



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

will be held at 9:00 a.m., on Thursday, September 26, 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 July 25, 2019 Regular Meeting
- * B. Approve Bills
- * C. Controller’s Report
- * D. Operations Report

IV. Executive Director’s Report

- * A. Delta Conveyance Project Contract Amendment Negotiations Update
- * B. Suspended Table A Reacquisition and Request for Authorization to Hire CEQA Consultant
- C. State Water Contract Assignment Update
- * D. CCWA Request to DWR for Cost Allocation Specialist at the San Joaquin Field Division
- E. Update on Lake Cachuma Bypass Piping Installation
- * F. Procurement of Santa Ynez Pumping Plant Electrical Switchboard Replacement Project
- * G. Polonio Pass Water Treatment Plant GAC Filter Media Replacement Project
- * H. Carryover of Project Funds from FY 2018/19 to FY 2019/20
- * I. Request for Approval for the Use of Appropriated Contingency for Water Treatment Plant Blower Building Roof Repair
- ◆ J. Personnel Committee
 - 1. CCWA Succession Planning - Accounting Staff
- * K. Legislative Report

V. Reports from Board Members for Information Only

VI. Items for Next Regular Meeting Agenda

VII. Date of Next Regular Meeting: October 24, 2019

VIII. Adjournment

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

- * Indicates attachment of document to original agenda packet.
- ◆ Indicates enclosure of document with original agenda packet.

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

July 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 9:01 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%
Eric Friedman	City of Santa Barbara	11.47%
Shirley Johnson	Carpinteria Valley Water District	7.64%
Gina Rubalcaba	City of Guadalupe	1.15%
Etta Waterfield	City of Santa Maria	43.19%
Floyd Wicks	Montecito Water District	9.50%

II. Public Comment

There was no public comment.

III. Consent Calendar

- A. Approve Minutes of the June 27, 2019 Regular Meeting
- B. Approve Bills
- C. Controller's Report
- D. Operations Report

A motion to approve the Consent Calendar was made by Director Andrisek, seconded by Director Wicks and carried, with all in favor, Director Rubalcaba abstaining, and none opposed.

IV. Executive Director's Report

- A. Delta Conveyance Project Update

Mr. Ray Stokes, CCWA Executive Director, provided a presentation on the Delta Conveyance Project (DCP) intended to update the Board on recent developments, noting that there is still not a defined project but the California

Department of Water Resources is requesting action by the State Water Contractors in September 2019.

The Delta Conveyance project is intended to address challenges to the current State Water Project (SWP) water as it passes through the Delta, including fish habitat, flow restrictions and other environmental concerns.

The previous project, Cal WaterFix, proposed to construct tunnels to divert water prior to the Delta, and deliver it to the existing pumps for both the State and Federal Projects. The project was intended to address the continued degradation of the water that can be pumped through the Sacramento-San Joaquin Delta due to restrictions imposed on the projects by the State and Federal Regulatory agencies. Additionally, the project attempted to address vulnerabilities in the delta regarding sea level rise and seismic risk, all of which would be at least partially mitigated by installing intakes on the Sacramento River north of the Delta.

The governor has requested a revised smaller single tunnel project, now called "Delta Conveyance Project" (DCP), and DWR is currently working on the notice of preparation for the project. Additionally, DWR and the State Water Project Contractors have entered into public contract negotiations to amend the State Water Project Contract for the new DCP. Mr. Stokes stated that State Water Project Contractors have provided an initial offer to DWR on July 24, 2019, which allows for a full Opt-Out or Opt-In approach, with an integrated DCP to the existing SWP. The other major points of the Contractor's initial offer includes accounting principles, General Operations principles, and a resolution process for disputes.

Mr. Stokes provided an estimate of costs of a single tunnel project which was analyzed as part of the previous Cal WaterFix environmental analysis. Key principles for the current estimates for the single tunnel project include opt in/or out, ability to enter into an agreement for a portion of the project from those opting in, and the costs of the project will follow the water.

For purposes of estimating costs, Mr. Stokes used the following assumptions: Financing would be provided by a 40 year bond at 6%, with construction costs of \$11 Billion, or \$14 Billion adjusted for inflation. Only the SWP contractors south of the Delta would be participating. CCWA's estimated share of the \$14 billion construction cost of the project would be \$152 Million, and total annual costs of \$1 Billion when fully operational, equating to \$10.9 Million per year for CCWA based on its 1.09% Table A percentage, or \$240/AF at full Table A participation. If considered from the aspect of projected additional reliability of 8,500 AF the cost of the additional water would be \$1,289/AF.

The Delta Design and Construction Authority has stated it needs an additional \$350 Million for the continuing planning associated with the project, or \$3.8 Million for CCWA's share based on CCWA's estimated share of the project at 1.09%. Mr. Stokes explained the long term ramifications of participation or non-participation to CCWA at this point.

Potential actions for the CCWA are to opt in fully, or opt out and potentially participate in the future through an agreement with a contractor who has opted in.

The long term reliability of the Delta Conveyance versus Reacquisition of the Suspended Table A water discussed last month was again reviewed, as well as the capital and incremental costs of the two options.

Other considerations include the seismic risk of the Delta, the continued decline in the long-term reliability of the SWP, and the risk that the project may be sized only for those opting in. A timeline for the process leading to a notification to DWR of CCWA's decision relating to the project was provided.

B. CCWA Water Storage Program and Groundwater Banking Proposal

At its June 27, 2019 meeting, the CCWA Board approved moving forward with obtaining requests for proposals from engineering/consulting firms to prepare a feasibility study to determine if it would be advantageous for CCWA to develop its own groundwater banking operations.

San Luis Obispo County Flood Control and Water Conservation District (SLO County) staff have stated the County is willing to partner with CCWA in the feasibility study and will share equally the costs with CCWA. Subsequent to the discussion in June, questions and concerns have been raised by certain CCWA project participants.

CCWA is changing its focus on the matter to an analysis of options available to CCWA, especially in light of the new SWP contract provisions related to water management.

CCWA staff is working with SLO County staff to prepare a Request for Qualification (RFQ) for firms who may have alternatives not currently being considered by CCWA to maximize water management for Santa Barbara County and San Luis Obispo County. In response to a question from Director Johnson, Mr. Wes Thomson of SLO County stated that there were storage facilities in San Luis Obispo County, however the proposal was to look for ways to optimize and strategize water exchange as well as storage, both groundwater and surface. Mr. Brady, CCWA Deputy Director, noted that there would be a new set of rules with the new State Water Contract, and the goal was to get new ideas through an experienced team to maximize those rules.

Upon a motion by Director Wicks, seconded by Director Waterfield and carried with all in favor and none opposed, the CCWA Board of Directors authorized CCWA staff to obtain Request for Qualifications for firms to identify future water management options in conjunction with San Luis Obispo County Flood Control and Water Conservation District, to exclude consideration of groundwater basins in the Santa Ynez Valley and territory within the CCWA South Coast Participant's groundwater basins.

C. DWR Calendar Year 2020 Statement of Charges

Each year when the CCWA Budget is being prepared, CCWA must estimate the charges from DWR for the second half of the CCWA fiscal year because DWR bills on a calendar year basis, while CCWA prepares its budget on a fiscal year basis. After receipt of the Statement of Charges (SOC), CCWA then compares

the actual charges from DWR to the amounts used in preparing the fiscal year budget, to determine the difference between the estimates and the actual costs.

This year, DWR has increased the SOC by about \$900,000, and the cost component with the biggest difference is a reduction in the Water System Revenue Bond component.

D. Letter of Recommendation to DWR for Cost Allocation Position at the San Joaquin Field Division

As part of the annual Statement of Charge (SOC) process, DWR submits an estimate of the draft Statement of Charges for the following calendar year. This estimate is referred to the "May Estimate" of the SOC.

This year, DWR submitted the May Estimate of charges for the calendar year 2020 SOC in May, which showed that the 2020 Transportation Minimum OMP&R charges were estimated to be almost \$19 million. While the amount is lower for 2020 than the \$24 million amount in 2019, it was still around \$4 million higher than the estimates used in preparing the CCWA FY 2019/20 budget.

After receipt of the May Estimate, Mr. Stokes requested that DWR staff review the charges to see if there were any errors in the cost allocation to CCWA. DWR Operations staff reviewed the charges and identified charges for weed control that were being allocated to reaches 31A and 33A, but the actual work was only being done in reach 31A. Therefore, DWR was able to move the costs to 31A, which decreased the estimated 2020 Transportation Minimum OMP&R charges by almost \$4 million.

This exercise highlighted the sensitivities associated with cost allocations at the DWR field divisions, and the DWR State Water Project Deputy Director recommended that DWR hire an individual whose sole responsibility would be to oversee and audit the cost allocations for the San Joaquin field division, which is one of the largest field divisions in the project.

CCWA staff believes it would be extremely advantageous to have a dedicated position to oversee the San Joaquin Field Division cost allocations and is requesting CCWA Board approval for the Executive Director to send a letter to the Director of DWR requesting DWR fill this position as soon as possible.

Upon a motion by Director Johnson, seconded by Director Rubalcaba and carried with all in favor and none opposed, the Board authorized the Executive Director to send a letter to the Director of DWR requesting DWR authorize and fill the position of San Joaquin Field Division Cost Allocation Specialist.

E. State Water Project Extension Update

DWR is currently working on the contract language for the contract extension, the challenges to the validation action are causing a delay. DWR's counsel has stated there is no way to proceed with bond issuance beyond the the current term of the contract, 2035, so DWR continues to be unable to issue bonds beyond that time, causing an increase in capital costs due to the short bonding term.

F. Approval to Expend Funds for the Installation of Bypass Facilities for Lake Cachuma Deliveries

Mr. Brady provided a presentation on the new alignment of the CCWA Bradbury Dam (the Dam) bypass piping crossing over the top of the Dam, instead of within the Dam's spillway. The new alignment will have the bypass pipe parallel to the spillway, and a design and operating plan has been submitted to the USBR. USBR have indicated they will approve the proposed design and plan within the next several weeks, and Mr. Brady provided a cost estimate for implementation of \$77,800 for the construction of the bypass alignment, to be funded through excess funds from last year's budget. In response to a question from Director Wicks, Mr. Brady stated that CCWA's insurer, JPIA, will be informed related to this project.

Ms. Borah noted the information was not included in the meeting materials, and requested that for transparency all future requests of this nature be provided in advance. Mr. Stokes noted that the timing was problematic, due to the delays in the USBR approval as well as the restrictions to water delivery, and since there will not be a Board meeting in August, it was imperative that the matter be resolved quickly.

Motion to approve the project to relocate the Bradbury penstock bypass pipeline to the "over-the-top-of-dam" route and approve the use of excess funds from Fiscal Year 2018/2019 to fund this project in the amount of \$77,800 by Director Wicks, seconded by Director Waterfield and carried with all in favor and none opposed.

G. Finance Committee

1. FY 2018/19 Fourth Quarter Investment Report

As of June 30, 2019 the investment portfolio totaled \$90.8 million and had an effective rate of return of 2.35% on an average daily balance for the month of June 2019 of about \$88.6 million. The investments were comprised of the State of California Local Agency Investment Fund (LAIF), (\$64.8 million), and Montecito Bank & Trust money market accounts (\$16.0 million) and U.S. Treasury Notes held in a Charles Schwab Brokerage Account (\$10.0 million).

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

The Finance Committee recommended Board approval of the FY 2018/19 Fourth Quarter Investment Report.

Upon a motion by Director Waterfield, seconded by Director Wicks and carried with all in favor and none opposed, the Board approved the fourth quarter FY 2018/19 investment report.

V. Reports from Board Members for Information Only

Director Wicks thanked Mr. Stokes for his presentation to the Montecito Water District Board on the Delta Conveyance project.

There were no other reports from Board members.

VI. Items for Next Regular Meeting Agenda

- A. Delta Conveyance
- B. Suspended Table A

VII. Date of Next Regular Meeting: September 26, 2019

The August 22, 2019 meeting of the Board has been cancelled.

VIII. Adjournment

The meeting was adjourned at 11:05 AM.

Respectfully submitted,

Elizabeth Watkins
Secretary to the Board



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - July and August 2019

VENDOR	INVOICE AMOUNT	DESCRIPTION
GENERAL & ADMINISTRATIVE EXPENSES		
AWWA	433.00	Dues and Memberships
Bank of America Business Card	24.00	CMSFO Meeting
Bank of America Business Card	35.00	JPIA Training
Bank of America Business Card	223.55	Staff meetings
Bank of America Business Card	325.59	National Safety Council Training
Bank of America Business Card	345.00	GFOA Budget Award
Bank of America Business Card	359.88	Publications, subscriptions, postage
Bank of America Business Card	971.16	ProWorx Training Expense
Bank of America Business Card	1,720.01	Job Advertisement
Bank of America Business Card	725.00	ACWA Conference
Bank of America Business Card	746.07	Tri-State Training Expenses (3 employees)
Bazzell, David	160.18	Reimbursable expenses -Training travel expense
California Chamber of Commerce	659.00	Membership Dues 2019-20
California Rural Water Association	208.00	Membership 2019-20
Cardmember Service	581.72	News Subscription
Cardmember Service	3,423.36	State Water Contractors - Travel and meetings
Dargatz, Darin	50.00	Reimbursable expenses - Certification renewals
Federal Express	97.94	Express shipping
Greybar	1,650.00	Instrument Controller Training
Kieding, Eric	60.00	Reimbursable expenses - Certification Renewal
Kieding, Eric	216.84	Reimbursable expenses - Travel expenses
Light Brigade, Inc.	2,057.79	Fiber Optic training, ETA Certification testing
Matthews, Laura	64.73	Reimbursable expenses - Travel expense
National Safety Council	425.00	NSC Membership Dues 2019-20
Nelson, Garrett	60.00	Reimbursable expenses - Certification Renewal
Scheer, Adam	126.34	Reimbursable expenses - Training travel expenses
Thompson, James	200.00	Reimbursable expenses - Certification Renewal
Total Funds	400.00	Postage - postage machine
Ultrix Business Products	407.69	Printing Expenses
United Parcel Service	198.49	Shipping expenses
Water Research Foundation	5,800.00	Membership 2019-20
	\$ 22,755.34	Total General & Administrative
MONITORING EXPENSES		
AmeriPride Services, Inc.	646.70	Lab supplies
Culligan Industries Water Systems	275.00	Carbon Tank Rentals, Tri-Bed Tank Rentals
Environmental Resource Association	2,173.54	QC Testing
Eurofins Eaton Analytical	80.00	Lab testing
Hach Company	2,658.06	Lab supplies
IDEXX Distribution Corp.	2,246.61	Lab supplies
VWR International	3,096.14	Lab supplies
	\$ 11,176.05	Total Monitoring Expenses
OFFICE EXPENSES		
AND Design Agency	64.38	Employee ID Cards
Bank of America Business Card	28.30	Office and kitchen supplies
Office Depot	979.44	Office, janitorial & kitchen supplies
Solvang Bakery	51.90	Board and Committee meeting pastries
Staples Inc.	168.97	Office, janitorial & kitchen supplies
Ultrix Business Products	146.00	Office supplies
Valley Oaks Printing	682.06	Business cards/Envelopes
	\$ 2,121.05	Total Office Expenses



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - July and August 2019

VENDOR	INVOICE AMOUNT	DESCRIPTION
OTHER EXPENSES		
ACWA/JPIA	3,334.00	Insurance - Excess Crime Insurance 2019-20
ACWA/JPIA	64,142.31	Insurance - Property Insurance 2019-20
American Marborg	164.72	Tank 2/EDV Rental
Bank of America Business Card	275.89	Computer miscellaneous expenses
Comcast	386.32	Internet Service
CompuVision	840.00	Semi Annual Spam Filtering
CompuVision	2,232.00	Annual Dual Factor Authentication
CompuVision	9,692.50	Managed Service Agreement
De Lage Landen Financial Services	563.75	Copier Lease - BAO
Dell Business Credit	9,694.45	6 Dell Computers/Laptops
Impulse Internet Services	6,314.90	T-1 System and Internet Service (Buellton and Shandon)
Mail Finance	442.65	Postage Machine Lease
Marborg Industries	310.18	Tank 5/Tank 7 Rental
Pavement Coatings Co.	103,013.00	Slurry Seal Projects
Praxair Company	94.09	Gas tank
Sage Software Inc	2,188.00	Support Service Renewal
Trombley Painting Company	12,595.00	Painting of Tanks at WTP
Valley Tool Rentals	85.00	Mower Rental
Wilson Creek Communications	310.00	Internet Service
Xerox Financial Services	188.62	Copier Lease - WTP
	<u>\$ 216,867.38</u>	Total Other Expenses
OTHER MISCELLANEOUS EXPENSES		
Department of Water Resources	16,889,547.00	Variable OMP&R, Delta Water & Transport Charge - July & Aug
Bureau of Reclamation	112,384.00	Warren Act October 2019 -September 2020
State Water Contractors	98,018.00	Member Dues FY 2019/20
	<u>\$ 17,099,949.00</u>	Total Other Miscellaneous Expenses
PERSONNEL EXPENSES		
ACWA/JPIA	15,500.77	Workman's Compensation Insurance
Advanced Industrial Care	150.00	Pre-employment Physical/Drug Screening
American Industrial Care	124.00	Pre-employment Physical/Drug Screening
Bank of America Business Card	100.00	Employee Achievement Awards Program
CalPERS Health	66,477.36	Health Insurance
CalPERS Retirement	73,036.12	Pension Contributions
CCWA Payroll Wages/Taxes	504,195.01	Gross Payroll Wages/Taxes
Dental/Vision Payments	14,757.23	Dental/Vision Benefits
Industrial Medical Group	260.00	Pre Employment Physical
MetLife SBC Insurance	2,036.06	Life Insurance
Nelson, Garrett	130.00	Reimbursable expense - Commerical License Physical
Other Misc Employee Benefits	9,147.06	Vehicle, Uniform and Cafeteria Plan Benefits
Standard Insurance Company	2,487.30	Disability Insurance
	<u>\$ 688,400.91</u>	Total Personnel Expenses
PROFESSIONAL SERVICES		
Air Pollution Control District	437.50	Equipment permit renewals
Bank of America Business Card	481.98	Team Building Workshop Deposit
Bartel Associates, LLC	2,060.00	GASB 68/75 Accounting Report
Cardno, Inc.	589.00	Environmental Consulting
Credential Check Corporation	226.38	Background checks



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - July and August 2019

VENDOR	INVOICE AMOUNT	DESCRIPTION
Safety Kleen Systems, Inc	338.61	Washer Parts/Service
Samba Holdings, Inc.	66.00	DMV driver reports
Stradling Yocca Carlson Rauth	842.20	Legal - Employee Matters
Underground Service Alert	76.10	New USA tickets
Your People Professionals, Inc	575.00	Human Resources Consulting
	\$ 5,692.77	Total Professional Services
CIP PROJECTS - MATERIALS & OVERHEAD		
3C Engineering, Inc.	2,350.00	HVAC System Design
CompuVision	10,165.61	Network Switch Replacement
Farwest Corrosion Control	11,777.72	CP Rectifier Upgrade
Integrated Industrial Supply	1,260.04	Fall Protection Equipment - Distribution
Mid State Fence	12,000.00	Security Fencing Project
Mueller Water Products Inc.	7,232.73	Clarifier Valve and Actuator Replacement
Mullahey Ford, Inc.	38,259.83	WTP IC&R Technician Truck - Replaces T020
Winema Industrial & Safety Supplies	7,230.56	Fall Protection Equipment - Distribution
	\$ 90,276.49	Total CIP Project - Materials and Overhead
REPAIRS & MAINTENANCE		
ABP International, Inc	1,334.14	Equipment repairs and maintenance
American Industrial Supply	109.15	Parts, repair and maintenance
AmeriPride Services, Inc.	865.27	Building maintenance supplies
Applied Spectrometry Associate	1,707.84	Equipment repairs and maintenance
Bank of America Business Card	50.63	Vehicles repairs and maintenance
Bank of America Business Card	3,384.94	Equipment repairs and maintenance
Cal Coast Irrigation, Inc.	253.23	Parts, repair and maintenance
CDW Government, Inc	309.97	Equipment repairs and maintenance
City of Buellton	193.78	Landscape maintenance - water
Consolidated Electrical Distributors	283.75	Parts, repair and maintenance
Controls Inc	1,096.00	Parts, repair and maintenance
Coverall North America, Inc	1,958.00	Janitorial service - BAO/SYPS
D&H Water Systems Inc.	515.59	Equipment repairs and maintenance
Endress+Hauser, Inc.	1,002.43	Parts, repair and maintenance
Ferguson Enterprise, Inc.	137.88	Parts, repair and maintenance
Galco Industrial Electric, Inc.	106.51	Parts, repair and maintenance
GFG Instrumentation Inc.	179.93	Equipment repairs and maintenance
Grainger Inc.	3,142.05	Parts, repair and maintenance
Green Coast Auto and Diesel	137.23	Auto parts and supplies
Harrison Hardware	17.71	Parts, repair and maintenance
Home Depot	182.86	Parts, repair and maintenance
Independent Electric Supply	366.91	Equipment repairs and maintenance
Jan's Gardening Service	1,125.00	Landscape maintenance - BAO/SYPS
Knechts Plumbing and Heating	4,441.16	HVAC service and repairs
Lowe's	75.25	Parts, repair and maintenance
McMaster-Carr Supply Company	498.65	Maintenance supplies
Noble Saw, Inc.	418.28	Equipment repairs and maintenance
Office Depot	105.21	Janitorial supplies
Paso Robles Chevrolet	594.90	Vehicles repairs and maintenance
Powder Coating USA	300.00	Equipment repairs and maintenance
Praxair Distribution, Inc.	62.84	Repairs & maintenance supplies
Precision Digital Corp	506.86	Equipment repairs and maintenance



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - July and August 2019

VENDOR	INVOICE AMOUNT	DESCRIPTION
Procare Janitorial Supply	256.49	Janitorial supplies - WTP
Progressive Greenery	330.00	Landscape maintenance - WTP
PRW Steel Supply, Inc.	522.23	Equipment repairs and maintenance
Rio Vista Chevrolet	3,406.90	Vehicle maintenance
Santa Ynez Valley Hardware	31.00	Maintenance supplies
Staples	127.41	Janitorial Supplies
Steve's Wheel & Tire	62.71	Equipment repairs and maintenance
Todd Pipe & Supply	52.90	Maintenance supplies
Ultrax Business Products	211.91	Copier maintenance
United Staffing Associates	2,298.24	Janitorial Service - WTP
Vreeland Ford	53.40	Vehicle maintenance
Wesco Distribution	570.53	Equipment repairs and maintenance
Western Exterminator Co	211.00	Pest control spraying - BAO and SYPS
Zoom Imaging Solutions, Inc	140.59	Copier Maintenance
	\$ 33,739.26	Total Repairs & Maintenance
SUPPLIES & EQUIPMENT		
AmeriPride Services, Inc.	1,951.34	Uniform expenses
Astra Industrial Services Inc	114.00	Erosion control supplies
B&B Steel & Supply of Santa Maria	64.49	Equipment & maintenance supplies
Bank of America Business Card	20.00	Fuel - Autos
Bank of America Business Card	95.91	Safety supplies
Bank of America Business Card	136.33	Minor tools
Bank of America Business Card	157.21	Equipment & maintenance supplies
Burt Industrial Supply, Inc	289.69	Minor Tools, Maintenance supplies and hardware
Carquest Auto Parts	182.24	Equipment & maintenance supplies
Carr's Boots & Western Wear	327.24	Uniform expenses
Chemtrade Chemicals US, LLC	63,195.19	Chemicals - WTP
Delta Liquid Energy	43.60	Maintenance supplies and hardware
Galco Industrial Elect, Inc.	557.83	Maintenance supplies and hardware
GFG Instrumentation Inc.	738.59	Safety supplies
Grainger Inc.	1,396.61	Minor tools, equipment & maintenance supplies, safety supplies
Harrison Hardware	118.41	Maintenance supplies and hardware
Hill Brothers Chemical Company	14,300.15	Chemicals - WTP
Home Depot	(126.50)	Minor tools, equipment & maintenance supplies
JCI Jones Chemical	64,713.32	Chemicals - WTP
Lowe's	380.58	Maintenance supplies and hardware
Praxair Distribution Inc.	142.22	Equipment maintenance
PRW Steel Supply, Inc	91.11	Supplies & materials
Santa Ynez Valley Hardware	18.69	Maintenance supplies and hardware
Scheer, Adam	12.25	Reimbursable expenses - Fuel
Sterling Water Technologies, LLC	15,456.00	Chemicals - WTP
Ultrasystems Electronics Inc.	2,997.00	Minor tools
Univar USA, Inc.	3,373.73	Chemicals - WTP
WEX Bank - Wright Express	10,661.72	Fuel - Autos
	\$ 181,408.95	Total Supplies & Equipment



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - July and August 2019

VENDOR	INVOICE AMOUNT	DESCRIPTION
UTILITIES		
Bank of America Business Card	56.52	Telephone conference charge
City of Buellton	362.74	Water - BAO
Delta Liquid Energy	301.24	Propane gas
First Choice Technology	39.38	Phone - Long distance carrier, 800#
Frontier	561.24	Telephone charges
Health Sanitation Services	498.24	Waste Disposal - SYPS
Marborg Industries	284.80	Waste Disposal - BAO
Pacific Gas & Electric	40,321.43	Utilities - BAO/SYPS/WTP
San Miguel Garbage Company	450.04	Waste Disposal - WTP
Santa Barbara Computer Recycling	150.00	Disposal Services
Santa Ynez River Water Conservation	331.20	Water - SYPS
Stokes, Ray	129.28	Reimbursable Expenses - Cell Phone charges
Surfnet Communications, Inc.	150.00	Wireless Internet - Chorro
The Gas Company	6.20	Natural Gas - BAO
Verizon Wireless	366.81	Cell phone charges
	<u>\$ 44,009.12</u>	Total Utilities
 Subtotal - Bills for Ratification	 <u><u>\$18,396,396.32</u></u>	

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CENTRAL COAST WATER AUTHORITY

Bills for Approval

VENDOR		INVOICE AMOUNT	DESCRIPTION
State of California DWR	\$	4,214,570.00	Capital Cost and Minimum OMP&R Charges -Sept'19
Subtotal - Bills for Approval	\$	4,214,570.00	
Total Ratification and Approval Bills	\$	<u>22,610,966.32</u>	

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Statements of Net Position

ASSETS	Preliminary & Unaudited June 30, 2019	May 31, 2019
Current Assets		
Cash and investments	\$ 14,082,475	\$ 11,011,978
Accounts Receivable (Note 1)	21,422	-
Accrued interest receivable	348,947	202,592
Other assets	1,517,971	1,785,876
Total Current Assets	15,970,816	13,000,445
Restricted Assets		
Investment Accounts		
Operations and Maintenance Reserve Fund (Note 2)	2,114,880	2,118,040
DWR Reserve Fund (Note 3)	790,153	789,949
Rate Coverage Reserve Fund (Note 4)	9,294,576	9,289,256
Debt Service Payments (Note 5)	10,418,498	5,250,475
Department of Water Resources (Note 6a)	53,867,764	37,148,516
Credits Payable (Note 7)	282,810	558,291
Escrow Deposits (Note 8)	477,123	476,850
Total Restricted Assets	77,245,804	55,631,376
Property, Plant and Equipment		
Construction in progress (Note 9)	785,149	1,791,499
Fixed assets (net of accumulated depreciation)	92,129,189	91,291,459
Total Property, Plant and Equipment	92,914,338	93,082,958
Other Assets		
Unamortized bond issuance costs (Note 10)	544,166	582,197
Long term receivable (Note 11)	2,480,119	2,758,642
Total Other Assets	3,024,285	3,340,838
Total Assets	\$ 189,155,243	\$ 165,055,617

Central Coast Water Authority

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Statements of Net Position

LIABILITIES AND FUND EQUITY	Preliminary & Unaudited June 30, 2019	May 31, 2019
<u>Current Liabilities</u>		
Accounts Payable	\$ 134,538	\$ 58,672
DWR and Warren Act Charge Deposits (Note 6a)	54,070,584	37,148,518
CCWA Variable Charge Deposits (Note 6b)	690,234	12,573
Accrued interest payable	360,876	240,585
Other liabilities	722,516	647,264
Rate Coverage Reserve Fund	793,033	9,222,497
DWR Reserve Fund	9,282,145	789,949
Unearned Revenue	20,556,723	10,807,732
Credits Payable to Project Participants	1,732,827	954,944
Total Current Liabilities	88,343,477	59,882,733
<u>Non-Current Liabilities</u>		
Bonds payable (Note 12)	28,870,000	28,870,000
Bond Original Issue Premium, net	1,458,793	1,560,747
OPEB Liability	970,227	831,506
Escrow Deposits	480,959	476,850
Net Pension Liability	3,494,467	3,756,159
Total Non-Current Liabilities	35,274,445	35,495,263
<u>Commitments and Uncertainties</u>		
<u>Net Assets</u>		
Contributed capital, net (Note 13)	22,562,433	22,562,433
Retained earnings	42,974,887	47,115,189
Total Net Assets	65,537,320	69,677,622
Total Liabilities and Net Assets	\$ 189,155,243	\$ 165,055,617



Statements of Revenues, Expenses and Changes in Net Position

	<i>Preliminary & Unaudited</i> <u>June 30, 2019</u>	<u>May 31, 2019</u>
<u>Operating Revenues</u>		
Operating reimbursements from project participants	\$ 19,362,209	\$ 21,219,678
Other revenues	158,036	135,849
Total Operating Revenues	<u>19,520,245</u>	<u>21,355,526</u>
<u>Operating Expenses</u>		
Personnel expenses	4,839,488	4,262,788
Office expenses	18,517	16,489
General and administrative	213,275	189,675
Professional services	335,847	299,176
Supplies and equipment	1,027,130	951,851
Monitoring expenses	86,218	68,129
Repairs and maintenance	278,452	244,134
Utilities	887,696	845,071
Depreciation and amortization	1,299,198	1,179,675
Other expenses	548,001	522,714
Total Operating Expenses	<u>9,533,821</u>	<u>8,579,702</u>
Operating Income	<u>9,986,424</u>	<u>12,775,824</u>
<u>Non-Operating Revenues</u>		
Investment income	1,281,897	1,103,283
Total Non-Operating Revenues	<u>1,281,897</u>	<u>1,103,283</u>
<u>Non-Operating Expenses</u>		
Interest	1,552,500	1,432,208
Current year credits payable	2,156,244	747,021
Total Non-Operating Expenses	<u>3,708,744</u>	<u>2,179,230</u>
Net Income	<u>7,559,577</u>	<u>11,699,878</u>
<u>Retained Earnings</u>		
Retained earnings at beginning of period	<u>35,415,311</u>	<u>35,415,311</u>
Retained earnings at end of period	<u>\$ 42,974,887</u>	<u>\$ 47,115,189</u>

Central Coast Water Authority
Notes to Financial Statements
June 30, 2019

Note 1: Accounts Receivable

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

Note 2: O&M Reserve Fund

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

<u>Project Participant</u>	<u>Amount</u>
City of Guadalupe	\$ 28,275
City of Santa Maria	832,818
Golden State Water Company	25,704
Vandenberg AFB	388,689
City of Buellton	29,714
Santa Ynez ID #1 (Solvang)	77,113
Santa Ynez ID #1	25,704
Goleta Water District	231,339
Morehart Land Co.	10,282
La Cumbre Mutual Water Company	51,403
Raytheon Systems Company	2,570
City of Santa Barbara	154,225
Montecito Water District	154,226
Carpinteria Valley Water District	102,818
TOTAL:	<u>\$ 2,114,880</u>

Central Coast Water Authority
Notes to Financial Statements
 June 30, 2019

Note 3: DWR Reserve Fund

The DWR Reserve Fund was established to provide a funding source for payments to the State of California Department of Water Resources (DWR) when there is a difference between estimates used to prepare the DWR portion of the annual CCWA budget and the actual amounts billed to the Authority by DWR. Contributions to the DWR Reserve Fund are voluntary. Funding of each participating Project Participant's share of the DWR Reserve Fund will come from a combination of (1) CCWA Operating Expense budget surpluses, if any (2) Interest earnings on funds held in all other accounts on behalf of the participating Project Participant and (3) excess amounts, if any, from any of the DWR Statement of Charges cost components until the funding Target Amount is reached. The Target Amount will be equal to the participating Project Participant's proportional share of a \$10 million allocation of DWR Transportation Minimum OMP&R charges. The following schedule shows the current fund balance of the participating Project Participant's.

