except as otherwise provided. This bill would remove the repeal dates for the California Firefighters' Memorial Fund and the California Peace Officer Memorial Foundation Fund, thereby allowing those voluntary contribution funds to be listed on the personal income tax return indefinitely.

**SWC Position:** Monitor – Recommend DROP/no longer of interest

**SB 355 (Portantino D) Joint powers agencies: County of Los Angeles or County of Ventura: meetings.**

**Current Text:** Amended: 5/2/2019

**Introduced:** 2/19/2019

**Last Amended:** 5/2/2019

**Status:** 5/7/2019-In Assembly. Read first time. Held at Desk.

**Location:** 5/6/2019-A. DESK

**Summary:**

Would, until January 1, 2025, authorize any joint powers authority that is entirely within either the County of Los Angeles or the County of Ventura to designate alternate members of the legislative body of a joint powers agency who are not also members of the legislative body of a local agency member to attend closed sessions of the joint powers agency.

**SWC Position:** Monitor – Recommend DROP/no longer of interest

**SB 474 (Stern D) The California Wildlife Protection Act of 1990: Habitat Conservation Fund.**

**Current Text:** Amended: 4/22/2019

**Introduced:** 2/21/2019

**Last Amended:** 4/22/2019

**Status:** 5/10/2019-Set for hearing May 16.

**Location:** 5/6/2019-S. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS SUSPENSE, PORTANTINO, Chair

**Summary:**

Would require the Controller to continue to annually transfer \$30,000,000 from the General Fund, less any amount transferred to the Habitat Conservation Fund from specified accounts and funds, to the Habitat Conservation Fund until June 30, 2050, and would continuously appropriate that amount on an annual basis in the same proportions to the specified entities until July 1, 2050.

**SWC Position:** Monitor – Recommend DROP/no longer of interest

**SB 487 (Caballero D) Department of Water Resources: aerial snow survey.**

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

**Introduced:** 2/21/2019.

**Status:** 5/10/2019-Set for hearing May 16.

**Location:** 4/22/2019-S. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS  
SUSPENSE, PORTANTINO, 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.

**SWC Position:** Monitor

**SB 559 (Hurtado D) Department of Water Resources: grant: Friant-Kern Canal.**

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

**Introduced:** 2/22/2019

**Status:** 5/10/2019-Set for hearing May 16.

**Location:** 5/6/2019-S. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS  
SUSPENSE, PORTANTINO, 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.

**SWC Position:** Support if Amended

**SB 699 (Hill D) San Francisco Bay Area regional water system.**

**Current Text:** Amended: 3/27/2019

**Introduced:** 2/22/2019

**Last Amended:** 3/27/2019

**Status:** 5/14/2019-Read second time. Ordered to third reading.

**Location:** 5/14/2019-S. THIRD READING

**Calendar:**

5/16/2019 #66 SENATE SENATE BILLS -THIRD READING FILE

**Summary:**

Would authorize the San Francisco Bay Area Regional Water System Financing Authority to issue revenue bonds until December 31, 2030. By extending the operation of the requirements for local public entities in connection with the operation of the authority, this bill would impose a state-mandated local program.

**SWC Position:** Monitor - Recommend DROP/no longer of interest

**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.

**SWC Position:** Monitor

**SB 772 (Bradford D) Long duration bulk energy storage: procurement.**

**Current Text:** Amended: 4/11/2019

**Introduced:** 2/22/2019

**Last Amended:** 4/11/2019

**Status:** 5/10/2019-Set for hearing May 16.

**Location:** 5/6/2019-S. APPR. SUSPENSE FILE

**Calendar:**

5/16/2019 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS SUSPENSE, PORTANTINO, Chair

**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.

**SWC Position:** Monitor





**CENTRAL COAST WATER AUTHORITY**

**MEMORANDUM**

May 13, 2019

**TO:** CCWA Board of Directors  
**FROM:** Ray A. Stokes, Executive Director *RAS*  
**SUBJECT:** Personnel Policy Manual Changes

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**DISCUSSION**

Each year, the CCWA personnel attorney and CCWA staff review the personnel policy manual to identify needed changes based on personnel law changes and operational changes requiring changes or modifications to the manual.

Attached is a memo from the CCWA personnel attorney describing the proposed changes to the CCWA Personnel Policies and Procedures Manual.

