

(1) COVID-19: SPECIAL BROWN ACT PROCEDURES

The Central Coast Water Authority has determined this meeting to be an essential public meeting and will be conducting the meeting pursuant to the provisions of the Governor's Executive Orders N-25-20, N-29-20 and N-35-20 and the corresponding Santa Barbara County Health Officer's order.

Since this is an evolving COVID-19 situation, the Central Coast Water Authority will provide updates to any changes to this policy as soon as possible. The Authority thanks you in advance for taking all precautions to prevent spreading the COVID-19 virus.

(2) OPTIONS FOR THE PUBLIC TO PARTICIPATE IN THE PUBLIC MEETING

Consistent with the Governor's Executive Orders, all meetings of the Central Coast Water Authority will be conducted remotely – via video call and telephonically – until further notice. You are strongly encouraged to listen to all Board meetings live via RING CENTRAL MEETING (a Zoom affiliate) and TELEPHONE, as described in the agenda which is located on CCWA's website and was distributed to CCWA's "Notice of Meeting Distribution List" in compliance with the Brown Act.

Board members, staff, and the public may participate remotely via computer using this URL:

<https://meetings.ringcentral.com/j/1489339366>

Or using this teleconference phone number and access code:

+1(623) 404-9000 Access Code: 148 933 9366 (press # after entering code)

When prompted, enter (speak) your full name.

You may provide the Board with public comment in the following manner:

If you wish to make either a general public comment or to comment on a specific agenda item as it is being heard, or if you wish to make a comment on a specific agenda item, please: "raise your hand" digitally, or telephonically.

1. If you are joining via Zoom video, simply select "participants" at the bottom of your screen and choose the "raise your hand" icon on the right. This will notify us that you wish to speak.

2. If you are joining via telephone dial-in, please dial *9 to raise your hand. All participants, with the exception of Board Members and certain staff, will remain muted.

Please note the Board Chair has the discretion to limit the speaker's time for any meeting or agenda matter. Typically, the practice has been 3 minutes per speaker on each item.



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

will be held at 9:00 a.m., on Thursday, April 23, 2020
via URL: <https://meetings.ringcentral.com/j/1489339366>
or via telephone by dialing 1(623)404-9000 and entering code 1489339366#

Eric Friedman
Chairman

Ed Andrisek
Vice Chairman

Ray A. Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

- I. Call to Order and Roll Call**
- II. Public Comment – (Any member of the public may address the Board relating to any matter within the Board’s jurisdiction. Individual Speakers may be limited to five minutes; all speakers to a total of fifteen minutes.)**
- III. Consent Calendar**
 - * A. Approve Minutes of the February 27, 2020 Regular Meeting
 - * B. Approve Bills
 - * C. Controller’s Report
 - * D. Operations Report
- IV. Executive Director’s Report**
 - A. CCWA Water Supply Situation Report
 - * B. CCWA COVID-19 Pandemic Response
 - * C. Siemens Energy & Environmental Solution Proposal for Solar Power Installations at the Water Treatment Plant and 20 Year Power Purchase Agreement
 - * D. Procurement of Bulk Water Treatment Chemicals
 - * E. Delta Conveyance Project Contract Amendment Update
 - * F. State Water Project Contract Assignment Update
 - ◆ G. Finance Committee
 - 1. FY 2019/20 Third Quarter Investment Report
 - 2. Annual Review of the CCWA Investment Policy
 - * H. CCWA Financial Statement Independent Auditor Selection
 - * I. CCWA Adoption of Final FY 2020/21 Budget
 - * J. Revised Payment Schedule for FY 2020/21 DWR Fixed Costs
 - * K. FY 2018/19 Continuing Disclosure Annual Report for Ratification
- V. Reports from Board Members for Information Only**
- VI. Items for Next Regular Meeting Agenda**
- VII. Date of Next Regular Meeting: May 28, 2020**
- VIII. Adjournment**

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

- * Indicates attachment of document to original agenda packet.
- ◆ Indicates enclosure of document with agenda packet.
- * The FY 2018/19 Continuing Disclosure Report has been included for Board members only with this mailing. The Preliminary Budget and Continuing Disclosure Report documents are available on-line at www.ccwa.com, or by contacting Lisa Watkins at lfw@ccwa.com to request a hard copy.

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

February 27, 2020

I. Call to Order and Roll Call

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

CCWA member agencies with voting privileges were represented by:

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

II. Public Comment

There was no public comment related to items not on the agenda.

III. Consent Calendar

- A. Approve Minutes of the January 23, 2020 Regular Meeting
- B. Approve Bills
- C. Controller's Report
- D. Operations Report

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

IV. Executive Director's Report

- A. Water Supply Situation Report

Ray Stokes, CCWA Executive Director, provided an update on the state of water supplies and recent precipitation and snow pack levels throughout California.

Mr. Stokes noted the DWR allocation has increased to 15% but based on recent low levels of precipitation that may not be sustainable and may be reduced.

B. DWR Response to CCWA Request for Increased Cost Oversight

A letter was sent in August, 2019 to DWR requesting additional oversight of costs related to CCWA costs, and DWR has developed a plan, which will look at cost projections as compared to actual cost allocations. Quarterly meetings with DWR and CCWA Finance staff will provide an increased level of communication and monitoring.

C. Legislative Report

The State Water Contractor's Legislative Report was included in the packet materials for the Board's information.

D. Request for Change to Timing and Format for Board Meeting Materials

Lisa Watkins, CCWA Board Secretary, requested approval from the Board to make changes to the meeting material distribution, moving away from hard copy distribution of the meeting materials to a digital format, while remaining in compliance with Brown Act requirements. The change was requested as a response to Board members comments regarding lack of written reports related to recent items on the agenda due to the time constraints of mailing the materials a week in advance of the meeting date.

The Board generally discussed the proposed changes, noting the importance of receiving the materials with enough time to review written reports, balanced with a need for up to date information.

Following discussion, upon a motion by Director Andrisek seconded by Director Borah and carried with all in favor and none opposed, the Board requested the Board Secretary to continue current CCWA Meeting information distribution procedures, including delivery of all meeting agendas and associated meeting materials a week prior to meetings, but allowing for electronic distribution of reports associated with agenda items in compliance with the Brown Act's minimum timing requirements.

The Board adjourned to closed session at 9:29 AM.

V. Closed Session

CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2): 3 potential cases.

The Board reconvened from closed session at 11:23 AM

No actions were announced as a result of the closed session.

VI. Reports from Board Members for Information Only

- A. City of Santa Barbara Appointment of Eric Friedman as CCWA Board Member and Kristen Sneddon as Board Alternate

There were no other reports from Board members.

VII. Items for Next Regular Meeting Agenda

A. CCWA FY 20/21 Preliminary Budget

VIII. Date of Next Regular Meeting: March 26, 2020

IX. Adjournment

The meeting was adjourned at 11:24 AM.

Respectfully submitted,

Elizabeth Watkins
Secretary to the Board

CENTRAL COAST WATER AUTHORITY

Meeting: CCWA Board of Directors

Date: February 27, 2020

NAME	ORGANIZATION	TELEPHONE
Farfalle Bann	GWD	805-964-3703
Hanan Barchardi	SYRWCD ID1	688-6015
SHAD SPRINGER	CITY OF SANTA MARIA	805 925-0951
Shirley Johnson	CVWD	805 684 7236
Kellie Friedman	City of S.B.	805-564-5318
ED ANDRUSEK	EXCELLENCE	805-688-1458
FLOYD E. WICKS	MONTECITO W. D.	805-455-1670
ROB MORROW	WSC	805-556-5809
Shannon Sweeney	Granddalupe	805-354-3910
NICK DiCROCE	WEW	805-688-7813
Tom FRANKAM	COUNTY S.B.	815-568-3436
MICHAEL GARCIA	SYRWCD, ID1	(805) 688-6015
Kevin Walsh	SYRWCD	

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



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - February 2020

VENDOR	INVOICE AMOUNT	DESCRIPTION
GENERAL & ADMINISTRATIVE EXPENSES		
Bank of America Business Card	158.77	CPR Training
Bank of America Business Card	174.71	Staff meetings
Bank of America Business Card	224.28	MWQI Meeting Travel Expenses
Bank of America Business Card	450.00	Cla Val Training (2 Employees)
Bank of America Business Card	460.00	GFOA Application Fee
California Chamber of Commerce	168.08	CA Labor Law Digest
Cardmember Service	2,223.03	State Water Contractors - Travel and meetings
Federal Express	160.28	Express shipping
Long, Lisa	838.62	Reimbursable expenses - Travel expenses
Quadient Finance USA, Inc.	200.00	Postage - postage machine
United Parcel Service	330.67	Shipping expenses
US Bank	707.90	State Water Contractors - Travel and meetings
	<u>\$ 6,096.34</u>	Total General & Administrative
MONITORING EXPENSES		
AmeriPride Services, Inc.	250.40	Lab supplies
Culligan Industries Water Systems	560.00	Carbon Tank Rentals, Tri-Bed Tank Rentals
Eurofins Eaton Analytical	40.00	Lab testing
Hach Company	3,068.30	Lab supplies
VWR International	2,473.24	Lab supplies
	<u>\$ 6,391.94</u>	Total Monitoring Expenses
OFFICE EXPENSES		
Bank of America Business Card	218.70	Office and kitchen supplies
Grainger Inc.	17.02	Janitorial supplies
Office Depot	136.41	Office, janitorial & kitchen supplies
Solvang Bakery	97.30	Board and Committee meeting pastries
Staples Inc.	242.08	Office, janitorial & kitchen supplies
Ultrex Business Products	42.02	Office supplies
US Bank	70.02	Tax Forms
	<u>\$ 823.55</u>	Total Office Expenses
OTHER EXPENSES		
Airgas USA, LLC	55.64	Equipment Rental
Bank of America Business Card	199.99	Domain Name/Mail Account Renewal
Bank of America Business Card	278.92	Computer miscellaneous expenses
Brownstein Hyatt Farber	47.50	Legal Services: Irvine Ranch Water Dist. Water Storage Program
Brownstein Hyatt Farber	420.00	Legal Services: SWPP - Mojave
Brownstein Hyatt Farber	2,430.00	Legal Services: Risk and Resiliency Study
Brownstein Hyatt Farber	12,354.00	Legal Services: Reacquisition of Relinquished Entitlement
Comcast	194.78	Internet Service
CompuVision	7,182.69	Managed Service Agreement
De Lage Landen Financial Services	491.47	Copier Lease - BAO
Environmental Science Association	2,705.35	Reacquisition of Relinquished Entitlement
Environmental Systems Research	3,000.00	Geographical Information Systems
Espinoza, Manuel	280.00	DSL reimbursement
GBT Sheet Metal	8,142.00	Emergency Roof Repair at WTP
HDR Engineering, Inc.	14,721.25	Risk and Resiliency Study
Impulse Internet Services	2,099.80	T-1 System and Internet Service (Buellton and Shandon)
Marborg Industries	406.83	Tank 5/Tank 7/Tank 2/ EDV Rental



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - February 2020

VENDOR	INVOICE AMOUNT	DESCRIPTION
Praxair Company	102.76	Gas tank
RingCentral Inc.	559.93	New Phone Server
Thompson, James	272.00	DSL reimbursement
Velosio	262.50	Microsoft Dynamics SL annual support services
Wilson Creek Communications	155.00	Internet Service
	\$ 56,362.41	Total Other Expenses
 OTHER MISCELLANEOUS EXPENSES		
Department of Water Resources	1,452,975.00	Variable OMP&R, Delta Water & Transport Charge
	\$ 1,452,975.00	Total Other Miscellaneous Expenses
 PERSONNEL EXPENSES		
Bank of America Business Card	350.00	Employee Achievement Awards Program
CalPERS Health	30,546.95	Health Insurance
CalPERS Retirement	35,064.33	Pension Contributions
CCWA Payroll Wages/Taxes	216,643.38	Gross Payroll Wages/Taxes
Dental/Vision Payments	6,960.52	Dental/Vision Benefits
Industrial Medical Group	100.00	Pre Employment Physical
MetLife SBC Insurance	1,009.60	Life Insurance
Other Misc Employee Benefits	9,147.06	Vehicle, Uniform and Cafeteria Plan Benefits
Standard Insurance Company	1,287.47	Disability Insurance
	\$ 301,109.31	Total Personnel Expenses
 PROFESSIONAL SERVICES		
Air Pollution Control District	459.31	Equipment permit renewals
Brownstein Hyatt Farber	332.50	Legal Services-Relations State Water Contractors
Brownstein Hyatt Farber	427.50	Legal Services-Relations with DWR
Brownstein Hyatt Farber	484.50	Legal Services-Audit File
Brownstein Hyatt Farber	9,575.00	Legal Services-DWR/SBCFCWCD Contract
Brownstein Hyatt Farber	12,746.84	Legal Services-General Meetings
Brownstein Hyatt Farber	15,445.50	Legal Services- Relations USBR&COMB
Cardno, Inc.	236.25	Environmental Consulting
Delta Liquid Energy	120.00	Annual Propane Inspection
Mid-Coast Fire Protection Inc.	919.48	Safety, Annual fire extinguisher service
Prime Technologies Inc.	2,944.00	Tech Support
Quinn Company	1,250.00	Fuel sampling kits
Safety Kleen Systems, Inc	112.00	Washer Parts/Service
Samba Holdings, Inc.	63.80	DMV driver reports
Stradling Yocca Carlson Rauth	513.50	Legal - Employee Matters
Underground Service Alert	197.03	New USA tickets
	\$ 45,827.21	Total Professional Services
 CIP PROJECTS - MATERIALS & OVERHEAD		
Bank of America Business Card	285.05	Bradbury Over the Top Bypass Pipeline
Bank of America Business Card	1,210.75	Ergonomic Furniture Replacement
Brownstein Hyatt Farber Schreck	95.00	SYPP Electrical Upgrade (Switchboard)
ISCO Industries Inc.	14,121.50	Bradbury Over the Top Bypass Pipeline
US Bank	875.98	Ergonomic Furniture Replacement
	\$ 16,588.28	Total CIP Project - Materials and Overhead