Project Participant	Amount
City of Guadalupe	8,372
City of Santa Maria	458,882
Golden State Water Company	14,759
City of Buellton	\$ 27,023
Santa Ynez ID #1 (Solvang)	62,451
Santa Ynez ID #1	128,002
Morehart Land Co.	10,719
La Cumbre Mutual Water Company	26,165
Raytheon Systems Co.	2,705
City of Santa Barbara	51,074
TOTAL:	\$ 790,153

Note 4: 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	\$ 191,861
City of Santa Maria	5,023,638
City of Buellton	276,090
Santa Ynez ID #1 (Solvang)	614,606
Santa Ynez ID #1	463,003
La Cumbre Mutual Water Company	402,130
Montecito Water District	1,464,907
Carpinteria Valley Water District	843,067
Shandon	15,274
TOTAL:	\$ 9,294,576

Central Coast Water Authority
Notes to Financial Statements
June 30, 2019

Note 5: 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	\$ 11,937
California Men's Colony	104,411
County of SLO	111,225
Cuesta College	52,210
Morro Bay	673,694
Oceano	87,278
Pismo Beach	144,248
Shandon	11,819
Guadalupe	148,551
Buellton	263,192
Santa Ynez (Solvang)	807,336
Santa Ynez	303,198
Goleta	2,544,588
Morehart Land	116,940
La Cumbre	559,442
Raytheon	24,488
Santa Barbara	1,564,239
Montecito	1,838,584
Carpinteria	1,051,119
TOTAL:	\$ 10,418,498

Central Coast Water Authority
Notes to Financial Statements
June 30, 2019

Note 6a: 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	\$ 694,010
City of Santa Maria	20,311,888
Golden State Water Company	639,942
Vandenberg AFB	8,504,439
City of Buellton	756,414
Santa Ynez ID #1 (Solvang)	1,963,831
Santa Ynez ID #1	800,202
Goleta Water District	6,662,115
Morehart Land Co.	248,752
La Cumbre Mutual Water Company	1,366,070
Raytheon Systems Co.	66,370
City of Santa Barbara	4,734,997
Montecito Water District	4,377,353
Carpinteria Valley Water District	2,741,382
TOTAL:	<u>\$ 53,867,764</u>

Note 6b: Cash Payments for CCWA Variable Charges

Cash deposits for payments to CCWA for Variable Assessments.

Project Participant	Amount
City of Guadalupe	\$ 12,365
City of Santa Maria	82,382
Golden State Water Company	-
Vandenberg AFB	16,783
City of Buellton	14,314
Santa Ynez ID #1 (Solvang)	10,096
Santa Ynez ID #1	29,826
Goleta Water District	116,151
Morehart Land Co.	1,958
La Cumbre Mutual Water Company	23,415
Raytheon Systems Co.	5,882
City of Santa Barbara	83,200
Montecito Water District	144,097
Carpinteria Valley Water District	94,317
Shandon	1,940
Lopez Turnout	22,815
Chorro Turnout	30,693
TOTAL:	<u>\$ 690,234</u>

Central Coast Water Authority
Notes to Financial Statements
 June 30, 2019

Note 7: 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	\$ (1)
City of Santa Maria	659
Golden State Water Company	30
Vandenberg AFB	279,635
City of Buellton	50
Santa Ynez ID #1 (Solvang)	114
Santa Ynez ID #1	1,374
Goleta Water District	54
Morehart Land Co.	6
La Cumbre Mutual Water Company	32
Raytheon Systems Co.	2
City of Santa Barbara	33
Montecito Water District	630
Carpinteria Valley Water District	24
Shandon	(2)
Lopez Turnout	66
Chorro Turnout	104
TOTAL:	\$ 282,810

Note 8: Escrow Deposits

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

Project Participant	Amount
Morehart Land Company	\$ 377,675
Raytheon Systems Company	99,448
TOTAL:	\$ 477,123

Note 9: 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	\$ 97,080
Materials	564,799
Overhead	123,271
Project CIP Total:	\$ 785,149

Central Coast Water Authority
Notes to Financial Statements
 June 30, 2019

Note 10: 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 11: 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	\$ 5,671
California Men's Colony	126,663
County of SLO	135,079
Cuesta College	63,337
Morro Bay	968,922
Oceano	38,633
Pismo Beach	63,785
Shandon	4,613
Guadalupe	164,733
Buellton	26,813
Santa Ynez (Solvang)	71,523
Santa Ynez	31,694
Goleta	407,199
Morehart Land	1,875
La Cumbre	9,373
Raytheon	2,475
Santa Barbara	88,896
Montecito	141,420
Carpinteria	127,414
TOTAL:	\$ 2,480,119

Note 12: 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
June 30, 2019

Note 13: 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.

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



Budget and Actual All Reaches

	June 30, 2019		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 9,368,796	8,465,302	90.36%
Variable operating assessments	3,069,046	1,609,927	52.46%
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Total Operating Revenues	12,437,843	10,075,229	81.00%
<u>Operating Expenses ⁽²⁾</u>			
Personnel expenses	5,032,011	4,839,488	96.17%
Office expenses	20,500	18,517	90.33%
General and administrative	275,985	213,275	77.28%
Professional services	425,520	335,847	78.93%
Supplies and equipment	2,115,202	1,027,130	48.56%
Monitoring expenses	113,624	86,218	75.88%
Repairs and maintenance	279,880	278,452	99.49%
Utilities	1,302,775	887,696	68.14%
Depreciation and amortization	-	-	N/A
Other expenses	1,912,356	548,001	28.66%
Total Operating Expenses	11,477,854	8,234,624	71.74%
Operating Income	959,989	1,840,605	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 959,989	1,840,605	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred from FY 2017/18 to FY 2018/19. and for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Administration

	June 30, 2019		Percent Expended ⁽¹⁾
	Budget	Actual	
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 1,773,663	\$ 1,664,663	93.85%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Total Operating Revenues	1,773,663	1,664,663	93.85%
Operating Expenses ⁽²⁾			
Personnel expenses	946,918	1,067,804	112.77%
Office expenses	10,500	11,137	106.07%
General and administrative	192,185	151,195	78.67%
Professional services	215,748	197,996	91.77%
Supplies and equipment	-	-	N/A
Monitoring expenses	-	-	N/A
Repairs and maintenance	31,695	23,844	75.23%
Utilities	16,316	13,883	85.08%
Depreciation and amortization	-	-	N/A
Other expenses	277,313	137,744	49.67%
Total Operating Expenses	1,690,676	1,603,603	94.85%
Operating Income	82,987	61,060	
Non-Operating Revenues			
Investment Income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Current Year credits payable	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 82,987	61,060	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred from FY 2017/18 to FY 2018/19. and for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Water Treatment Plant

	June 30, 2019		
	Budget	Actual	Percent Expended ⁽¹⁾
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 4,410,369	4,118,248	93.38%
Variable operating assessments	2,021,062	1,119,067	55.37%
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Total Operating Revenues	6,431,430	5,237,315	81.43%
Operating Expenses ⁽²⁾			
Personnel expenses	2,399,833	2,215,698	92.33%
Office expenses	6,000	5,507	91.79%
General and administrative	51,550	38,611	74.90%
Professional services	96,739	82,431	85.21%
Supplies and equipment	2,012,791	949,257	47.16%
Monitoring expenses	113,624	86,218	75.88%
Repairs and maintenance	166,485	159,009	95.51%
Utilities	178,809	167,926	93.91%
Depreciation and amortization	-	-	N/A
Other expenses	1,042,861	231,648	22.21%
Total Operating Expenses	6,068,692	3,936,304	64.86%
Operating Income	362,738	1,301,011	
Non-Operating Revenues			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 362,738	1,301,011	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred from FY 2017/18 to FY 2018/19. and for carryover revenues from FY 2018/19 to FY 2019/20

Central Coast Water Authority
Polonio Pass Water Treatment Plant
Fixed and Variable Cost per Acre-Foot
 June 30, 2019

	July 2018	Aug. 2018	Sept. 2018	Oct. 2018	Nov. 2018	Dec. 2018	Jan. 2019	Feb. 2019	Mar. 2019	April 2019	May 2019	June 2019	Total for Year
WTP Fixed O&M Costs													
Fixed O&M Expenses	\$ 340,685	\$ 207,536	\$ 213,293	\$ 237,669	\$ 268,514	\$ 246,007	\$ 241,799	\$ 253,561	\$ 202,439	\$ 201,546	\$ 264,550	\$ 300,643	\$ 2,978,241
Annual Table A Amount ⁽¹⁾	43,908	43,908	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	\$ 6.03	\$ 6.85	\$ 67.83
WTP Variable O&M Costs													
Variable O&M Expenses	\$ 148,836	\$ 145,300	\$ 82,151	\$ 84,947	\$ 43,009	\$ 90,886	\$ 103,213	\$ 45,150	\$ 63,591	\$ 37,272	\$ 42,818	\$ 70,891	\$ 958,063
Actual Water Treated	3,281	3,285	2,740	2,607	1,076	2,389	1,967	942	1,090	1,579	1,760	2,175	24,891
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	\$ 24.33	\$ 32.59	\$ 38.49

(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

	June 30, 2019		
	Budget	Actual	Percent Expended ⁽¹⁾
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 312,769	268,495	85.84%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	312,769	268,495	85.84%
Operating Expenses ⁽²⁾			
Personnel expenses	177,199	183,948	103.81%
Office expenses	421	197	46.85%
General and administrative	3,391	2,469	72.81%
Professional services	11,885	3,617	30.44%
Supplies and equipment	10,768	8,235	76.48%
Monitoring expenses	-	-	N/A
Repairs and maintenance	8,590	12,919	150.38%
Utilities	6,274	19,508	310.96%
Depreciation and amortization	-	-	N/A
Other expenses	19,681	25,699	130.58%
Total Operating Expenses	238,208	256,593	107.72%
Operating Income	74,561	11,902	
Non-Operating Revenues			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 74,561	11,902	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred from FY 2017/18 to FY 2018/19. and for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Santa Ynez I

	June 30, 2019		
	Budget	Actual	Percent Expended ⁽¹⁾
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 575,328	525,129	91.27%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	575,328	525,129	91.27%
Operating Expenses ⁽²⁾			
Personnel expenses	271,613	251,199	92.48%
Office expenses	645	302	46.83%
General and administrative	5,198	3,783	72.79%
Professional services	18,217	5,552	30.47%
Supplies and equipment	16,506	12,671	76.77%
Monitoring expenses	-	-	N/A
Repairs and maintenance	13,168	11,451	86.96%
Utilities	9,616	5,576	57.99%
Depreciation and amortization	-	-	N/A
Other expenses	90,857	30,251	33.30%
Total Operating Expenses	425,819	320,784	75.33%
Operating Income	149,509	204,345	
Non-Operating Revenues			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 149,509	204,345	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred from FY 2017/18 to FY 2018/19. and for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Santa Ynez II

	June 30, 2019		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 1,019,674	848,558	83.22%
Variable operating assessments	1,047,985	490,860	46.84%
Other revenues	-		N/A
Total Operating Revenues	2,067,659	1,339,418	64.78%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	549,645	459,582	83.61%
Office expenses	1,305	611	46.82%
General and administrative	10,518	7,654	72.76%
Professional services	36,866	23,396	63.46%
Supplies and equipment	33,401	25,136	75.26%
Monitoring expenses	-	-	N/A
Repairs and maintenance	26,646	22,700	85.19%
Utilities	1,067,444	658,519	61.69%
Depreciation and amortization	-	-	N/A
Other expenses	196,436	46,988	23.92%
Total Operating Expenses	1,922,262	1,244,585	64.75%
Operating Income	145,397	94,833	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 145,397	94,833	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred from FY 2017/18 to FY 2018/19 and for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Reach 33B

	June 30, 2019		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 700,375	528,559	75.47%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	700,375	528,559	75.47%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	366,564	327,606	89.37%
Office expenses	870	407	46.81%
General and administrative	7,015	5,104	72.77%
Professional services	24,586	9,968	40.54%
Supplies and equipment	22,276	16,424	73.73%
Monitoring expenses	-	-	N/A
Repairs and maintenance	17,771	14,670	82.55%
Utilities	12,978	9,401	72.44%
Depreciation and amortization	-	-	N/A
Other expenses	118,753	25,817	21.74%
Total Operating Expenses	570,813	409,398	71.72%
Operating Income	129,563	119,161	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 129,563	119,161	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred from FY 2017/18 to FY 2018/19. and for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Reach 34

	June 30, 2019		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 233,090	226,995	97.38%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	233,090	226,995	97.38%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	157,605	151,042	95.84%
Office expenses	374	175	46.81%
General and administrative	3,016	2,194	72.76%
Professional services	10,571	9,847	93.15%
Supplies and equipment	9,577	7,452	77.81%
Monitoring expenses	-	-	N/A
Repairs and maintenance	7,641	14,008	183.34%
Utilities	5,580	5,344	95.77%
Depreciation and amortization	-	-	N/A
Other expenses	17,505	10,765	61.50%
Total Operating Expenses	211,868	200,827	94.79%
Operating Income	21,222	26,168	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 21,222	26,168	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred from FY 2017/18 to FY 2018/19. and for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Reach 35

	June 30, 2019		
	Budget	Actual	Percent Expended ⁽¹⁾
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 86,836	84,593	97.42%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	86,836	84,593	97.42%
Operating Expenses ⁽²⁾			
Personnel expenses	58,008	48,978	84.43%
Office expenses	138	64	46.78%
General and administrative	1,110	807	72.73%
Professional services	3,891	1,084	27.86%
Supplies and equipment	3,525	2,572	72.95%
Monitoring expenses	-	-	N/A
Repairs and maintenance	2,812	1,151	40.92%
Utilities	2,054	1,212	59.04%
Depreciation and amortization	-	-	N/A
Other expenses	6,443	16,176	251.06%
Total Operating Expenses	77,980	72,044	92.39%
Operating Income	8,855	12,549	
Non-Operating Revenues			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 8,855	12,549	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred from FY 2017/18 to FY 2018/19. and for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Reach 37

	June 30, 2019		
	Budget	Actual	Percent Expended ⁽¹⁾
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 59,138	57,593	97.39%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	59,138	57,593	97.39%
Operating Expenses ⁽²⁾			
Personnel expenses	39,944	40,855	102.28%
Office expenses	95	44	46.81%
General and administrative	764	556	72.77%
Professional services	2,679	747	27.87%
Supplies and equipment	2,427	2,127	87.64%
Monitoring expenses	-	-	N/A
Repairs and maintenance	1,936	8,814	455.18%
Utilities	1,414	472	33.36%
Depreciation and amortization	-	-	N/A
Other expenses	4,437	2,594	58.47%
Total Operating Expenses	53,697	56,210	104.68%
Operating Income	5,441	1,384	
Non-Operating Revenues			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 5,441	1,384	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred from FY 2017/18 to FY 2018/19. and for carryover revenues from FY 2018/19 to FY 2019/20



Budget and Actual Reach 38

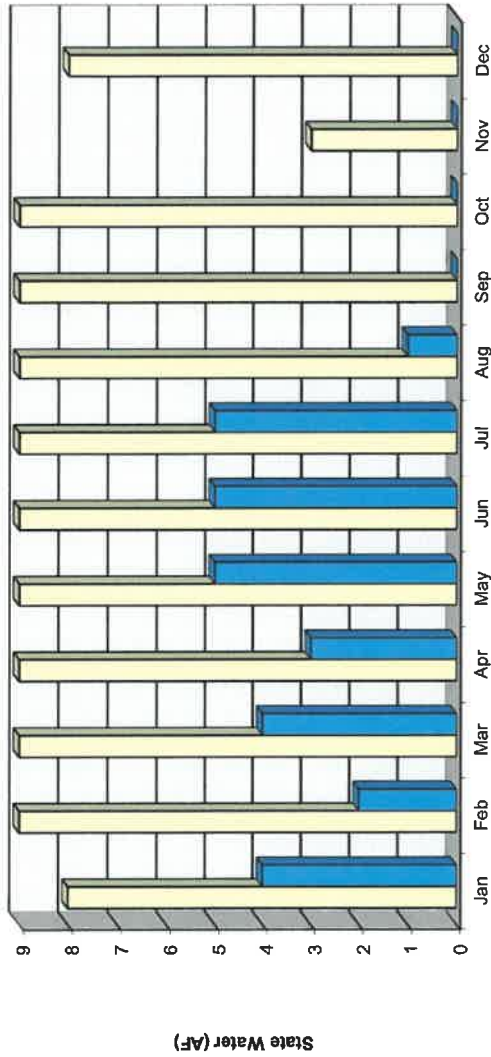
	June 30, 2019		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 95,715	93,212	97.38%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	95,715	93,212	97.38%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	64,681	62,656	96.87%
Office expenses	154	72	46.83%
General and administrative	1,238	901	72.81%
Professional services	4,338	1,210	27.89%
Supplies and equipment	3,931	2,871	73.03%
Monitoring expenses	-	-	N/A
Repairs and maintenance	3,136	1,285	40.96%
Utilities	2,290	764	33.38%
Depreciation and amortization	-	-	N/A
Other expenses	7,184	4,049	56.37%
Total Operating Expenses	86,951	73,808	84.88%
Operating Income	8,764	19,404	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 8,764	19,404	

(1) Percent of year expended: 100%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues transferred from FY 2017/18 to FY 2018/19, and for carryover revenues from FY 2018/19 to FY 2019/20

Shandon T.O. - SWP Deliveries in Year 2019

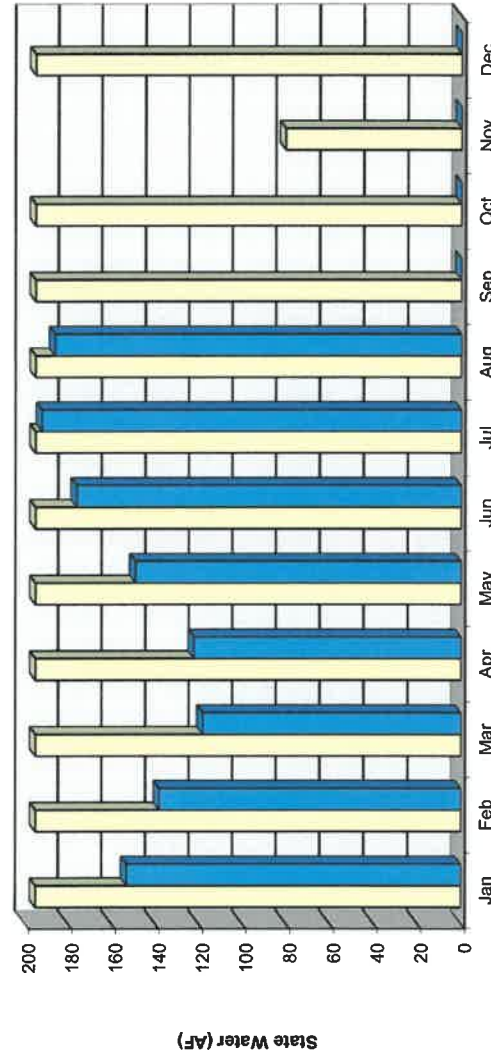
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	8	4	
Feb	9	2	
Mar	9	4	
Apr	9	3	
May	9	5	
Jun	9	5	
Jul	9	5	
Aug	9	1	
Sep	9	0	
Oct	9	0	
Nov	3	0	
Dec	8	0	
Total	100	29	



Requested Delivery
Actual Delivery

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

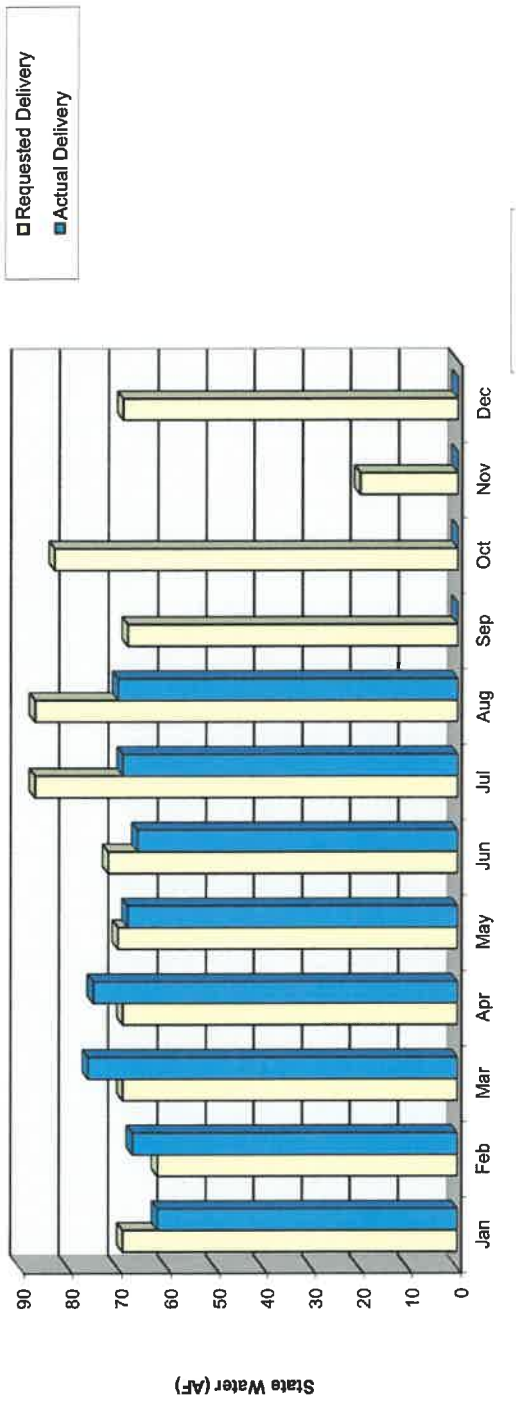
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	195	153	
Feb	195	138	
Mar	195	118	
Apr	195	122	
May	195	149	
Jun	195	176	
Jul	195	192	
Aug	195	186	
Sep	195	0	
Oct	195	0	
Nov	80	0	
Dec	195	0	
Total	2225	1234	



Requested Delivery
Actual Delivery

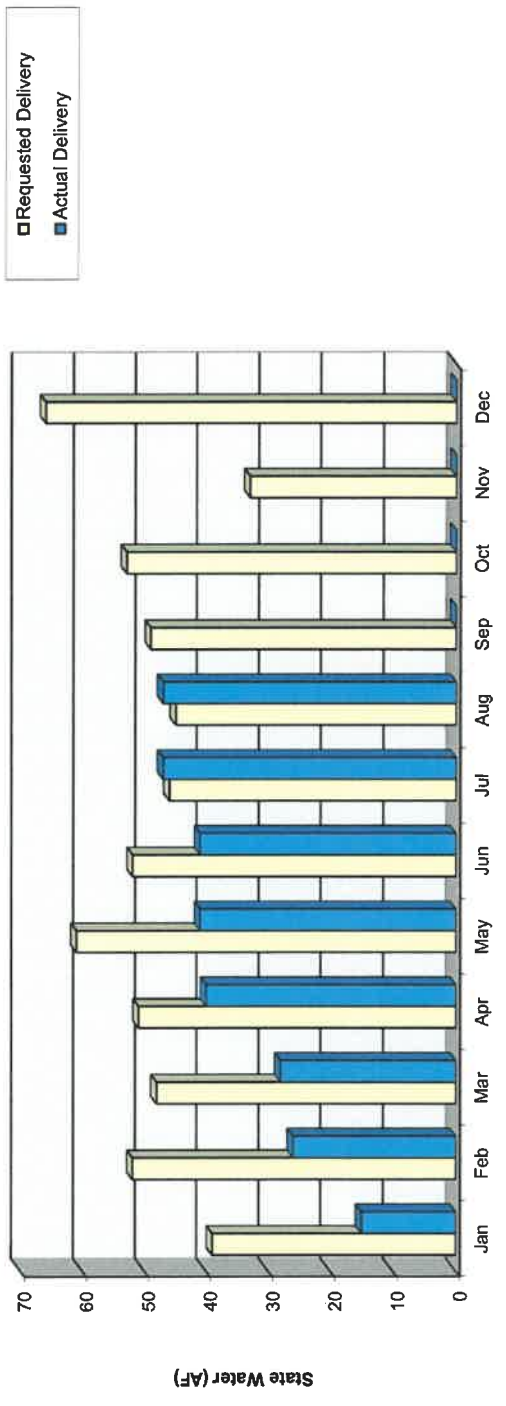
Lopez T.O. - SWP Deliveries in Year 2019

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	69	62	
Feb	62	67	
Mar	69	76	
Apr	69	75	
May	70	68	
Jun	72	66	
Jul	87	69	
Aug	87	70	
Sep	68		
Oct	83		
Nov	20		
Dec	69		
Total	825	553	



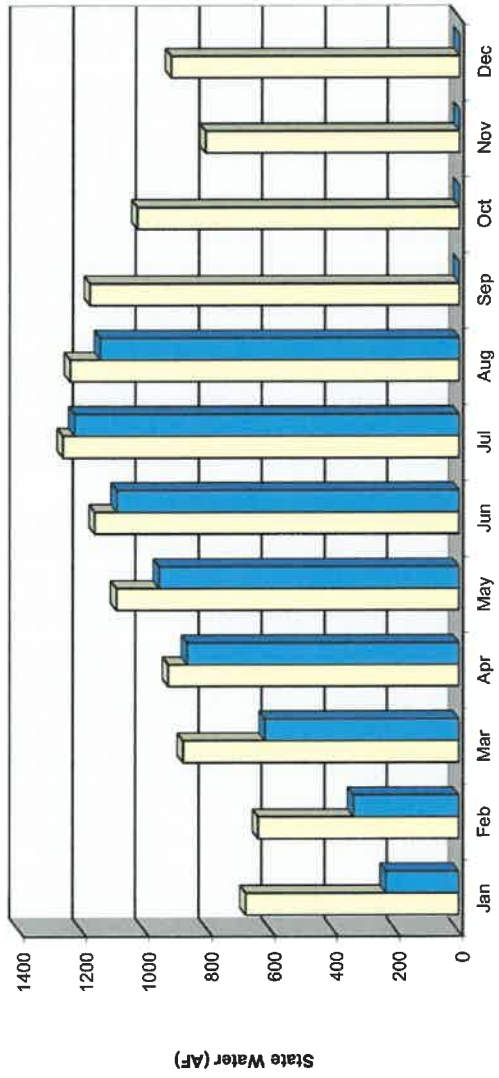
Guadalupe - SWP Deliveries in Year 2019

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	39	15	
Feb	52	26	
Mar	48	28	
Apr	51	40	
May	61	41	
Jun	52	41	
Jul	46	47	
Aug	45	47	
Sep	49		
Oct	53		
Nov	33		
Dec	66		
Total	595	285	