Staff provided an overview of the proposed changes at the Personnel Committee meeting, and the Personnel Committee recommended Board approval of the proposed changes.

**RECOMMENDATION**

That the Board approve the proposed changes to the Personnel Policy Manual as outlined in the attached memo.

RAS

Attachment

STRADLING YOCCA CARLSON & RAUTH, P.C.

MEMORANDUM

**TO:** Ray Stokes, Executive Director **FILE NUMBER:** 102869-0001  
**FROM:** Jeffrey Dinkin  
**DATE:** May 2, 2017  
**SUBJECT:** 2019 Review of Personnel Policy Manual

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I have reviewed the CCWA Personnel Policy Manual ("Manual"), consulted with Lisa Watkins, and suggest two revisions.

First, a revision to Section 3.3.2, Donation of Accrued Vacation Time. This is an existing program that allows employees to voluntarily donate vacation time, up to a maximum amount, that would then be converted to sick leave for employees who must remain off work for illness or injury but have exhausted their accrued paid leave (sick leave, vacation and compensatory time off) (again, up to a maximum amount). Previously, the donated time would be directed to a particular employee. Upon further consideration, it seems more appropriate for the donation of vacation time to be stored in a sick leave bank that eligible employees could then access subject to approval by management and up to stated limits. A redlined copy of the proposed section can be found at the end of this memo.

Second a revision to Section 3.16.1, Retiree Health Insurance Benefits. The purpose of the revisions is to clarify the maximum contribution amount that would be made by CCWA toward the health insurance premiums for qualified retirees. One revision clarifies that for qualified retirees the increased medical contribution will be based on the lowest cost plan available in the area where the employee resided at the time of retirement. A further clarification pertains to Medicare eligible retirees, and makes clear that the contribution by CCWA will be limited to the actual cost of the plan for the employee only premium.

The proposed revisions can be explained further at the meeting. The actual proposed revised sections, redlined to show the proposed changes, are shown below.

### 3.3 VACATION

#### 3.3.2 Donation of Accrued Vacation Time

A regular full-time employee who has at least one year of continuous service with CCWA and is off work on approved leave under Section 3.5, 3.6, or 3.7 (the "Recipient Employee") may be eligible to receive vacation donations to that employee's sick leave accrual balance only if all of the conditions in this subsection are met (the "Donated Leave Program").

A regular full-time employee who has at least one year of continuous service with CCWA is eligible to donate accrued vacation time under the Donated Leave Program if, at the time of donation, the employee has an accrued vacation and compensatory time balance of at least 80 hours (the "Donating Employee") and will maintain a minimum of 40 hours in their current vacation leave balance after

**SUBJECT TO ATTORNEY-CLIENT PRIVILEGE**

donation. A Donating Employee who wishes to donate vacation time under this Donated Leave Program must submit to their supervisor for approval a signed request indicating the number of earned vacation leave hours the employee wishes to donate and acknowledging that the donation of vacation time is being made under, and subject to the terms and conditions, of the Donated Leave Program. ~~to the~~ If the request is approved, the supervisor shall forward the request to the Executive Director or their designees for review and approval. Approval request will be forward to the Human Resources Department in order to transfer the designated donated vacation time to the Donated Leave Bank, a written request to do so to the Deputy Director, or his or her designee, stating: the name of the Recipient Employee to whom the vacation time will be donated and the amount of vacation time to be donated, and acknowledging that the donation of vacation time is being made under, and subject to the terms and conditions, of the Donated Leave Program. The employee will be informed if their request is not approved.

No fewer than 8 hours or more than 40 hours of vacation may be donated at any one time within a twelve (12) month period. A Donating Employee may not deplete his or her own accrued vacation balance below 40 hours. The donation of vacation time under this Donated Leave Program is subject to the approval of CCWA. Donated vacation time under the Donated Leave Program that is accepted by the Recipient Employee and approved by CCWA transferred to the Donated Leave Bank shall not be returned to the Donating Employee if the Recipient Employee fails to use the donated time for any reason.