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CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - February 2020

VENDOR	INVOICE AMOUNT	DESCRIPTION
REPAIRS & MAINTENANCE		
AmeriPride Services, Inc.	434.62	Building maintenance supplies
Automationdirect.com Inc	1,321.23	Parts, repair and maintenance
Bank of America Business Card	1,176.09	Equipment repairs and maintenance
Battery Systems Inc	129.97	Batteries replaced
Big Brand Tire & Service	180.85	Vehicle maintenance
Cal Coast Irrigation, Inc.	106.19	Parts, repair and maintenance
City of Buellton	96.89	Landscape maintenance - water
Consolidated Electrical Distributors	220.67	Parts, repair and maintenance
Coverall North America, Inc	979.00	Janitorial service - BAO/SYPS
GFG Instrumentation Inc.	1,975.54	Equipment repairs and maintenance
Grainger Inc.	627.76	Parts, repair and maintenance
Hach Company	1,119.60	Parts, repair and maintenance
Harrington Industrial Plastics	189.06	Parts, repair and maintenance
Jan's Gardening Service	575.00	Landscape maintenance - BAO/SYPS
Office Depot	75.60	Janitorial supplies
Paso Robles Chevrolet	82.56	Vehicles repairs and maintenance
Progressive Greenery	330.00	Landscape maintenance - WTP
Rio Vista Chevrolet	431.57	Vehicle maintenance
Staples	89.65	Janitorial Supplies
Steve's Wheel & Tire	740.17	Equipment repairs and maintenance
Ultrax Business Products	195.51	Copier maintenance
United Staffing Associates	1,148.04	Janitorial Service - WTP
USA Blue Book	864.68	Equipment repairs and maintenance
Vreeland Ford	79.42	Vehicle maintenance
Western Exterminator Co	211.00	Pest control spraying - BAO and SYPS
	\$ 13,380.67	Total Repairs & Maintenance
SUPPLIES & EQUIPMENT		
AmeriPride Services, Inc.	822.41	Uniform expenses
Aschle, Jason	172.35	Reimbursable expenses - Uniform reimbursement
Bank of America Business Card	283.79	Minor tools
Bank of America Business Card	332.81	Equipment & maintenance supplies
Bank of America Business Card	343.86	Safety supplies
Cal Coast Irrigation, Inc.	86.82	Maintenance supplies and hardware
Carr's Boots & Western Wear	315.35	Uniform expenses
Chemtrade Chemicals US, LLC	11,911.37	Chemicals - WTP
Grainger Inc.	185.29	Minor tools, equipment & maintenance supplies, safety supplies
Harrison Hardware	180.01	Maintenance supplies and hardware
Home Depot	437.73	Minor tools, equipment & maintenance supplies
Independent Electric Supply	53.91	Safety supplies
JCI Jones Chemical	21,846.23	Chemicals - WTP
Santa Ynez Valley Hardware	27.31	Maintenance supplies and hardware
Staples Credit Plan	587.65	Battery charger
Sterling Water Technologies, LLC	15,540.00	Chemicals - WTP
Univar Solutions USA, Inc.	982.90	Chemicals - WTP
WEX Bank - Wright Express	4,680.81	Fuel - Autos
	\$ 58,790.60	Total Supplies & Equipment



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - February 2020

VENDOR	INVOICE AMOUNT	DESCRIPTION
UTILITIES		
Bank of America Business Card	35.30	Telephone conference charge
City of Buellton	203.72	Water - BAO
Delta Liquid Energy	389.58	Propane gas
First Choice Technology	13.27	Phone - Long distance carrier, 800#
Frontier	290.85	Telephone charges
Health Sanitation Services	249.12	Waste Disposal - SYPS
Marborg Industries	359.52	Waste Disposal - BAO
Pacific Gas & Electric	18,659.33	Utilities - BAO/SYPS/WTP
San Miguel Garbage Company	225.02	Waste Disposal - WTP
Santa Ynez River Water Conservation	176.96	Water - SYPS
Surfnet Communications, Inc.	75.00	Wireless Internet - Chorro
The Gas Company	270.02	Natural Gas - BAO
Verizon Wireless	477.63	Cell phone charges
	<u>\$ 21,425.32</u>	Total Utilities
 Subtotal - Bills for Ratification	 <u><u>\$1,979,770.63</u></u>	

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CENTRAL COAST WATER AUTHORITY

Bills for Approval

VENDOR		INVOICE AMOUNT	DESCRIPTION
State of California DWR	\$	2,582,581.00	Capital Cost and Minimum OMP&R Charges -Mar'20
Subtotal - Bills for Approval	\$	2,582,581.00	
Total Ratification and Approval Bills	\$	<u>4,562,351.63</u>	



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - March 2020

VENDOR	INVOICE AMOUNT	DESCRIPTION
GENERAL & ADMINISTRATIVE EXPENSES		
ACCO Brands USA LLC	21.49	Budget coils
Aschle, Jason	89.88	Reimbursable expenses - Travel expenses
Bank of America Business Card	197.73	Staff meetings
Bank of America Business Card	216.07	JPIA Safety Training
Bank of America Business Card	336.00	Publications, subscriptions, postage
Bank of America Business Card	90.00	Advertising
Cardmember Service	1,373.63	State Water Contractors - Travel and meetings
Federal Express	190.31	Express shipping
Nelson, Garrett	9.70	Reimbursable expenses - Travel expenses
Quadient Finance USA, Inc.	400.00	Postage - postage machine
Swift, Mark	23.95	Reimbursable expenses - Travel expenses
The Tribune	111.32	Chemical Bid Advertising
United Parcel Service	39.34	Shipping expenses
US Bank	22.50	Staff Meeting
US Bank	475.55	State Water Contractors - Travel and meetings
Valley Oaks Printing	252.14	Tab Dividers
	\$ 3,849.61	Total General & Administrative
MONITORING EXPENSES		
AmeriPride Services, Inc.	250.40	Lab supplies
Culligan Industries Water Systems	85.00	Carbon Tank Rentals, Tri-Bed Tank Rentals
Eurofins Eaton Analytical	40.00	Lab testing
Hach Company	793.04	Lab supplies
IDEXX Distribution Corp.	2,568.65	Lab supplies
Kern Co. Water Agency	1,120.00	Laboratory Analysis
Praxair Distribution, Inc.	161.61	Lab supplies
VWR International	2,194.24	Lab supplies
	\$ 7,212.94	Total Monitoring Expenses
OFFICE EXPENSES		
Bank of America Business Card	364.24	Office and kitchen supplies
Lowe's	233.58	Kitchen supplies
Office Depot	493.90	Office, janitorial & kitchen supplies
Santa Ynez Valley Hardware	19.38	Office Supplies
Staples Inc.	96.93	Office, janitorial & kitchen supplies
Ultrix Business Products	5.00	Office supplies
US Bank	469.93	Office Supplies
	\$ 1,682.96	Total Office Expenses
OTHER EXPENSES		
Airgas USA, LLC	111.42	Equipment Rental
Bank of America Business Card	159.98	Domain Name/Mail Account Renewal
Comcast	194.78	Internet Service
CompuVision	4,918.13	Managed Service Agreement
CompuVision	17,775.23	SmartNet Renewal
De Lage Landen Financial Services	491.47	Copier Lease - BAO and WTP
DLT Solutions, Inc.	4,293.92	AutoCAD Subscription
Environmental Science Association	17,274.81	Reacquisition of Relinquished Entitlement
HDR Engineering, Inc.	866.25	Risk and Resiliency Study
Impulse Internet Services	4,199.60	T-1 System and Internet Service (Buellton and Shandon)
Marborg Industries	316.00	Tank 5/Tank 7/Tank 2/ EDV Rental
Praxair Company	34.94	Gas tank



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - March 2020

VENDOR	INVOICE AMOUNT	DESCRIPTION
RingCentral Inc.	114.89	New Phone Server
Sympro, Inc.	8,259.94	Sympro Maintenance Agreement
The Tribune	142.78	CEQWA Advertisement
US Bank	72.16	CEQWA Legal Notice
Wilson Creek Communications	155.00	Internet Service
	\$ 59,381.30	Total Other Expenses

OTHER MISCELLANEOUS EXPENSES

Department of Water Resources	2,582,581.00	Variable OMP&R, Delta Water & Transport Charge
	\$ 2,582,581.00	Total Other Miscellaneous Expenses

PERSONNEL EXPENSES

Bank of America Business Card	100.00	Employee Achievement Awards Program
CalPERS Health	30,546.95	Health Insurance
CalPERS Retirement	35,068.11	Pension Contributions
CCWA Payroll Wages/Taxes	216,689.56	Gross Payroll Wages/Taxes
Dental/Vision Payments	2,575.43	Dental/Vision Benefits
MetLife SBC Insurance	999.60	Life Insurance
Other Misc Employee Benefits	9,147.06	Vehicle, Uniform and Cafeteria Plan Benefits
Standard Insurance Company	1,287.47	Disability Insurance
	\$ 296,414.18	Total Personnel Expenses

PROFESSIONAL SERVICES

Credential Check Corporation	71.24	Background checks
PAPE Material Handling Inc	184.82	Forklift Service
Quinn Company	210.78	Fuel sampling kits
Samba Holdings, Inc.	63.80	DMV driver reports
Santa Barbara County	1,895.00	Annual Business Plan Renewal
Sentry Alarm Systems	450.00	Security System - WTP
Stanley Convergent Security	1,157.37	Security Service BAO/SYPS
Stradling Yocca Carlson Rauth	92.00	Legal - Employee Matters
Underground Service Alert	26.50	New USA tickets
	\$ 4,151.51	Total Professional Services

CIP PROJECTS - MATERIALS & OVERHEAD

Carbon Activated Corp	286,891.33	Granular Activated Carbon Filter Media Replacement
HDR Engineering Inc	6,100.25	Riser Repairs to Air Vacuum/Release Valves - Phase 1
Mid State Fence	1,702.00	Security Fencing Project
Western Electrical Services	9,800.66	Electrical Upgrades
	\$ 304,494.24	Total CIP Project - Materials and Overhead

REPAIRS & MAINTENANCE

AmeriPride Services, Inc.	434.62	Building maintenance supplies
Bailey Valve Inc.	640.00	Equipment repairs and maintenance
Bank of America Business Card	140.55	Building maintenance supplies
Bank of America Business Card	2,812.03	Equipment repairs and maintenance
Cal Coast Irrigation, Inc.	117.02	Parts, repair and maintenance
City of Buellton	96.89	Landscape maintenance - water
Coverall North America, Inc	979.00	Janitorial service - BAO/SYPS
Grainger Inc.	1,701.99	Parts, repair and maintenance
Harrington Industrial Plastics	334.99	Parts, repair and maintenance
Harrison Hardware	301.73	Parts, repair and maintenance
Home Depot	61.73	Parts, repair and maintenance

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CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - March 2020

VENDOR	INVOICE AMOUNT	DESCRIPTION
Independent Electric Supply	1,062.34	Equipment repairs and maintenance
Jan's Gardening Service	500.00	Landscape maintenance - BAO/SYPS
Knechts Plumbing and Heating	2,257.90	HVAC service and repairs
Office Depot	64.79	Janitorial supplies
PAPE Material Handling	366.19	Equipment repair
Procure Janitorial Supply	180.18	Janitorial supplies - WTP
Progressive Greenery	330.00	Landscape maintenance - WTP
Rio Vista Chevrolet	607.49	Vehicle maintenance
Santa Ynez Valley Hardware	16.11	Maintenance supplies
Staples	163.33	Janitorial Supplies
Steve's Wheel & Tire	50.32	Equipment repairs and maintenance
Ultrex Business Products	298.84	Copier maintenance
United Staffing Associates	1,074.86	Janitorial Service - WTP
Western Exterminator Co	211.00	Pest control spraying - BAO and SYPS
	\$ 14,803.90	Total Repairs & Maintenance
SUPPLIES & EQUIPMENT		
Airgas USA, LLC	50.37	Safety supplies
AmeriPride Services, Inc.	1,032.42	Uniform expenses
Bank of America Business Card	104.18	Safety supplies
Bank of America Business Card	461.12	Equipment & maintenance supplies
Carr's Boots & Western Wear	175.00	Uniform expenses
Chemtrade Chemicals US, LLC	23,618.56	Chemicals - WTP
Grainger Inc.	940.63	Minor tools, equipment & maintenance supplies, safety supplies
Harrison Hardware	22.60	Maintenance supplies and hardware
Home Depot	197.46	Minor tools, equipment & maintenance supplies
JB Dewar	569.80	Fuel - equipment
JCI Jones Chemical	16,114.85	Chemicals - WTP
Nelson, Garrett	175.00	Reimbursable expenses - Uniform reimbursement
Staples Credit Plan	203.76	Maintenance Supplies
Univar Solutions USA, Inc.	2,676.50	Chemicals - WTP
WEX Bank - Wright Express	4,351.18	Fuel - Autos
	\$ 50,693.43	Total Supplies & Equipment
UTILITIES		
City of Buellton	182.86	Water - BAO
Delta Liquid Energy	656.13	Propane gas
First Choice Technology	13.69	Phone - Long distance carrier, 800#
Frontier	290.88	Telephone charges
Health Sanitation Services	249.12	Waste Disposal - SYPS
Pacific Gas & Electric	20,711.73	Utilities - BAO/SYPS/WTP
Safety Kleen Systems Inc.	207.60	Waste Oil removal
San Miguel Garbage Company	225.02	Waste Disposal - WTP
Stokes, Ray	129.28	Reimbursable Expenses - Cell Phone charges
Surfnet Communications, Inc.	75.00	Wireless Internet - Chorro
The Gas Company	193.30	Natural Gas - BAO
Verizon Wireless	543.04	Cell phone charges
	\$ 23,477.65	Total Utilities
Subtotal - Bills for Ratification	\$3,348,742.72	