Santa Maria - SWP Deliveries in Year 2019

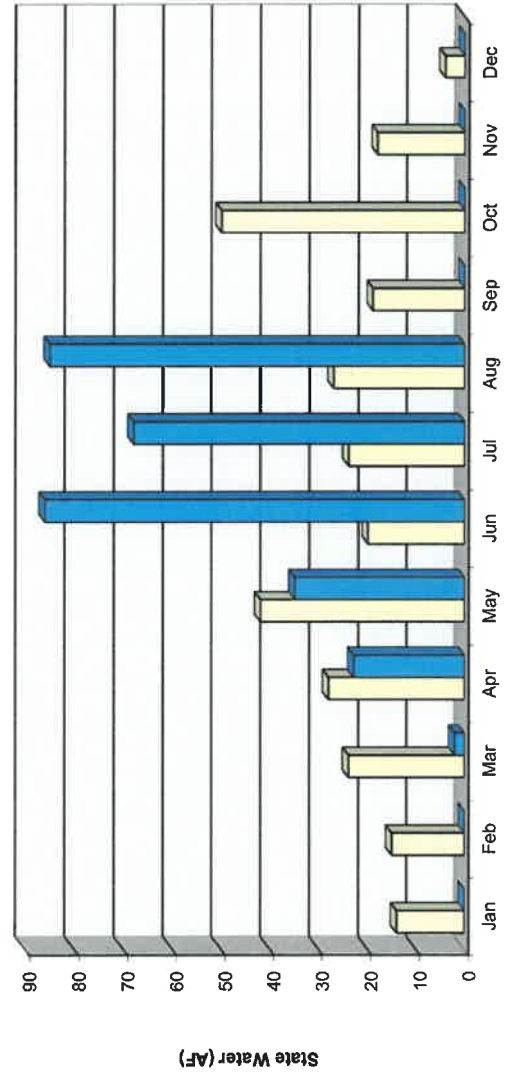
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	682	234	
Feb	642	339	
Mar	881	621	
Apr	928	868	
May	1091	957	
Jun	1161	1090	
Jul	1262	1225	
Aug	1239	1144	
Sep	1177		
Oct	1026		
Nov	811		
Dec	920		
Total	11820	6478	



Requested Delivery
Actual Delivery

Golden State - SWP Deliveries in Year 2019

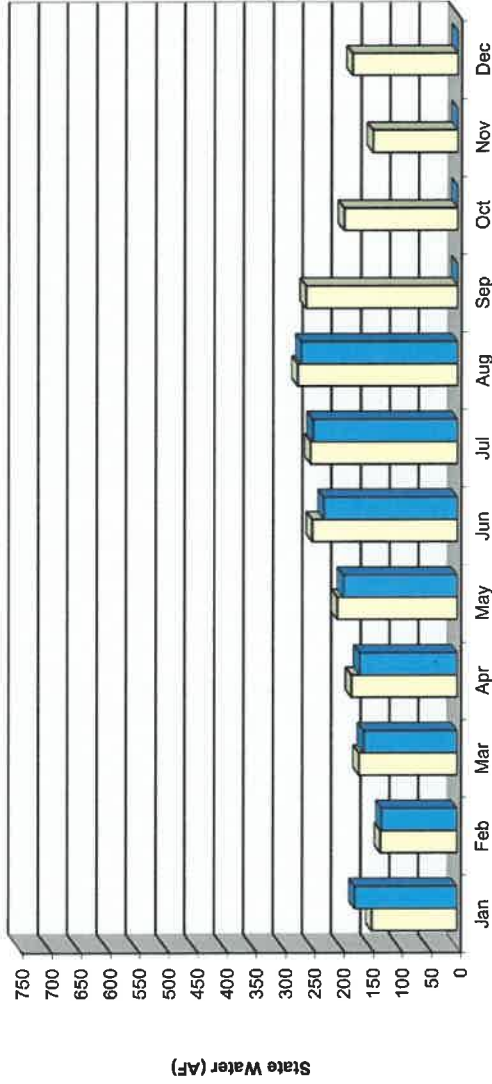
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	14	0	
Feb	15	0	
Mar	24	2	
Apr	28	23	
May	42	35	
Jun	20	86	
Jul	24	68	
Aug	27	85	
Sep	19		
Oct	50		
Nov	18		
Dec	4		
Total	285	299	



Requested Delivery
Actual Delivery

VAFB - SWP Deliveries in Year 2019

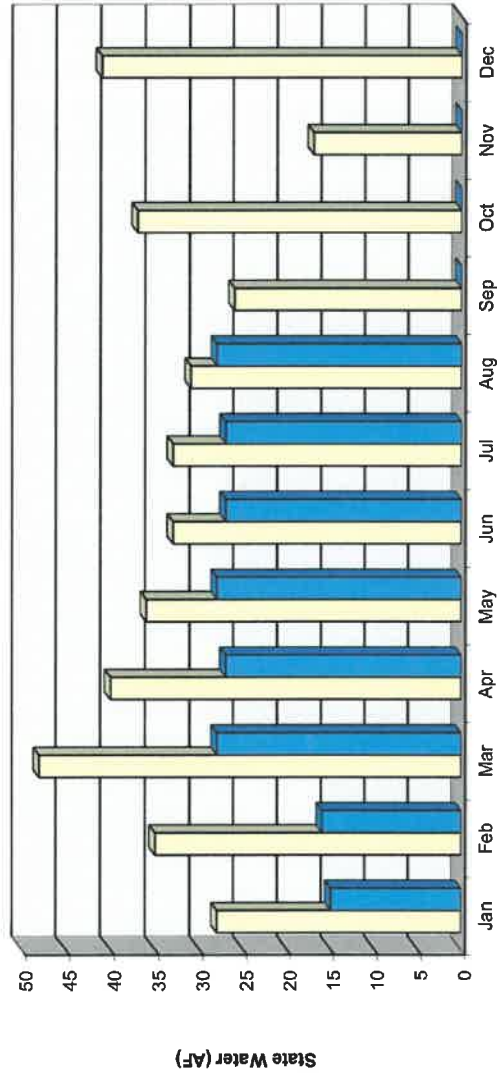
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	148	177	
Feb	133	131	
Mar	170	162	
Apr	183	169	
May	207	197	
Jun	250	230	
Jul	253	249	
Aug	275	269	
Sep	261		
Oct	196		
Nov	147		
Dec	182		
Total	2405	1584	



Requested Delivery
Actual Delivery

Buellton - SWP Deliveries in Year 2019

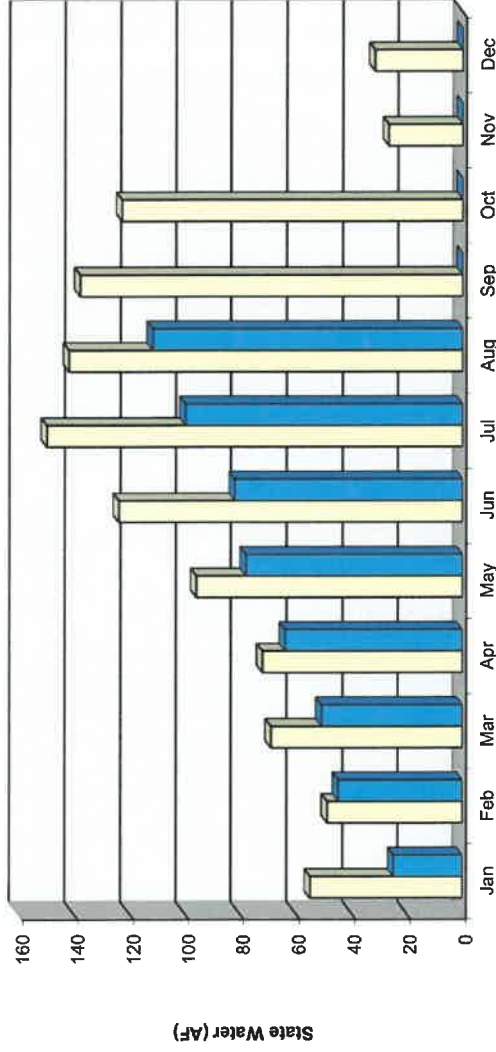
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	28	15	
Feb	35	16	
Mar	48	28	
Apr	40	27	
May	36	28	
Jun	33	27	
Jul	33	27	
Aug	31	28	
Sep	26		
Oct	37		
Nov	17		
Dec	41		
Total	405	196	



Requested Delivery
Actual Delivery

Santa Ynez - Solvang Only - SWP Deliveries in Year 2019

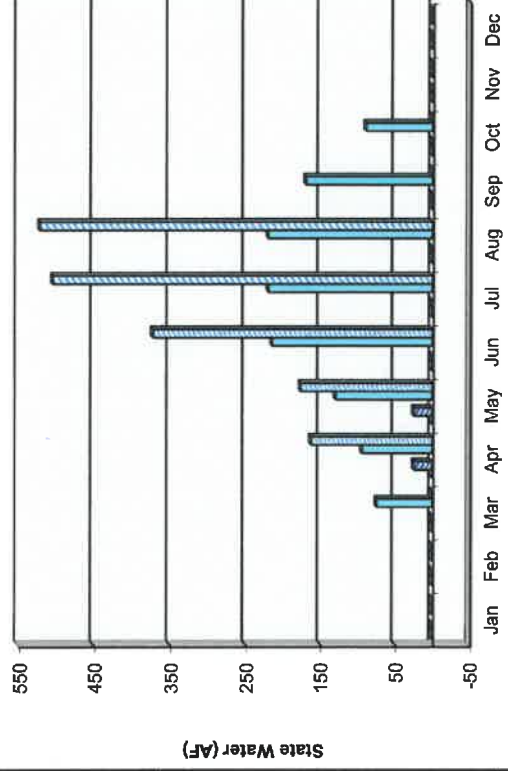
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	55	25	
Feb	49	45	
Mar	69	51	
Apr	72	64	
May	96	78	
Jun	124	82	
Jul	150	100	
Aug	142	112	
Sep	138		
Oct	123		
Nov	27		
Dec	32		
Total	1077	557	



Requested Delivery
Actual Delivery

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

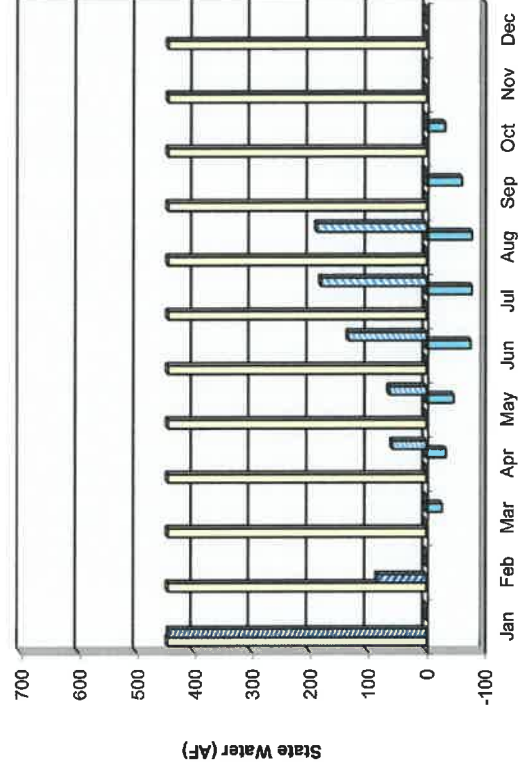
Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sched. State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	0	0	0	0	0	0	
Feb	0	0	0	0	0	0	
Mar	0	75	75	0	0	0	
Apr	0	95	95	25	163	188	
May	0	130	130	25	177	202	
Jun	0	215	215	0	372	372	
Jul	0	220	220	0	504	504	
Aug	0	220	220	0	521	521	
Sep	0	170	170				
Oct	0	90	90				
Nov	0	0	0				
Dec	0	0	0				
Total	0	1215	1215	50	1737	1787	



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

Goleta - SWP Deliveries in Year 2019

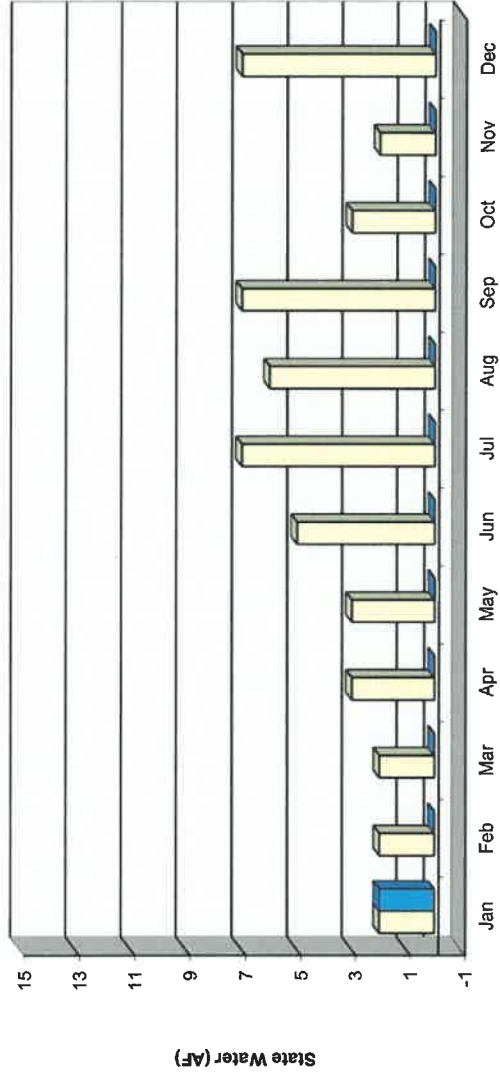
Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sched'd Water	Water Delivery State & Exch.	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	446	0	446	444	444	0	444	
Feb	446	0	446	84	84	0	84	
Mar	446	-27	419	0	0	0	0	
Apr	446	-34	412	59	0	59	59	
May	446	-47	399	64	0	64	64	
Jun	446	-77	369	134	0	134	134	
Jul	446	-79	367	181	0	181	181	
Aug	446	-79	367	188	0	188	188	
Sep	446	-61	385					
Oct	446	-32	414					
Nov	446	0	446					
Dec	446	0	446					
Total	5352	-436	4916	528	626	1154		



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

Morehart Land - SWP Deliveries in Year 2019

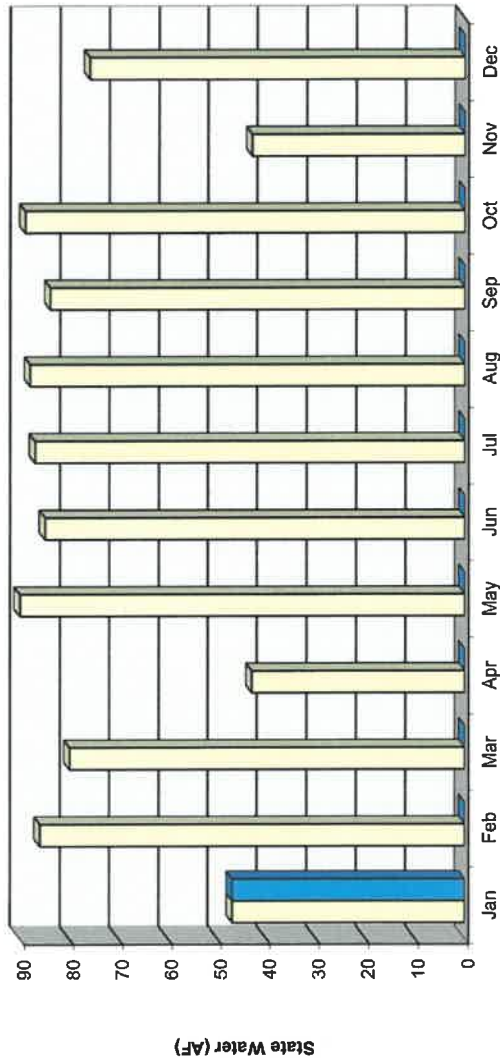
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	2	2	
Feb	2	0	
Mar	2	0	
Apr	3	0	
May	3	0	
Jun	5	0	
Jul	7	0	
Aug	6	0	
Sep	7	0	
Oct	3	0	
Nov	2	0	
Dec	7	0	
Total	49	2	



■ Requested Delivery
■ Actual Delivery

La Cumbre - SWP Deliveries in Year 2019

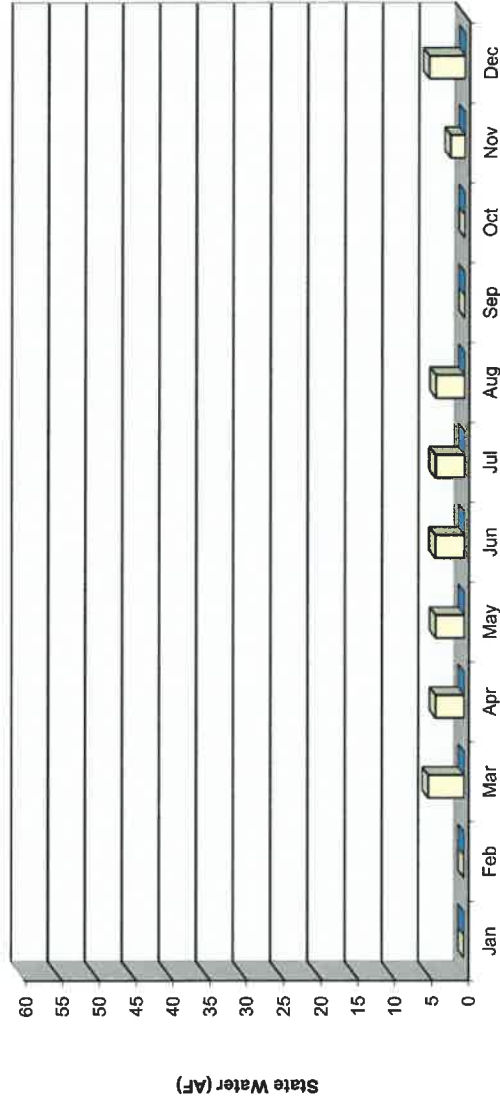
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	47	47	
Feb	86	0	
Mar	80	0	
Apr	43	0	
May	90	0	
Jun	85	0	
Jul	87	0	
Aug	88	0	
Sep	84	0	
Oct	89	0	
Nov	43	0	
Dec	76	0	
Total	898	47	



Requested Delivery
Actual Delivery

Raytheon (SBRC) - SWP Deliveries in Year 2019

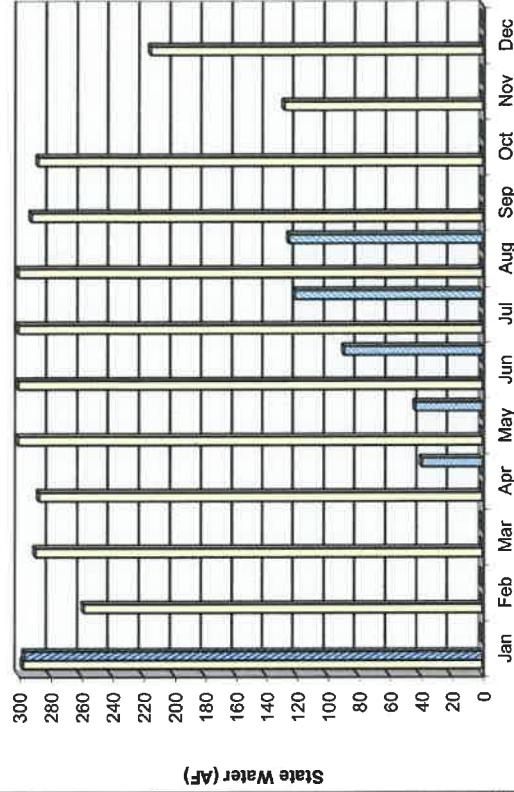
Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	0	0	
Feb	0	0	
Mar	5	0	
Apr	4	0	
May	4	0	
Jun	4	0	
Jul	4	0	
Aug	4	0	
Sep	0	0	
Oct	0	0	
Nov	2	0	
Dec	5	0	
Total	32	0	



Requested Delivery
Actual Delivery

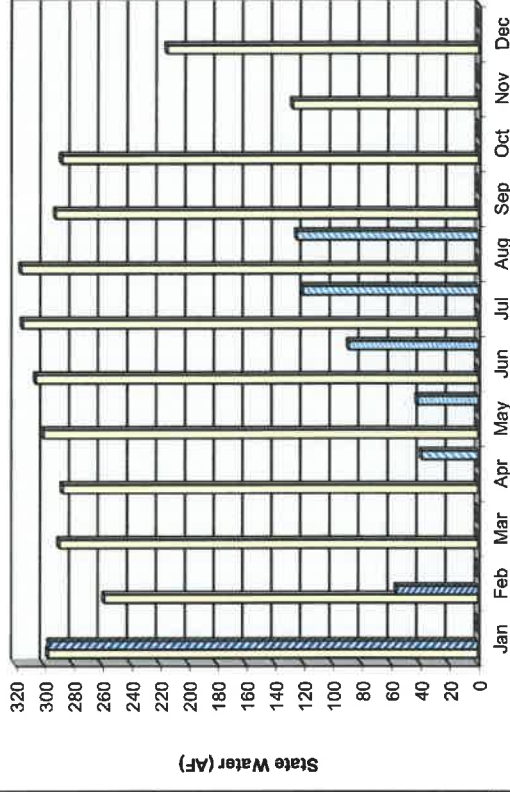
Santa Barbara - SWP Deliveries in Year 2019

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sched'd Water State & Exch.	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	297	0	297	296	0	296	
Feb	258	0	258	0	0	0	
Mar	289	-18	271	0	0	0	
Apr	287	-23	264	0	39	39	
May	300	-31	269	0	43	43	
Jun	306	-52	254	0	89	89	
Jul	315	-53	262	0	121	121	
Aug	316	-53	263	0	125	125	
Sep	292	-41	251	0	0	0	
Oct	288	-22	266	0	0	0	
Nov	128	0	128	0	0	0	
Dec	215	0	215	0	0	0	
Total	3290	-292	2998	296	417	713	



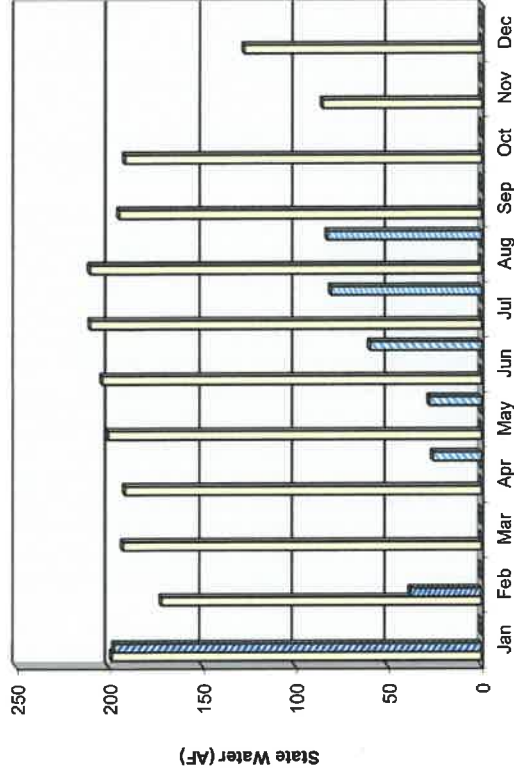
Montecito - SWP Deliveries in Year 2019

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sched'd Water State & Exch.	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	297	0	297	296	0	296	
Feb	258	0	258	56	0	56	
Mar	289	-18	271	0	0	0	
Apr	287	-23	264	0	39	39	
May	300	-31	269	0	42	42	
Jun	306	-52	254	0	89	89	
Jul	315	-53	262	0	121	121	
Aug	316	-53	263	0	125	125	
Sep	292	-41	251	0	0	0	
Oct	288	-22	266	0	0	0	
Nov	128	0	128	0	0	0	
Dec	215	0	215	0	0	0	
Total	3290	-292	2998	352	416	768	



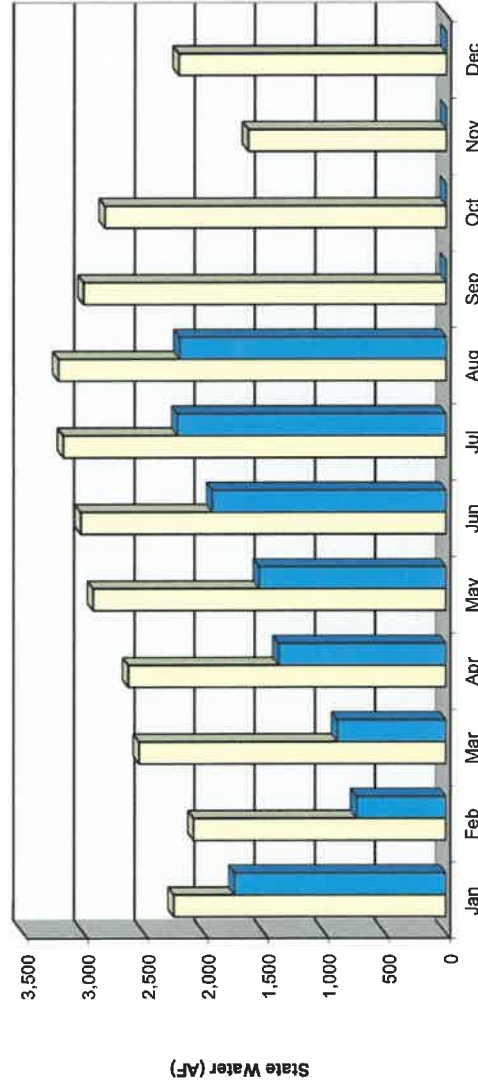
Carpinteria - SWP Deliveries in Year 2019

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sched. State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Water Delivery Available
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	200	-21	179.63	0	28	28	
Jun	204	-34	169.15	0	60	60	
Jul	210	-35	174.96	0	81	81	
Aug	210	-35	175.1	0	83	83	
Sep	195	-27	167.4				
Oct	192	-14	177.17				
Nov	86	0	85.626				
Dec	128	0	127.82				
Total	2178	-194	1984	235	278	513	



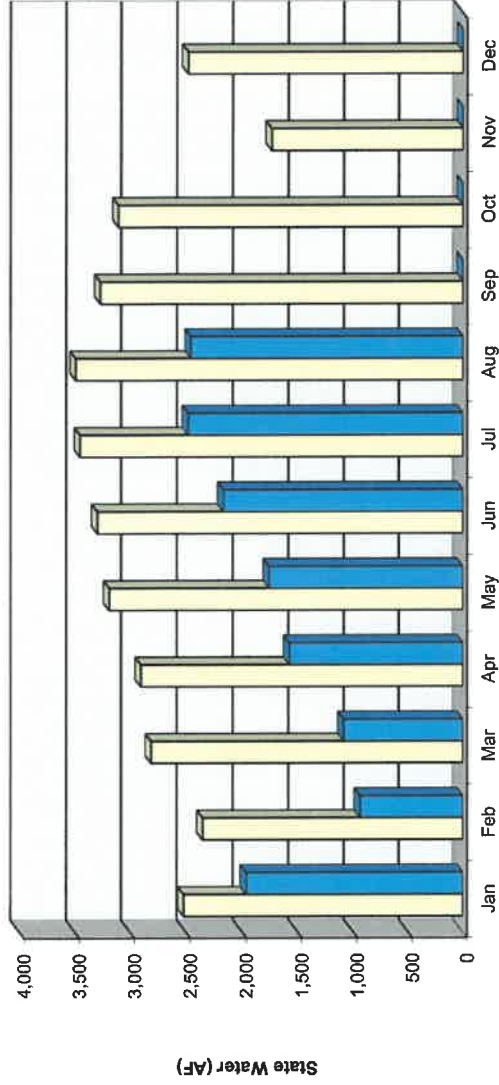
Total SB County - SWP Deliveries in Year 2019

Month	Requested Delivery	Actual Delivery
Jan	2,253	1,748
Feb	2,089	737
Mar	2,543	896
Apr	2,633	1,382
May	2,922	1,943
Jun	3,026	1,933
Jul	3,169	2,225
Aug	3,209	2,207
Sep	3,004	
Oct	2,826	
Nov	1,635	
Dec	2,215	
Total	31,525	12,671



Total SB and SLO County - SWP Deliveries in Year 2019

Requested Delivery
 Actual Delivery



Month	Requested Delivery	Actual Delivery
Jan	2,525	1,967
Feb	2,355	942
Mar	2,816	1,090
Apr	2,906	1,579
May	3,196	1,760
Jun	3,302	2,175
Jul	3,460	2,486
Aug	3,500	2,463
Sep	3,276	
Oct	3,113	
Nov	1,738	
Dec	2,487	
Total	34,675	14,462



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

September 16, 2019

TO: CCWA Board of Directors

FROM: Ray A. Stokes
Executive Director 

SUBJECT: Delta Conveyance Project Contract Amendment Negotiations Update

SUMMARY AND DISCUSSION

The State Water Project Contractors (the Contractors) and the Department of Water Resources (DWR) continue to hold weekly contract amendment negotiating sessions to amend the State Water Project Contract for the Delta Conveyance Project (DCP). The DCP is the revised "single tunnel" project to move State water underneath the Sacramento-San Joaquin Delta instead of "through Delta" as currently exists today.

Attached are the meeting summaries from the September 4, 2019 and September 11, 2019 negotiating meetings and the latest offer from the Contractors to DWR on the proposed amendments to the Contract. The next negotiating meeting is scheduled for September 18, 2019.

Staff will provide an overview of the proposed amendments and address particular areas of concern for CCWA and its project participants at the September 26, 2019 Board meeting.