Vacation time donated under the Donated Leave Program transferred to the Donated Leave Bank and available for conversion to sick leave for an eligible Recipient Employee pursuant to the terms of this Section 3.3.2. When transferred to the sick leave balance of a Recipient Employee, the donated vacation time will be converted to sick leave hours for the Recipient Employees based on the following procedure. The donated vacation time will be converted to a dollar amount based upon the Donating Employee's regular hourly rate of pay at the time of the donation. The resulting dollar amount will be converted to sick leave hours based on the Recipient Employee's regular hourly rate of pay at the time of the donation, and credited to the Recipient Employee's sick leave bank ("Donated Sick Leave Time").

Employees may not solicit donations to the Donated Leave Bank. Donations under this Donated Leave Program are voluntary and employees may not be intimidated or subjected to disparate treatment for participating in or declining to participate in the Donated Leave Program. Employees may not make donations designated for a particular Recipient Employee; all donations become part of the Donated Leave Bank, to be distributed per the procedures of this Donated Leave Program.

Before ~~the~~ a Recipient Employee can receive donated vacation time under the Donated Leave Program, the Recipient Employee must either first have exhausted all of his or her accrued paid leave time balances as of the time of the donation (including vacation, sick leave and compensatory time), or if CCWA determines, in CCWA's discretion, that the Recipient Employee will have exhausted his or her paid leave balance prior to the expiration of the qualifying leave under Section 3.5, 3.6 or 3.7.

Based on the approved request, available time in the Donated Leave Bank will be provided to the Recipient Employee consistent with the provisions of this policy to a maximum of four (4) weeks or, if approved by the Executive Director or their designee, for all or part of the period until the Recipient Employee's return to work as designated in the statement of that employee's treating

health care practitioner. In the event that multiple requests for time from the Donated Leave Bank are received, the Executive Director will consider them in the order they are received but may limit individual distributions from the Donated Leave Bank due to the number of eligible Recipient Employees and the amount of time available in the Donated Leave Bank. Additionally, the Executive Director reserves the right to decline distribution of time from the Donated Leave Bank if, in their judgment, an individual is abusing the policy and thus depriving others of the benefit. Misrepresenting or falsifying the need to receive donated leave under this Donated Leave Program is grounds for discipline, including termination.

CCWA will inform the Recipient Employee that an ~~employee or employees have requested to donate leave time under the time is available through the Donated Leave Program~~, and the Recipient Employee will have 5 days to inform CCWA if he or she does not want to accept the donated time. If the Recipient Employee does not timely reject the request to donate leave time, and if the request is then approved by CCWA, the Deputy Director or his or her designee stating will inform the Recipient Employee and ~~Donating Employee~~ of the amount of Donated Sick Leave Time that will be credited to the Recipient Employee's sick leave bank, and work with the Recipient Employee to determine the timing and use of the Donated Sick Leave Time after taking into account the Recipient Employee's own accrued paid leave balance, if any.

In the event an eligible Recipient Employee is incapacitated and unable to personally make an application to for time in the Donated Leave Bank, the employee's supervisor (or co-worker, through the supervisor) may make such an application on their behalf.

If the Recipient Employee is receiving State Disability Insurance ("SDI"), Paid Family Leave benefits ("PFL"), or worker's compensation benefits, donated vacation time may be used to supplement the SDI, PFL, or worker's compensation payments such that the Recipient Employee receives the full amount of his or her regular compensation.

Any Donated Sick Leave Time that is in excess of the time used by the Recipient Employee in connection with the approved leave under Section 3.5, 3.6, or 3.7 at the time the Donated Sick Leave Time was received will be returned to the Sick Leave Bank. There is no "cash-out" value to the Recipient Employee of the Donated Sick Leave Time.

Please note that Donated Sick Leave Time may be considered taxable income to the Recipient Employee per IRS rulings.

Donated vacation time and the use of Donated Sick Leave Time will run concurrently with, and will not extend the total duration of, the leave of absence to which a Recipient Employee is entitled under Sections 3.5, 3.6 and 3.7, and cannot extend an Extended Medical Leave of Absence beyond the limitations set forth in Section 3.5.10. Recipient Employees will not accrue holidays, vacation benefits or sick leave time while off work on Donated Sick Leave Time. Unless otherwise required by the policies governing the Recipient Employee's leave of absence, the terms of the plan, and any applicable laws, a Recipient Employee is not entitled to any continued employer contributions toward any employee benefit plan while off work on Donated Sick Leave Time, but may elect to continue participating in enrolled employee benefit plans, at the Recipient Employee's own expense, to the extent permitted by such plans.