CENTRAL COAST WATER AUTHORITY

Bills for Approval

VENDOR		INVOICE AMOUNT	DESCRIPTION
State of California DWR	\$	1,744,832.00	Capital Cost and Minimum OMP&R Charges -Apr'20
Subtotal - Bills for Approval	\$	1,744,832.00	
Total Ratification and Approval Bills	\$	<u>5,093,574.72</u>	

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Statements of Net Position

ASSETS

	<u>March 31, 2020</u>	<u>February 29, 2020</u>
<u>Current Assets</u>		
Cash and investments	\$ 7,298,074	\$ 7,741,732
Accounts Receivable (Note 1)	15,500	15,500
Accrued interest receivable	453,518	393,691
Other assets	1,567,643	1,591,139
Total Current Assets	<u>9,334,735</u>	<u>9,742,062</u>
<u>Restricted Assets</u>		
Cash and investments with fiscal agents	492,039	
<u>Investment Accounts</u>		
Operations and Maintenance Reserve Fund (Note 2)	2,134,933	2,134,902
DWR Reserve Fund (Note 3)	1,571,223	1,571,204
Rate Coverage Reserve Fund (Note 4)	9,449,463	9,449,323
Debt Service Payments (Note 5)	621,780	621,752
Department of Water Resources (Note 6a)	11,765,620	12,992,058
Credits Payable (Note 7)	799,596	799,586
Escrow Deposits (Note 8)	523,293	523,285
Total Restricted Assets	<u>27,357,948</u>	<u>28,092,109</u>
<u>Property, Plant and Equipment</u>		
Construction in progress (Note 9)	1,747,878	1,443,073
Fixed assets (net of accumulated depreciation)	90,381,121	90,574,360
Total Property, Plant and Equipment	<u>92,128,999</u>	<u>92,017,433</u>
<u>Other Assets</u>		
Unamortized bond issuance costs (Note 10)	301,645	328,592
Long term receivable (Note 11)	2,480,119	2,480,119
Total Other Assets	<u>2,781,763</u>	<u>2,808,710</u>
Total Assets	<u>\$ 131,603,445</u>	<u>\$ 132,660,314</u>

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Statements of Net Position

LIABILITIES AND FUND EQUITY

	<u>March 31, 2020</u>	<u>February 29, 2020</u>
<u>Current Liabilities</u>		
Accounts Payable	\$ 84,278	\$ 50,899
DWR and Warren Act Charge Deposits (Note 6a)	11,765,622	12,992,060
CCWA Variable Charge Deposits (Note 6b)	14,327	14,327
Accrued interest payable	492,751	410,626
Other liabilities	867,592	875,645
Rate Coverage Reserve Fund	1,571,223	1,571,204
DWR Reserve Fund	9,282,145	9,282,145
Unearned Revenue	804,233	66,952
Credits Payable to Project Participants	1,300,487	1,300,152
Total Current Liabilities	<u>26,182,658</u>	<u>26,564,011</u>
<u>Non-Current Liabilities</u>		
Bonds payable (Note 12)	19,710,000	19,710,000
Bond Original Issue Premium, net	808,645	880,884
OPEB Liability	818,000	818,000
Escrow Deposits	523,293	523,285
Net Pension Liability	3,494,467	3,494,467
Total Non-Current Liabilities	<u>25,354,405</u>	<u>25,426,636</u>
<u>Commitments and Uncertainties</u>		
<u>Net Assets</u>		
Contributed capital, net (Note 13)	22,562,433	22,562,433
Retained earnings	57,503,949	58,107,234
Total Net Assets	<u>80,066,382</u>	<u>80,669,667</u>
Total Liabilities and Net Assets	<u>\$ 131,603,445</u>	<u>\$ 132,660,314</u>



Statements of Revenues, Expenses and Changes in Net Position

	<u>March 31, 2020</u>	<u>February 29, 2020</u>
<u>Operating Revenues</u>		
Operating reimbursements from project participants	\$ 21,835,812	\$ 21,835,812
Other revenues	90,885	19,099
Total Operating Revenues	<u>21,926,697</u>	<u>21,854,911</u>
<u>Operating Expenses</u>		
Personnel expenses	3,595,341	3,263,481
Office expenses	13,271	11,588
General and administrative	153,568	139,749
Professional services	233,923	229,648
Supplies and equipment	620,476	569,783
Monitoring expenses	65,815	58,602
Repairs and maintenance	177,924	163,120
Utilities	222,192	198,715
Depreciation and amortization	1,221,355	1,086,640
Other expenses	766,110	693,783
Total Operating Expenses	<u>7,069,973</u>	<u>6,415,108</u>
Operating Income	<u>14,856,723</u>	<u>15,439,804</u>
<u>Non-Operating Revenues</u>		
Investment income	1,129,369	1,066,719
Total Non-Operating Revenues	<u>1,129,369</u>	<u>1,066,719</u>
<u>Non-Operating Expenses</u>		
Interest	853,625	771,500
Current year credits payable	603,406	602,676
Total Non-Operating Expenses	<u>1,457,031</u>	<u>1,374,176</u>
Net Income	<u>14,529,061</u>	<u>15,132,347</u>
<u>Retained Earnings</u>		
Retained earnings at beginning of period	<u>42,974,887</u>	<u>42,974,887</u>
Retained earnings at end of period	\$ <u><u>57,503,949</u></u>	\$ <u><u>58,107,234</u></u>



Budget and Actual All Reaches

	March 31, 2020		
	<u>Budget</u>	<u>Actual</u>	<u>Percent Expended ⁽¹⁾</u>
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 10,029,748	10,029,748	100.00%
Variable operating assessments	3,259,787	2,648,400	81.24%
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Total Operating Revenues	<u>13,289,535</u>	<u>12,678,148</u>	<u>95.40%</u>
<u>Operating Expenses ⁽²⁾</u>			
Personnel expenses	5,201,852	3,595,341	69.12%
Office expenses	20,500	13,271	64.74%
General and administrative	309,710	153,568	49.58%
Professional services	432,843	233,923	54.04%
Supplies and equipment	2,297,803	620,476	27.00%
Monitoring expenses	105,604	65,815	62.32%
Repairs and maintenance	285,620	177,924	62.29%
Utilities	1,331,312	222,192	16.69%
Depreciation and amortization	-	-	N/A
Other expenses	1,547,670	766,110	49.50%
Total Operating Expenses	<u>11,532,913</u>	<u>5,848,619</u>	<u>50.71%</u>
Operating Income	<u>1,756,622</u>	<u>6,829,530</u>	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	<u>-</u>	<u>-</u>	
<u>Non-Operating Expenses</u>			
Total Non-Operating Expenses	<u>-</u>	<u>-</u>	
Net Income (Loss)	<u>\$ 1,756,622</u>	<u>6,829,530</u>	

(1) Percent of year expended: 75%

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



Budget and Actual Administration

	March 31, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 1,868,217	\$ 1,868,217	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Total Operating Revenues	1,868,217	1,868,217	100.00%
Operating Expenses ⁽²⁾			
Personnel expenses	991,469	735,458	74.18%
Office expenses	10,500	7,779	74.08%
General and administrative	202,460	113,585	56.10%
Professional services	254,171	152,597	60.04%
Supplies and equipment	-	-	N/A
Monitoring expenses	-	-	N/A
Repairs and maintenance	29,935	17,394	58.11%
Utilities	15,203	10,910	71.76%
Depreciation and amortization	-	-	N/A
Other expenses	252,898	389,598	154.05%
Total Operating Expenses	1,756,637	1,427,321	81.25%
Operating Income	111,580	440,896	
Non-Operating Revenues			
Investment Income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Current Year credits payable	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 111,580	440,896	

(1) Percent of year expended: 75%

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



Budget and Actual Water Treatment Plant

	March 31, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 4,498,633	4,498,633	100.00%
Variable operating assessments	2,198,977	1,805,810	82.12%
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Total Operating Revenues	6,697,610	6,304,443	94.13%
Operating Expenses ⁽²⁾			
Personnel expenses	2,477,227	1,667,490	67.31%
Office expenses	6,000	3,698	61.63%
General and administrative	73,000	27,280	37.37%
Professional services	75,239	46,586	61.92%
Supplies and equipment	2,194,892	561,344	25.58%
Monitoring expenses	105,604	65,815	62.32%
Repairs and maintenance	166,485	104,054	62.50%
Utilities	188,801	128,578	68.10%
Depreciation and amortization	-	-	N/A
Other expenses	525,576	156,948	29.86%
Total Operating Expenses	5,812,823	2,761,793	47.51%
Operating Income	884,787	3,542,650	
Non-Operating Revenues			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 884,787	3,542,650	

(1) Percent of year expended: 75%

(2) Includes revenues and expenses for Turnouts and adjusted 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
 March 31, 2020

	July 2019	Aug. 2019	Sept. 2019	Oct. 2019	Nov. 2019	Dec. 2019	Jan. 2020	Feb. 2020	Mar. 2020	Total for Year
WTP Fixed O&M Costs										
Fixed O&M Expenses	\$ 334,149	\$ 213,877	\$ 219,798	\$ 245,736	\$ 304,255	\$ 240,004	\$ 217,970	\$ 208,757	\$ 204,503	\$ 2,189,049
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
Fixed WTP Cost per AF	\$ 7.61	\$ 4.87	\$ 5.01	\$ 5.60	\$ 6.93	\$ 5.47	\$ 4.96	\$ 4.75	\$ 4.66	\$ 49.86
WTP Variable O&M Costs										
Variable O&M Expenses	\$ 77,325	\$ 98,037	\$ 95,697	\$ 82,191	\$ 33,343	\$ 39,594	\$ 45,415	\$ 54,803	\$ 46,338	\$ 572,744
Actual Water Treated	2,486	2,463	2,250	2,255	635	1,178	992	1,043	1,118	14,420
Variable WTP Cost per AF	\$ 31.10	\$ 39.80	\$ 42.53	\$ 36.45	\$ 52.51	\$ 33.61	\$ 45.78	\$ 52.54	\$ 41.45	\$ 39.72

(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

	March 31, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 366,691	366,691	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	366,691	366,691	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	222,268	157,919	71.05%
Office expenses	513	230	44.84%
General and administrative	4,392	1,629	37.08%
Professional services	13,265	6,076	45.81%
Supplies and equipment	13,198	7,436	56.34%
Monitoring expenses	-	-	N/A
Repairs and maintenance	11,439	7,027	61.43%
Utilities	8,528	2,279	26.73%
Depreciation and amortization	-	-	N/A
Other expenses	25,815	42,478	164.55%
Total Operating Expenses	299,417	225,074	75.17%
Operating Income	67,273	141,617	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 67,273	141,617	

(1) Percent of year expended: 75%

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



Budget and Actual Santa Ynez I

	March 31, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 635,277	635,277	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	635,277	635,277	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	312,860	232,785	74.41%
Office expenses	722	324	44.84%
General and administrative	6,183	2,293	37.09%
Professional services	18,671	7,291	39.05%
Supplies and equipment	18,577	10,644	57.30%
Monitoring expenses	-	-	N/A
Repairs and maintenance	16,102	4,761	29.57%
Utilities	12,004	5,348	44.55%
Depreciation and amortization	-	-	N/A
Other expenses	76,026	15,927	20.95%
Total Operating Expenses	461,145	279,373	60.58%
Operating Income	174,132	355,905	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 174,132	355,905	

(1) Percent of year expended: 75%

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



Budget and Actual Santa Ynez II

	March 31, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 1,186,914	1,186,914	100.00%
Variable operating assessments	1,060,810	842,591	79.43%
Other revenues	-	-	N/A
Total Operating Revenues	2,247,724	2,029,505	90.29%
Operating Expenses ⁽²⁾			
Personnel expenses	449,302	302,119	67.24%
Office expenses	1,037	465	44.85%
General and administrative	8,879	3,293	37.09%
Professional services	26,814	8,401	31.33%
Supplies and equipment	26,679	15,787	59.18%
Monitoring expenses	-	-	N/A
Repairs and maintenance	23,124	13,130	56.78%
Utilities	1,078,049	52,334	4.85%
Depreciation and amortization	-	-	N/A
Other expenses	279,840	59,721	21.34%
Total Operating Expenses	1,893,723	455,249	24.04%
Operating Income	354,001	1,574,256	
Non-Operating Revenues			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 354,001	1,574,256	

(1) Percent of year expended: 75%

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



Budget and Actual Reach 33B

	March 31, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 747,465	747,465	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	747,465	747,465	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	346,171	221,636	64.02%
Office expenses	799	358	44.83%
General and administrative	6,841	2,537	37.08%
Professional services	20,659	7,167	34.69%
Supplies and equipment	20,555	11,790	57.36%
Monitoring expenses	-	-	N/A
Repairs and maintenance	17,816	10,012	56.20%
Utilities	13,282	7,233	54.46%
Depreciation and amortization	-	-	N/A
Other expenses	197,842	82,911	41.91%
Total Operating Expenses	623,966	343,644	55.07%
Operating Income	123,500	403,821	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 123,500	403,821	