RAS

Attachments



State Water Project (SWP) Contract Amendment for Delta Conveyance September 4, 2019 Meeting Summary

Draft Meeting Attendance List

California Department of Water Resources

Lead Negotiators

- Brian "B.G." Heiland, California Department of Water Resources
- Tripp Mizell, California Department of Water Resources
- Dave Paulson, California Department of Water Resources
- Carl Torgersen, California Department of Water Resources
- Pedro Villalobos, California Department of Water Resources
- Molly White, California Department of Water Resources

California Department of Water Resources

Staff

- Ted Alvarez, California Department of Water Resources
- Vinay Behl, California Department of Water Resources
- Greg Clawson, California Department of Water Resources
- Stan Dirks, California Department of Water Resources
- Terry Ely, California Department of Water Resources (by phone)
- Tasmin Eusuff, California Department of Water Resources (by phone)
- Andrea Glasgow, California Department of Water Resources (by phone)
- Katie Hansen, California Department of Water Resources
- Spencer Kenner, California Department of Water Resources (by phone)
- Jagruti Maroney, California

Department of Water Resources

- Julie Mattox, California Department of Water Resources
- Nancy Quan, California Department of Water Resources
- Dave Rizzardo, California Department of Water Resources
- David Sandino, California Department of Water Resources (by phone)
- Michelle Silva, California Department of Water Resources
- Amardeep Singh, California Department of Water Resources

Public Water Agencies (PWAs) Lead

Negotiators

- Steve Arakawa, Metropolitan Water District of Southern California
- Robert Cheng, Coachella Valley Water District
- Jeff Davis, San Geronio Pass Water Agency
- Dan Flory, Antelope Valley-East Kern Water Agency/Dudley Ridge Water District
- Garth Hall, Santa Clara Valley Water District
- Douglas Headrick, San Bernardino Valley Municipal Water District
- Steven Inn, Alameda County Water District
- Cindy Kao, Santa Clara Valley Water District
- Matthew Knudsen, Antelope Valley-East Kern Water Agency
- Dirk Marks, Santa Clarita Valley Water Agency
- Tom McCarthy, Mojave Water Agency

- Thomas Pate, Solano County Water Agency
- Ray Stokes, Central Coast Water Authority
- Matt Stone, Santa Clarita Valley Water Agency
- Craig Wallace, Kern County Water Agency
- Jacob Westra, County of Kings/Tulare Lake Basin Water Storage District

Public Water Agencies Staff

- Joseph Byrne, State Water Contractors
- Eric Chapman, State Water Contractors (by phone)
- Kathy Cortner, Mojave Water Agency
- Jaime Dalida, Metropolitan Water District of Southern California
- Kevin Donhoff, Metropolitan Water District of Southern California
- Allison Febbo, State Water Contractors
- Amparo Flores, Alameda County FC&WCD Zone 7 (by phone)
- Adam Kear, Metropolitan Water District of Southern California
- Theresa Lightle, State Water Contractors
- Kathleen Low, Santa Clara Valley Water District
- Marty Milobar, Kern County Water Agency (by phone)
- Amelia Minaberrigarai, Kern County Water Agency (by phone)
- Jennifer Pierre, State Water Contractors
- Ivory Reyburn, Coachella Valley Water District
- Jack Safely, Metropolitan Water District of Southern California
- Linda Standlee, State Water Contractors
- Wes Thomson, San Luis Obispo County Flood Control and Water Conservation District (by phone)
- Bob Tincher, San Bernardino Valley Municipal Water District
- Craig Wallace, Kern County Water Agency (by phone)
- Charles Wulff, Kern County Water Agency

Members of the Public

- Charlotte Allen, Sierra Club CA (by phone)
- Megan Couch, San Diego County Water Authority
- Cori Flannery, Delta Stewardship Council
- Robert Kunde, Wheeler Ridge-Maricopa Water Storage District (by phone)
- Colin Maloney, Bureau of Reclamation
- Anthony Navasero, Delta Stewardship Council
- Kelley Taber, Somach Simmons & Dunn (by phone),
- Karen Wilson, South Fork River Upper River Friends (by phone)

Facilitation Team

- Michelle Bardini
- John Bowie
- Nora De Cuir (by phone)
- Sharon Hu
- Eric Poncelet
- Cooper Tamayo
- Anna West

Meeting Summary

I. Welcome/Introductions

There were roundtable introductions of the negotiation teams and staff. Members of the public and phone participants were given the opportunity to introduce themselves.

II. Meeting Overview

Anna West (Anna), Kearns & West, thanked everyone for attending the fourth public negotiation meeting on the State Water Project (SWP) Contract Amendment for Delta Conveyance. She outlined the negotiation session agenda and reminded everybody of the ground rules in the meeting packet. Anna reminded the group that the California Department of Water Resources (DWR) and Public Water Agency (PWA) Contractors can call a caucus at any time. She referenced the meeting agenda for details on how members of the public can provide oral or written comments and informed meeting attendees about other meeting logistics.

Anna turned to the negotiators to confirm the August 26th meeting summary. Steve Arakawa (Steve), the Metropolitan Water District of Southern California, noted missing words on page 5, paragraph four. The negotiators agreed to add text so that the sentence reads, "On this point, she clarified that DWR's discretion will have priority over any PWAs' use of the facility to move its own water supply and that DWR's operation would have, *in that case*, priority for the benefit of all Participants." Anna asked Tom McCarthy (Tom), Mojave Water Agency, and Tripp Mizell (Tripp), DWR, to confirm the summary with Steve's edit. Tom and Tripp indicated that they have no further edits. Anna informed meeting attendees that the facilitation team will finalize the edited version of the August 26th summary, which will be made 508 compliant and posted on the DWR Box site: <https://cadwr.app.box.com/s/irusyewojv4nwzmxzfzngl9sswcw>.

III. Technical Team Update

Anna turned to Brian "B.G." Heiland (B.G.), DWR, to provide an update on the technical team's progress.

B.G. stated that the team is working through technical information and will have a report ready for next week's negotiation session.

Anna turned to the negotiators for questions. Seeing none, she continued to Agenda Item IV.

IV. PWAs' Cost Discussion

Anna turned to Tom to begin the discussion on variable costs.

Tom stated that the PWA technical team discussed allocating variable costs associated with a potential project and proposed three policies. He noted that the technical team raised several questions about project implementability, and the PWAs propose one or two technical group meetings with PWAs and DWR to learn more about implementation of different variable cost approaches. He added that the PWAs are evaluating approaches or options that ensure equitability across PWAs, but they need to work with DWR to determine which approaches are feasible.

Tripp agreed that a technical team seems prudent and asked to hear the different approaches before appointing a DWR staff person to the technical team.

Tom responded that Craig Wallace (Craig) from Kern County Water Agency will be the PWA communications lead for the technical group.

Anna asked Tripp who will be coordinating the technical team from DWR.

Tripp repeated his earlier request to hear the three approaches before designating a lead staff member from DWR.

Tom replied that the PWAs are not ready to provide the three approaches. He added that the PWAs need more information from DWR before determining which approaches are most equitable and useful to them.

Tripp thanked Tom for the clarification and designated Pedro Villalobos (Pedro), DWR, as the lead for DWR's technical team.

Anna encouraged the technical team leads to schedule technical team meetings to ideally occur before the next negotiation meeting. She asked the negotiators if they would like to discuss variable costs at the next negotiation session.

Tom and Tripp replied in the affirmative.

Anna turned to the next topic, regarding capital and minimum costs.

Tom introduced the PWAs Third Offer and asked that the 2018 AIP (Document 00115) be projected on the screen as a reference for their offer language. He stated that the PWAs hope to use the previous AIP language to move forward more efficiently on the discussion around capital and minimum costs.

Using the 2018 AIP as a reference, Tom introduced the following changes to the existing AIP document as the PWAs Third Offer:

1. ***Replace California WaterFix (CWF) Facilities with Delta Conveyance Facility (DCF).*** Tom stated that references to the California WaterFix Facilities or CWF facilities should be changed to Delta Conveyance Facility or DCF throughout the document.
2. ***Item II (3), Principles to Achieve Objective for DCF Cost Allocation: DCF Charge Components.*** Tom stated that the DCF payment provisions section specifies that capital and minimum operations, maintenance, power and replacement (OMP&R) costs will be billed and collected by DWR from Participating PWAs through their annual statement of charges. Tom added that these charges would be for Participating PWAs and PWAs support the listed charges with minor edits so that they read "DCF Capital Charge Component" and "DCF Minimum OMP&R Component."
3. ***Item II (4.1- 4.3), Principles to Achieve Objective for DCF Cost Allocation: DCF Capital Charge Component Method of Computation.*** Tom stated that the PWAs would like to leave these sections as written, apart from changing "CWF Facilities" to "DCF."
4. ***Item II (4.4), Principles to Achieve Objective for DCF Cost Allocation: Financing Method.*** Tom noted that the PWAs have added a fifth subsection [Item II (4.5)]. Theresa Lightle (Theresa),

State Water Contractors, introduced new language for Item II (4.4.2), specifying an additional DCF capital cost financing method: "Financing through the proceeds of revenue bonds."

5. ***Item II (4.5), Principles to Achieve Objective for DCF Cost Allocation: DCF Capital Charge Component.*** Tom stated that the DCF Capital Charge should be allocated to Participating PWAs based on their participation levels as shown in the table, which refers to the currently incomplete PWA participation table.
6. ***Item II (5), Principles to Achieve Objective for DCF Cost Allocation: DCF Minimum OMP&R Charge Component Method of Computation.*** Tom noted that apart from changing "CWF Facilities" to "DCF" this section remains as written.
7. ***Item II (14), Principles to Achieve Objective for DCF Cost Allocation: Power Cost Incurred During Construction.*** Tom noted that apart from changing "CWF Facilities" to "DCF" this section remains as written.

Anna confirmed with Tom that Item II, sections 3, 4, 5, and 14 are the sections of the AIP that remain in the PWAs Third Offer.

Anna called on Pedro.

Pedro commented that the terms "conservation" and "transportation" in section 3, DCF Charge Components of the PWAs Third Offer could be confused with other facilities and suggested removing or replacing these words.

Anna asked the negotiators if they would like to consider this recommendation in caucus and report back to the table with suggested terminology.

Pedro answered in the affirmative.

Tom replied that the PWAs will discuss this in caucus, but they do not need to caucus at this time.

Anna called on Carl Torgersen (Carl), DWR.

Carl asked for clarification on the PWAs Third Offer, specifically, the difference between section 4.4.1 pertaining to Water System Facility Revenue Bonds and the proposed new language in the new section 4.4.2 revenue bonds language.

Theresa responded that the purpose of revenue bonds is to be more general. She stated that water systems can be a defined project or a list of projects within the aqueduct, so there could be different bonds for different parts of the aqueduct. She explained that the PWAs have added the general term "revenue bonds" so that bonds, whether DCF bonds or other bonds, will fall into section 4.4.2.

Carl thanked Theresa for her explanation.

Anna asked DWR negotiators if they had any other questions on the PWAs Third Offer.

Tripp replied that DWR had no questions at this time, but requested a caucus to consider the PWAs Third Offer before presenting DWR's Proposal on Financial Provisions.

The PWAs and DWR went into caucus at 10:40 AM. The meeting resumed at 11:46 AM.

Anna reconvened the meeting and asked DWR to begin.

Tripp turned to Stan Dirks (Stan), DWR, to ask why revenue bonds are not specified as water system facility bonds.

Stan provided a distinction between revenue bonds and water system facilities revenue bonds in the context of other water supply contracts and amendments. Clarifying the meaning of water system facilities revenue bonds, Stan stated that the language in the previous AIP was meant to encompass a variety of bonds, such as the Delta Extension Amendment, Coastal Branch Amendment, East Branch Enlargement Amendment, South Bay Extension, and the Power Facilities Amendment, among others. Based on this interpretation, Stan stated that the PWAs proposed revenue bond language in section 4.4.2 is broad enough to encompass bonds that are under specific contract amendments. After interpreting the difference between sections 4.4.1 and 4.4.2, Stan asked if the PWAs had a specific revenue source in mind to fund these revenue bonds in the case that there is no specific amendment for the DCF. He added that revenue bonds for the DCF would likely be water system facility revenue bonds.

Tom thanked Stan for the clarification and responded that the PWAs would like time to discuss this issue before responding with questions or comments.

V. DWR's Proposal on Financial Provisions for Cost Allocation

Anna turned to Tripp to introduce the DWR Second Offer.

Tripp began by explaining that the Second Offer document was DWR's attempt to begin working on a single document that joined the PWA offers with DWR's first offer. He noted that the DWR Second Offer modified some language for efficiency.

Tripp continued reviewing the DWR Second Offer and mentioned several key provisions as follows:

1. **Item I. AIP Objectives.** Tripp stated that the objective statement should be consistent with language from the DWR First Offer as well as the PWAs Second Offer.
2. **Item II. Definitions.** Tripp noted that this is a new section and that these definitions [Item II (A - I)] are intended to help further discussions around the concepts set forth in the previously negotiated AIP. Tripp clarified that the definition for Item II (G), Contracted Proportionate Share is DWR's characterization of the PWA participation approach.
3. **Item III. Cost Allocation and Participation Framework.** Tripp stated that this contains language from the PWAs Second Offer. Tripp also noted that language has been removed if it is elsewhere in the previously negotiated AIP. He also mentioned that the section regarding the five North of Delta Public Water Agencies and the participation table have been carried over from the PWAs Second Offer with no changes.
4. **Item IV. Accounting and Administration Related to the Delta Conveyance Facility.** Tripp noted that this section starts with provisions relating to costs.
5. **Item IV (B.2.a). Accounting and Administration Related to the Delta Conveyance Facility: Water Accounting and Charges, DCF Fixed Charge Components.** Tripp stated that this section is intended to address sections 3 and 4.5, both pertaining to DCF Capital Charge Components in the PWAs Third Offer.
6. **Item IV (B.2.b - c). Accounting and Administration Related to the Delta Conveyance Facility: Water Accounting and Charges, DCF Fixed Charge Components.** Tripp stated that these two

sections are intended to address section 4.4 regarding Financing Method in the PWAs Third Offer.

- 7. Item IV (B.2.d). Accounting and Administration Related to the Delta Conveyance Facility: Water Accounting and Charges, DCF Fixed Charge Components.** Tripp stated that this section is intended to address section 5, DCF Minimum OMP&R Charge Component Method of Computation in the PWAs Third Offer.
- 8. Item IV (B.4). Accounting and Administration Related to the Delta Conveyance Facility: Power Costs Incurred During Construction.** Tripp stated that this section is intended to address section 14, Power Cost Incurred During Construction in the PWAs Third Offer.
- 9. Item V. Dispute Resolution Process.** Tripp stated this section is a placeholder for a dispute resolution process, which will eventually be expanded to include greater detail.
- 10. Item VI. Additional Contents of an AIP.** Tripp stated that this section is a carryover from the PWAs Second Offer. He noted that the project description has not yet been included in DWR's offer.
- 11.** Tripp stated that section 4.3, Financing Costs in the PWAs Third Offer is covered in the contract extension amendment process and is unnecessary to add to the offer at this time.

Anna asked Tom if the PWAs had any clarifying questions.

Tom replied that the PWAs had no clarifying questions at this time, but would like to caucus to review the document.

The PWAs and DWR went into caucus at 11:58 AM. The meeting resumed at 2:05 PM.

Anna reconvened the meeting and turned to Tom to begin.

Tom stated that the PWAs Third Offer contained several guidelines and fundamental concepts that were not included in the DWR Second Offer. He noted that the DWR Second Offer was missing the fundamental concept that DCF Participants will receive the benefits for which they have paid. He added that the PWAs do not see how the integrated project and allocation of benefits are consistent with sections 3, 4, and 5 of the PWAs Third Offer. Tom stated that these sections that describe how Participants will receive benefits, as well as the Participant table, are fundamental to the PWAs Third Offer. He added that the PWAs agree with treating the facility as part of an integrated project and recognize that the technical team is working out some of these operational issues.

Tom noted the definition for Item II (F), Delta Conveyance Facility Water Item II (F) as an example where DWR's added language changes the process for Participants to receive their benefits. Tom indicated that DWR's addition of "schedule for delivery or storage pursuant to the annual forecasting and delivery processes" links DCF water with annual forecasting and converts it to a benefit of direct delivery. Tom explained that this reduces the benefits of the project to the PWAs because the majority of PWAs do not take their direct deliveries.

Anna confirmed with Tripp that he understood this concern.

Tom continued to a second example in Item IV (A.2), Accounting and Administration Related to DCF: Integration into the State Water Project Generally, which eliminates wheeling. He reiterated that the

PWAs want it to be clear that Participants pay for their benefits and when Non-Participants pay for benefits, those benefits are credited back to Participants who pay for the project.

Tom then asked for clarification of how DWR's definition of "contracted proportionate share" is different from the PWAs' concept of "Participant level." He stated the importance to the PWAs that DWR clarify the difference between the two concepts.

Tripp replied that the choice of the phrase "contracted proportionate share" is intended to provide a more durable concept if and when it is utilized for other components of the State Water Project in the future. He explained that DWR does not want to use terms that may need to change in a future context if it is using the same opt-in and opt-out concept. He reiterated DWR is looking for a term that has more longevity than "Participant" and "Non-Participant," and that DWR does not see a difference between Participant/Non-Participant and contracted proportionate share. He further elaborated that the contracted proportionate share is reflected in the participation table: if the participation level is zero, then that entity is a Non-Participant; if a participation level is greater than zero the entity would be a Participant.

Tom asked Tripp to clarify why DWR's definition of contracted proportionate share includes the concept of capacity. He asked why DWR is using the phrase "proportionate share of capacity" as opposed to "Participant level for rights to purchase water."

Tripp asked Tom to provide more detail behind the PWAs' definition that includes the phrase "rights to purchase water." Tripp also added that the DWR Second Offer is not intended to be a complete document and that DWR plans to propose new provisions once the technical team is finished addressing operational concerns. Specifically, Tripp noted that the DWR Second Offer does not attempt to address the components that the technical team is currently considering, such as Participants receiving benefits and Non-Participants paying costs.

Steve shared a PWA concern in the DWR Second Offer, Item IV (A.2), stating that the phrase "available capacity" highlights differences between allocation based on proportion level and providing benefits based on participation rights. He noted that having capacity made available based on a proportionate share and after DWR determines that there is available capacity is different than participating in the project and having a right to the facility's benefits, which includes moving water through the facility as well as recovery of costs of other parties using the available capacity.

Anna asked Steve if he was referring to both access to water as well as cost recovery.

Steve replied that there is a distinction between Participants using capacity apportioned to them based on DWR's determination of available capacity versus Participants having a Participant-level right to use capacity. To illustrate the issue, he asked how DWR would deal with unscheduled water, for example, and make room available for Participants with Participant rights, rather than determining that there is no capacity.

Tripp replied that the provision for capacity in Item IV (A.2) is one component of the suite of benefits that the Participants are trying to achieve. He noted that Item IV (A.2) refers to the ability to convey non-project water should capacity be available and added that there are other components that need to be addressed, including delivery of DCF water and how that is apportioned. He further noted that the concept of "contracted proportionate share" would apply to delivery of DCF water as well.

Tripp finished by reiterating his earlier point that DWR's Second Offer is not intended to be a full proposal for how costs will be allocated to the DCF.

Steve responded that it is important to the PWAs that a term is chosen which reflects the concept that "beneficiaries pay." He acknowledged that the technical team was working on the beneficiary issue and reiterated the importance of determining how water supply benefits will be allocated to ensure project Participants receive benefits commensurate to their investment.

Steve continued to discuss the second example of wheeling capacity from inside to outside the SWP, and how a project Participant will schedule water given their participation right.

Anna asked if the negotiators would like to generate language on these issues.

Carl asked the PWAs if they see "contracted proportionate share" and "participation level" as two different concepts.

Steve replied that the PWAs see allocation based on available capacity as different from having a participation level with the expectation that the Participant is getting the benefit. He added that the PWAs want to see where the differences lie and if DWR plans on using the terms differently. He referenced the phrase "to the extent DWR determines capacity is available" in Item IV (A.2) and asked how DWR plans to schedule water so that Participants can utilize capacity in the system throughout the year to receive their expected benefits. He also acknowledged that many technical accounting and management details are still being determined.

Anna called on Cindy Kao (Cindy), Santa Clara Valley Water District.

Cindy commented that a possible reason why "contracted proportionate share" is confusing is because it is narrowly defined in terms of capacity for a specific piece of infrastructure. She noted that DWR's definition appears narrower than what the PWAs had perceived for participation levels. She further explained that the PWAs see participation level as something that provides a proportion of benefits on a broader scale that is not limited to capacity or infrastructure. For example, she noted that the PWAs see benefits to be inclusive of proportionate share of water, capacity to utilize the unused capacity for non-project water, and other benefits that have already been mentioned.

Anna called on Jeff Davis (Jeff), San Geronio Pass Water Agency.

Jeff commented that the PWAs need better language to assure their elected supervisory boards that they will be receiving benefits in return for millions of dollars in investments. He noted that in previous water management discussions, the PWAs had mentioned their responsibility to show benefits to their publicly elected boards of directors. He stated that elected officials will not approve language that presents benefits based on "contracted proportionate share."

Tripp responded that DWR does not disagree with the PWAs. He explained that DWR ultimately intends on creating a broader and more comprehensive document once the technical team has produced its information. He added that DWR's use of the facility would produce DCF water and capacity, which would provide benefits to the Participants. He commented that the DWR Second Offer was not intended to address additional descriptions of benefits; rather, it was intended to focus on financial provisions that would be needed to maintain DWR's bond ratings.

Tom responded that Tripp addressed his concerns by explaining how DWR's approach to the DWR Second Offer was different from how the PWAs had approached the offer, and he recognized that it

was not DWR's intent to leave out components of the PWA Third Offer in the DWR Second Offer. Tom added that the PWAs are expecting the technical team to demonstrate accounting, feasibility, and costs and benefits of the project. He indicated that the PWAs are concerned that definitions for terms such as "Delta Conveyance Facility Water" may fundamentally change how benefits of the project are perceived. He added that the PWAs are looking to DWR to demonstrate feasibility and how benefits can be clearly accounted.

Anna called on Matt Stone (Matt), Santa Clarita Valley Water Agency.

Matt asked DWR to expand on potential uses of the facility, given the addition of the phrases "use of the facility by DWR" and "available capacity."

Tripp replied that DWR plans to operate the DCF as part of an integrated system, so they will look for all opportunities to move water when it becomes available. He stated that DWR intends to use the DCF to convey water supporting Table A allocations or DCF water, and operators will continue diverting water when the opportunity arises to fulfill contractual obligations as part of the larger integrated system.

Anna asked if the negotiators had any further questions.

Cindy asked DWR to confirm if the language in Item IV (A.2) implies that use by Participants for non-project water is based on contracted proportionate share only after use by DWR to deliver DCF water and Table A water to the extent that DWR determines additional capacity is available.

Tripp replied that Cindy was correct in her interpretation.

Cindy noted that it was a helpful clarification because the language was not understood this way.

Tripp indicated his agreement. He commented that DWR will note these concerns and make changes to the language that may better reflect group concerns regarding benefits and DWR's use of the facilities.

Tom noted that when DWR is considering benefits for Participants, they should also look at references to wheeling in Item IV (B.5 - 6), Accounting and Administration Related to the Delta Conveyance Facility: Water Accounting and Charges.

Tripp asked Tom to elaborate on his concerns around Item IV (B.5 - 6).

Kathy responded that the PWAs' previous offer included language on transfer of non-project water by Participants and non-Participants using wheeling statutes to develop a cost for Non-Participants that would be credited back to Participants. She added that this language appears to be missing from the DWR Second Offer sections on transfers and redetermination, Item IV (B.5 - 6), which is not clear on how costs would be credited back to Participants from Non-Participants.

Tripp thanked Kathy for drawing DWR's attention to those issues. He commented that the DWR Second Offer reflects DWR's understanding of the water management tools in the previously negotiated AIP. He explained that this offer only contains what DWR felt was necessary for protecting DWR's financial interests. He mentioned that certain components of Item IV (B.6) on transfers and exchanges, are intended to mirror the water management tools section of the previously negotiated AIP and roll up into provision 3 of the water management AIP.

Kathy asked why Item IV (B.5 - 6) are necessary if this section is strictly about water management tools. She explained that it is confusing to see the reference to the PWAs Second Offer, Item II (A.5), the context of using bond ratings to deny a potential transfer of water

Tripp responded that the purpose of the section on redetermination is to memorialize the billing process that currently takes place with the DWR State Water Project Analysis Office (SWPAO). He noted that the billing process can be adjusted when necessary. On the subject of transfers and exchanges, Tripp noted that, to the extent that these additional types of transfers and exchanges under the new infrastructure are being contemplated, the protections for transfers and exchanges are still necessary. He added that DWR's intent was to protect their financial integrity by applying the same constraints in the previously negotiated water management tools AIP to transfers going through a new facility.

Kathy asked if DWR sees DCF water as different from project water available for transfers.

Tripp replied no.

Kathy thanked Tripp for his response.

Tripp acknowledged that the transfer provision is not the best characterization of the provision referenced in the PWAs Second Offer. He clarified that the content in the PWAs Second Offer, Item II (A.5) was ultimately not included in DWR's Second Offer. He noted that there is language under consideration, but DWR felt that it would be best to wait until the technical team was finished to draft a provision.

Tom indicated that the PWAs had also discussed the revenue bond language in caucus and turned to Ray Stokes (Ray), Central Coast Water Authority to express these concerns.

Ray, in response to DWR's earlier question, elaborated on the PWAs' inclusion of a revenue bond to pay for capital costs. He explained that the revenue bond idea is to provide additional flexibility for DWR to reimburse the Delta Conveyance Finance Authority. He specified that the use of revenue bonds was intentionally distinct from the use of water system revenue bonds.

Stan responded that DWR revenue bonds have not yet been validated, so this definition may not be necessary. He explained that the proposal on the table is for the Delta Conveyance Finance Authority to issue bonds which are reimbursed by DWR. He further stated that there would need to be an additional amendment to the contract to identify how to repay any other non-water facility revenue bonds.

Ray replied that the PWAs thought that DWR would issue private placement bonds and had been unsure about DWR issuing water system revenue bonds.

Stan made the clarification that DWR currently issues water system revenue bonds, which are not the same as water system facility revenue bonds. He noted that this distinction is made in the amendments and that water system facility revenue bonds are broader than water system revenue bonds.

Ray turned to Tom to confirm that the PWAs should discuss this in caucus.

Anna reminded negotiators that there were 10 minutes left in the meeting.

Anna called on Carl.

Carl asked the PWAs to elaborate on their concerns about DWR's definition for "Delta Conveyance Facility water."

Tom replied that the PWAs understand the definition of DCF water to mean project water attributed to the Delta Conveyance Facility. He noted that DWR's definition adds a phrase about annual forecasting and delivery processes and explained that some contractors are concerned that "annual forecasting" implies "direct deliveries."

Anna noted for the phone attendees that the phones are muted when negotiators are caucusing on the side.

Tripp commented that DWR will take the PWAs' concerns into consideration. He added that DWR will revise the language to avoid confusion over the "annual" component of the definition and will present this new language next week.

Cindy indicated that the PWAs want more elaboration on the terms "annual" as well as "must be scheduled." She explained that the PWAs do not want scheduling to limit the benefit of the facility.

Anna confirmed that Tripp understood the PWAs' concerns.

Molly White (Molly), DWR, asked Cindy to elaborate on her concerns regarding scheduling.

Cindy stated that from the PWAs' perspective, a key issue is that unscheduled Article 21 or Delta Conveyance Direct Delivery water cannot be scheduled on an annual time step.

Molly thanked Cindy for her response.

VI. Next Steps

Anna asked the lead negotiators to confirm the agenda topics for the September 11th negotiation session.

1. DWR Third Offer (update on the DWR Second Offer)
2. Technical team report on accounting and administration
3. Technical team report on variable costs

Tom noted that there may be a conflict on definitions or expectations for the technical teams and asked DWR to confirm the charges or the direction to the technical teams. He asked if DWR understood the technical team's responsibilities to include evaluating the feasibility of a new project, including accounting and administration.

Tripp stated that he believed the PWA and DWR technical teams are of the same mindset. He added that the technical teams have been instructed to determine technical feasibility, which also means that the outcome is durable under changing systems.

Tom indicated his agreement.

Anna asked the negotiators if they agreed with proposed agenda items for the next negotiation session.

Tripp and Tom answered in the affirmative.

Anna confirmed the September 11th negotiation session and informed the meeting attendees that the meeting will take place at the Holiday Inn Sacramento Downtown, 300 J Street, Sacramento, CA

95814. She also confirmed the September 18th and September 23rd meetings and informed the attendees that the locations for these meetings are yet to be determined. She reminded attendees that as soon as the location is identified, the calendar will be updated and posted on the DWR Box site: <https://cadwr.app.box.com/s/irusyewojv4nwzmxzfzngl9sswcw>.

Anna informed meeting attendees that Eric Poncelet, Kearns & West, will be facilitating the next session on September 11th.

Anna asked if negotiators had any other issues to review before concluding business. Tripp and Tom indicated that they had no further issues.

VII. Public Comment

Anna then moved on to public comment. She noted that anyone on the phone or in the room can provide written comment by emailing to B.G. Heiland as noted in the agenda. She then addressed meeting attendees in the room and asked if anyone wanted to provide oral comments. Seeing none, Anna adjourned the meeting.

VIII. Adjourn

The meeting was adjourned at 2:58 PM.

Action List

- The technical team will schedule and hold meetings.
 - Team update for variable costs
 - Team update for accounting and administration
- PWAs Third Offer (#026)
 - DWR will draft suggested language based on PWA language and edits to the previous AIP (specifically regarding conservation and transportation facilities).
 - PWAs will have a response regarding revenue source for bonds (“revenue bonds” versus “water systems facility revenue bonds” which require an amendment to the SWP contracts).
- DWR Second Offer (#027) will be revised into a DWR Third Offer.
- Kearns & West will submit a draft September 4 meeting summary for finalization at the next negotiation session.

AGREEMENT IN PRINCIPLE DRAFT WORKING DOCUMENT

Draft – September 2019

This working document for an agreement in principle is developed from the State Water Contractor Public Water Agencies' first offer presented on July 24, 2019, response to the Department of Water Resources questions presented on July 31, 2019, second offer presented on August 26, 2019 and ~~discussion~~ third offer presented on September 4, 2019, in addition to the Department of Water Resources' first offer presented on July 31, 2019, DWR's second offer presented on September 4, 2019, DWR's third offer presented on September 11, 2019 and DWR's and PWAs' understanding of the information discussed by the technical work group. The content and format of this document are preliminary in nature and subject to modification.

Language in this document is formatted in order to aid the reader in distinguishing new text of DWR's third offer from text derived from prior offers.

- *ITALICIZED and HIGHLIGHTED* text identifies from DWR's third offer remain.
- *Redlined text* identifies PWAs' fourth offer.
- ~~STRIKEOUT~~ text identifies text that DWR believes is superseded or replaced elsewhere in the document.
- Text derived from prior offers is in plain font and may include references to its source in brackets.