~~Multiple requests to donate vacation time to the same Recipient Employee will be processed in order of the date of the written donation requests, with the earliest dated request processed first. Excess donations will be applied as needed and may be held until a following pay period and processed at that time.~~

### 3.16 RETIREMENT

#### 3.16.1 Retiree Health Insurance Benefits

CCWA employees who retire from CCWA under CalPERS within 120 days of their last day of employment with CCWA are eligible to continue in the CCWA retiree group health insurance program offered through Public Employees' Medical and Hospital Care Act (PEMHCA). CCWA's contribution towards retiree coverage upon retirement shall be the PEMHCA minimum contribution as determined by CalPERS from time to time.

An increased retiree medical contribution from CCWA may be available for employees who are at least 62 years of age and retire from CCWA, have completed at least 10 years of service with CCWA, and are receiving medical services under a plan offered through PEMHCA in either San Luis Obispo County or Santa Barbara County, whichever is the area in which the employee resided at the time of his or her retirement. The increased medical contribution is for the employee only premium amount ~~of~~ for the lowest cost plan available in the area in which the employee resided at the time of retirement after deducting the CCWA PEMHCA minimum contribution discussed above, based on the following schedule:

Completed Years of Service with CCWA	Percentage of CCWA Contribution
10	50%
11	53%
12	56%
13	59%
14	62%
15	65%
16	68%
17	71%
18	74%
19	77%
20	80%

Note: An employee may retire before the age of 62, but will not be eligible for the enhanced retiree medical benefits until age 62.

Once an employee becomes eligible for Medicare benefits, CCWA's contribution to the employee's retiree medical premiums after deducting the CCWA PEMCHA minimum contribution will be the average employee only premium, but no more than the actual cost of the plan, for Medicare

Memorandum

May 2, 2017

Page Five

supplement policies for CCWA retirees for which CCWA employees are eligible and is available from CalPERS in the area from which the employee resided at the time of his or her retirement, either San Luis Obispo or Santa Barbara counties, until the death of the former employee.

Neither employees nor retired annuitants have a vested right to the health insurance benefits provided under this Section 3.16.1. CCWA reserves the right to discontinue, change or modify the provisions of this Section 3.16.1, at any time, upon reasonable advance notice, including but not limited to the health insurance plan or plans it offers and the amount of its contribution to retired annuitants' health insurance premiums. Employees who would like further information about the nature of the health insurance benefits offered to retired annuitants should contact the Office Manager.




**CENTRAL COAST WATER AUTHORITY**

**MEMORANDUM**

May 13, 2019

**TO:** CCWA Board of Directors

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

**SUBJECT:** Succession Planning Presentation

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At the May 23, 2019 meeting CCWA staff will provide a brief presentation on the expectations of increased staff turnover in the next 5 years. Also discussed will be the planning that is ongoing to prepare CCWA for the anticipated loss of institutional knowledge and train the incoming workforce.



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APR 29 2019

CCWA

Agenda Item VI.A.  
Board of Directors  
May 23, 2019

CITY OF SANTA MARIA  
OFFICE OF THE CITY MANAGER  
Records/City Clerk, Ext. 2306  
cityclerk@cityofsantamaria.org

110 EAST COOK STREET, ROOM 3 • SANTA MARIA, CA 93454-5190 • 805-925-0951 • FAX 805-925-2243 • www.cityofsantamaria.org

April 23, 2019

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CCWA

CENTRAL COAST WATER AUTHORITY  
255 Industrial Way  
Buellton, CA 93427

**RE: Central Coast Water Authority**

At its regular meeting of April 16, 2019, the City Council of the City of Santa Maria appointed Councilmember Etta Waterfield to serve as the City's representative to the Central Coast Water Authority. Councilmember Waterfield can be contacted via email at [ewaterfield@cityofsantamaria.org](mailto:ewaterfield@cityofsantamaria.org) or by cellphone at 805-714-1379. Utilities Director, Shad Springer, will continue as the appointed alternate.

Should you have any questions regarding this appointment, please do not hesitate to contact me at (805) 925-0951, Ext. 2307.

Sincerely,

Rhonda M. Garietz  
Chief Deputy City Clerk/Certified Municipal Clerk