(1) Percent of year expended: 75%

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



Budget and Actual Reach 34

	March 31, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 249,039	249,039	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	249,039	249,039	100.00%
<u>Operating Expenses ⁽²⁾</u>			
Personnel expenses	167,480	111,422	66.53%
Office expenses	387	173	44.83%
General and administrative	3,310	1,227	37.08%
Professional services	9,995	2,651	26.52%
Supplies and equipment	9,945	5,591	56.22%
Monitoring expenses	-	-	N/A
Repairs and maintenance	8,620	4,634	53.76%
Utilities	6,426	4,598	71.55%
Depreciation and amortization	-	-	N/A
Other expenses	19,452	8,081	41.54%
Total Operating Expenses	225,613	138,377	61.33%
Operating Income	23,426	110,662	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 23,426	110,662	

(1) Percent of year expended: 75%

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



Budget and Actual Reach 35

	March 31, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 162,220	162,220	100.00%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	162,220	162,220	100.00%
<u>Operating Expenses ⁽²⁾</u>			
Personnel expenses	110,285	68,131	61.78%
Office expenses	255	114	44.82%
General and administrative	2,179	808	37.07%
Professional services	6,582	1,477	22.45%
Supplies and equipment	6,548	3,681	56.22%
Monitoring expenses	-	-	N/A
Repairs and maintenance	5,676	1,128	19.86%
Utilities	4,231	1,481	34.99%
Depreciation and amortization	-	-	N/A
Other expenses	12,809	4,892	38.19%
Total Operating Expenses	148,565	81,712	55.00%
Operating Income	13,654	80,507	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 13,654	80,507	

(1) Percent of year expended: 75%

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



Budget and Actual Reach 37

	March 31, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 70,133	70,133	100.00%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	70,133	70,133	100.00%
<u>Operating Expenses ⁽²⁾</u>			
Personnel expenses	47,283	29,343	62.06%
Office expenses	109	49	45.21%
General and administrative	934	349	37.39%
Professional services	2,822	639	22.64%
Supplies and equipment	2,808	1,592	56.70%
Monitoring expenses	-	-	N/A
Repairs and maintenance	2,434	488	20.03%
Utilities	1,814	451	24.85%
Depreciation and amortization	-	-	N/A
Other expenses	5,492	2,115	38.52%
Total Operating Expenses	63,695	35,026	54.99%
Operating Income	6,438	35,107	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 6,438	35,107	

(1) Percent of year expended: 75%

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



Budget and Actual Reach 38

	March 31, 2020		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 114,934	114,934	100.00%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	114,934	114,934	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	77,507	50,455	65.10%
Office expenses	179	80	44.83%
General and administrative	1,532	568	37.07%
Professional services	4,626	1,038	22.45%
Supplies and equipment	4,602	2,587	56.22%
Monitoring expenses	-	-	N/A
Repairs and maintenance	3,989	1,646	41.27%
Utilities	2,974	733	24.64%
Depreciation and amortization	-	-	N/A
Other expenses	9,002	3,438	38.20%
Total Operating Expenses	104,411	60,546	57.99%
Operating Income	10,524	54,388	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 10,524	54,388	

(1) Percent of year expended: 75%

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

Central Coast Water Authority
Notes to Financial Statements
March 31, 2020

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	\$ 28,391
City of Santa Maria	836,256
Golden State Water Company	25,810
Vandenberg AFB	395,144
City of Buellton	29,837
Santa Ynez ID #1 (Solvang)	77,431
Santa Ynez ID #1	26,133
Goleta Water District	235,207
Morehart Land Co.	10,324
La Cumbre Mutual Water Company	51,615
Raytheon Systems Company	2,581
City of Santa Barbara	154,862
Montecito Water District	156,804
Carpinteria Valley Water District	104,536
TOTAL:	<u>\$ 2,134,933</u>

Central Coast Water Authority
Notes to Financial Statements
 March 31, 2020

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	23,997
City of Santa Maria	935,234
Golden State Water Company	37,304
City of Buellton	\$ 45,234
Santa Ynez ID #1 (Solvang)	123,943
Santa Ynez ID #1	129,610
Morehart Land Co.	18,886
La Cumbre Mutual Water Company	68,763
Raytheon Systems Co.	4,918
City of Santa Barbara	183,333
TOTAL:	\$ 1,571,223

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	\$ 195,056
City of Santa Maria	5,107,459
City of Buellton	280,697
Santa Ynez ID #1 (Solvang)	624,861
Santa Ynez ID #1	470,729
La Cumbre Mutual Water Company	408,826
Montecito Water District	1,489,238
Carpinteria Valley Water District	857,069
Shandon	15,529
TOTAL:	\$ 9,449,463

Central Coast Water Authority
Notes to Financial Statements
March 31, 2020

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.

<u>Participant</u>	<u>Amount</u>
Avila Beach	\$ 726
California Men's Colony	6,348
County of SLO	6,762
Cuesta College	3,174
Morro Bay	40,956
Oceano	5,306
Pismo Beach	8,769
Shandon	719
Guadalupe	9,051
Buellton	16,105
Santa Ynez (Solvang)	47,924
Santa Ynez	17,998
Goleta	151,048
Morehart Land	7,047
La Cumbre	33,318
Raytheon	1,515
Santa Barbara	92,854
Montecito	109,569
Carpinteria	62,592
TOTAL:	\$ 621,780

Central Coast Water Authority
Notes to Financial Statements
 March 31, 2020

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	\$ 104,167
City of Santa Maria	3,570,519
Golden State Water Company	140,967
Vandenberg AFB	2,296,662
City of Buellton	119,532
Santa Ynez ID #1 (Solvang)	263,952
Santa Ynez ID #1	380,058
Goleta Water District	1,320,833
Morehart Land Co.	29,600
La Cumbre Mutual Water Company	241,232
Raytheon Systems Co.	11,245
City of Santa Barbara	1,435,285
Montecito Water District	1,261,003
Carpinteria Valley Water District	590,563
TOTAL:	<u>\$ 11,765,620</u>

Note 6b: Cash Payments for CCWA Variable Charges

Cash deposits for payments to CCWA for Variable Assessments.

Project Participant	Amount
City of Guadalupe	\$ -
City of Santa Maria	-
Golden State Water Company	-
Vandenberg AFB	-
City of Buellton	-
Santa Ynez ID #1 (Solvang)	-
Santa Ynez ID #1	9,546
Goleta Water District	-
Morehart Land Co.	284
La Cumbre Mutual Water Company	-
Raytheon Systems Co.	4,497
City of Santa Barbara	-
Montecito Water District	-
Carpinteria Valley Water District	-
Shandon	-
Lopez Turnout	-
Chorro Turnout	-
TOTAL:	<u>\$ 14,327</u>

Central Coast Water Authority
Notes to Financial Statements
 March 31, 2020

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	\$ 0
City of Santa Maria	(49)
Golden State Water Company	(1)
Vandenberg AFB	409,493
City of Buellton	(4)
Santa Ynez ID #1 (Solvang)	(9)
Santa Ynez ID #1	(20,307)
Goleta Water District	159,052
Morehart Land Co.	(0)
La Cumbre Mutual Water Company	(2)
Raytheon Systems Co.	(0)
City of Santa Barbara	(2)
Montecito Water District	107,844
Carpinteria Valley Water District	70,550
Shandon	(1,779)
Lopez Turnout	39,920
Chorro Turnout	34,891
TOTAL:	<u>\$ 799,596</u>

Note 8: Escrow Deposits

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

Project Participant	Amount
Morehart Land Company	\$ 413,131
Raytheon Systems Company	110,162
TOTAL:	<u>\$ 523,293</u>

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	\$ 149,689
Materials	770,958
Overhead	827,230
Project CIP Total:	<u>\$ 1,747,878</u>

Central Coast Water Authority
Notes to Financial Statements
 March 31, 2020

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, 2020 in the amount of \$9,615,000.

Central Coast Water Authority
Notes to Financial Statements
March 31, 2020

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>

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

System Name: Central Coast Water Authority

System Number: 4210030

Treatment Plant Name: Polonio Pass Water Treatment Plant

January 2020

Date:	RW pH (SU)	RW Turbidity (NTU)	SW Turbidity (NTU)	RW Odor (TON)	RW Total Coliform (MPN)	RW E. Coli (MPN)	RW Cl- (mg/L)	RW Alkalinity (mg/L)		RW Hardness (mg/L)		RW E.C. (uS/cm)	RW TOC (mg/L)
								Total	Phenol	Total	Ca		
1	8.47	0.56	0.39	1.0			43	60	0	85	44		
2	8.50	0.61	0.41	1.0			44	60	0	87	43		
3	8.53	0.55	0.43	1.0			47	60	1	86	43		
4	8.78	0.53	0.50	1.0			46	62	5	86	45		
5	8.90	0.52	0.56	1.0			49	63	7	89	47		
6	9.00	0.47	0.44	1.0	45	<1	53	64	9	88	47	372	3.5
7	8.90	0.45	0.46	1.0			53	67	7	83	45		
8	8.90	0.46	0.52	1.0			57	67	7	88	43		
9	8.80	0.46	0.54	1.0			59	63	4	91	43		
10	8.77	0.44	0.54	1.0			60	68	4	97	46		
11	8.71	0.43	0.51	1.0			61	69	4	95	46		
12	8.64	0.44	0.54	1.0			61	69	4	96	46		
13	8.61	0.46	0.54	1.5	15	<1	60	64	3	93	46	414	
14	8.62	0.49	0.55	2.0			62	69	2	94	46		
15	8.77	0.44	0.49	1.0			61	69	7	96	50		
16	8.78	0.56	0.48	1.0			62	67	4	96	46		
17	8.78	0.56	0.47	2.5			61	69	5	93	47		
18	8.68	0.56	0.49	1.0			62	70	4	94	48		
19	8.59	0.68	0.54	2.0			62	68	2	95	46		
20	8.49	0.66	0.52	1.0	70	<1	59	68	1	95	46		
21	8.41	0.63	0.51	1.5			61	67	1	93	47	412	
22	8.32	0.60	0.57	1.0			62	70	0	93	48		
23	8.30	0.61	0.55	1.0			62	68	0	94	49		
24	8.23	0.59	0.59	1.0			64	69	0	94	47		
25	8.12	0.60	0.59	1.0			66	70	0	97	49		
26	8.13	0.62	0.58	1.0			65	70	0	99	50		
27	8.20	0.55	0.60	1.0	59	1	67	71	0	96	52	409	
28	8.18	0.59	0.61	1.0			69	74	0	97	46		
29	8.19	0.65	0.61	1.0			69	75	0	98	46		
30	8.25	0.78	0.55	2.0			72	74	0	100	45		
31	8.33	0.69	0.59	1.0			70	74	0	100	44		
Avg:	8.54	0.56	0.52	1.2	47	1	59	68	3	93	46	402	3.5

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

System Name: Central Coast Water Authority

System Number: 4210030

Treatment Plant Name: Polonio Pass Water Treatment Plant

January 2020

Date:	TW pH (SU)	TW Turbidity (NTU)	Filter Rate (gpm/ft ²)	CW Odor (TON)	TW Total Coliform	CW Cl- (mg/L)	CW Total Alk (mg/L)	CW Hardness (mg/L)		TW Chlorine (mg/L)		CCB3 Chlorine Free (mg/L)	TW NH3-N (mg/L)		(CCB3 Cl2 Free) / (TW NH3-N Total)	CW E.C. (uS/cm)	TW TOC (mg/L)
								Total	Ca	Total	Free		Total	Free			
1	8.37	0.05	3.80	0.0	ABSENT	44	56	85	44	3.33	0.00	3.28	0.68	0.00	4.8		
2	8.42	0.05	3.64	0.0	ABSENT	46	55	86	44	3.39	0.00	3.39	0.68	0.00	5.0		
3	8.38	0.05	4.04	0.0	ABSENT	46	56	85	44	3.42	0.00	3.40	0.69	0.00	4.9		
4	8.38	0.05	4.32	0.0	ABSENT	49	57	87	44	3.44	0.00	3.43	0.69	0.00	5.0		
5	8.45	0.05	4.08	0.0	ABSENT	52	58	90	46	3.40	0.00	3.36	0.69	0.00	4.9		
6	8.43	0.05	3.56	0.0	ABSENT	55	52	90	47	3.40	0.00	3.40	0.67	0.00	5.1	380	2.5
7	8.38	0.05	3.96	0.0	ABSENT	55	59	85	42	3.52	0.00	3.24	0.72	0.00	4.5		
8	8.37	0.05	3.56	0.0	ABSENT	58	60	87	45	3.44	0.00	3.22	0.69	0.01	4.7		
9	8.35	0.05	3.72	0.0	ABSENT	62	58	90	42	3.32	0.00	3.07	0.67	0.00	4.6		
10	8.30	0.05	3.88	0.0	ABSENT	62	63	90	44	3.30	0.00	3.06	0.65	0.00	4.7		
11	8.28	0.05	4.13	0.0	ABSENT	62	62	92	45	3.31	0.00	3.10	0.65	0.01	4.8		
12	8.32	0.05	4.37	0.0	ABSENT	60	62	93	45	3.42	0.00	3.30	0.67	0.00	4.9		
13	8.42	0.05	4.37	0.0	ABSENT	63	61	95	41	3.40	0.00	3.32	0.67	0.00	5.0	466	
14	8.38	0.05	4.45	0.0	ABSENT	65	65	94	48	3.32	0.00	3.28	0.66	0.00	5.0		
15	8.43	0.05	3.88	0.0	ABSENT	64	64	100	49	3.43	0.00	3.50	0.70	0.00	5.0		
16	8.28	0.05	4.59	0.0	ABSENT	66	64	98	47	3.43	0.00	3.41	0.67	0.00	5.1		
17	8.41	0.05	4.53	0.0	ABSENT	64	66	94	47	3.46	0.00	3.56	0.70	0.00	5.1		
18	8.41	0.05	4.37	0.0	ABSENT	66	63	92	48	3.51	0.00	3.61	0.73	0.00	4.9		
19	8.39	0.05	4.37	0.0	ABSENT	65	65	93	46	3.43	0.00	3.59	0.65	0.00	5.5		
20	8.40	0.05	4.37	0.0	ABSENT	64	61	96	47	3.44	0.00	3.55	0.69	0.00	5.1		
21	8.41	0.05	4.37	0.0	ABSENT	64	60	91	46	3.57	0.00	3.57	0.72	0.00	5.0	459	
22	8.37	0.05	4.12	0.0	ABSENT	65	63	92	47	3.43	0.00	3.56	0.69	0.00	5.2		
23	8.47	0.05	4.25	0.0	ABSENT	66	65	93	48	3.48	0.00	3.58	0.67	0.00	5.3		
24	8.41	0.06	4.61	0.0	ABSENT	67	64	95	45	3.47	0.00	3.39	0.70	0.00	4.8		
25	8.35	0.05	4.49	0.0	ABSENT	67	64	94	48	3.53	0.00	3.41	0.70	0.00	4.9		
26	8.40	0.05	4.25	0.0	ABSENT	68	66	97	49	3.48	0.00	3.37	0.71	0.00	4.7		
27	8.32	0.06	3.84	0.0	ABSENT	68	66	96	49	3.40	0.00	3.43	0.67	0.00	5.1	483	
28	8.42	0.05	3.80	0.0	ABSENT	72	69	97	47	3.51	0.00	3.40	0.67	0.00	5.1		
29	8.33	0.05	3.64	0.0	ABSENT	68	71	96	47	3.42	0.00	3.32	0.68	0.00	4.9		
30	8.32	0.05	3.24	0.0	ABSENT	74	71	100	46	3.39	0.00	3.40	0.67	0.00	5.1		
31	8.21	0.05	3.48	0.0	ABSENT	74	70	100	46	3.44	0.00	3.44	0.68	0.00	5.1		
Avg	8.37	0.05	4.07	0.00		62	62	93	46	3.43	0.00	3.39	0.68	0.00	5.0	447	2.50