**Agreement in Principle for the State Water Project Water Supply Contract Amendment
on a
Delta Conveyance Project**

This Agreement in Principle (**AIP**) is by and between the undersigned State Water Project Public Water Agencies (**PWAs**) and the State of California through the Department of Water Resources (**DWR**) for the purpose of amending the Water Supply Contracts for the State Water Project.

I. AIP Objective

Develop an agreement between the State Water Project Contractor Public Water Agencies and Department of Water Resources to equitably allocate costs and benefits of a potential Delta Conveyance Facility that preserves operational flexibility such that the Department of Water Resources can manage the State Water Project to meet regulatory requirements, contractual responsibilities, and State Water Project purposes.

[Consistent with DWR First Offer, Paragraph 1.]

DRAFT

The content and format of this document are preliminary in nature and subject to modification.

II. Definitions

- A. **Delta** shall mean the Sacramento-San Joaquin Delta as defined in Section 12220 of the California Water Code on the date of approval of the Bond Act by the voters of the State of California.
- B. **State Water Project (SWP)** shall mean the State Water Resources Development System as described in California Water Code section 12931.
- C. **State Water Project Contract Public Water Agencies (PWAs)** shall include the 29 entities holding State Water Project Water Supply Contracts with the Department of Water Resources.
- D. **North of Delta Public Water Agencies** shall mean the public water agencies of County of Butte, Plumas County Flood Control and Water Conservation District, City of Yuba City, Solano County Water Agency, and Napa County Flood Control and Water Conservation District.
- E. **Delta Conveyance Facility (DCF)** shall mean those facilities of the State Water Project consisting of a water diversion intake structure, or structures, located on the Sacramento River in the northern Delta and connected by facilities to Banks Pumping Plant in the southern Delta with a single tunnel that will, in whole or in part, serve the purposes of this AIP.
- F. **Delta Conveyance Facility Water (DCF Water)** shall mean Project Water ~~diverted at and attributable to the Delta Conveyance Facility.~~
- G. **Contracted Proportionate Share** shall mean ~~the~~ a PWA's proportion of ~~participation for~~ a PWA for DCF Water as specified in section III, including ~~and~~ rights to use available capacity in any Delta Conveyance Facility, ~~as specified in section III.D of this AIP.~~
- H. **Clifton Court Forebay Diversion** shall mean the existing diversion at Clifton Court Forebay facility through its intake located on Old River in the southern Delta and the associated Skinner Fish Facility.
- I. **Banks Pumping Plant** shall mean the existing Banks Pumping Plant facility located near the town of Tracy, CA that pumps water into the existing State Water Project California Aqueduct.
- J. **Participating PWA** shall mean an SWP contractor with a Contracted Proportionate Share greater than 0.
- K. **Non-Participating PWA** shall mean an SWP contractor with a Contracted Proportionate Share of 0.
- L. **Nonproject water** shall have the meaning as defined in the State Water Project Water Supply Contracts

III. Cost Allocation and Participation Framework [PWA Second Offer Section II.]

A. Proposed Framework

The PWAs propose an "Opt-In" approach where each "Participating PWA" opts to participate in a DCF at a level in proportion to its Contracted Proportionate Share. A PWAs Contracted Proportionate Share shall be the proportion of at least its Agricultural or M&I Table A- amount of its contract.

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The five North of Delta Public Water Agencies will not participate in any DCF and will be excluded from payment of capital, operations, maintenance, power, and, replacement costs for any DCF.

B. Delta Conveyance Project: The potential Delta Conveyance Project, if pursued and approved, would consist of new Delta water conveyance facilities of the State Water Project to be owned and operated by DWR that would convey water from the Sacramento River north of the Delta through a single main tunnel directly to the existing SWP Banks pumping plant, and potentially, Central Valley Project (CVP) Jones pumping plants located in the south Delta. The capacity of the SWP share of a potential Delta Conveyance Project assumed for this AIP is _____ cubic feet per second.

IV. Public Water Agencies Proportionate ShareD. Participation Levels Contracted Proportionate ShareA.

<u>Public Water Agency (PWA) PWA</u>	<u>Participation Level Contracted Proportionate Share (%)</u>
Alameda County Flood Control and Water Conservation District Zone 7	
Alameda County Water District	
Antelope Valley-East Kern Water Agency	
City of Yuba City	0
Coachella Valley Water District	
County of Butte	0
County of Kings- Government Center	
Crestline-Lake Arrowhead Water Agency	
Desert Water Agency	
Dudley Ridge Water District	
Empire West Side Irrigation District	
Kern County Water Agency	
Littlerock Creek Irrigation District	
Metropolitan Water District of Southern California	
Mojave Water Agency	
Napa County Flood Control and Water Conservation District	0
Oak Flat Water District	
Palmdale Water District	
Plumas County Flood Control and Water Conservation District	0
San Bernardino Valley Municipal Water District	
San Gabriel Valley Municipal Water District	
San Geronio Pass Water Agency	
San Luis Obispo County Flood Control and Water Conservation District	
Santa Barbara County Flood Control and Water Conservation District	
Santa Clara Valley Water District	
Santa Clarita Valley Water Agency	
Solano County Water Agency	0
Tulare Lake Basin Water Storage District	
Ventura County Watershed Protection District	
Total:	100

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E.B. Alternative Framework

For purposes of CEQA analysis, the PWAs may propose that an alternative cost allocation be included in the AIP and evaluated in the EIR.

IV.V. Accounting and Administration Related to the Delta Conveyance Facility [Partially derived from PWA Second Offer Section III.]

A. Integration into the State Water Project Generally

1. DWR will continue to operate the SWP, including any DCF, at its sole discretion, considering all applicable regulatory and contractual requirements and restrictions, and coordinate with PWAs in a timely manner. that is transparent and timely. [Consistent with DWR First Offer, Paragraph 1 and PWA Second Offer, Paragraph III.1-3 and 11.]

1-2. The DCF will provide benefits to the SWP as a whole, including potentially enhanced water supply reliability. The DCF shall be operated to equitably balance the overall improvements with the significant investments being made by the Participating PWAs, while recognizing the significant investments that all PWAs have made and will continue to make. [Consistent with PWA Second Offer, Paragraph III.3]

2-3. After any use by DWR *for conveyance of Table A water or DCF Water*, and to the extent DWR determines capacity is available, use of DCF is *available to each PWA as specified in section V.D of this AIP. in proportion to its Contracted Proportionate Share in any DCF.* [Consistent with PWA Second Offer, Paragraph III.4 and 8.]

3-4. *DWR forecasting and planning processes will incorporate any DCF. [Consistent with PWA Second Offer, Paragraph III.6.]*

a. *DWR will continue to produce Table A allocation forecasts.*

b. *DWR will provide DCF Water forecasts on a timeframe similar to the Table A allocation forecasts, or more frequently where SWP operations and hydrological conditions warrant.*

4-5. *DWR operational scheduling and accounting processes will incorporate any DCF and will distinguish between Table A water (that which can be delivered absent the DCF) and DCF Water (additional water diverted at and attributable to any DCF).*

5-6. *Article 21 Administration: TBD*

6-7. *Operational Conflicts and Priorities*

a. Article 12(f) of the State Water Project Water Supply Contracts will be assessed and, if necessary, modified to specifically establish an equitable priority for conveyance of water through Clifton Court Forebay, Banks Pumping Plant, the existing SWP facilities, any DCF. [Derived from PWA Second Offer Paragraph III.9.]

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- b. Clifton Court Forebay Intake Priority: In the event that DWR uses its discretion to move Table A water through the DCF, participants will be given a first priority to move that same amount of non-project water at Clifton Court Forebay Intake. Except as provided here, there shall be no other changes to the use and operation of Clifton Court Forebay Intake. TBD
- c. Banks Pumping Plant Priority: TBD In the event that DWR uses its discretion to move Table A water through the DCF, participants will be given a first priority to move that same amount of non-project water at Banks Pumping Plant. Except as provide here, there shall be no other changes to the use and operation of Banks Pumping Plant.
- d. San Luis Reservoir priority Storage Limits: TBD
- e. Other existing SWP facilities priority: TBD

B. Water Accounting and Charges

General principles for accounting and charges associated with any DCF are that capital costs and fixed Operations, Maintenance, Power and Replacement (OMP&R) costs of any DCF will be billed to and collected from each of the PWAs through the annual Statements of Charges consistent with each PWA's Contracted Proportionate Share in any DCF. Variable costs of conveying water through any DCF will be equitably allocated as described in detail in this section. [Consistent with PWA Second Offer, Paragraph II.A.]

1. Water Accounting

- a. DWR will implement a timely accounting process to determine water supply benefits associated with any DCF. [Consistent with PWA Second Offer, Paragraph III.5.]
 - i. An accounting process shall consist of validating the operational scheduling processes with actual deliveries in order that DCF Water is benefitting PWAs consistent with their respective Contracted Proportionate Share.
- b. Carriage water savings that DWR determines are realized during its operation of any DCF for purposes of conveying Table A water will be credited to Participating PWAs consistent with their respective Contracted Proportionate Share in any DCF. [Consistent with PWA Second Offer, Paragraph III.7.]
- c. DCF Water and the rights to use available capacity in any DCF as specified in section V.D of this AIP will be allocated to PWAs consistent with their respective Contracted Proportionate Share in any DCF.

2. DCF Fixed Charge Components [Consistent with PWA Second Offer, Paragraph II.A.]

- a. All fixed capital and minimum OMP&R costs associated with any DCF will be 100% reimbursable and recoverable by DWR from PWAs through

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a separately stated line item in the annual Statement of Charges referencing a separate DCF invoice. *All such costs will be charged in proportion to each PWA's Contracted Proportionate Share in any DCF.* These costs shall be allocated to and billed under two new charges as follows:

- i. DCF Capital Charge Component
 - ii. DCF Minimum OMP&R Component
- b. Use of any DCF by or on behalf of a Participating PWA to convey that PWA's non-project water, - including under V.D.2, within that PWA's Contracted Proportionate Share shall not result in additional DCF Fixed Charges.
- c. DCF Capital Charge Component is comprised of four categories
- i. Charges to recover the annual Financing Costs of Water Systems Facility Revenue Bonds, the proceeds of which are used to pay DCF Capital Costs.
 - ii. Charges pursuant to Article 61(b)(5) of the SWP Water Supply Contracts to recover DCF Capital Costs paid with amounts in the State Water Resources Development System Reinvestment Account.
 - iii. Charges to recover on a current basis DCF Capital Costs paid annually for assets that will have a short economic useful life or will not have a substantial cost.
 - iv. Charges to allocate appropriately, if necessary, DCF Capital Costs prepaid or otherwise advanced. To the extent legally and otherwise feasible, DWR will use Revenue Bond proceeds to reimburse DCF Capital Costs advanced by DWR, PWAs, or others prior to the commencement of construction and will include the financing costs of such revenue bonds in DCF Capital Charges.
- d. DCF Minimum OMP&R Charge Component: Charges under this component will recover the estimated and/or actual annual fixed OMP&R costs of any DCF.
3. DCF Variable OMP&R Charges: Charges under this component will recover the estimated and/or actual annual variable OMP&R costs of any DCF.
- a. [TBD]
4. Power Costs Incurred During Construction: Per the DWR capitalization policy, any power costs (for example, power supply, grid connections, transmission) incurred to construct any DCF shall be capitalized during Construction Work in Progress, as used in DWR's financial statements, and costs are 100% reimbursable recovered through the DCF Capital Charge Component.
5. Charge Redetermination: All DCF charges shall be subject to redetermination.
- C. Transfers or exchanges of DCF Water

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~~1. Transfers and exchanges involving the DCF or of DCF Water shall be subject to the provisions of the then existing State Water Project Water Supply Contracts addressing transfers and exchanges. Where the State Water Project Water Supply Contracts state that transfers and exchanges "shall not impact the financial integrity of the SWP" this includes but is not limited to negatively impacting the credit rating of any revenue bonds. Participating PWAs can transfer or exchange their DCF Water to both other Participating PWAs and Non-Participating PWAs. Non-permanent transfers would be negotiated between Contractor parties and Participating PWAs will remain ultimately responsible to DWR for payment of capital and O&M costs.~~

~~However, the State Water Project Water Supply Contract Water Management Tools amendment (WMT Amendment) is not complete at this time. In the event the WMT Amendment provisions related to transfers and exchanges are not executed and effective, the following transfer and exchange provisions shall be included within any contract amendment resulting from this AIP.~~

- ~~a. Transfers or exchanges involving DCF Water or the use of any DCF to convey water shall be subject to the approval of DWR to ensure, among other things, that such transfers or exchanges do not impair the credit ratings of any outstanding Revenue Bonds, DWR's ability to operate and maintain the SWP, or DWR's ability to meet regulatory requirements.~~
- ~~b. Transfers or exchanges involving DCF Water or the use of any DCF to convey water shall include terms stating that the transferring or exchanging party remains responsible for payment of DCF Fixed Charge Components and DCF Variable OMP&R Charges. Any compensation between the parties for a transfer or exchange shall be as agreed between the transferring or exchanging parties.~~
- ~~c. Subject to the State's review and approval, all transfers and exchanges shall satisfy the following criteria:~~
- ~~d. Transfers and exchanges shall comply with all applicable laws and regulations.~~
- ~~e. Transfers and exchanges shall not impact the financial integrity of the SWP, which includes but is not limited to the credit rating of any revenue bonds. Transfer and exchange agreements shall include provisions to cover all costs to the State for the movement of water such as power costs and use of facility costs.~~
- ~~f. Transfers and exchanges shall be transparent.~~
- ~~g. Transfers and exchanges shall not harm other contractors not participating in the transfer or exchange.~~

~~h. Transfers and exchanges shall not create significant adverse impacts to the service area of each contractor participating in the transfer or exchange.~~

~~i.b. Transfers and exchanges shall not adversely impact SWP operations.~~

~~D. Use Outside-of Contracted-Proportionate-Shares Capacity~~

~~—Absent a party holding a Contracted Proportionate Share of the DCF or a transfer or exchange agreement with a PWA holding a Contracted Proportionate Share of the DCF any use of the DCF approved by DWR will be conditioned upon appropriate payment of DCF Fixed Charge Components and the DCF Variable OPM&R Charge Component. Payments made will be credited against the charges assessed to all PWAs holding a Contracted Proportionate Share in the DCF.~~

~~1. For all potential non-participant capacity use, DWR will work with Participating PWAs to determine: 1) if there is excess capacity; and, 2) to ensure that fair compensation is paid for that use of capacity.~~

~~2. When there is unused capacity in the DCF, a Participating PWA shall have the unrestricted right to utilize its Contracted Proportionate Share own-designated share of capacity on a first priority basis. To the extent there is at any time remaining unused capacity available, it shall be allocated among the Participating PWAs on a second priority basis. If the requests to use such unused capacity exceed the amount available, the unused capacity shall be allocated among those requesting Participating PWAs in proportion to their respective level of participation.~~

~~3. If unused capacity is available after all Participating PWA requests, it shall be offered to SWP non-participants Non-Participating PWAs on a third priority basis subject to execution of a contract with DWR.~~

~~4. Any remaining unused capacity shall be available to any person on a fourth priority basis subject to execution of a contract with DWR under Water Code 1810.~~

~~1. Fair compensation will include but is not limited to fixed and variable capital recovery, operations, and maintenance, and replacement charges associated with the use of the Delta Conveyance capacity. All fair compensation fees collected for use of capacity would be credited back to the participants in proportion to their Contracted Proportionate Share.~~

~~1.5.~~

~~V.VI. Dispute Resolution Process Prior to Execution of a Delta Conveyance Contract Amendment [Consistent with PWA Second Offer Paragraph III.10.]~~

~~VI. Additional Contents of an Agreement in Principle [PWA Second Offer Section IV.]~~

~~Discussions and negotiations with DWR may result in an AIP that will establish key terms for a proposed contract amendment or other necessary agreement.~~

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• Project description

VII. Relation to an Environmental Review Process [PWA Second Offer Section V.]

- A. DWR and the PWAs agree that this AIP is intended to be used during the environmental review process for the California Environmental Quality Act (CEQA), to define the proposed project description for the purposes of CEQA, and to permit the next steps of the SWP water supply contract amendment process, including scoping and the preparation of the EIR. The AIP principles are not final contract language and do not represent a contractual commitment by either DWR or the PWAs to approve any proposed project or to sign contract amendments. By concurring with the AIP, DWR and the PWAs express their intent to move forward with the CEQA process with DWR as lead agency and the PWAs as responsible agencies, and ultimately develop a proposed project consisting of contractual amendments consistent with the AIP principles and prepare the EIR for consideration by DWR and the PWAs.
- B. At the end of the CEQA process and in compliance with CEQA, DWR and the PWAs will each individually evaluate the EIR and Contract Amendment, exercise their independent judgment, and determine whether or not to certify the EIR, approve the proposed project and sign the contract amendment or to approve an alternative project. Consequently, even though DWR and the PWAs have agreed to the AIP for the purposes described in the preceding paragraphs, DWR and each PWA retain their full discretion under CEQA to consider and adopt mitigation measures and alternatives, including the alternative of not going forward with the proposed project.



State Water Project (SWP) Contract Amendment for Delta Conveyance September 11, 2019 Meeting Summary

Draft Meeting Attendance List

California Department of Water Resources

Lead Negotiators

- Brian "B.G." Heiland, California Department of Water Resources
- Tripp Mizell, California Department of Water Resources
- Dave Paulson, California Department of Water Resources
- Pedro Villalobos, California Department of Water Resources
- Molly White, California Department of Water Resources

California Department of Water Resources

Staff

- Ted Alvarez, California Department of Water Resources
- Vinay Behl, California Department of Water Resources
- Greg Clawson, California Department of Water Resources (by phone)
- Stan Dirks, California Department of Water Resources
- James Edwards, California Department of Water Resources
- Terry Ely, California Department of Water Resources (by phone)
- Avery Estrada, California Department of Water Resources
- Tasmin Eusuff, California Department of Water Resources
- Andrea Glasgow, California Department of Water Resources (by phone)
- Spencer Kenner, California Department of Water Resources (by phone)
- Mahmoud Mabrouk, California

Department of Water Resources

- Jagruti Maroney, California Department of Water Resources
- Christopher Martin, California Department of Water Resources
- Julie Mattox, California Department of Water Resources
- Tracy Pettit, California Department of Water Resources (by phone)
- Nancy Quan, California Department of Water Resources
- Dave Rizzardo, California Department of Water Resources
- Michelle Silva, California Department of Water Resources
- Amardeep Singh, California Department of Water Resources
- Bryan Victor, California Department of Water Resources

Public Water Agencies (PWAs) Lead Negotiators

- Steve Arakawa, Metropolitan Water District of Southern California
- Robert Cheng, Coachella Valley Water District
- Curtis Creel, Kern County Water Agency
- Jeff Davis, San Geronio Pass Water Agency
- Dan Flory, Antelope Valley-East Kern Water Agency/Dudley Ridge Water District
- Mark Gilkey, County of Kings/Empire-West Side Irrigation District/Tulare Lake Basin
- Paul Gosselin, County of Butte, Butte

- Couty Water and Resource Conservation
- Garth Hall, Santa Clara Valley Water District
 - Douglas Headrick, San Bernardino Valley Municipal Water District
 - Laura Hidas, Alameda County Water District
 - Cindy Kao, Santa Clara Valley Water District
 - Matthew Knudson, Antelope Valley-East Kern Water Agency
 - Dirk Marks, Santa Clarita Valley Water Agency
 - Tom McCarthy, Mojave Water Agency
 - Thomas Pate, Solano County Water Agency
 - Valerie Pryor, Alameda County FC&WCD Zone 7
 - Ray Stokes, Central Coast Water Authority
 - Wes Thomson, San Luis Obispo County Flood Control and Water Conservation District (by phone)

Public Water Agencies Staff

- Adnan Anabtawi, Mojave Water Agency (by phone)
- Joseph Byrne, State Water Contractors
- Chandra Sekhar Chilmakuri, Metropolitan Water District of Southern California
- Kathy Cortner, Mojave Water Agency
- Jaime Dalida, Metropolitan Water District of Southern California
- Allison Febbo, State Water Contractors
- Steven Inn, Alameda County Water District
- Dana Jacobson, Santa Clara Valley Water District
- Adam Kear, Metropolitan Water District of Southern California
- Robert Kunde, Wheeler Ridge-Maricopa Water Storage District
- Theresa Lightle, State Water Contractors
- Kathleen Low, Santa Clara Valley Water District
- Holly Melton, Kern County Water Agency

- Marty Milobar, Kern County Water Agency
- Amelia Minaberrigarai, Kern County Water Agency (by phone)
- Stef Morris, Metropolitan Water District of Southern California
- Ted Page, Kern County Water Agency
- Jennifer Pierre, State Water Contractors
- Julie Ramsay, State Water Contractors
- David Reukema, Metropolitan Water District of Southern California (by phone)
- Jack Safely, Metropolitan Water District of Southern California
- Peter Thompson, Palmdale Water District (by phone)
- Craig Wallace, Kern County Water Agency
- Charles Wulff, Kern County Water Agency (by phone)

Members of the Public

- Megan Couch, San Diego County Water Authority
- Cori Flannery, Delta Stewardship Council
- Erika Giorgi, Delta Stewardship Council
- Colin Maloney, Bureau of Reclamation
- Anthony Navasero, Delta Stewardship Council
- Kelley Taber, Somach Simmons & Dunn (by phone)
- Jolene Walsh, Eastern Municipal Water District (by phone)

Facilitation Team

- John Bowie, Kearns & West
- Sharon Hu, Kearns & West
- Eric Poncelet, Kearns & West
- Cici Vu, Kearns & West

Meeting Summary

I. Welcome/Introductions

There were roundtable introductions of the negotiation teams and staff. Members of the public and phone participants were given the opportunity to introduce themselves.

II. Meeting Overview

Eric Poncelet (Eric), Kearns & West, thanked everyone for attending the fifth public negotiation meeting on the State Water Project (SWP) Contract Amendment for Delta Conveyance. He reviewed the ground rules and reminded the group that the California Department of Water Resources (DWR) and Public Water Agency (PWA) Contractors can call a caucus at any time. He also reminded members of the public that oral public comment occurs at the end of the business meeting, and written comments can be submitted in person or electronically to Brian "B.G." Heiland at Brian.Heiland@water.ca.gov. Eric outlined the agenda and reviewed the main meeting objectives.

Eric turned to the negotiators to confirm the September 4th meeting summary. Tom McCarthy (Tom), Mojave Water Agency, and Tripp Mizell (Tripp), DWR, indicated that the PWAs and DWR, respectively, had no further edits to the summary. Eric informed meeting attendees that the facilitation team will finalize summary of the September 4th summary, which will be made 508 compliant and posted on the DWR Box site: <https://cadwr.app.box.com/s/irusyewojv4nwzmxzfzngzhmgli9sswcw>.

III. Technical Team Update

Eric introduced the two technical teams, one team focusing on accounting and administration feasibility and the other team looking at variable costs. He turned first to Brian "B.G." (B.G.) Heiland, DWR, and Cindy Kao (Cindy), Santa Clara Valley Water District, to provide an update on the technical team's progress on accounting and administration feasibility.

B.G. stated that the technical team has been working through additional points on the conceptual process for administering Article 21 water and has made progress on the analysis for the SWP infrastructure and system's response to perturbations in water demand and storage. He stated that DWR staff has analyzed the system's reaction to hypothetical volumes of Delta Conveyance Facility (DCF) water, historical carryover storage, varying DCF storage, historical demand, and increased demand.

Further, B.G. indicated that the technical team has come to a mutual understanding that the findings of DWR's analysis are valid and proceeded to describe aspects of the analysis. He noted that due to hydrologic variability, DCF water may come in at high volumes for shorter durations. He further explained that the San Luis Reservoir (SLR) may fill more often, but that frequency of the fill usage does not substantially change water demand or storage. He added that attainment of this higher volume of water could occur through many years, creating additional water supply and water management benefits.

Cindy commented that the PWAs appreciated DWR's analysis and found the information helpful. She reported that the technical team recommends convening another meeting to address various approaches for the administrative process associated with Article 21 water and Delta Conveyance Direct Deliveries so that these conceptual approaches can be combined into a working model. Cindy emphasized that the technical team would like to move forward with developing a joint administrative and accounting process to track DCF water and Article 21 water when the SLR is full.

Eric asked B.G. and Cindy to clarify when the technical team on accounting and administration plans to have its next meeting.

B.G. and Cindy clarified that the technical team hopes to meet early next week in time to provide an update at next Wednesday's [September 18] negotiation session.

Eric then turned to Craig Wallace (Craig), Kern County Water Agency, and Pedro Villalobos (Pedro), DWR, to provide an update on their technical team's progress on variable costs.

Craig stated that the technical team discussed the feasibility of three options for power cost recovery associated with moving water through the DCF. Craig noted that this technical team discussed three categories within each options; isolation of costs, water movement, and equity. The technical team determined that all three options are feasible. He added that the next steps would be for the PWAs to discuss this information and develop AIP language for inclusion in a future proposal.

Pedro concurred with Craig that the technical team discussion was productive, including different perspectives on capturing costs, allocating costs, and downstream impacts. He stated that the next steps should be for the PWAs to move forward with preparing a proposal based on the technical team's findings.

Eric asked the PWAs if they will have proposal text available for the next negotiation session.

Craig responded that the PWAs intend on sharing a written proposal based on the technical team's findings on variable costs at the next negotiation session.

Eric asked the lead negotiators if there were any questions regarding the two technical team updates. Seeing none, he proceeded to the next agenda item covering DWR's Third Offer.

IV. DWR's Third Offer Proposal (DWR Third Offer) and Discussion

Eric turned to Tripp to provide an overview of the DWR Third Offer. Eric noted that there will be time after Tripp's update for negotiators to ask questions and caucus, if needed.

Tripp introduced the DWR Third Offer¹ and provided a high level overview of the document, highlighting the sections below. He also stated that the Third Offer tries to address the PWAs' concerns from the September 4th negotiation session.

¹ DWR Third Offer is designated as DCP Negotiation document 031.

1. **Item II (F-G), Definitions: Delta Conveyance Facility Water (DCF Water) and Contracted Proportionate Share.** Tripp stated that in response to the PWAs' concerns about the definitions for both DCF water and Contracted Proportionate Share, DWR has added the highlighted text to provide more specificity and clarity about DWR's intent in defining the terms.
2. **Item IV (A.2), Accounting and Administration Related to the Delta Conveyance Facility: Integration into the State Water Project Generally.** Tripp noted that the added language in this section, as highlighted, is intended to address the PWAs' questions regarding DWR's use of Delta Conveyance Facilities. He stated that DWR intends to convey DCF water as well as Table A water from the Facilities.
3. **Item IV (A.3 - 4), Accounting and Administration Related to the Delta Conveyance Facility: Integration into the State Water Project Generally.** Tripp stated that the highlighted text under these sections reflects forecasting and scheduling benefits for Participants. He reiterated that DWR attempted to add more information regarding DCF benefits based on concerns raised by the PWAs in the September 4th negotiation session. He noted that there is similar additional clarifying language about accounting processes later in the document under *Item IV (B.1), Water Accounting*.
4. **Item IV (A.5), Accounting and Administration Related to the Delta Conveyance Facility: Article 21 Administration.** Tripp stated that many concepts in the DWR Third Offer are included with placeholders at this time. DWR acknowledges their importance and intends to discuss them in detail as the negotiations progress. He added that DWR is not currently able to present details on these concepts, as they are predicated upon the technical team's findings.
5. **Item IV (A.6), Accounting and Administration Related to the Delta Conveyance Facility: Operational Conflicts and Priorities.** Tripp stated that the provisions listed in this section are also included with placeholders; details are pending the work of the technical team.
6. **Item IV (C.1), Accounting and Administration Related to the Delta Conveyance Facility: Transfers and Exchanges.** Tripp stated that this section contains new language regarding transfers and exchanges. He noted that it was apparent from discussions during the September 4th session regarding the DWR Second Offer that the language regarding the SWP Water Supply Water Management Tools amendment (WMT Amendment) from the previous Agreement-in-Principle (AIP) led to some confusion. He added that DWR's intention was to extract the WMT Amendment provisions from the previous AIP to start developing language for the current contract amendment AIP (current AIP). He explained that since the previous AIP is not yet ratified, it is important that DWR include provisions in the current AIP that would protect DWR's financial integrity. Further, he noted that the second paragraph under this Item IV (C.1) contains language explicitly stating that, should the WMT Amendment provisions related to transfers and exchanges not be executed, DWR's intent would be for the current AIP to have the same provisions for transfers and exchanges as were provided in the previous AIP. In sum, Tripp stated that the provisions under Item IV (C.1.a) restate the provisions in the WMT Amendment.
7. **Item IV (D), Accounting and Administration Related to the Delta Conveyance Facility: Use Outside of Contracted Proportionate Shares.** Tripp stated that this section constitutes DWR's proposal for addressing costs and benefits in the limited circumstances where parties *not* holding a Contracted Proportionate Share of the DCF (Non-Participants) wish to use the DCF.

Tripp concluded his overview of the DWR Third Offer and paused for questions.

Eric thanked Tripp and asked if the PWAs had any questions for DWR regarding the DWR Third Offer.

Eric called on Steve Arakawa (Steve) from the Metropolitan Water District of Southern California.

Steve asked Tripp to clarify the reason for DWR incorporating the WMT Amendment language on transfers and exchanges under Item IV (C.1). Steve then clarified that he is asking whether DWR intends to apply this language to the transfers and exchanges contract provisions under the previous WMT AIP or to transfers and exchanges under the current water supply contract.

Tripp asked Steve to restate his question.

Steve asked Tripp whether the WMT Amendment language on transfers and exchanges is intended to provide protections for or characterize the transfers and exchanges under the current AIP.