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

System Name: Central Coast Water Authority

System Number: 4210030

Treatment Plant Name: Polonio Pass Water Treatment Plant

February 2020

Date:	RW pH (SU)	RW Turbidity (NTU)	SW Turbidity (NTU)	RW Odor (TON)	RW Total Coliform (MPN)	RW E. Coli (MPN)	RW Cl- (mg/L)	RW Alkalinity (mg/L)		RW Hardness (mg/L)		RW E.C. (uS/cm)	RW TOC (mg/L)
								Total	Phenol	Total	Ca		
1	8.39	0.63	0.62	1.0			70	75	0	102	45		
2	8.38	0.67	0.60	1.0			70	75	0	104	47		
3	8.43	0.63	0.60	1.0	114	<1	73	77	1	104	47	443	
4	8.58	0.55	0.59	1.0			72	77	4	114	55		
5	8.76	0.44	0.59	1.0			72	78	5	112	54		3.6
6	8.80	0.45	0.60	1.0			71	76	4	110	53		
7	8.78	0.49	0.64	1.0			68	77	4	108	52		
8	8.78	0.67	0.64	1.0			69	79	4	106	52		
9	8.85	0.67	0.73	1.0			66	77	8	103	52		
10	8.90	0.56	0.61	1.0	15	<1	65	78	9	109	54	446	
11	8.93	0.61	0.64	1.0			66	79	7	105	52		
12	9.01	0.60	0.59	1.0			67	78	8	104	51		
13	8.95	0.53	0.61	1.0			68	77	8	106	52		
14	8.78	0.56	0.64	1.0			64	78	5	105	51		
15	8.66	0.59	0.65	1.0			65	79	7	106	51		
16	8.72	0.57	0.54	1.0			66	80	6	104	51		
17	8.85	0.61	0.67	1.0	20	<1	67	79	7	105	54		
18	8.93	0.62	0.68	1.0			64	79	10	106	53	457	
19	8.92	0.63	0.71	1.5			63	79	9	108	54		
20	8.83	0.80	0.65	1.0			63	78	9	109	54		
21	8.77	0.83	0.69	2.0			61	79	5	105	54		
22	8.60	0.83	0.66	1.0			62	78	3	105	53		
23	8.52	0.71	0.62	1.5			60	77	3	106	53		
24	8.47	0.77	0.67	1.0	23	1	63	75	1	101	50	443	
25	8.38	0.74	0.59	1.0			66	74	1	99	52		
26	8.55	0.73	0.55	1.0			66	72	4	99	51		
27	8.80	0.61	0.51	1.0			66	70	4	100	50		
28	8.90	0.63	0.49	1.0			67	72	8	99	50		
29	8.77	0.88	0.50	1.5			68	73	4	98	51		
Avg	8.72	0.64	0.62	1.1	43	1	66	77	5	105	52	447	3.6

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

System Name: Central Coast Water Authority

System Number: 4210030

Treatment Plant Name: Polonio Pass Water Treatment Plant

February **2020**

Date:	TW pH (SU)	TW Turbidity (NTU)	Filter Rate (gpm/ft ²)	CW Odor (TON)	TW Total Coliform	CW Cl- (mg/L)	CW Total Alk (mg/L)	CW Hardness (mg/L)		TW Chlorine (mg/L)		CCB3 Chlorine Free (mg/L)	TW NH3-N (mg/L)		(CCB3 Cl2 Free) / (TW NH3-N Total)	CW E.C. (uS/cm)	TW TOC (mg/L)
								Total	Ca	Total	Free		Total	Free			
1	8.28	0.05	3.48	0.0	ABSENT	74	71	103	46	3.39	0.00	3.39	0.67	0.00	5.1		
2	8.27	0.06	3.48	0.0	ABSENT	74	72	103	47	3.39	0.00	3.42	0.67	0.00	5.1		
3	8.38	0.05	3.67	0.0	ABSENT	77	72	105	48	3.52	0.00	3.45	0.69	0.00	5.0	519	
4	8.35	0.06	3.32	0.0	ABSENT	77	73	109	55	3.42	0.00	3.37	0.68	0.00	5.0		
5	8.42	0.06	3.72	0.0	ABSENT	77	72	113	51	3.42	0.00	3.46	0.68	0.00	5.1		2.6
6	8.40	0.06	3.72	0.0	ABSENT	76	74	112	54	3.49	0.00	3.53	0.69	0.00	5.1		
7	8.38	0.06	3.72	0.0	ABSENT	74	74	109	53	3.49	0.00	3.41	0.69	0.00	4.9		
8	8.31	0.05	3.88	0.0	ABSENT	75	75	108	52	3.45	0.00	3.39	0.67	0.00	5.1		
9	8.38	0.05	4.04	0.0	ABSENT	71	75	107	51	3.37	0.00	3.43	0.68	0.00	5.0		
10	8.40	0.05	4.04	0.0	ABSENT	72	74	108	52	3.46	0.00	3.46	0.69	0.00	5.0	506	
11	8.40	0.05	4.05	0.0	ABSENT	69	80	104	51	3.46	0.00	3.47	0.69	0.00	5.0		
12	8.44	0.06	4.13	0.0	ABSENT	70	75	106	52	3.53	0.00	3.47	0.67	0.00	5.2		
13	8.40	0.06	4.37	0.0	ABSENT	70	72	106	51	3.49	0.00	3.33	0.68	0.00	4.9		
14	8.23	0.05	4.53	0.0	ABSENT	67	75	106	51	3.48	0.00	3.37	0.67	0.00	5.0		
15	8.27	0.05	4.21	0.0	ABSENT	67	75	107	50	3.47	0.00	3.29	0.68	0.00	4.8		
16	8.42	0.05	3.94	0.0	ABSENT	69	76	103	50	3.39	0.00	3.26	0.68	0.00	4.8		
17	8.26	0.06	4.21	0.0	ABSENT	69	74	106	52	3.37	0.00	3.28	0.68	0.00	4.8		
18	8.41	0.06	3.79	0.0	ABSENT	69	72	104	53	3.37	0.00	3.28	0.66	0.00	5.0	500	
19	8.33	0.06	3.88	0.0	ABSENT	66	75	106	53	3.28	0.00	3.23	0.64	0.00	5.0		
20	8.32	0.05	4.10	0.0	ABSENT	69	72	108	55	3.33	0.00	3.38	0.67	0.00	5.0		
21	8.41	0.05	4.31	0.0	ABSENT	69	75	108	52	3.34	0.00	3.28	0.67	0.00	4.9		
22	8.41	0.05	3.95	0.0	ABSENT	67	75	110	54	3.31	0.00	3.36	0.65	0.00	5.2		
23	8.32	0.05	3.94	0.0	ABSENT	65	75	108	53	3.45	0.00	3.43	0.68	0.00	5.0		
24	8.37	0.05	4.26	0.0	ABSENT	68	73	103	49	3.53	0.00	3.46	0.68	0.00	5.1	500	
25	8.32	0.05	4.37	0.0	ABSENT	68	70	101	52	3.47	0.00	3.41	0.70	0.00	4.9		
26	8.33	0.05	3.88	0.0	ABSENT	68	69	101	50	3.40	0.00	3.30	0.68	0.00	4.9		
27	8.34	0.05	3.56	0.0	ABSENT	69	68	99	48	3.35	0.00	3.27	0.66	0.00	5.0		
28	8.30	0.05	3.56	0.0	ABSENT	69	65	100	49	3.43	0.00	3.42	0.68	0.00	5.0		
29	8.23	0.05	3.72	0.0	ABSENT	70	64	97	48	3.43	0.00	3.37	0.67	0.00	5.0		
Avg	8.35	0.05	3.93	0.00		70	73	105	51	3.42	0.00	3.38	0.68	0.00	5.0	506	2.60

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

System Name: Central Coast Water Authority

System Number: 4210030

Treatment Plant Name: Polonio Pass Water Treatment Plant

March 2020

Date:	RW pH (SU)	RW Turbidity (NTU)	SW Turbidity (NTU)	RW Odor (TON)	RW Total Coliform (MPN)	RW E. Coli (MPN)	RW Cl- (mg/L)	RW Alkalinity (mg/L)		RW Hardness (mg/L)		RW E.C. (uS/cm)	RW TOC (mg/L)
								Total	Phenol	Total	Ca		
1	8.52	0.91	0.51	1.5			68	72	4	98	50		
2	8.33	0.82	0.51	1.5	62	3	67	73	1	99	51	440	
3	8.35	0.77	0.49	1.0			70	78	0	97	48		
4	8.42	0.87	0.46	1.0			66	76	0	96	49		3.4
5	8.60	0.73	0.46	1.0			69	75	3	95	45		
6	8.77	0.65	0.41	1.0			68	76	5	97	48		
7	8.85	0.58	0.40	1.0			69	74	7	93	46		
8	8.95	0.53	0.36	1.5			67	76	10	93	43		
9	9.08	0.53	0.34	1.0	39	1	67	75	11	95	42	438	
10	9.15	0.48	0.35	1.0			67	71	11	99	51		
11	9.30	0.47	0.34	1.5			67	71	14	97	48		
12	9.30	0.93	0.39	1.0			68	70	14	100	51		
13	9.31	1.63	0.51	1.0			66	70	13	103	53		
14	9.38	1.12	0.42	1.0			65	70	17	99	49		
15	9.30	0.70	0.37	1.5			64	72	13	101	52		
16	9.27	0.58	0.38	1.0	15	<1	64	73	13	102	49	423	
17	9.30	0.60	0.41	1.0			63	73	13	95	47		
18	9.23	0.99	0.45	1.0			65	71	13	97	45		
19	9.19	0.84	0.44	1.0			63	70	13	96	45		
20	9.10	0.80	0.42	1.0			66	73	11	97	46		
21	9.09	0.68	0.42	1.0			66	71	12	94	47		
22	9.10	0.58	0.42	1.0			67	72	10	95	47		
23	9.17	0.55	0.37	1.0	8	<1	66	71	13	96	47	436	
24	9.25	0.85	0.40	1.0			67	74	16	98	47		
25	9.28	1.40	0.44	1.0			66	74	11	98	47		
26	9.18	1.18	0.42	1.0			66	73	13	87	46		
27	9.11	1.23	0.45	1.0			64	75	14	101	49		
28	9.11	1.04	0.48	1.0			65	74	14	101	49		
29	9.12	0.97	0.48	1.0			65	77	14	104	50		
30	9.15	0.75	0.52	1.0	11	<1	66	76	13	105	52	467	
31	9.11	0.62	0.47	1.0			67	77	11	106	54		
Avg:	9.04	0.82	0.43	1.1	27	2	66	73	11	98	48	441	3.4

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

System Name: Central Coast Water Authority

System Number: 4210030

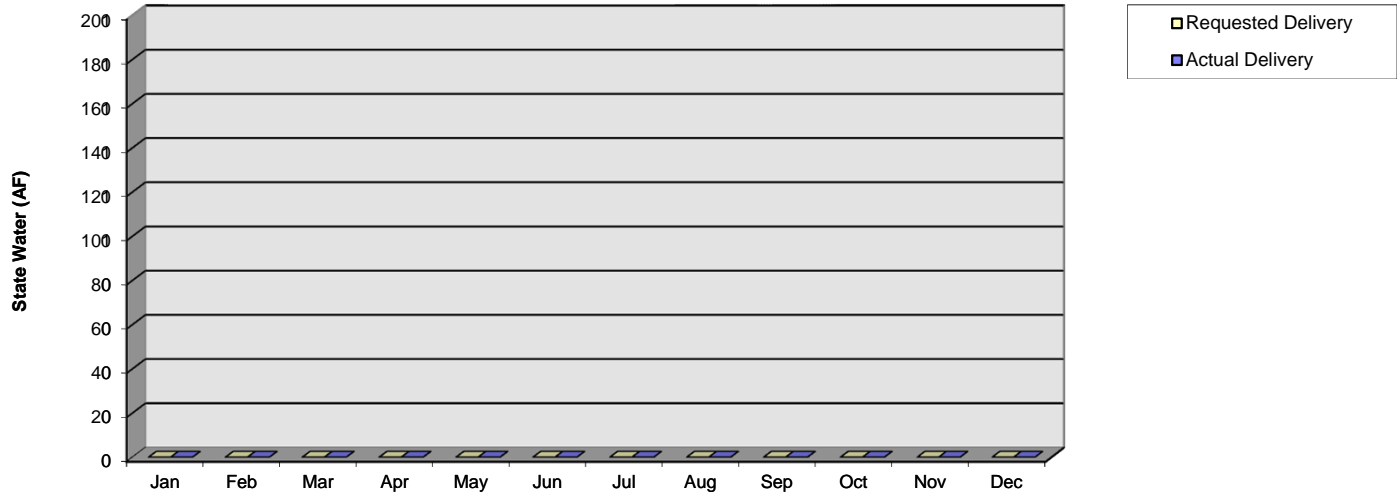
Treatment Plant Name: Polonio Pass Water Treatment Plant

March 2020

Date:	TW pH (SU)	TW Turbidity (NTU)	Filter Rate (gpm/ft ²)	CW Odor (TON)	TW Total Coliform	CW Cl- (mg/L)	CW Total Alk (mg/L)	CW Hardness (mg/L)		TW Chlorine (mg/L)		CCB3 Chlorine Free (mg/L)	TW NH3-N (mg/L)		(CCB3 Cl2 Free) / (TW NH3-N Total)	CW E.C. (uS/cm)	TW TOC (mg/L)
								Total	Ca	Total	Free		Total	Free			
1	8.20	0.05	3.88	0.0	ABSENT	70	65	101	49	3.40	0.00	3.36	0.69	0.00	4.9		
2	8.30	0.05	3.88	0.5	ABSENT	70	66	100	50	3.42	0.00	3.39	0.69	0.00	4.9	491	
3	8.31	0.05	3.88	0.0	ABSENT	72	72	96	47	3.44	0.00	3.29	0.67	0.00	4.9		
4	8.33	0.05	3.88	0.0	ABSENT	70	70	97	48	3.38	0.00	3.29	0.67	0.00	4.9		2.2
5	8.29	0.05	4.05	0.0	ABSENT	72	69	98	45	3.35	0.00	3.33	0.67	0.00	5.0		
6	8.38	0.05	4.13	0.0	ABSENT	73	72	97	46	3.38	0.00	3.41	0.68	0.00	5.0		
7	8.28	0.04	3.72	0.0	ABSENT	72	68	97	47	3.36	0.00	3.38	0.68	0.00	5.0		
8	8.25	0.04	4.10	0.0	ABSENT	70	71	95	42	3.36	0.00	3.41	0.69	0.00	4.9		
9	8.32	0.04	4.04	0.0	ABSENT	71	70	94	41	3.43	0.00	3.47	0.69	0.00	5.0	491	
10	8.43	0.04	4.15	0.0	ABSENT	71	64	101	50	3.43	0.00	3.36	0.69	0.00	4.9		
11	8.50	0.04	4.53	0.5	ABSENT	72	61	97	47	3.47	0.00	3.47	0.70	0.00	5.0		
12	8.45	0.04	4.26	0.0	ABSENT	71	62	100	48	3.46	0.00	3.40	0.71	0.00	4.8		
13	8.49	0.04	4.45	0.0	ABSENT	72	60	104	50	3.42	0.00	3.45	0.69	0.00	5.0		
14	8.55	0.05	4.56	0.0	ABSENT	71	59	100	50	3.47	0.00	3.41	0.69	0.00	4.9		
15	8.47	0.05	3.88	0.0	ABSENT	71	59	99	49	3.44	0.00	3.39	0.69	0.00	4.9		
16	8.44	0.05	3.88	0.0	ABSENT	68	59	102	48	3.37	0.00	3.36	0.70	0.00	4.8	474	
17	8.49	0.04	3.88	0.0	ABSENT	68	60	94	45	3.45	0.00	3.35	0.69	0.00	4.9		
18	8.38	0.04	3.63	0.0	ABSENT	66	63	96	46	3.44	0.00	3.23	0.67	0.00	4.8		
19	8.44	0.04	3.40	0.0	ABSENT	69	61	95	47	3.38	0.00	3.17	0.67	0.00	4.7		
20	8.37	0.04	3.40	0.0	ABSENT	70	62	95	48	3.38	0.00	3.07	0.68	0.00	4.5		
21	8.44	0.04	3.40	0.0	ABSENT	68	63	94	48	3.38	0.00	3.25	0.67	0.00	4.9		
22	8.50	0.04	3.56	0.0	ABSENT	70	64	97	47	3.43	0.00	3.38	0.67	0.00	5.0		
23	8.46	0.04	3.72	0.0	ABSENT	70	63	97	46	3.43	0.00	3.30	0.68	0.00	4.9	478	
24	8.47	0.04	3.72	0.0	ABSENT	70	62	103	45	3.36	0.00	3.32	0.68	0.00	4.9		
25	8.48	0.04	3.80	0.0	ABSENT	71	62	103	47	3.39	0.00	3.36	0.67	0.00	5.0		
26	8.47	0.04	4.31	0.0	ABSENT	71	64	100	56	3.33	0.00	3.38	0.67	0.00	5.0		
27	8.52	0.05	4.16	0.0	ABSENT	69	64	97	48	3.33	0.00	3.33	0.68	0.00	4.9		
28	8.59	0.05	3.92	0.0	ABSENT	69	65	99	48	3.29	0.00	3.29	0.68	0.00	4.8		
29	8.58	0.05	3.88	0.0	ABSENT	68	66	102	50	3.28	0.00	3.20	0.68	0.00	4.7		
30	8.61	0.05	3.62	0.0	ABSENT	72	66	105	51	3.30	0.00	3.21	0.67	0.00	4.8	512	
31	8.57	0.05	3.40	0.0	ABSENT	70	66	104	53	3.33	0.00	3.22	0.68	0.00	4.7		
Avg	8.43	0.04	3.91	0.03		70	64	99	48	3.39	0.00	3.33	0.68	0.00	4.9	489	2.20

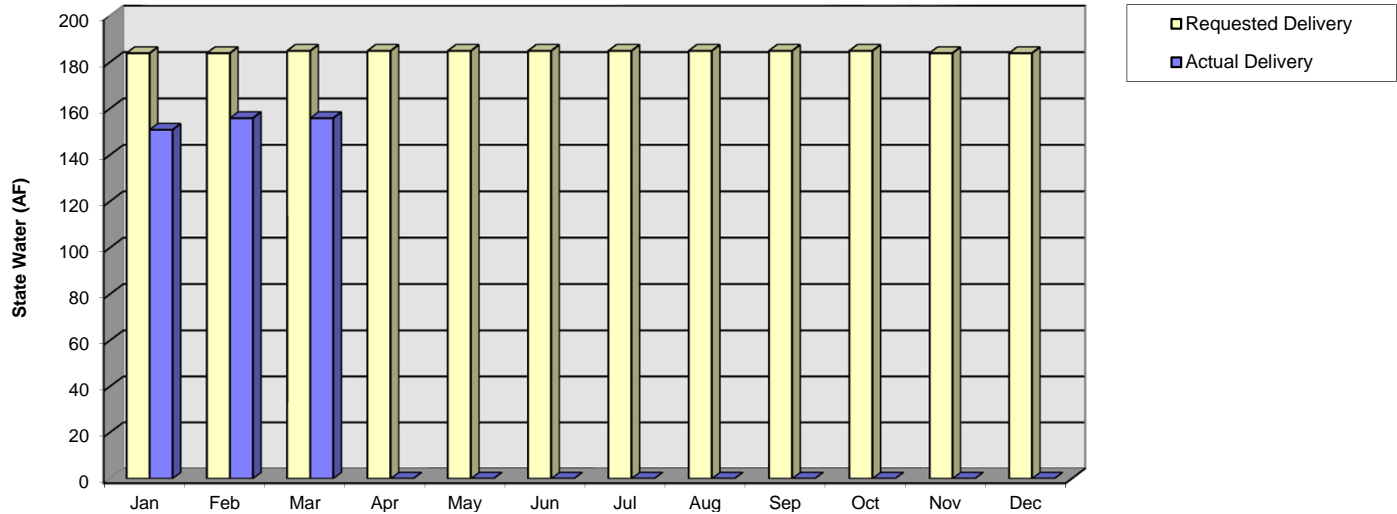
Shandon T.O. - SWP Deliveries in Year 2020

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



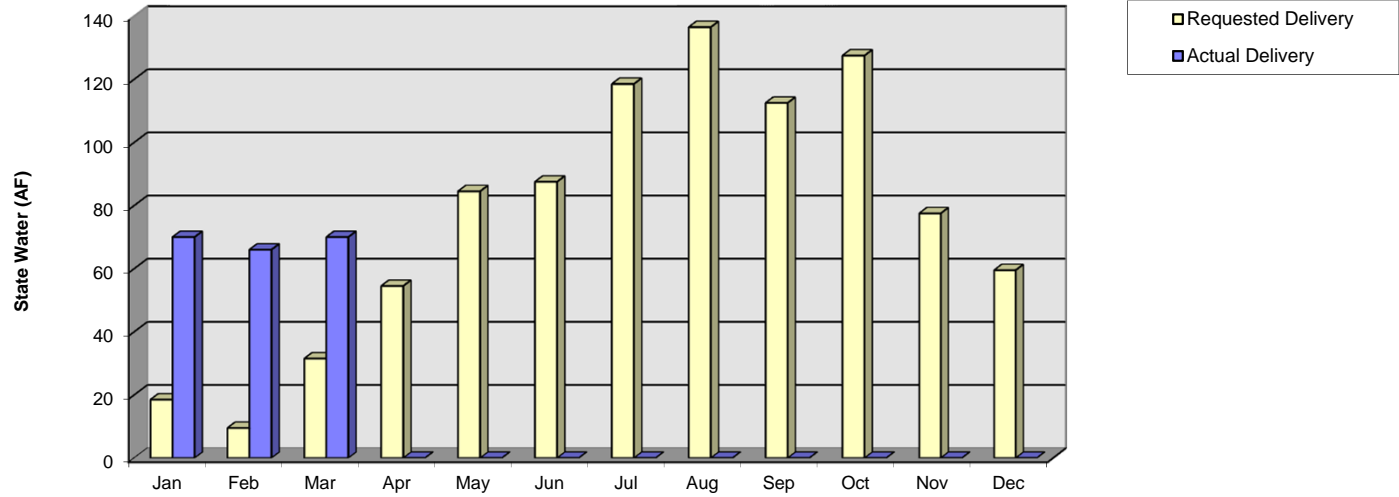
Chorro Valley T.O. - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	184	151	
Feb	184	156	
Mar	185	156	
Apr	185	0	
May	185	0	
Jun	185	0	
Jul	185	0	
Aug	185	0	
Sep	185	0	
Oct	185	0	
Nov	184	0	
Dec	184	0	
Total	2216	463	



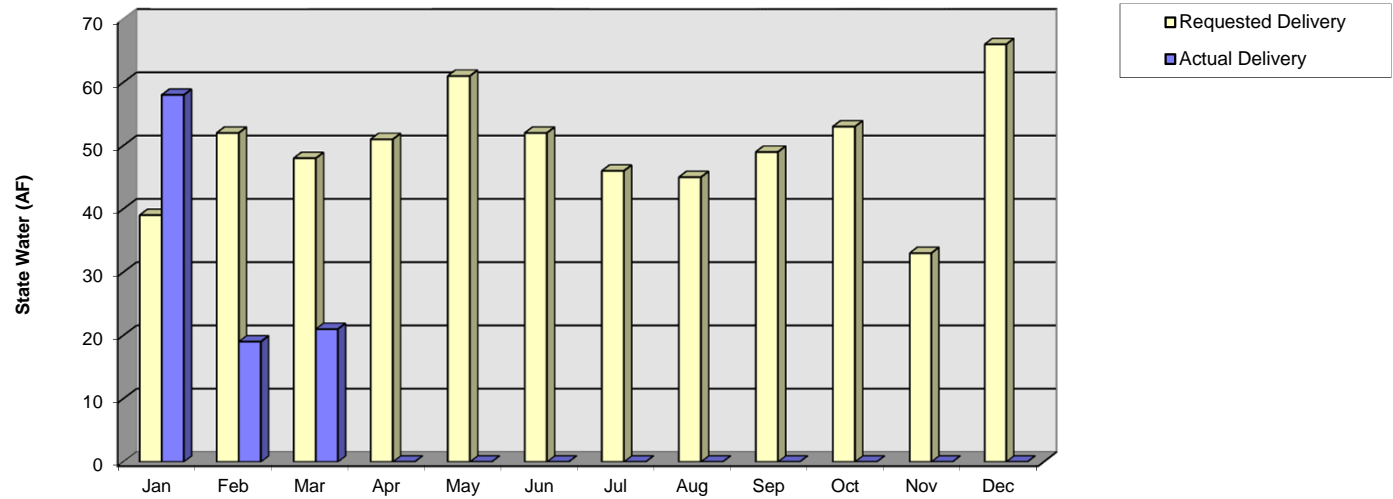
Lopez T.O. - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	19	70	
Feb	10	66	
Mar	32	70	
Apr	55		
May	85		
Jun	88		
Jul	119		
Aug	137		
Sep	113		
Oct	128		
Nov	78		
Dec	60		
Total	918	206	