Tripp answered that he believes Steve's understanding is correct and that he could further verify this for the PWAs. He noted that DWR's intent is to ensure that there are provisions protecting DWR in the event that the described components of the WMT Amendment do not go into effect.

Steve asked for further clarification on whether the WMT Amendment transfers and exchanges language is being applied to future transfers and exchange contract provisions that have yet to be approved *and* existing transfers and exchanges contract provisions.

Tripp answered in the affirmative.

Eric asked the negotiators if there were any additional questions or comments.

Kathy Cortner (Kathy), Mojave Water Agency, asked Tripp to clarify the language on charging Non-Participants for use of the DCF under Item IV (D.1) of the DWR Third Offer. She asked Tripp if the payments by Non-Participants for the "DCF Fixed Charge Components and the DCF Variable OMP&R Charge Component" refers to charges for that particular year or to an aggregated cost approach for DCF, looking retrospectively and prospectively.

Tripp replied that this provision is currently unspecified in that regard and is intended to capture the broad principle of Non-Participant Use of Contracted Proportionate Shares. He added that DWR is not prepared to provide more specific details on this provision at this time.

Kathy thanked Tripp for his response.

Ray Stokes (Ray), Central Coast Water Authority, asked Tripp to clarify if the language from the previous AIP pertaining to the WMT Amendment is included in Item IV (C.1.a) so that language on transfers and exchanges can move forward in this proceeding even if the previous AIP does not move forward.

Tripp replied in the affirmative. He stated that this section, Item IV (C.1.a), is only intended to be operable should the WMT Amendment not move to completion.

Ray asked if this concept of preserving provisions in the current AIP applies to any other provisions in the contract extension amendment, such as capitalization of costs. He stated that he was uncertain about whether this mechanism for incorporating the WMT Amendment language is appropriate to include in this offer.

Tripp replied that the previous AIP is in the process of being finalized and executed. He indicated that he did not anticipate that finalizing the WMT Amendment would be an uncertainty, and DWR would be open to addressing specific aspects or other PWA concerns.

Eric thanked Tripp and asked the PWAs if they had any final questions for DWR.

Tom stated that the PWAs would like to caucus.

Eric asked if the PWAs would be prepared to return before lunch time or if the PWAs would like to caucus through the lunch hour.

Tom confirmed that the PWAs would like to caucus over lunch time and reconvene at 1:00 PM.

Eric announced that the negotiators plan to reconvene the meeting at approximately 1:00 PM.

The PWAs and DWR went into caucus at 10:56 AM. The meeting resumed at 1:05 PM.

Eric reconvened the meeting and invited any new meeting participants on the phone to introduce themselves. Hearing none, he asked the PWAs to begin their discussion on the DWR Third Offer.

Tom thanked Eric and stated that the PWAs have reviewed the DWR Third Offer and have some questions, but are mainly focused on preparing a response to the Offer at this time. He added that the PWAs would like to end public negotiations at this point so that they can continue caucusing and preparing a response to the DWR Third Offer for discussion at the next negotiation session.

Eric thanked Tom and asked the negotiators whether they had further questions or comments on this topic. Seeing none, he continued on to cover next steps.

V. Next Steps

Eric noted that the facilitation team will share a draft meeting summary for this negotiation session (September 11) with the review team before the next negotiation session, at which point the draft will be finalized by the lead negotiators for publishing. He noted other key action items captured for this session, including:

- The technical team on accounting and administration will meet early next week, before the next negotiation session.
- The PWAs will prepare a written response to DWR's Third Offer.

Eric asked Tom to confirm whether the PWAs will prepare a response or another type of document.

Tom responded that the PWAs are treating the DWR Third Offer as a “living document” and that they will make clear edits on the existing version of the Offer.

Eric clarified whether Tom meant that the PWAs will provide tracked changes to the DWR Third Offer document.

Tom confirmed that the PWAs’ edits to the DWR Third Offer will be made in track changes format.

Eric asked for confirmation that the agenda for the September 18th negotiation session will include updates from both technical teams and the PWAs’ response to the DWR Third Offer.

Tripp commented that it appears that the technical team on variable costs will not be reporting back and asked Tom whether the proposal on variable costs will be written by the PWAs or by the technical team.

Tom replied that any response or offer would be prepared by the PWAs. He noted that the PWAs have enough information from the technical team report and today’s discussion to move forward and include a PWA response item on the agenda.

Tripp confirmed Tom’s response and clarified that the agenda for the next session will include *only* a technical team update on accounting and administration and not a technical team update on variable costs.

Eric asked Tripp and Tom to confirm that they want to convene a public negotiation session next week on September 18th.

Both Tripp and Tom confirmed a session for next Wednesday, September 18th.

Eric informed the meeting attendees that the September 18th negotiation session will be held at a new location, the Marriott Rancho Cordova, 11211 Point East Drive, Rancho Cordova, CA 95742. He added that the negotiators will decide next week whether there will be a negotiation session on September 23rd, which is tentatively on the meeting calendar.

Eric raised the prospect for an additional negotiation session on October 2nd, as it would need to be publicly noticed 15 days in advance of that date. He asked the negotiators whether they want to also plan for and notice an October 2nd meeting.

Tripp stated that DWR’s preference is to continue to meet on October 2nd.

Tom stated that the PWAs would also like to schedule a meeting for October 2nd and that it could be canceled if an additional session is not needed.

Eric confirmed that the facilitation team will add October 2nd to the tentative meeting schedule and timely notice it.

Eric informed the members of the public that public meeting notices are now only being sent to those who have opted in to the distribution list. He added that anyone who has not yet opted in but wishes to receive meeting notices should email Cici Vu, Kearns & West, at cvu@kearnswest.com.

Eric asked the negotiators whether they had further issues to discuss before concluding the business portion of the meeting.

Tom and Tripp indicated that they had no further topics to discuss.

VI. Public Comment

Eric then moved on to public comment and asked members of the public to refer to and consider the ground rules for observers and commenters listed in the meeting agenda. He noted that only meeting attendees present in the room may make oral comments, but all meeting attendees, including phone participants, may submit written comments to B.G. Heiland at Brian.Heiland@water.ca.gov. Eric added that all written comments will be posted to the DWR Box site at: <https://cadwr.app.box.com/s/irusyewojv4nwzmxzfzngzhmgli9sswcw>.

Eric then addressed meeting attendees in the room and asked for any oral comments. Seeing none in the room or on the Public Comment sign-in sheet, Eric adjourned the meeting.

VII. Adjourn

The meeting was adjourned at 1:13 PM.

Action List

1. DWR will post the confirmed September 4th meeting summary on the DWR Box site.
2. Kearns & West will send out a public notice about negotiations extending through an October 2nd meeting.
3. The technical team on accounting and administration feasibility will schedule a meeting early next week and provide an update at the September 18th negotiation session.
4. The PWAs will develop proposal text based on the findings of the technical team for variable costs for discussion at the September 18th negotiation session.
5. The PWAs will provide a written response to the DWR Third Offer in track changes format for discussion at the September 18th negotiation session.
6. Kearns & West will submit a draft September 11th meeting summary for finalization at the September 18th negotiation session.




CENTRAL COAST WATER AUTHORITY

MEMORANDUM

September 5, 2019

TO: CCWA Board of Directors

FROM: Ray A. Stokes
Executive Director 

SUBJECT: Suspended Table A Reacquisition and Request for Authorization to Hire CEQA Consultant

SUMMARY

At both the May and June 2019 CCWA Board meetings, CCWA staff presented an overview and history of efforts to reacquire 12,214 AF of suspended Table A water and stated that the goal was to get a final tally on the CCWA Project Participants wanting to participate in the reacquisition and to initiate the CEQA analysis necessary to reacquire the water. This report will further expand on that discussion and request CCWA Board approval to hire the CEQA consultant, Environmental Science Associates, to perform the CEQA analysis.

DISCUSSION

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 (Attachment #1) outlining the terms which CCWA and the County would base the reacquisition upon.

Five 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 these five agencies.

City of Santa Maria	9,814 AF
Carpinteria Valley WD	1,000 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 (SWP) 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 (Attachment #2) 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 Attachment #2), 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 2019 (the actual costs to reacquire will be calculated by DWR at the point in time in which CCWA executes a contract to reacquire the water):

Central Coast Water Authority
Estimate of Costs to Reacquire SB County Suspended Water
DRAFT -September 2019

<i>Estimated Current Costs to Reacquire and Finance Suspended Water</i>			
Notes	Cost Component (1982 to 2019 only)	Total Costs 2019 SOC	Cost per AF (12,214 AF)
1	DWR Transportation Capital	\$ 8,174,834	\$ 669
2	DWR Transportation Minimum OMP&R	20,062,214	1,643
3	DWR WSRB Surcharge	4,177,066	342
4	Subtotal DWR Costs	32,414,114	\$ 2,654
5	Present Value-SB County Costs ^(1964 to 1981)	7,077,815	579
6	Other Bond Issue Costs, underwriter's, etc.	-	-
7	Total Financed Costs	\$ 39,491,930	\$ 3,233

Estimated Annual Costs for Calendar Year 2019		2019 Costs
8	Transportation Capital	116,121
9	Transportation Minimum OMP&R	509,671
10	WSRB Surcharge	131,396
11	Delta Water Charge	928,264
12	Current Annual Cost	\$ 1,685,452
13	Divided by 12,214 AF	\$ 138

Environmental Analysis

In May 2017, CCWA, DWR and Santa Barbara County, all executed the attached "Proposed Project to Amend the Water Supply Contract between DWR and SBCFCWCD (attachment #3), which among other things, establishes that CCWA shall act as the CEQA lead agency for the reacquisition project.

CCWA had previously received a proposal from Environmental Science Associates (ESA) to prepare an EIR for the reacquisition of the suspended Table A. That proposal has been updated and is attached as Attachment #4 to this report.

If approved, the estimated cost of the EIR report by ESA is \$293,962, which would be paid by those CCWA project participants who have elected to participate in the reacquisition of the suspended Table A.

Additional Participation by Other CCWA Project Participants

Recently, some other CCWA project participants other than the ones listed on page one of this report, have expressed an interest in possibly participating in the reacquisition of the

suspended Table A. CCWA requested that all additional participation requests be made known to CCWA by the September 26, 2019 CCWA Board meeting in order to ensure all entities that will be acquiring the water can be included in the CEQA analysis. Staff will provide an update of interested CCWA Project Participants at the September 26, 2019 CCWA Board meeting.

CCWA prepared separate contracts between CCWA and the participating CCWA project participants regarding the reacquisition of the Table A. These contracts essentially insulate the other non-participants from any and all liability associated with the reacquisition of the suspended Table A. Any CCWA project participant wanting to participate in the reacquisition needs to execute the attached "Suspended State Water Program Participation Agreement" (Attachment #5). All costs associated with the reacquisition for the suspended Table A are allocated to those participants executing the Participation Agreement. To date, CCWA has expended approximately \$274,000 on the reacquisition efforts as follows:

Project Participant	Amount Requested (AF)	General Cost Allocation Percentage	Total Expenses through 6/19
City of Santa Maria	9,814	80.4%	\$ 219,810
Carpinteria Water District	1,000	8.2%	\$ 22,398
City of Guadalupe	600	4.9%	\$ 13,439
Santa Ynez Imp. District, ID#1	500	4.1%	\$ 11,199
Santa Ynez Imp. District, ID#1 (Solvang)	300	2.5%	\$ 6,719
Total:	12,214	100.00%	\$ 273,564

Approximately \$39,000 of the costs incurred to date are costs paid to Santa Barbara County for County staff time spent on the reacquisition efforts, with the balance, \$235,000 for legal expenses.

Possible Amendment Offer to Santa Barbara County

As part of the agreement with DWR when the 12,214 AF was suspended in the 1980's, Santa Barbara County requested, and DWR agreed, that if the 12,214 AF is reacquired in the future by any SWP Contractor, that the County is eligible for reimbursement of the costs it paid for the 12,214 AF from 1963 until the water was suspended in 1981, plus interest at the DWR Project Interest Rate of 4.610%. Those costs are now estimated to be around \$7.1 million (through 2019).

If other CCWA project participants agree to participate in the reacquisition beyond those already in the reacquisition project, there would be a broader allocation of the water supply benefits to the County as a whole. As such, an argument could be made that since the water is benefiting most of the County, that payment of the \$6.8 million is unnecessary given the broad benefit to the County as a whole. This could be proposed to the County and provide additional incentive to other CCWA project participants by lowering the overall reacquisition costs.

Summary of Additional Administrative Costs

Staff is estimating that an additional deposit of \$350,000 is needed to complete the next phase of the reacquisition, with \$293,962 for the CEQA consultant and the balance, \$56,038 for legal and other expenses. A breakdown of the \$350,000 among those CCWA Project Participants that have executed participation agreements for the reacquisition is as follows:

Project Participant	Amount Requested (AF)	General Cost Allocation Percentage	Future Administrative Cost Estimate
City of Santa Maria	9,814	80.4%	\$ 281,226
Carpinteria Water District	1,000	8.2%	28,656
City of Guadalupe	600	4.9%	17,193
Santa Ynez Imp. District, ID#1	500	4.1%	14,328
Santa Ynez Imp. District, ID#1 (Solvang)	300	2.5%	8,597
Total:	12,214	100.00%	\$ 350,000
Cost/AF:			\$ 28.66

If other CCWA Project Participants elect to participate in the reacquisition, they will have to pay their allocated share of the costs already incurred, (\$274,000), plus their share of the additional \$350,000 described above. Both amounts total \$624,000, or \$51 per acre-foot.

CCWA Board Approval

According to the "CCWA Suspended State Water Program Participation Agreement" (Attachment #5), the participants in the reacquisition are the entities responsible for making decisions for the reacquisition efforts. However, since a majority of the CCWA Board of Directors are participating in the reacquisition, the recommended action listed below is presented as a CCWA Board action request. Non-participating CCWA Board members may wish to abstain since their agencies will not be affected by the reacquisition.

RECOMMENDATION

CCWA staff recommends that the CCWA Board of Directors:

1. Authorize staff to execute a contract with Environmental Science Associates (ESA) to prepare an Environmental Impact Report for the CCWA Reacquisition of 12,214 AF of Suspended Table A water.
2. Collect an additional \$350,000 in administrative costs from participating CCWA project participants for the CEQA consultant and additional legal fees.

RAS

List of Attachments

- Attachment #1: Term Sheet between CCWA and Santa Barbara County Regarding Reacquisition of the Suspended Table A
- Attachment #2: Reacquisition of 12,214 AFY State Water Project "Table A" Amount White Paper
- Attachment #3: Lead Agency Agreement by and between CCWA, DWR and Santa Barbara County
- Attachment #4: Proposal to Prepare an Environmental Impact Report for the Central Coast Water Authority's Reacquisition of State Water Project Table A Amount
- Attachment #5: CCWA Suspended State Water Program Participation Agreement

ATTACHMENT #1

Term Sheet between CCWA and
Santa Barbara County Regarding
Reacquisition of the Suspended
Table A



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, appearing to read "Christina Lopez".

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 or 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 1st.

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

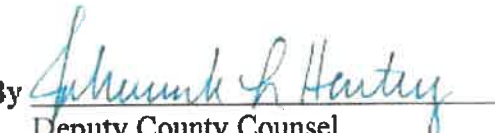
SANTA BARBARA COUNTY FLOOD
CONTROL AND WATER CONSERVATION
DISTRICT

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

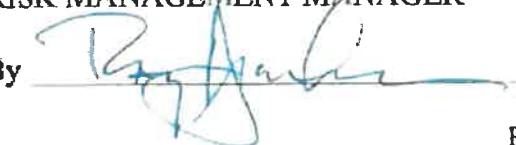
APPROVED AS TO FORM:
MICHAEL C. GHIZZONI,
COUNTY COUNSEL

By 
Deputy County Counsel

APPROVED AS TO FORM:
THEODORE FALLATI,
AUDITOR CONTROLLER

By 
Deputy

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

By 

RECOMMENDED:
SCOTT D. MCGOLPIN
PUBLIC WORKS DIRECTOR

By 

ATTACHMENT #2

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



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 AFY¹ of Table A² 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.

¹ 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.

² 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.

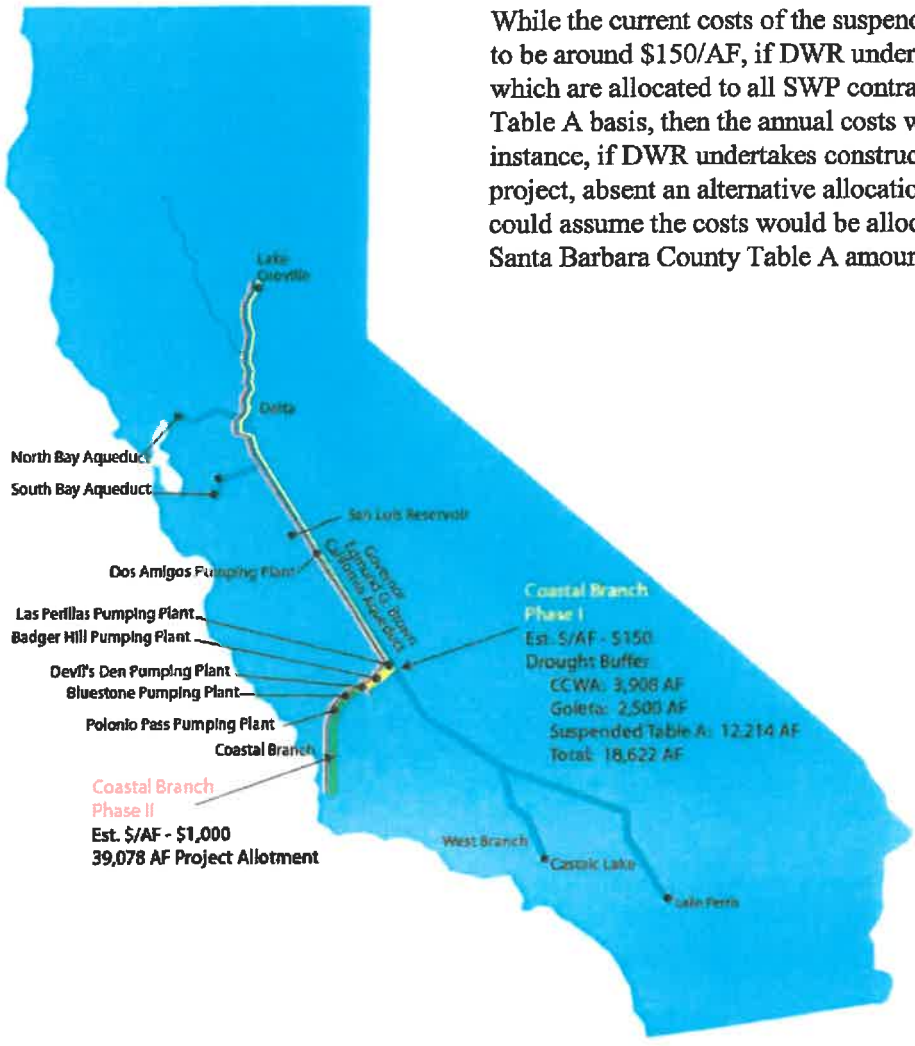
After the 1991 vote to authorize bonds to construct facilities to deliver State Water through Santa Barbara County, DWR and CCWA began the process to construct the facilities to extend the then-existing Coastal Branch Phase I facilities. The Phase II facilities were NOT designed to include the additional 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
TOTAL:	57,700				\$ 41,871,300

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.

ATTACHMENT #3

Lead Agency Agreement by and
between CCWA, DWR and Santa
Barbara County



County of Santa Barbara
BOARD OF SUPERVISORS

Minute Order

May 2, 2017

Present: 5 - Supervisor Williams, Supervisor Wolf, Supervisor Hartmann, Supervisor Adam, and Supervisor Lavagnino

PUBLIC WORKS BOARD OF DIRECTORS FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

File Reference No. 17-00302

RE: Consider recommendations regarding reacquisition of Santa Barbara County Flood Control and Water Conservation District's suspended state water, as follows:

Acting as the Board of Directors, Flood Control and Water Conservation District:

a) Approve and authorize the Chair to execute the Lead Agency Agreement with the California Department of Water Resources and the Central Coast Water Authority regarding the Proposed Project to Amend the Water Supply Contract to Reacquire Suspended State Water Project Allocation; and

b) Determine that the proposed action is not a project under the California Environmental Quality Act, pursuant to Guidelines Section 15378(b)(5), organization or administrative activities that will not result in a direct or indirect physical change in the environment.

A motion was made by Supervisor Williams, seconded by Supervisor Hartmann, that this matter be Acted on as follows:

Acting as the Board of Directors, Flood Control and Water Conservation District:

a) Approved and authorized; Chair to execute; and

b) Approved.

The motion carried by the following vote:

Ayes: 3 - Supervisor Williams, Supervisor Wolf, and Supervisor Hartmann

Noes: 2 - Supervisor Adam, and Supervisor Lavagnino

This is a true certified copy of the original document on file or of record in my office. It bears the seal and signature, imprinted in purple ink, of the Clerk of the Board of Supervisors.

Clerk of the Board, Santa Barbara County, California

Date 5/4/2017 by Deputy



Julia Ruthenford Daly

CCWA-Santa Barbara-DWR

Lead Agency Agreement

**AGREEMENT AMONG THE CALIFORNIA DEPARTMENT OF WATER RESOURCES (DWR),
SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT (SBCFCWCD),
AND CENTRAL COAST WATER AUTHORITY (CCWA), COLLECTIVELY THE "PARTIES,"
REGARDING THE PROPOSED PROJECT TO AMEND THE WATER SUPPLY CONTRACT
BETWEEN DWR AND SBCFCWCD**

This Agreement is made on 4/24/17 among DWR, SBCFCWCD, and CCWA under California Code of Regulations, Title 14, section 15051, subdivision (d) to designate CCWA as the lead agency under the California Environmental Quality Act (CEQA) for the proposed Project to amend the long-term water supply contract between DWR and SBCFCWCD.

- A. Whereas, DWR owns, operates, and maintains the California State Water Project (SWP), which delivers water throughout California, including to Santa Barbara County.
- B. Whereas, DWR has entered into the water supply contract with SBCFCWCD on February 26, 1963, to provide water supply from the SWP to Santa Barbara County from the SWP (Water Supply Contract).
- C. Whereas, CCWA is a joint powers authority comprised of eight member agencies, and is a wholesale water provider to 13 water districts and private companies in Santa Barbara County, and another 11 water purchasers in San Luis Obispo County.
- D. Whereas, CCWA was formed in 1991 to construct, manage, and operate Santa Barbara County's local facilities for distribution and treatment of the SWP water supply for SBCFCWCD.
- E. Whereas, SBCFCWCD has transferred certain rights and responsibilities under the Water Supply Contract with DWR to CCWA.
- F. Whereas, CCWA is obligated to reimburse SBCFCWCD all costs charged to SBCFCWCD under the Water Supply Contract pursuant to the Transfer of Financial Responsibility Agreement entered into between CCWA and SBCFCWCD in November 12, 1991.
- G. Whereas, the original Water Supply Contract executed in 1963, as amended by Amendment No. 2 in 1965, provided for a "Table A Amount" for Santa Barbara County of 57,700 acre feet per year (AFY). Pursuant to Amendment No. 9 to the Water Supply Contract, executed in 1981, the "Table A Amount" available to Santa Barbara was changed to 45,486 AFY, a reduction of 12,214 AFY (Suspended Allocation).
- H. Whereas, SBCFCWCD desires to reacquire the Suspended Allocation and has requested that DWR consider amendment of the Water Supply Contract to increase the Table A Amount of the

Water Supply Contract by 12,214 AF from 45,486 AF to 57,700 AF, which for the purpose of this Agreement is described as the "Project."

- I. Whereas, DWR has the authority to consider the adjustment of the Table A Amount for SBCFCWCD based on Article 7 (a) of the Water Supply Contract and to potentially approve this adjustment through an amendment to the Water Supply Contract.
- J. Whereas, SBCFCWCD has the authority to consider the adjustment of the Table A Amount and to potentially approve the adjustment through an amendment to the Water Supply Contract.
- K. Whereas, SBCFCWCD and CCWA desire to consider an agreement whereby CCWA will be obligated to reimburse SBCFCWCD for all costs charged to SBCFCWCD related to the proposed Project and each party has the authority to enter into such agreement.
- L. Whereas, CCWA has the authority to take delivery of the water made available by the proposed Project, as a component of the Table A Amount available to Santa Barbara County, to distribute the additional water supply through the Coastal Branch to its members, and to collect any costs from its members resulting from the Project.
- M. Whereas, the Parties recognize that the proposed Project is subject to CEQA and believe that an EIR should be prepared to analyze its environmental impacts.
- N. Whereas, the Parties are public agencies that will have discretionary approval of portions of the Project and responsibility to carry out parts of the proposed Project, and all have a substantial claim to serve as lead agency.
- O. Whereas, CEQA provides that when more than two or more public agencies have a substantial claim to be the lead agency, the public agencies may agree among themselves to designate one of the agencies as lead agency.
- P. Whereas, the Parties have agreed in this Agreement to designate CCWA as the lead agency for this Project under the terms stated below.

The Parties agree as follows:

1. CCWA shall act as the CEQA lead agency for the Project, and will fulfill all obligations of the lead agency with respect to the proposed Project as required by CEQA.
2. DWR and SBCFCWCD shall act as responsible agencies for proposed Project, and they will fulfill all obligations of responsible agencies with respect to the Project as required by CEQA.
3. CCWA shall be responsible for the preparation of the EIR, and for conducting the public review process as required by CEQA. CCWA will use its staff and any needed consultants to prepare the EIR. CCWA shall share with DWR and SBCFCWD administrative drafts of the EIR and shall consider and incorporate their comments as appropriate.
4. All costs associated with CEQA compliance for the proposed Project, including for the preparation of the EIR, and the public review process, shall be the sole responsibility of CCWA.
5. DWR shall assist CCWA in the preparation the EIR and the public review process, and shall be responsible for any costs that they incur while assisting CCWA.
6. SBCFCWCD shall assist CCWA in the preparation the EIR and the public review process, and shall not be responsible for any costs incurred while assisting CCWA.

7. All Parties will engage in cooperative efforts and consultation to effectively prepare the EIR and to ensure compliance with CEQA.
8. CCWA agrees to defend, indemnify, and hold DWR and SBCFCWDC, their officers, and employees harmless from any liability, expenses, defense costs, attorney fees, claims, actions, and lawsuits of any kind arising from or related to the Agreement.
9. The Agreement will terminate upon CCWA's completion and certification of the EIR, or CCWA's issuance of a notice of determination, whichever is later. Any party may terminate this Agreement by giving 60 day notice to the other Parties in writing. CCWA's responsibilities in paragraph 8 shall continue after the termination of the Agreement.

The Parties have executed this agreement on the date written above.

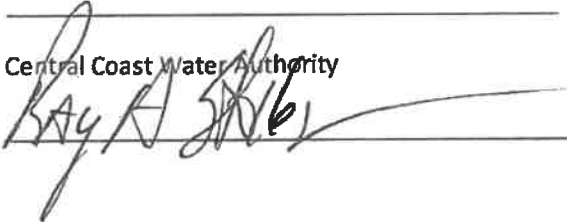
State of California, Department of Water Resources



Santa Barbara County Flood Control and Water Conservation District

See Page 4

Central Coast Water Authority



ATTEST:

Mona Miyasato
County Executive Officer
Ex Officio Clerk of the Board of
Directors of the Santa Barbara County
Flood Control and Water Conservation
District

By: 
Deputy Clerk

**SANTA BARBARA COUNTY FLOOD CONTROL
& WATER CONSERVATION DISTRICT:**

By: 
Joan Hartmann, Chair, Board of
Directors

Date: 5/21/17

RECOMMENDED FOR APPROVAL:

**Santa Barbara County Flood Control &
Water Conservation District**

By: 
Scott D. McGolpin
Public Works Director

APPROVED AS TO FORM:

Ray Aromatorio, ARM, AIC
Risk Manager

By: 
Risk Management

APPROVED AS TO FORM:

Michael C. Ghizzoni
County Counsel

By: 
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:

Theodore A. Fallati, CPA
Auditor-Controller

By: 
Deputy

ATTACHMENT #4

Proposal to Prepare an
Environmental Impact Report
for the Central Coast Water
Authority's Reacquisition of
State Water Project Table A
Amount



2600 Capitol Avenue
Suite 200
Sacramento, CA 95816
916.564.4500 phone
916.564.4501 fax

ESASAC000000

June 13, 2019

Stephanie Osler Hastings
Brownstein Hyatt Farber Schreck
1020 State Street
Santa Barbara, Ca 93101

Subject: Proposal to Prepare an Environmental Impact Report for the Central Coast Water Authority's
Reacquisition of State Water Project Table A Amount

Dear Ms. Hastings:

Environmental Science Associates (ESA) is pleased to provide you with a scope, schedule and budget to prepare the Environmental Impact Report (EIR) for the Central Coast Water Authority's (CCWA) request to reacquire 12,214 acre-feet per year (AFY) of State Water Project (SWP) Table A amount. In 1963 the Santa Barbara Flood Control and Water Conservation District (FCD) and Department of Water Resources (DWR) executed a Water Supply Contract (Contract) for delivery of up to 57,700 AFY from the SWP. In 1981 FCD and DWR executed an amendment to the Contract (Amendment No. 9) that reduced FCD's Table A amount from 57,700 AFY to 45,486, suspending delivery of 12,214 AFY. In May 1991 the EIR for the Coastal Branch and in-County (Santa Barbara County) facilities was certified. This 1991 EIR evaluated delivery of the full Table A amount (57,700 AFY). The CCWA was formed in 1991 to manage SWP operations on behalf of the Coastal Branch participants, including FCD. In 2014, CCWA made a request as to the ability for them to reacquire the 12,214 AFY of suspended Table A water for use by one or more of CCWA's member agencies within their respective service area(s). The reacquisition of the 12,214 AFY Table A amount is the proposed project to be evaluated in this EIR. No modified or new water conveyance facilities are proposed to deliver this water. As described below in the Scope of Work, ESA will assume use of information contained in the Water Supply Contract Extension Project EIR and the 2018 State Water Project Water Supply Contract Amendments for Water Management and California Waterfix (Contract Amendment) Draft EIR to the maximum extent practicable to describe the setting for the SWP service area. The 1991 Coastal Branch EIR will be used to describe the CCWA service area but will be updated as needed to reflect more current conditions. This EIR will also serve as the basis for the growth-inducing analysis since it evaluated growth based on full Table A delivery (57,700 AFY); however, the information will be updated and refined to reflect the proposed distribution of the 12,214 AFY in CCWA's service area.