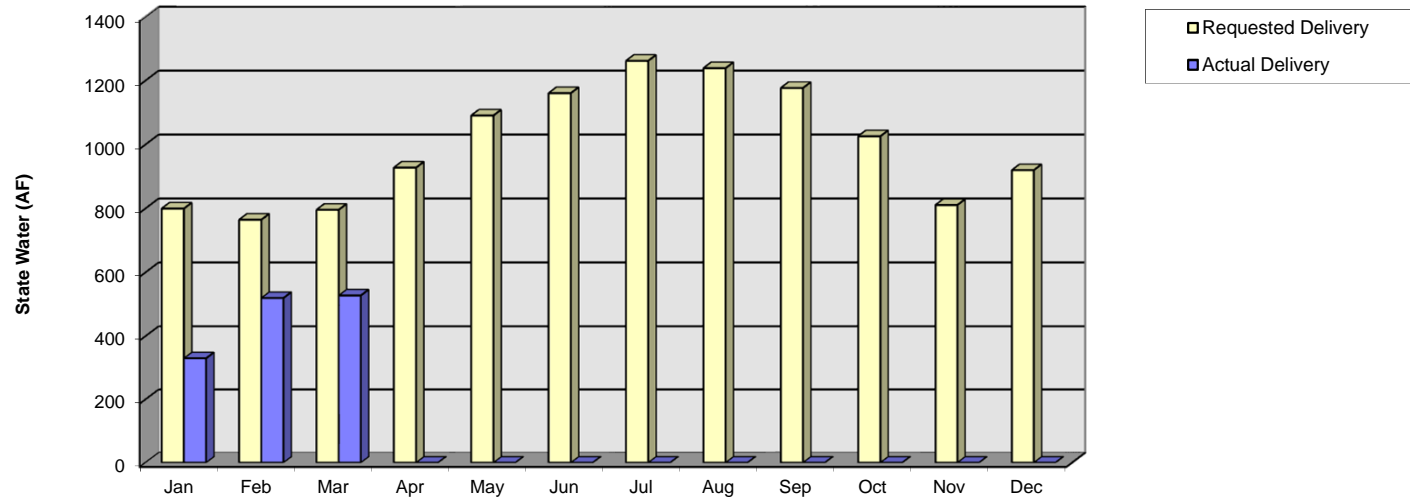
Guadalupe - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	39	58	
Feb	52	19	
Mar	48	21	
Apr	51		
May	61		
Jun	52		
Jul	46		
Aug	45		
Sep	49		
Oct	53		
Nov	33		
Dec	66		
Total	595	98	



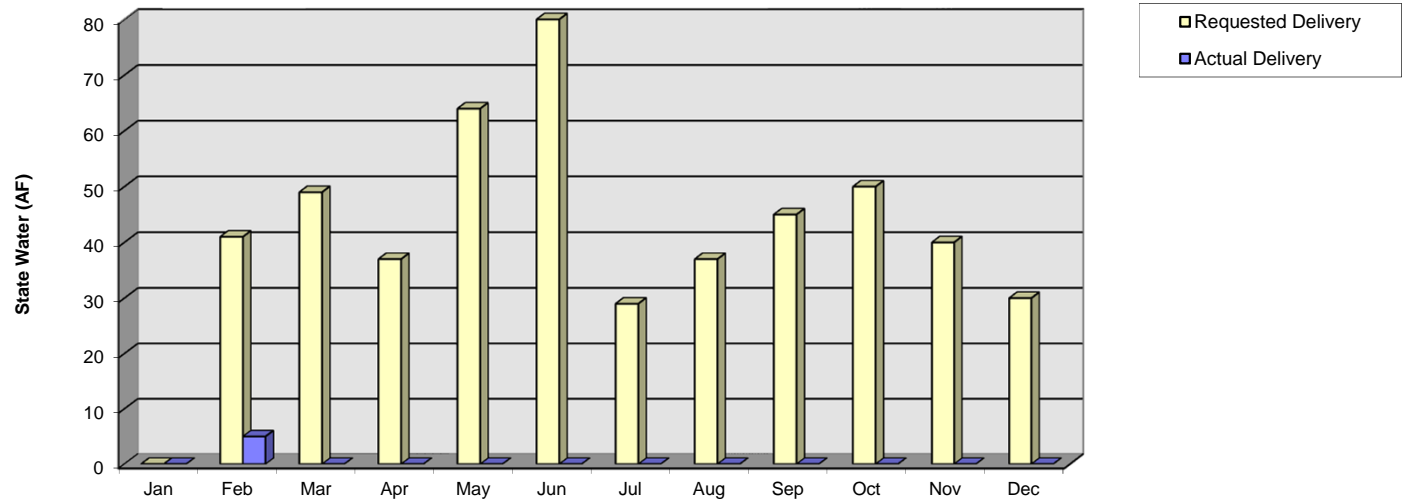
Santa Maria - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	800	330	
Feb	765	520	
Mar	796	528	
Apr	928		
May	1091		
Jun	1161		
Jul	1262		
Aug	1239		
Sep	1177		
Oct	1026		
Nov	811		
Dec	920		
Total	11976	1378	



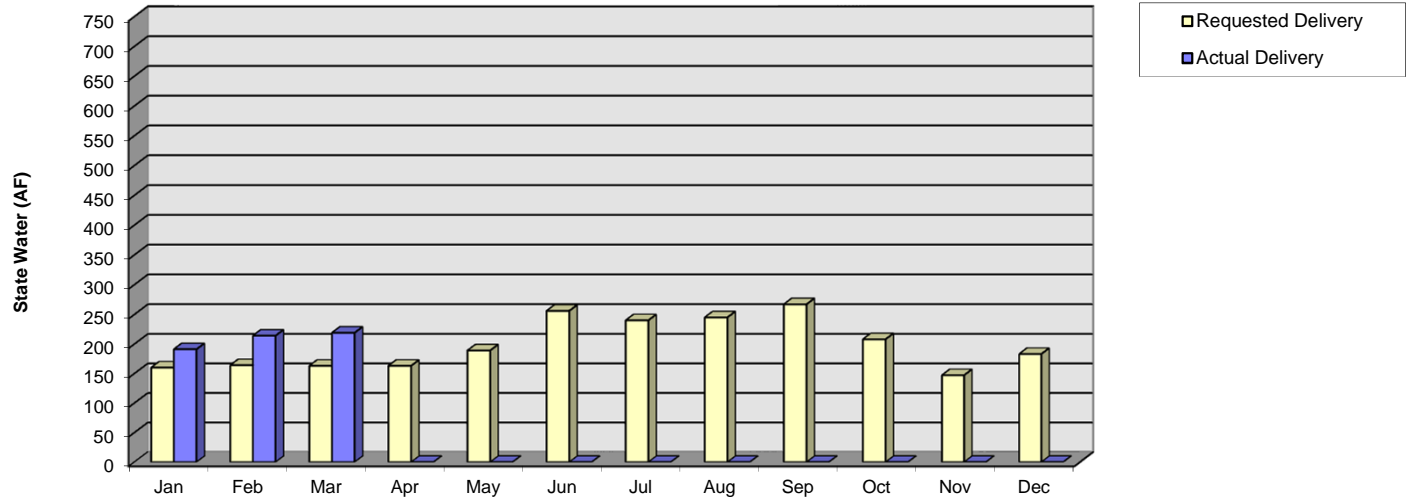
Golden State - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	0	0	
Feb	41	5	
Mar	49	0	
Apr	37		
May	64		
Jun	80		
Jul	29		
Aug	37		
Sep	45		
Oct	50		
Nov	40		
Dec	30		
Total	502	5	



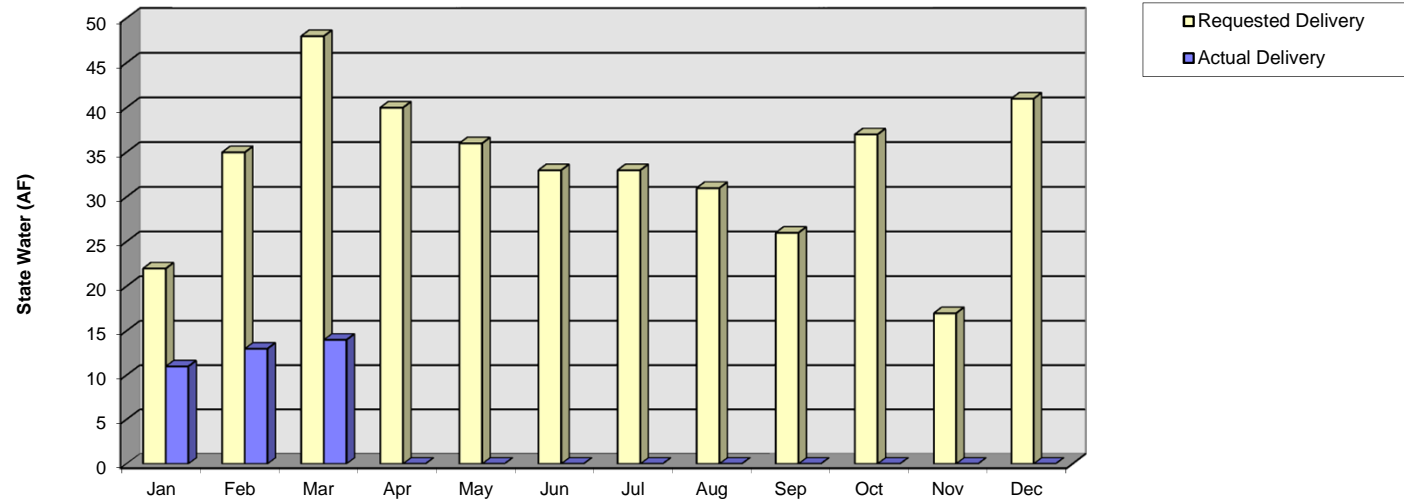
VAFB - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	160	191	
Feb	164	214	
Mar	163	219	
Apr	163		
May	189		
Jun	256		
Jul	240		
Aug	245		
Sep	267		
Oct	208		
Nov	147		
Dec	183		
Total	2385	624	



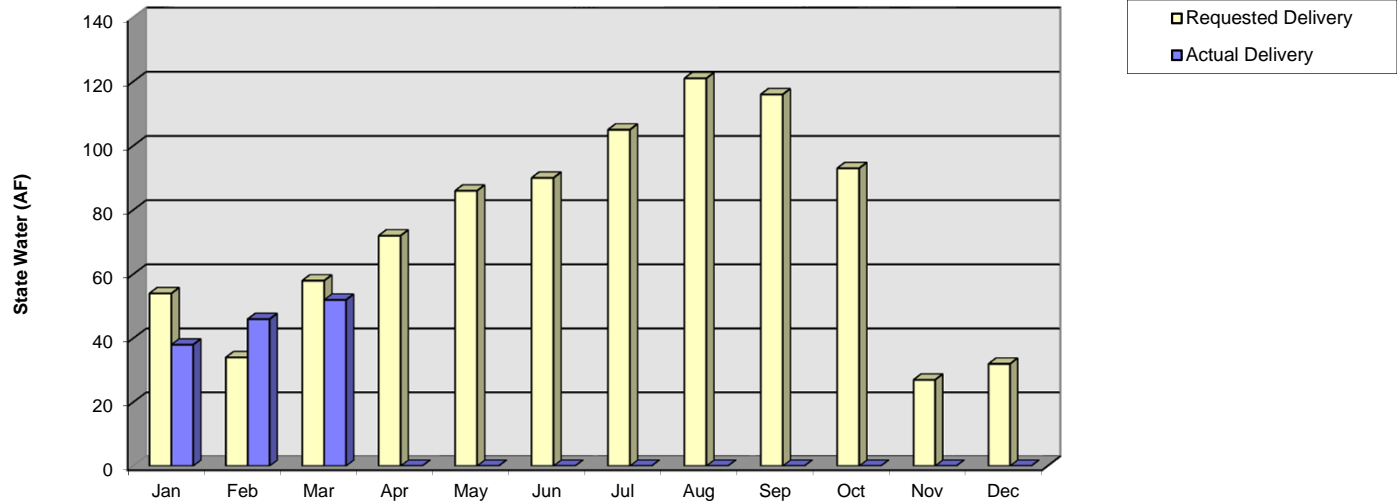
Buellton - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	22	11	
Feb	35	13	
Mar	48	14	
Apr	40		
May	36		
Jun	33		
Jul	33		
Aug	31		
Sep	26		
Oct	37		
Nov	17		
Dec	41		
Total	399	38	