It is assumed that DWR Modeling Branch will run CALSIMII to demonstrate how the proposed project might impact delivery of SWP water to other Public Water Agencies (PWAs). The findings will be used in the analysis of several resource topics including, Water Resources (both supply and quality), Aquatic Resources, Energy, Climate Change and Growth Inducement. Based on the nature of the proposed project (a Contract amendment and no new or modified infrastructure) no other modeling, or field surveys are proposed in support of the analysis.

The following details our proposed scope of work to complete the EIR and is followed by our proposed schedule and budget.



Ms. Hastings:
June 13, 2019
Page 2

Scope of Work

Task 1: Project Initiation

ESA's project director and project manager will prepare for and participate in a project initiation call with the CCWA staff. During the call, ESA and the CCWA staff will review and confirm the project scope and schedule, EIR organization, identify data gaps for preparing the project description and description of the alternatives, and identify other available information for use in preparing the EIR. In addition, the following items will be discussed: (1) the communication protocol between ESA, CCWA, and DWR; (2) dates/times for project progress meetings; and administrative record format; and (3) timing and agenda for public meetings. ESA will document key decisions and future action items.

Task 1 Deliverables:

- Meeting agenda
- Project Description data gaps memorandum
- Action items

Task 2: AB 52 Compliance

Given the nature of the proposed project and the potential area of effect, ESA's cultural resources staff suggest that outreach can be focused to the CCWA service area. Our proposed scope and level of effort reflects this assumption.

As part of CEQA compliance, ESA will assist CCWA in conducting Assembly Bill (AB) 52 consultation with CCWA's known tribal consultation list (anticipated to be no more than 10 tribes). This will include drafting informative letters to be distributed to the tribes to identify any consultation requests, as well as conducting one round of follow up phone calls or emails. Formal government to government consultation will be conducted by CCWA and any interested tribes. While this scope does not anticipate the need for or include ESA's presence at any tribal meetings, attendance at tribal meetings can be conducted under separate scope and cost, as the needed. The information received from AB52 consultation effort will be incorporated into the EIR section.

Task 3: Notice of Preparation

Subtask 3.1: Notice of Preparation

ESA will collaborate with CCWA staff to develop a project description for inclusion in the Notice of Preparation (NOP). The project description will include: (1) project location, including the service areas of the CCWA members that will use the supply; (2) project objectives; (3) description of the proposed Contract amendment; (4) proposed schedule; and (5) anticipated regulatory requirements and approvals. It is also anticipated that the NOP will include a summary of the project background that helps set the context for the proposed Contract amendment.



Ms. Hastings:
June 13, 2019
Page 3

The NOP will be prepared consistent with CEQA Guidelines section 15082 and will include a completed Environmental Checklist (Initial Study) to focus the environmental resource areas to be addressed in full in the EIR. ESA will prepare an administrative draft Initial Study (IS) and NOP for CCWA review and comment, and then will revise the administrative draft and prepare the document for submittal to DWR for review and comment. Following receipt of comments from DWR, a call will be scheduled to discuss comments and resolve approach to revisions. Following that call, ESA will revise the NOP and IS and provide a screencheck version to CCWA to confirm the resolution of comments prior to ESA finalizing the draft for publication. The IS will be published along with the NOP. ESA will prepare the Notice of Completion (NOC) and will submit the NOP and NOC to the State Clearinghouse. ESA will also draft the notice for publication in the local newspaper and with the Santa Barbara County Clerk's office. CCWA will be responsible for posting the notices with the newspaper and County Clerk's office. CCWA will prepare the distribution list and provide to ESA and ESA will mail out copies of the NOP (up to 25 addresses). ESA will also provide a web-ready version of the NOP and IS for CCWA to post on the Agency's website.

Subtask 3.3: Public Scoping Meeting

ESA will attend one public scoping meeting to receive public comments on the scope of the EIR analysis. ESA will prepare scoping meeting materials, including a power point presentation, sign in sheet, comment cards and fact sheet. CCWA will be responsible for meeting logistics including meeting location and set up and court reporter, if needed. Based on public comment received on the NOP, ESA will work with CCWA staff to further refine the scope of the EIR, as appropriate. Any additional scope necessary in response to the NOP will be negotiated separately. It is assumed that ESA's Project Manager will attend the scoping meeting and that it will be held in Santa Barbara.

Task 3 Deliverables:

- Draft NOP and Environmental Checklist (electronic version in MS Word)
- NOP (electronic version in MS Word and PDF; web-ready version; 40 paper copies [15 for the State Clearinghouse and 25 for the distribution list] and 15 CDs for the State Clearinghouse)
- NOC (electronic version in MS Word, 1 paper copy)
- Draft notice (electronic version in MS Word)
- Scoping meeting materials, including power point presentation, sign in sheet, comment card and fact sheet

Task 4: Draft EIR

ESA will prepare a Draft EIR in accordance with Public Resources Code sections 21000-21177, and the CEQA Guidelines. The EIR will address the resource topics identified for further analysis in the NOP. Wherever appropriate, existing information from the 1991 Coastal Branch EIR will be used and updated. ESA will also use information from other existing environmental documents to describe the SWP service area.

Subtask 4.1: Administrative Draft EIR

An Administrative Draft EIR will be submitted for CCWA review and will include the following:



Ms. Hastings:
June 13, 2019
Page 4

Summary. This chapter will provide a summary of the project's objectives; project description; discussion of alternatives considered and environmentally superior alternative; key findings; and areas of controversy as relevant. This chapter will also include a table summarizing the impacts and associated mitigation measures along with the level of significance both before and after mitigation.

Introduction. The introduction chapter will: contain an overview of the project background; describe the environmental review and approval process; scope of the EIR analysis; and organization of the EIR.

Project Background. This chapter will include background information that provides the context for the proposed Contract Amendment.

Project Description. Based on the project description developed in subtask 3.1, this chapter will describe the location and characteristics of the proposed amendment (proposed project).

Environmental Analysis. This chapter of the EIR will include individual sections for the environmental resource areas to be evaluated. The analysis will evaluate the project-specific and cumulative impacts associated with CCWA reacquiring 12,214 AFY of Table A to be delivered through the existing Coastal Branch facilities. It is assumed that DWR's Modeling Branch will run CALSIMII to demonstrate how the proposed project might impact delivery of SWP water to other PWAs. The modeling results will be used in the analysis of several resource topics including, Water Resources (both supply and quality), Aquatic Resources, Energy, Climate Change and Growth Inducement. Based on the nature of the proposed project (a Contract amendment and no new or modified infrastructure) no other modeling, or field surveys are proposed in support of the analysis. The results of the AB52 analysis (see Task 2) will be incorporated into the cultural and tribal resource sections of the EIR. Each section will include the following:

Environmental and Regulatory Setting. The setting discussion will provide sufficient background information to characterize existing environmental conditions (baseline) associated with the project area to provide context for the impact analysis. The setting will also include a discussion of relevant regulatory conditions that shape the assumptions and the policy environment for implementation of the project. It is anticipated that the setting sections for each resource topic will include a summary of the SWP service area based on descriptions and level of detail included in the Water Supply Contract Extension Project EIR and 2018 Contract Amendment DEIR. Setting for the CCWA service area will be based on information provided in the 1991 Coastal Branch EIR, updated by review of existing available documents, to reflect more recent conditions.

Significance Criteria. The standards of significance will be based on Appendix G of the CEQA Guidelines and will be used to determine the significance of identified impacts.

Impacts and Mitigation Measures. The impacts and mitigation measures section will include the analysis of project-specific and cumulative impacts associated with implementation of the proposed Contract amendment. Findings of significance will be made based on standards of significance identified above. The impact discussions will provide information necessary to support the findings. For any identified significant impacts, ESA will develop feasible mitigation measures to reduce the magnitude of the impact. The mitigation

Ms. Hastings:
June 13, 2019
Page 5

measures will identify the action, responsible party and timing of implementation to facilitate development of the Mitigation Monitoring and Reporting Program (MMRP), if needed. Discussion will also be provided describing the effectiveness of proposed mitigation measures. The impact analysis will assume compliance with relevant existing laws (including ordinances) when making a finding of significance.

Alternatives Analysis. The EIR will include an analysis of alternatives to the Contract amendment developed in consultation with CCWA and DWR. In addition to the No Project Alternative (no Contract amendment to reacquire the 12,214 AFY of Table A amount) alternatives that consider reacquiring a portion of the Table A amount might be considered. The analysis will include a discussion of proposed project impacts compared to each alternative, including any project impacts that would be avoided, and any new impacts attributed to the alternative not attributed to the proposed project. A discussion of each of the alternatives ability to achieve proposed project objectives will be provided along with identification of the Environmentally Superior Alternative. A summary matrix comparing project impacts compared to each alternative will also be included. The Alternatives chapter will also include a discussion of alternatives considered but eliminated from further consideration, if appropriate.

Growth Inducing Impacts. This chapter of the EIR will address the potential growth inducing impacts of CCWA reacquiring the 12, 214 AFY of Table A for use by member agencies. The analysis will focus on the delivery of this water to member agencies that have requested delivery of a portion of the suspended Table A to them. The analysis will be based on the detailed growth analysis included in the 1991 Coastal Branch EIR which assessed the growth impacts associated with delivery of the full Table A amount (57,700 AFY) prior to the 1981 Contract amendment that reduced CCWA's Table A from 57,700 to 45,486 AFY (less 12,214 AFY). The growth analysis will update the information included in the 1991 Coastal Branch EIR to reflect the allocation of the reacquired Table A and include conditions that have changed since 1991.

Other Statutory Required Sections. In addition to the sections described above, ESA will prepare all other statutory required sections (summary of cumulative impacts, summary of significant unavoidable impacts, and significant irreversible changes).

Cumulative Impacts. Each environmental resource section will include: a description of the cumulative context; and an evaluation of the proposed project's contribution to identified cumulative impacts. Mitigation measures will be incorporated by reference, as necessary. Identified cumulative impacts will be summarized in this section but the analysis will be in the individual resource topic sections.

Summary of Significant and Unavoidable Impacts. This section will present a summary of any significant and unavoidable impacts identified for the proposed project in the individual environmental resource area sections.

Significant and Irreversible Environmental Changes. This section will provide an evaluation of the significant and irreversible changes to the environment that could result if the proposed project were to be implemented consistent with CEQA Guidelines section 15126.2 (c).

ESA will meet with CCWA staff in Sacramento to review comments and agree to revisions before ESA revises the document and sends it to DWR for review. It is anticipated that a second meeting in Sacramento will be set to



Ms. Hastings:
June 13, 2019
Page 6

go over and DWR comments that would be attended by DWR, CCWA staff and ESA. A total of 16 hours each (8 hours per meeting) is assumed for ESA's Project Director and Project Manager to attend these two meetings.

Subtask 4.2: Screencheck Draft EIR

Following incorporation of comments provided by both CCWA and DWR, ESA will revise the Administrative Draft EIR and prepare a Screencheck Draft EIR for final CCWA and DWR review and approval.

Subtask 4.3: Draft EIR

Based on any corrections or revisions to the Screencheck Draft EIR, ESA prepare the Draft EIR. It is assumed that the edits provided will be editorial and will not result in any new technical analysis. As part of this subtask and prior to publication, ESA will provide technical editing review of the document to ensure that the document is free of grammatical or spelling errors. ESA will prepare the NOC, Notice of Availability (NOA), and the notice for publication in the local newspaper and with the Santa Barbara County Clerk's office. ESA will deliver the NOC and Executive Summary of the Draft EIR to the State Clearinghouse. CCWA will be responsible for posting the notices with the newspaper and County Clerk's office. ESA will mail out copies of the NOA to the distribution list developed under Subtask 3.1 (up to 25 addresses). ESA will also provide a web-ready version of the NOA and Draft EIR for CCWA to post on the Agency's website.

Subtask 4.4: Draft EIR Public Meeting

ESA will attend one public meeting during the Draft EIR public circulation period to receive public comments on the content and analysis of the Draft EIR. ESA will prepare scoping meeting materials, including a power point presentation, sign in sheet, comment cards and fact sheet. CCWA will be responsible for meeting logistics including meeting location and set up and court reporter, if needed. It is assumed that ESA's Project Manager will attend the public meeting and that it will be held in Santa Barbara.

Task 4 Deliverables:

- Administrative Draft EIR (electronic version in MS Word)
- Screencheck Draft EIR (electronic version in MS Word)
- Draft EIR (electronic version in MS Word and PDF; web-ready version; 15 paper copies of the Executive Summary and 15 CDs of the Draft EIR for the State Clearinghouse; 5 paper copies of the Draft EIR)
- NOA (electronic version in MS Word; 25 paper copies for the distribution list; 25 CDs)
- NOC (electronic version in MS Word, 1 paper copy)
- Draft notice (electronic version in MS Word)
- Scoping meeting materials, including power point presentation, sign in sheet, comment card and fact sheet

Ms. Hastings:
June 13, 2019
Page 7

Task 5: Final EIR

Subtask 5.1: Administrative Final EIR

Following completion of the 45-day public review period, ESA will compile all written and oral comments received on the Draft EIR. ESA will meet with CCWA staff in Sacramento to discuss approach to comments received and to make assignments for responding. A total of 8 hours is assumed for ESA's Project Director and Project Manager to attend the meeting. At the meeting the potential development of Master Responses will be discussed. Following the meeting and response assignments, ESA will prepare responses to comments. The responses to comments will be incorporated into the Final EIR which will be prepared in accordance with CEQA Guidelines section 15132. In addition to the responses to comments, the Final EIR will include: a list of agencies and persons commenting; bracketed comment letters; and a summary of any text changes (in response to comments or staff initiated). The Administrative Final EIR will also include a draft MMRP for any mitigation measures identified in the Draft EIR.

The Administrative Final EIR will be provided to CCWA for review and comment. ESA will meet with CCWA staff in Sacramento to review comments and agree to revisions before ESA revises the document and sends it to DWR for review. It is anticipated that a second meeting in Sacramento will be set to go over and DWR comments that would be attended by DWR, CCWA staff and ESA. A total of 16 hours each (8 hours per meeting) is assumed for ESA's Project Director and Project Manager to attend these two meetings.

Subtask 5.2: Final EIR

Following incorporation of comments provided by both CCWA and DWR, ESA will revise the Administrative Final EIR and prepare a Screencheck Final EIR for CCWA and DWR review and approval. Based on any corrections or revisions to the Screencheck Final EIR, ESA prepare the Final EIR. It is assumed that the edits provided will be editorial and will not result in any new technical analysis. ESA will distribute responses to any commenting agencies 10 days prior to the certification hearing. Following certification, ESA will prepare the Notice of Determination (NOD) for CCWA review and will revise based on CCWA comments. It is assumed that CCWA will post the NOD with the County Clerk and will pay the appropriate filing fees.

Task 5 Deliverables:

- Administrative Final EIR (electronic version in MS Word)
- Screencheck Final EIR (electronic version in MS Word)
- Final EIR (electronic version in MS Word and PDF; web-ready version; 5 paper copies of the Final EIR)
- NOD (electronic version in MS Word)

Task 6: Project Management and Meetings

Ongoing project management efforts will include internal coordination and check-ins with ESA staff and coordination with CCWA and DWR staff throughout development of the EIR and the CEQA process. ESA's Project Director and Project Manager will participate in bi-weekly conference calls with CCWA staff (including



Ms. Hastings:
June 13, 2019
Page 8

DWR staff, when appropriate) through development of the Draft EIR. Based on the project schedule (approximately 5 months from project initiation to publication of the Draft EIR), it is anticipated that 10 progress calls will be held (2 hours each, including preparation time). ESA will also participate in an additional 8 project coordination calls (2 hours each, including preparation time) through the rest of the CEQA process. This task also assumes 4 hours per month of general project and contract management time over approximately 10-month schedule.

Schedule

ESA proposed to complete the EIR in approximately 10 months assuming that the CALSIM II model run results would be available for use in developing the Administrative Draft EIR technical analysis within 8 weeks from project initiation. This schedule is aggressive and will require that the project team work together. In order to facilitate this schedule, ESA has incorporated into this scope of work the use of all-day work sessions to discuss and come to resolution of comments provided on the Administrative Draft EIR and Administrative Final EIR. ESA also proposes an all-day work session to discuss comments received on the Draft EIR to discuss the approach to responding and response assignments will be made. In addition, regular communication will be key; therefore, ESA has incorporated team calls every 2 weeks through publication of the Draft EIR. It is assumed that a detailed schedule would be developed as part of Task 1 Project Initiation.

Budget

ESA proposes to complete this EIR for \$293,962 as detailed in the attached spreadsheet.

We look forward to this opportunity to work with you and CCWA staff on this important project. If you have any questions or require additional information, please do not hesitate to call me at (916) 564-4500 or e-mail me at cmcefee@esassoc.com.

Sincerely,

A handwritten signature in blue ink that reads 'Catherine C. McEfee'.

Catherine C. McEfee
Vice President

ATTACHMENT #5

CCWA Suspended State Water Program Participation Agreement

FINAL

CENTRAL COAST WATER AUTHORITY
SUSPENDED STATE WATER PROGRAM
PARTICIPATION AGREEMENT

This Suspended State Water 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. The Authority treats and delivers water pursuant to (i) an agreement between the State of California Department of Water Resources (“DWR”) and the Santa Barbara County Flood Control and Water Conservation District (“ District”) dated February 26, 1963 (“1963 Water Supply Contract”), and (ii) an agreement between the Authority and the District entitled “Transfer of Financial Responsibility Agreement” dated November 12, 1991 (“TFRA”).

D. In an agreement designated “Amendment No. 9 to Water Supply Contract Between the State of California Department of Water Resources and Santa Barbara County Flood Control and Water Conservation District” dated August 31, 1981, the parties agreed to reduce the “Table A” quantity from 57,700 AFY to 45, 486 AFY, a reduction of 12,214 AFY (the “Suspended State Water”). The Authority has determined that it should seek to re-acquire the Suspended State Water.

E. The Contractor has determined that it wishes to participate in the Authority’s program to re-acquire the Suspended State Water, 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 re-acquisition of the Suspended State Water (collectively, the "Water"). Contractor represents that it is seeking to acquire _____ AFY of Water over the term of this Agreement ("Contractor's Delivery Goal"). Contractor shall be entitled to request an increase in the Contractor's Delivery Goal stated in this paragraph (which shall be known as the "Revised Delivery 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 (i) the availability of additional Suspended State Water, and (ii) 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 Delivery Goal.

2. Allocation of Delivered Water: Allocation of Costs: Deposits.

2.1 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:

2.1.1 For Total Expenses arising from services rendered by the Authority, the Contractor's pro-rata share shall be that Contractor's Delivery Goal as stated herein (or the Revised Delivery Goal) divided by the sum of all Contractors' Delivery Goals as stated in their respective Agreements.

2.1.2 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.

2.1.3 "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.

2.2 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 2015 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.

2.3 Subsequent Deposits. Prior to the end of the 2015 calendar year, the Authority shall provide to the Contractor an estimate of the Contractor's anticipated financial obligations under subparagraph 2.1 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.

2.4 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.

2.5 Obligation in the Event of Default.

2.5.1 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.

2.5.2 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.

2.5.3 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 or the Brokerage Agreement, the Authority may (in addition to the remedy provided by section 2.5.2 hereof), terminate the provisions of this Agreement insofar as the same entitle the Contractor to any deliveries of Water. 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.

2.5.4 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 Purchase, and except as transfers are made pursuant to Section 2.5.2 hereof, (i) the pro-rata share of each non-defaulting Contractor shall be automatically increased for the remaining term of the Purchase Agreement pro rata with those of the other non-defaulting

Contractors, and (ii) such defaulting Contractor's right to receive Water shall be reduced accordingly. Upon payment of such increase, a non-defaulting Contractor shall be entitled to take delivery of its pro rata share of such defaulting Contractor's Water.

2.5.5 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 2.5.4 above, shall be reimbursed by the Authority to the Non-Defaulting Contractor.

2.6 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 November 1, 2014 and shall continue until termination of the 1963 Water Supply Contract.

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

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 Delivery Goal as a proportion of the total Delivery 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 transaction in which one or more Contractors have signed and delivered a Binding Agreement to Purchase, 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 Purchase for that Water 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 delivered to that Contractor under its Binding Agreement to Purchase as a proportion of the total quantity of Water to be delivered to all Participating Contractors under their respective Binding Agreements to Purchase. 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 Water Purchase Representation Agreement or similar 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"

"Contractor"

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 Contractor's counsel name]

By: _____

By: _____



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

September 10, 2019

TO: CCWA Board of Directors

FROM: Ray A. Stokes 
Executive Director

SUBJECT: CCWA Request to DWR for Cost Allocation Specialist at the San Joaquin Field Division

SUMMARY AND DISCUSSION

At its meeting on July 25, 2019, the CCWA Board of Directors authorized sending a letter to DWR requesting that DWR hire a "Cost Allocation Specialist" for the DWR San Joaquin Field Division (the DWR Field Division primarily responsible for the Coastal Branch facilities). The purpose of this request is to ensure the cost allocations at the San Joaquin Field Division are accurate and appropriate before they are included in the annual Statement of Charges to CCWA.

A copy of the letter sent to the DWR Director, Karla Nemeth on August 29, 2019, is attached to this report.

CCWA staff will continue to follow-up with DWR regarding our request for a Cost Allocation Specialist.

RAS

Attachment



August 29, 2019

Ms. Karla Nemeth
Director
Department of Water Resources
1416 9th Street
Sacramento, CA 95814

Eric Friedman
Chairman

RE: Cost Allocation Specialist for the San Joaquin Field Division

Ed Andrisek
Vice Chairman

Dear Ms. Nemeth:

Ray A. Stokes
Executive Director

As you are aware, the annual charges from the Department of Water Resources (DWR) to the Central Coast Water Authority (CCWA) (Santa Barbara County Flood Control and Water Conservation District), have had significant swings in total dollar amount over the past few years. Specifically, this volatility is due to significant changes in the Transportation Minimum OMP&R cost component of the annual Statement of Charges to CCWA. The following graph shows the actual ten-year history of the actual Transportation Minimum OMP&R payments from CCWA.

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Central Coast Water Authority
Trans. Min. Actual Payments

Carpinteria Valley
Water District

City of Guadalupe

\$30,000,000

City of Santa Barbara

\$25,000,000

City of Santa Maria

\$20,000,000

Goleta Water District

\$15,000,000

Montecito Water District

\$10,000,000

Santa Ynez River Water
Conservation District,
Improvement District #1

\$5,000,000

Associate Member

La Cumbre Mutual
Water Company

\$-

2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

As you can see, the actual charges from DWR to CCWA since 2010 have been extremely volatile, especially in the past few years. In fact, the calendar year 2019 charges of around \$24 million represented a 143% increase over the 2018 charges. Additionally, because the actual charges were so much higher than originally estimated, we have paid around \$1.2 million in interest to DWR on the under-collections in the past four years. That's because DWR estimated the amount we should pay in the annual Statement of Charges, but then subsequently amended the actual charges resulting in an under-collection on which we must pay interest at the DWR Project Interest Rate of 4.610%.

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



In May 2019, DWR distributed an estimate of the calendar year 2020 Statement of Charges, which showed that the 2020 Transportation Minimum OMP&R charges would be almost \$19 million. While the amount is less than the 2019 charges, it was still significantly higher than the amounts in prior years. I sent both you, and then SWP Deputy Director, Joel Ledesma, an email on May 31, 2019, expressing my concern about the continued high Transportation Minimum OMP&R charges projected by DWR. To his credit, Mr. Ledesma convened a group of managers from his staff to look into the reasons for the increase and found that some large expenditures for weed control on the Coastal Branch were being charged to both Reach 31A and 33A, but the actual work was being done in Reach 31A. The team agreed that the charges should be allocated to Reach 31A, since that is where the work was actually being performed.

Moving these weed control costs to Reach 31A where the work was actually being performed, decreased our projected 2020 Transportation Minimum OMP&R charges by almost \$4 million. This finding prompted Mr. Ledesma to suggest that a cost allocation specialist position be established at the San Joaquin Field Division (the Field Division primarily responsible for the Coastal Branch facilities).

At its meeting on July 25, 2019, the CCWA Board of Directors unanimously voted to authorize me to send a letter to you to request DWR hire a Cost Allocation Specialist for the San Joaquin Field Division to help address the volatility and errors in the Transportation Minimum OMP&R costs for CCWA.

The idea of a Cost Allocation Specialist position is to have an individual primarily responsible for:

1. Initial review of Field Division cost allocations, including direct cost and indirect costs.
 - a. Used for Statement of Charges Purposes
 - b. Providing reports to the State Water Project Contractors for projection purposes
2. Review of actual cost allocations
 - a. Ensuring the actual cost allocations are charged to the appropriate financial reach, project or indirect cost allocation group.
 - b. Providing reports to the State Water Project Contractors based on actual cost allocations.

We believe that the Cost Allocation Specialist could provide a critical check on the DWR cost allocations and that it is vitally important this type of oversight occur when the costs are being incurred instead of at a later time because of the complexity of trying to "unwind" actual costs that have already been put into the system.

While we are requesting this position for the San Joaquin Field Division, we believe such a position would be extremely useful for each field division and could serve as a check on actual cost allocations for the entire State Water Project.

Ms. Karla Nemeth
August 29, 2010
Page 3

I would be happy to discuss this with you and your staff to further explore the benefits of creating this new position and firmly believe this could significantly help in addressing some of the volatility issues we have faced in the past few years.

If you have any questions or would like to discuss this in more detail, please let me know.

Sincerely,



Ray A. Stokes
Executive Director

cc: Ted Craddock, DWR SWP Deputy Director
Pedro Vialobos, DWR Chief of SWPAO
David Duval, Chief, DWR Operations and Maintenance
Darren Choyce, Chief, San Joaquin Field Division
Jennifer Pierre, General Manager, State Water Contractors
State Water Contractors Board of Directors
Central Coast Water Authority Board of Directors




CENTRAL COAST WATER AUTHORITY

MEMORANDUM

September 12, 2019

TO: CCWA Board of Directors

FROM: John Brady, Deputy Director 

SUBJECT: Procurement of Santa Ynez Pumping Plant Electrical Switchboard Replacement Project

BACKGROUND

The Santa Ynez Pumping Plant (SYPP) is provided electrical service from Pacific Gas & Electric at voltages of 480 Volts. To protect the various electrical systems within the SYPP from excessively high current caused by a short circuiting failure, a switchgear system is in place. Switchgear will typically receive power directly from the electrical utility and will subsequently transmit the power to electrical equipment within facility receiving service. They are designed to cut off all power to the facility receiving electrical service in the event of a short circuiting event of a defined magnitude and duration.

A switchgear system involves the use of a "breaker" and a "relay". A breaker is designed to stop the path of current flow through a physical process of disconnection of the wiring. This will result in the loss of power to the facility receiving the electrical power from the utility. A relay is a device that monitors current and time. If a relay detects a high current for a certain amount of time, it will trigger the "breaker" to activate and all current flow will cease. Typically, the level of high current and duration of high current can be selected within the relay device to create a set point that will result in activating the breaker.

Due to the importance of protecting the electrical systems within the SYPP, CCWA retained the services to HDR Engineering to conduct an electrical evaluation of the electrical switchgear at the SYPP. The evaluation was documented in a Technical Memorandum, which identified some critical issues that required attention. A design was prepared to address these issues, specifically to address the soft starter for the pump motors, replacement of the distribution switchboard and installation of a remote switchgear operation system to enhance operator arc-flash safety.

DISCUSSION

CCWA staff prepared a Request for Bids (RFB) using the design prepared by HDR Engineering for the SYPP Switchboard Replacement Project. This RFB was emailed to an established CCWA bidder's list. It was also posted on the CCWA website and advertised through posting notification in the legal section of the Santa Maria Times on August 24 and 27, 2019. An optional pre-bid job site meeting was conducted on Wednesday August 28, 2019. In addition, there was one Addendum issued to provide clarification on the Bid Schedule.

Sealed bids were scheduled to be received and publically opened on Thursday September 12, 2019. The following Bids were received:

Central Coast Water Authority, 2019 SYPP Switchboard Replacement Project		Smith Electric			Taft Electric Company		
		Estimated	Unit Price	Total	Estimated	Unit Price	Total
Item	Description	Quantity	\$	\$	Quantity	\$	\$
1	Service Metering Switchboard	1	\$130,987	\$130,987	1	1	\$60,000
2	300 Hp VFD	1	\$48,470	\$48,470	1	1	\$10,000
3	300 Hp RVSS	4	\$42,538	\$170,152	4	4	\$63,000
4	Panelboard	2	\$11,661	\$23,322	2	2	\$2,000
5	Transformer	1	\$4,383	\$4,383	1	1	\$2,200
Totals				\$377,314			\$308,368*
<p>*Taft Electric Company Total Bid Price was presented on original Bid Form, which was replaced by Addendum #1. Taft electric called after the Bid Opening to clarify that the costs presented in Addendum#1 Bid Form were equipment costs only and the actual bid was included on the original Bid Form.</p>							

FINANCIAL

The budget for the Santa Ynez Pumping Plant Switchboard Replacement Project (C-19SYPPPEU) is \$236,250. Both Bids received are well above the available budget. CCWA staff believes that it is in the best interest of CCWA to reject all bids due to all bids being substantially higher than the established budget. CCWA staff will also move forward with discussions with the project design engineering firm, HDR Engineering, to consider potential design changes that may help reduce the construction costs without compromising required functionality.

RECOMMENDATION

That the Board:

- Authorize the Executive Director to reject all bids for the Santa Ynez Pumping Plant Switchboard Replacement Project.

JLB



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

September 11, 2019

TO: CCWA Board of Directors

FROM: John Brady
Deputy Director, Operations and Engineering

SUBJECT: Polonio Pass Water Treatment Plant GAC Filter Media Replacement Project

Background

The Polonio Pass Water Treatment Plant has eight filters that utilize sand and granular activated carbon (GAC) as the filter media. The last GAC filter media replacement project occurred in October 2018 after a 10 year respite due to a staff recommendation to indefinitely postpone filter media replacements. This postponement was recommended by CCWA staff following a special study that indicated that the filter media replacement frequency could be reduced without compromising the ability to comply with water quality regulations. Consequently, staff indefinitely postponed filter media replacement from every 3 years to an estimated frequency of every 15 years or so.

The trigger to replace the filter media is based on annual measurements of GAC hydraulic characteristics. The filter media in Filters 4 and 6 has been in place for 13 years and has shown initial signs of reduced hydraulic conductivity. Based on CCWA's on-going filter media monitoring program, staff determined that media in Filter 4 and 6 requires replacement at this time.

Discussion

CCWA staff prepared a Request for Bids (RFB) using the original specifications for the GAC Filter Media Replacement Project. This RFB was emailed to an established CCWA bidder's list. It was also posted on the CCWA website and advertised twice in the San Luis Obispo Tribune. A mandatory pre-bid job site meeting was conducted on Thursday August 29, 2019. Three Bidders' attended the meeting that generated questions so one Addenda was issued on September 4, 2019.

Sealed bids were scheduled to be received and opened on Monday September 9, 2019. Staff completed a review of the apparent low bid to determine if the bid was responsive to the requirements outlined in the RFB and to determine if the contractors are responsible as defined by the RFB. The Bid Tabulation is shown below:

Task	Carbon Activated Corporation	Calgon Carbon Corporation
Services for the removal and disposal of existing GAC filter media, and furnishing and installing new GAC filter media in filters 4 and 6, complete as shown and specified	\$286,891.33	\$383,773.00

Based on Staff's review, Carbon Activated Corporation was determined to be the lowest responsive bid and was also determined to be a responsible contractor. This contractor is the same contractor that was awarded the GAC Filter Media Replacement Project last year and they performed very well.

With regard to the impact to the WTP production, the scope of work for the filter media replacement requires the contractor to only work on one filter at a time while allowing the WTP to continue operation. Consequently, staff does not anticipate any impact to the production of the WTP during the project.

Financial Considerations

The budget for the GAC Filter Media Replacement Project (C-19GACFMR) is \$236,250 and the lowest responsive bid was \$286,891.33. To address the budget shortfall of \$50,641.33 staff has identified a project that was cancelled in FY 18/19 with a budget of \$52,500 that can potentially serve as a source of funds. This project is described below:

- Filter Launder Protective Coating Project, E-18FILTCT. This project had a budget of \$52,500. A Technical Memorandum was prepared by HDR Engineering that addressed the long term maintenance of the filter launders at the Water Treatment Plant. It was determined that coating the filter launders would only minimally increase the service life and the most cost effective maintenance plan for the filter launders will be to operate them until the end of their service life of 50 years with no coating applications. Consequently, this project has been cancelled and its budget is available for transfer to another project

Accordingly, staff is recommending to the Board that the funds from this cancelled project from FY 18/19 be carried over into FY 19/20 and transferred to the GAC Filter Media Replacement Project (C-19GACFMR).

Recommendation

That the Board:

- To authorize the Executive Director to carryover funds from the Filter Launder Protective Coating Project (E-18FILTCT) in the amount of \$52,500 into FY 19/20 and transfer those funds to the GAC Filter Media Replacement Project (C-19GACFMR).
- To authorize the Executive Director to award the Polonio Pass Water Treatment Plant GAC Filter Media Replacement contract to Carbon Activated Corporation as the lowest responsive and responsible Bidder.



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

September 11, 2019

TO: CCWA Board of Directors
FROM: John Brady
Deputy Director, Operations and Engineering
SUBJECT: Carryover of Project Funds from FY 2018/19 to FY 2019/20

SUMMARY

Certain capital expenditures included in the FY 2018/19 budget were not expended due to timing and scheduling. This report will request carryover of these funds from the FY 2018/19 budget to the FY 2019/20 budget.

DISCUSSION

The following capital and expense projects are funded from project participant assessments. CCWA staff is requesting that these project funds be retained and carried over to the FY 18/19 budget so that the projects can be completed.

Capitalized Projects

- **WTP IC&R Technician Truck (C-18TRUCK3) - \$44,793 (WTP) Capitalized Project.** Staff requests carryover of \$44,793 to complete this project. The truck was ordered in FY18/19 and was received in July 2019, the first month of FY 19/20.
- **WTP PLC Upgrade Bid Documents (C-18PLCDOC) - \$52,500 (WTP) Capitalized Project:** Staff requests carryover of \$52,500 to complete the WTP PLC Upgrade Bid Documents. A Request for Qualifications will be issued in October 2019 to identify and retain a consultant for this project. Staff expects to complete this project by end of FY 19/20.
- **Clarifier Valve and Actuator Replacement (C18VALVE) - \$10,568.48 (WTP) - Capitalized Project:** Staff requests carryover of \$10,568.48 to complete the procurement of the valve and actuator. These parts were ordered in FY 18/19 and will be received in FY19/20.
- **Air Conditioning Unit Replacement BAO Phase 1 of 2 (C-18ACBAO) - \$26,237.07 (ADM) – Capitalized Project.** Staff requests carryover of \$26,237.07 to complete this project. Staff will complete this project in conjunction with Phase 2 and have already awarded the project to a contractor. The project is anticipated to be complete before Winter Shutdown 2019.

- **CP Rectifier Upgrade (C-18CPREC) - \$21,091.50 (Dist All) – Capitalized Project.** Staff requests carryover of **\$21,091.50** to complete this project. Each of the 14 rectifier upgrade is being installed as time permits. The parts for each rectifier are purchased just prior to installation to preserve the equipment warrantee life. This project is expected to be complete by end of FY 19/20.
- **Fall Protection Equipment – WTP (C18FALLPE) - \$11,340 Capitalized Project.** Staff requests carryover of **\$11,340** to complete this project. Equipment has been ordered in FY 18/19 and staff anticipated completed by end of FY 19/20.
- **Fall Protection Equipment – Distribution (C18FALL-D) - \$9,537.30 Capitalized Project.** Staff requests carryover of **\$9,537.30** to complete this project. Equipment has been ordered in FY 18/19 and staff anticipated completed by end of FY 19/20.
- **Office Space Renovation for WTP (C17WTPOFF) - \$84,000 (WTP) Capitalized Project:** Staff requests a carryover of **\$84,000** to complete the work on the procurement and installation of a modular office for WTP staff. Floor plans will be selected by staff and bids will be solicited in November/December timeframe, with construction in early spring.
- **Seismic Joint Pipe Spools and Parts (C17SMCJNT) - \$68,040 (33B) Capitalized Project:** Staff requests carryover of **\$68,040** to complete the procurement of spare pipe spools and parts for the seismic joint. Staff will solicit competitive bids in December 2019.
- **SYII Pipe Spools (C17PIPESP) - \$39,690 (SYII) Capitalized Project:** Staff requests carryover of **\$38,182** to complete the procurement of spare pipe spools and parts for Reach SYII. Staff will solicit competitive bids in December 2019.
- **Security Fencing for SYNEZ, SOLV, BUEL, VAFB, LOPEZ Turnouts (C17FENCE) - \$52,581.00 (SYNEZ, SOLV, BUEL, VAFB, LPZ) Capitalized Project:** Staff requests carryover of **\$52,581.00** to complete the procurement and installation of security fencing for various Turnouts. The contract for the project was awarded in FY 18/19 and work is expected to be completed by end of September 2019.
- **SYI Pipe Spools (C17PIPSPL) - \$39,690 (SYII) Capitalized Project:** Staff requests carryover of **\$39,690** to complete the procurement of spare pipe spools and parts for Reach SYI. Staff will solicit competitive bids in December 2019.
- **New Phone Server (C-16PHONE) - \$58,950 (Dist-All/WTP/ADMIN) Capitalized Project:** Staff requests **\$58,805.15** in carryover to complete this project. This project was changed to migrate the phone system to a cloud based system. The re-cabling of the administrative office and the WTP and establishing a high speed internet connection at the WTP are complete. The switches and network configuration are underway and the project is expected to be complete in September 2019.
- **Santa Ynez Pumping Plant Surge Tank Pedestal Repair (C-15SURGRP) - \$84,000 (SYII) Capitalized Project:** Staff requests carryover of **\$84,000**. This project implements the designed repair of the failing pedestal. This project will be implemented during a timeframe in which the Santa Ynez Pumping Plant will not need to be operated

at 100% capacity for a 4 week period of time. Bids will be solicited in October 2019 and work will proceed during the SYPP Electrical upgrade project.

- **Santa Ynez Pumping Plant Surge Tank Pedestal Investigation (C-14SURGTK) - \$2,260.27 (SYII) Capitalized Project:** Staff requests carryover of \$2,260.27. This project consisted of the investigation and design of the repair of the damaged Surge Tank Pedestal. The design work is complete, however, engineering support will be needed during the planned repair work, which can only be implemented during a timeframe in which the Santa Ynez Pumping Plant will not need to be operated at 100% capacity for a 4 week period of time. Bids will be solicited in October 2019 and work will proceed during the SYPP Electrical upgrade project.
- **Filter Launderers Coating Project (E-18FILTCT) - \$52,500 (WTP) Capitalized Project:** This project had a budget of \$52,500. A Technical Memorandum was prepared by HDR Engineering that addressed the long term maintenance of the filter launders at the Water Treatment Plant. It was determined that coating the filter launders would only minimally increase the service life and the most cost effective maintenance plan for the filter launders will be to operate them until the end of their service life of 50 years with no coating applications. Consequently, this project has been cancelled in FY 18/19. However, the intent to carryover these project funds into FY 19/20 is to transfer the funds to the GAC Filter Media Replacement Project (C-19GACFMR) to address a budget shortfall.

Total for Capitalized Projects:

\$ 603,625.27

Expensed Projects

- **Microsoft Exchange Upgrade 2010 to 2016 (E-18EXCHNG) – \$16,380 (ADM/ALL/WTP) Expense Project:** Staff is requesting \$16,380 in carryover to complete this project. This project is expected to be completed by end of FY 19/20.
- **Citrix Upgrade Version (E-18CITRIX) - \$15,603 (ADM/ALL/WTP) Expense Project:** Staff is requesting \$15,603 in carryover to complete this project. This project is expected to be completed by end of FY 19/20.
- **Painting Initial Flash Mix and Equalization Return Pump (E-18PAINT) - \$11,340 (WTP) Expense Project.** Staff is requesting \$11,340 in carryover to complete this project. Painting was completed in August 2019.
- **Construction Records Scan and Organize (E-18SCAN) - \$10,500 (ALL/WTP) Expense Project.** Staff is requesting \$10,500 in carryover to complete this project. Staff expects the project to be complete by end of FY 19/20.
- **Full Drawing Scanner (E-18SCANNR) - \$8,505 (ALL/WTP) Expense Project.** Staff is requesting \$8,505 in carryover to complete this project. Staff expects the project to be complete by end of FY 19/20.
- **Pavement Slurry Seal Tank 2 (E-18PAVET2) - \$80,850Expense Project.** Staff is requesting \$79,597.12 in carryover to complete this project. The slurry seal work was completed in July 2019.

- **Pavement Slurry Seal Tank 5 (E-18PAVET5) - \$37,800Expense Project.** Staff is requesting **\$37,415.87** in carryover to complete this project. The slurry seal work was completed in July 2019.
- **Pavement Slurry Seal Santa Ynez Pumping Plant (E-18PAVEPS) - \$21,000Expense Project.** Staff is requesting **\$20,214.14** in carryover to complete this project. The slurry seal work was completed in July 2019.
- **Tank 2 Erosion Repair (E-16T2ERRP) - \$10,000 (33B) Expensed Project:** Staff requests **\$10,000** in carryover. This project will involve addressing hill-side erosion that is resulting in the perimeter drainage ditches of the Tank 2 facility filling with sediment. Staff expects this project will be complete by end of FY 19/20.
- **French Drain Installation at Lagoon C (E-13DRAIN) - \$37,814 (WTP) Expensed Project:** Staff requests carryover of **\$37,814**. This project implements the recommendation of the engineering evaluation of the Lagoon C seepage issue. The design of the French Drain is under preparation by CCWA staff.

Total for Expensed Projects: \$299,869.13

RECOMMENDATION

That the Board approve the carryover of project funds from FY 2018/19 to FY 2019/20 as follows:

Capitalized Project:	\$603,625.27
Expensed Project	\$299,869.13
Total:	\$903,494.40

JLB



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

September 11, 2019

TO: CCWA Board of Directors

FROM: John Brady
Deputy Director, Operations and Engineering

SUBJECT: Request for Approval for the Use of Appropriated Contingency for Water Treatment Plant Blower Building Roof Repair

BACKGROUND

During routine plant rounds, CCWA staff identified an issue with the metal roof of the Water Treatment Plant's (WTP) Blower Building. This building houses the WTP's electrical switchgear equipment and the roof above the switchgear is compromised and will likely leak during a storm event. In addition, Staff observed that the Blower Building roof as well as the roofs of other WTP buildings were in need of maintenance work, including re-tightening roofing screws, re-application of sealant and other needed improvements.

It is imperative that the roof of the WTP Blower Building be repaired and serviced before the onset of winter. Water leaking through the roof and onto the WTP's electrical switchgear equipment may cause equipment damage and also creates a safety issue for staff. Accordingly, four competitive bids were solicited for the roof repair and service. The lowest responsive bid was GBT Sheet Metal Company for a cost of \$18,422.00.

Since this project was not included in the FY 19/20 budget, there is a need to identify funding for this project. The CCWA Budget includes an appropriated contingency fund, which is established at 2% of the total budget, excluding variable electrical and chemical budget amounts. CCWA staff proposes to use the appropriated contingency fund as the source of funding for the roof repair and maintenance project.

Although Resolution 16-01 allows the Executive Director to purchase services, supplies or equipment up to \$25,000, Board approval is required for the use of appropriated contingencies funds. The purpose of this Memorandum is to seek Board authorization to utilize the appropriated contingency fund for the repair of the WTP Blower Building roof and the maintenance service of the roofs of other WTP buildings.

FINANCIAL

Four competitive bids were solicited for the roof repair and maintenance service. The bid tabulations is as follows:

Bidder	Cost
GBT Sheet Metal	\$18,422.00
Nunno Corp.	\$34,100.00
Rarig Building Construction	No Bid
Chip Coopers Roofing Co.	\$105,988.00

The CCWA Fiscal Year 2019/2020 Budget established appropriated contingency funds for the WTP. The available amount in these funds and the charges to the accounts are presented below:

Water Treatment Plant

Item	Amount
Appropriated Contingencies 5900.70 – WTP	\$65,132
Blower Building Roof Repair and Roof Service	(\$18,422)
Remaining	\$46,710

RECOMMENDATION

That the Board:

- Authorize the Executive Director to utilize funds from the appropriated contingency budget as described in this Board Report.

JLB

State Water Contractors, Inc.

**State Legislative Report
9/14/2019**

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

Current Text: Amended: 7/3/2019

Introduced: 12/3/2018

Last Amended: 7/3/2019

Status: 8/28/2019-Action From E. U., & C.: Reconsideration granted.

Location: 8/28/2019-S. E. U., & C.

Summary:

Would require the Public Utilities Commission to empower the California Alternative Energy and Advanced Transportation Financing Authority to undertake backstop procurement of electricity that would otherwise be performed by an electrical corporation to meet the state resource adequacy, integrated resource planning, and renewable portfolio standard goals not satisfied by retail sellers or load-serving entities. The bill would authorize the authority to undertake backstop procurement consistent with specified objectives and to manage the resale of electricity for its contracted resources. The bill would require the commission to periodically review the need for, and the benefits of, continuing to empower the authority to undertake backstop procurement responsibilities.

Position: SWC - 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.

Position: SWC - Monitor

AB 235 (Mayes, Chad R) Electrical corporations: wildfire victim recovery bonds.

Current Text: Amended: 9/6/2019

Introduced: 1/18/2019

Last Amended: 9/6/2019

Status: 9/6/2019-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on E.U.&C.

Location: 9/6/2019-S. E.U.&C.

Summary:

Would, under specific circumstances, authorize the Public Utilities Commission, upon application by an electrical corporation, to issue financing orders to support the issuance of wildfire victim recovery bonds by an electrical corporation or other financing entity to finance wildfire recovery costs, as provided. The bill would authorize the California Infrastructure and Economic Development Bank to act as a financing entity for these purposes, for wildfire victim recovery bonds totaling not more than \$20,000,000,000 at any one time. This bill contains other related provisions.

Position: SWC - Monitor

AB 315 (Garcia, Cristina D) Local government: lobbying associations: expenditure of public funds.

Current Text: Amended: 7/5/2019

Introduced: 1/30/2019

Last Amended: 7/5/2019

Status: 9/13/2019-Re-referred to Com. on RLS. pursuant to Assembly Rule 96.

Location: 9/13/2019-A. RLS.

Summary:

Current law authorizes the legislative body of a local agency, defined as a county, city, or city and county, or a district, defined broadly to include other political subdivisions or public corporations in the state other than the state or a county, city and county, or city, to attend the Legislature and the Congress of the United States, and any committees thereof, and to present information regarding legislation that the legislative body or the district deems to be beneficial or detrimental to the local agency or the district. Current law also authorizes the legislative body of a local agency or a district to enter into an association for these purposes and specifies that the cost and expense incident to the legislative body's or district's membership in the association and the activities of the association are proper charges against the local agencies or districts comprising the association. This bill, with respect to moneys paid to or otherwise received by an association from a local agency or district member of the association, would prohibit an association of local agencies or districts from expending those moneys for any purpose other than the above-described activities and educational activities.

Position: SWC - Monitor

AB 352 (Garcia, Eduardo D) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.

Current Text: Amended: 8/14/2019

Introduced: 2/4/2019

Last Amended: 8/14/2019

Status: 8/14/2019-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on EQ.

Location: 8/14/2019-S. E.Q.

Summary:

Would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$3,920,000,000 pursuant to the State General Obligation Bond Law to finance a wildfire prevention, safe drinking water, drought preparation, and flood protection program. The bill would provide for the submission of these provisions to the voters at the November 3, 2020, statewide general election. The bill would provide that its provisions are severable.

Position: SWC - Monitor

AB 441 (Eggman D) Water: underground storage.

Current Text: Amended: 3/27/2019

Introduced: 2/11/2019

Last Amended: 3/27/2019

Status: 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/24/2019)(May be acted upon Jan 2020)

Location: 5/17/2019-A. 2 YEAR

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.

Position: SWC - Monitor

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

Current Text: Introduced: 2/13/2019

Introduced: 2/13/2019

Status: 5/16/2019-In committee: Held under submission.

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

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.

Position: SWC - Monitor

AB 638 (Gray D) Department of Water Resources: water storage: climate change impacts.

Current Text: Enrollment: 9/12/2019

Introduced: 2/15/2019

Last Amended: 8/30/2019

Status: 9/12/2019-Enrolled and presented to the Governor at 3:30 p.m.

Location: 9/12/2019-A. ENROLLED

Summary:

Current law requires the Department of Water Resources to gather and correlate information and data pertinent to an annual forecast of seasonal water crop, as specified. Current law also requires the department to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water

resources of the state, which is known as the California Water Plan. This bill would require the department, as part of the update to the California Water Plan every 5 years, to identify water storage facilities vulnerable to climate change impacts and the mitigation strategies for anticipated adverse impacts, as provided.

Position: SWC - Monitor

AB 658 (Arambula D) Water rights: water management.

Current Text: Enrollment: 9/12/2019

Introduced: 2/15/2019

Last Amended: 7/11/2019

Status: 9/12/2019-Senate amendments concurred in. To Engrossing and Enrolling.

Location: 9/12/2019-A. ENROLLMENT

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.

Position: SWC - Monitor

AB 1054 (Holden D) Public utilities: wildfires and employee protection.

Current Text: Chaptered: 7/12/2019

Introduced: 2/21/2019

Last Amended: 7/5/2019

Status: 7/12/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 79, Statutes of 2019.

Location: 7/12/2019-A. CHAPTERED

Summary:

Would establish the California Wildfire Safety Advisory Board consisting of 7 members appointed by the Governor, Speaker of the Assembly, and Senate Committee on Rules, as provided, who would serve 4-year staggered terms. The bill would require the board, among other actions, to advise and make recommendations related to wildfire safety to the Wildfire Safety Division or, on and after July 1, 2021, the Office of Energy Infrastructure Safety, as established pursuant to AB 111 or SB 111 of the 2019–20 Regular Session.

Position: SWC - 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.

Position: SWC-O

AB 1212 (Levine D) Public employees' retirement: pension fund management: in-state infrastructure.

Current Text: Enrolled: 9/12/2019

Introduced: 2/21/2019

Last Amended: 8/12/2019

Status: 9/9/2019-Senate amendments concurred in. To Engrossing and Enrolling. (Ayes 60. Noes 17.).

Location: 9/9/2019-A. ENROLLMENT

Summary:

The California Constitution confers upon the retirement boards of public retirement systems plenary authority and fiduciary responsibility for the investment of moneys of those systems. Existing law authorizes the Board of Administration of the Public Employees' Retirement System, the Teachers' Retirement Board of the State Teachers' Retirement System, and the board of retirement or the board of investments of a retirement system established pursuant to the County Employees Retirement Law of 1937, consistent with their fiduciary duties and investment standards, to prioritize investment in an in-state infrastructure project over a comparable out-of-state infrastructure project. This bill would require a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects for funding consideration by the retirement boards, as described above, and to provide it to them.

Position: SWC-Watch

AB 1580 (Levine D) Major infrastructure construction projects: oversight committees.

Current Text: Amended: 7/1/2019

Introduced: 2/22/2019

Last Amended: 7/1/2019

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/12/2019)(May be acted upon Jan 2020)

Location: 8/30/2019-S. 2 YEAR

Summary:

Current law requires the Department of Transportation and the Bay Area Toll Authority to establish the Toll Bridge Program Oversight Committee, as provided, to review and provide program direction for seismic retrofit and replacement projects on toll bridges within the geographic jurisdiction of the committee. This bill, except as specified, would similarly require a state agency undertaking a publicly funded major infrastructure construction project that is estimated to cost \$1,000,000,000 or more to form an oversight committee, as provided, to develop and use risk management plans throughout the course of the project, and to take specified actions relating to managing risks. The bill would require the oversight committee to act as the authority for critical decisions regarding the implementation of the project's risk management plan and to have sufficient staff to support decision making.

Position: SWC-O

AJR 8 (Quirk D) Invasive species: federal Nutria Eradication and Control Act of 2003.

Current Text: Chaptered: 7/18/2019

Introduced: 2/15/2019

Last Amended: 6/4/2019

Status: 7/8/2019-Chaptered by Secretary of State- Chapter 117, Statutes of 2019

Location: 7/8/2019-A. CHAPTERED

Summary:

Would urge the United States Congress to reauthorize and 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.

Position: SWC - Monitor

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

Current Text: Enrollment: 9/14/2019

Introduced: 12/3/2018

Last Amended: 9/10/2019

Status: 9/14/2019-In Senate. Concurrence in Assembly amendments pending. Assembly amendments concurred in. (Ayes 26. Noes 14.) Ordered to engrossing and enrolling.

Location: 9/14/2019-S. ENROLLMENT

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, until January 20, 2025, require specified agencies to take prescribed actions regarding certain federal requirements and standards pertaining to air, water, and protected species, as specified. By imposing new duties on local agencies, this bill would impose a state-mandated local program.

Position: SWC - O/A

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

Current Text: Enrolled: 9/11/2019

Introduced: 12/3/2018

Last Amended: 6/11/2019

Status: 9/6/2019-Assembly amendments concurred in. (Ayes 39. Noes 0.) Ordered to engrossing and enrolling.

Location: 9/6/2019-S. ENROLLMENT

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.

Position: SWC-Watch

SB 45 (Allen D) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.

Current Text: Amended: 9/10/2019

Introduced: 12/3/2018

Last Amended: 9/10/2019

Status: 9/10/2019-Senate Rule 29.3(b) suspended. (Ayes 29. Noes 8.) From committee with author's amendments. Read second time and amended. Re-referred to Com. on APPR.

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

Summary:

Would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$4,189,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.

Position: SWC - Monitor

SB 49 (Skinner D) Energy: appliance standards and State Water Project assessment.

Current Text: Amended: 9/5/2019

Introduced: 12/3/2018

Last Amended: 9/5/2019

Status: 9/12/2019-Assembly amendments concurred in. (Ayes 31. Noes 9.) Ordered to engrossing and enrolling.

Location: 9/12/2019-S. ENROLLMENT

Summary:

Would require the Natural Resources Agency, in collaboration with the Energy Commission and the Department of Water Resources, to assess the opportunities and constraints for potential operational and structural upgrades to the State Water Project to aid California in achieving its climate and energy goals, and to provide associated recommendations consistent with specified purposes and California's energy goals. The bill would require that the assessment and recommendations include specified elements, including recommendations for state, federal, and other applicable funding sources, as specified. The bill would require that the assessment and recommendations be provided to the appropriate policy committees of the Legislature before January 1, 2022. This bill contains other related provisions and other existing laws.

Position: SWC-Support

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

Current Text: Chaptered: 7/30/2019

Introduced: 1/3/2019

Last Amended: 4/3/2019

Status: 7/30/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 137, Statutes of 2019.

Location: 7/30/2019-S. CHAPTERED

Summary:

The California Endangered Species Act requires the Department of Fish and Wildlife to adopt regulations for the issuance of incidental take permits. The act also 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.

Position: SWC - Monitor

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

Current Text: Amended: 7/11/2019

Introduced: 1/9/2019

Last Amended: 7/11/2019

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/21/2019)(May be acted upon Jan 2020)

Location: 8/30/2019-A. 2 YEAR

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 develop and implement a plan, in collaboration with specified scientists, experts, and representatives, as part of its fish hatchery operations for the improvement of the survival of hatchery-produced salmon, and the increased contribution of the hatchery program to commercial and recreational salmon fisheries.

Position: SWC-Watch

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

Current Text: Amended: 5/17/2019

Introduced: 2/4/2019

Last Amended: 5/17/2019

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was W.,P. & W. on 6/6/2019)(May be acted upon Jan 2020)

Location: 7/10/2019-A. 2 YEAR

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.

Position: SWC-Watch

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

Current Text: Enrolled: 9/11/2019

Introduced: 2/21/2019

Last Amended: 6/11/2019

Status: 9/6/2019-Ordered to special consent calendar. Assembly amendments concurred in. (Ayes 39. Noes 0.) Ordered to engrossing and enrolling.

Location: 9/6/2019-S. ENROLLMENT

Summary:

Current law requires the Department of Water Resources to gather and correlate information and data pertinent to an annual forecast of seasonal water crop, including the making of snow surveys, either independently or in cooperation with any person or any county, state, federal, or other agency. This bill would require, to the extent an appropriation is

made for these purposes, the department's California snow survey program to conduct aerial surveys of the snowpack and conduct supporting forecasts of runoff volume and timing for the watersheds of the Sierra Nevada and Cascade Range and the Klamath-Trinity Mountains, including areas that drain or supply water to major reservoirs and lakes

Position: SWC - Monitor

SB 559 (Hurtado D) California Water Commission: grant: Friant-Kern Canal.

Current Text: Amended: 7/3/2019

Introduced: 2/22/2019

Last Amended: 7/3/2019

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/14/2019)(May be acted upon Jan 2020)

Location: 8/30/2019-A. 2 YEAR

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. Current law establishes the California Water Commission, consisting of 9 members appointed by the Governor, in the department. This bill would require the commission to make a grant of \$400,000,000 to a specified joint powers authority to restore the capacity of the Friant-Kern Canal, subject to an appropriation. The bill, among other things, would require the grant to be part of a comprehensive solution to groundwater sustainability and subsidence in the San Joaquin Valley and would require the joint powers authority to demonstrate a funding match of at least 35% from user fees, local sources, federal funding, or a combination of these sources.

Position: SWC - S/A

SB 597 (Hueso D) Pumped hydropower system: pilot project.

Current Text: Amended: 9/6/2019

Introduced: 2/22/2019

Last Amended: 9/6/2019

Status: 9/6/2019-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

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

Summary:

Would require the Existing law requires the Public Utilities Commission to direct one or more electrical corporations to procure of a single large-scale, long-duration energy storage pilot project meeting certain requirements, as specified. The bill would require an electrical corporation subject to this procurement requirement to submit to the commission for approval a proposed cost-of-service or similar rate to cover the costs of the procurement based on the proportionate benefit derived by each ratepayer class from the pilot project. Under existing law, a violation of an order, decision, rule, direction, demand, or requirement of the commission is a crime. Because a violation of an order or decision of the commission implementing the requirements of the bill would be a crime, this bill would impose a state-mandated local program by creating a new crime. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Position: SWC - Monitor

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.

Position: SWC - Monitor

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

Current Text: Amended: 5/24/2019

Introduced: 2/22/2019

Last Amended: 5/24/2019

Status: 6/4/2019-Failed Deadline pursuant to Rule 61(a)(8). (Last location was INACTIVE FILE on 5/30/2019)

Location: 6/4/2019-S. 2 YEAR

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 2,400 megawatts, as provided. The bill would require the ISO, after December 31, 2030, and only if found to be necessary, to complete an additional competitive solicitation process for additional long duration bulk energy storage projects that in aggregate have up to 2,000 megawatts capacity and have targeted commercial operation dates of no later than January 1, 2045.

Positions: SWC - Monitor