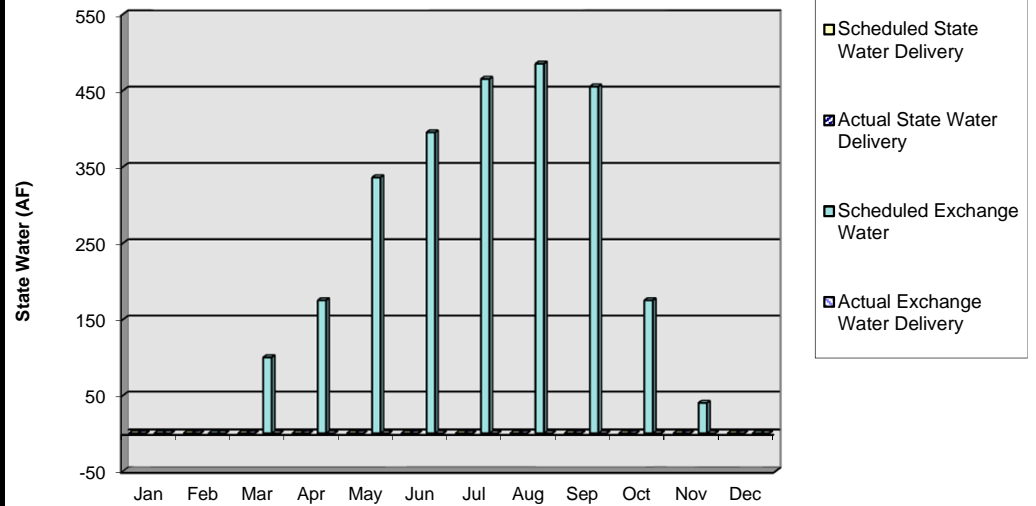
Santa Ynez - Solvang Only - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	54	38	
Feb	34	46	
Mar	58	52	
Apr	72		
May	86		
Jun	90		
Jul	105		
Aug	121		
Sep	116		
Oct	93		
Nov	27		
Dec	32		
Total	888	136	



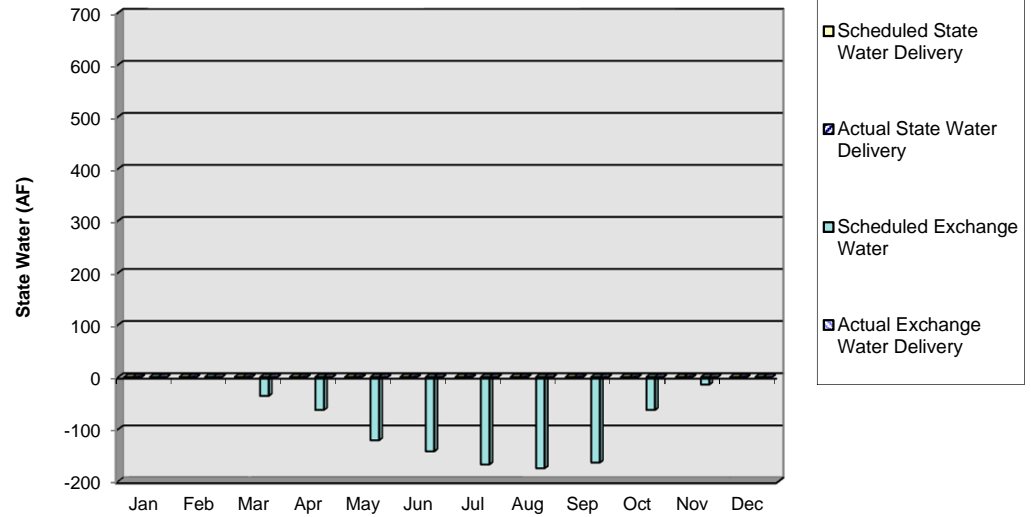
Santa Ynez (Without Solvang) - SWP Deliveries in Year 2020

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sch'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	0	0	0	0	0	0	
Feb	0	0	0	0	0	0	
Mar	0	100	100	0	0	0	
Apr	0	175	175	0	0	0	
May	0	336	336	0	0	0	
Jun	0	395	395	0	0	0	
Jul	0	465	465	0	0	0	
Aug	0	485	485	0	0	0	
Sep	0	455	455	0	0	0	
Oct	0	175	175	0	0	0	
Nov	0	40	40	0	0	0	
Dec	0	0	0	0	0	0	
Total	0	2626	2626	0	0	0	



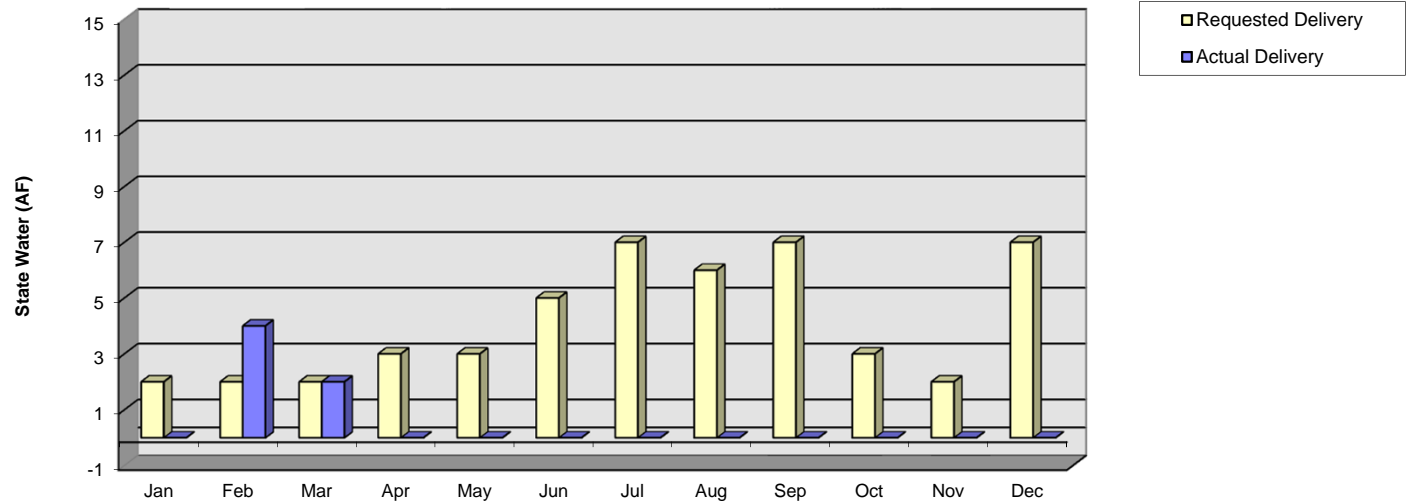
Goleta - SWP Deliveries in Year 2020

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Schl'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	0	0	0	0	0	0	
Feb	0	0	0	0	0	0	
Mar	0	-36	-36	0	0	0	
Apr	0	-63	-63				
May	0	-121	-120.96				
Jun	0	-142	-142.2				
Jul	0	-167	-167.4				
Aug	0	-175	-174.6				
Sep	0	-164	-163.8				
Oct	0	-63	-63				
Nov	0	-14	-14.4				
Dec	0	0	0				
Total	0	-945	-945	0	0	0	



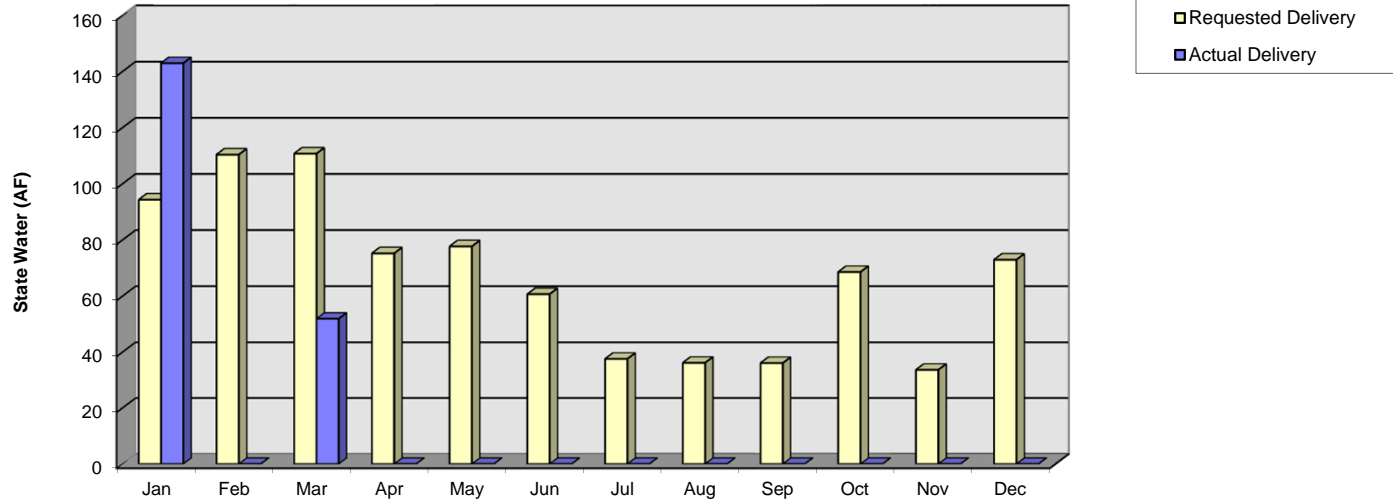
Morehart Land - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	2	0	
Feb	2	4	
Mar	2	2	
Apr	3		
May	3		
Jun	5		
Jul	7		
Aug	6		
Sep	7		
Oct	3		
Nov	2		
Dec	7		
Total	49	6	



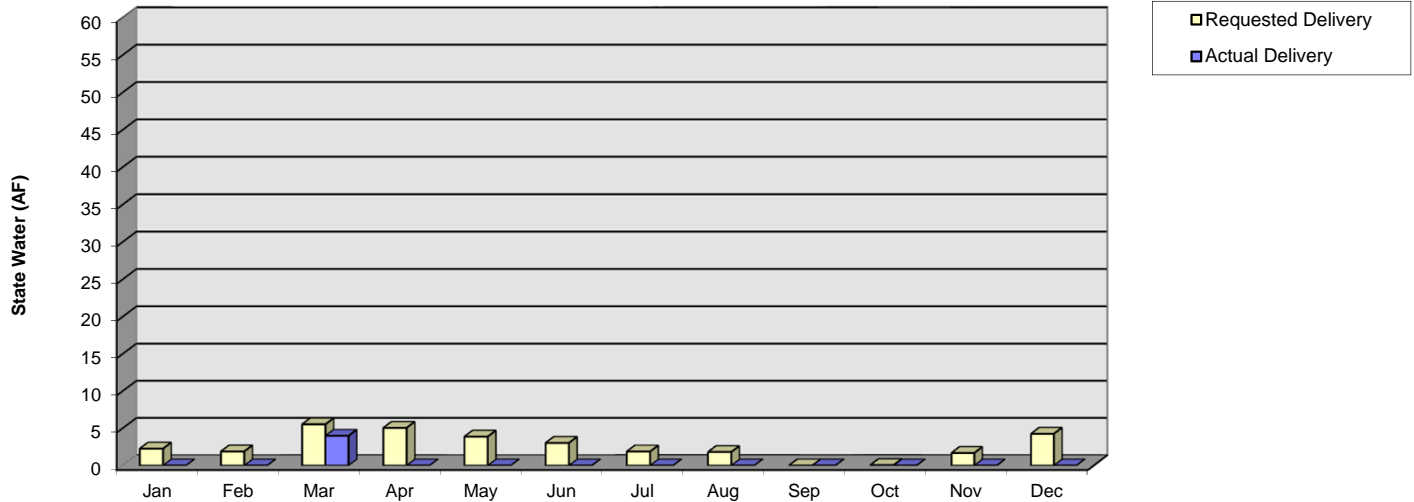
La Cumbre - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	94	143	
Feb	110	0	
Mar	111	52	
Apr	75		
May	78		
Jun	61		
Jul	38		
Aug	36		
Sep	36		
Oct	69		
Nov	34		
Dec	73		
Total	815	195	



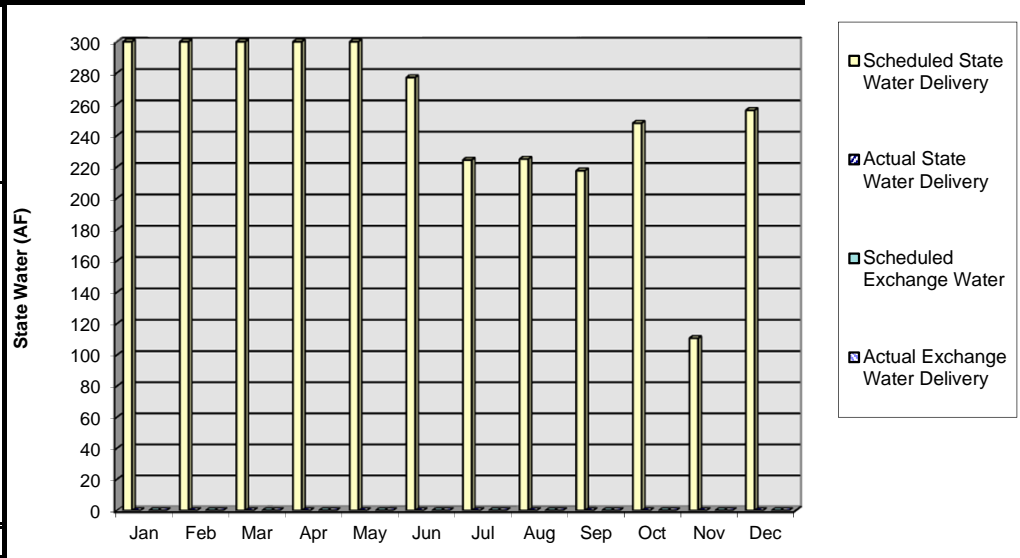
Raytheon (SBRC) - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	2	0	
Feb	2	0	
Mar	6	4	
Apr	5		
May	4		
Jun	3		
Jul	2		
Aug	2		
Sep	0		
Oct	0		
Nov	2		
Dec	4		
Total	31	4	



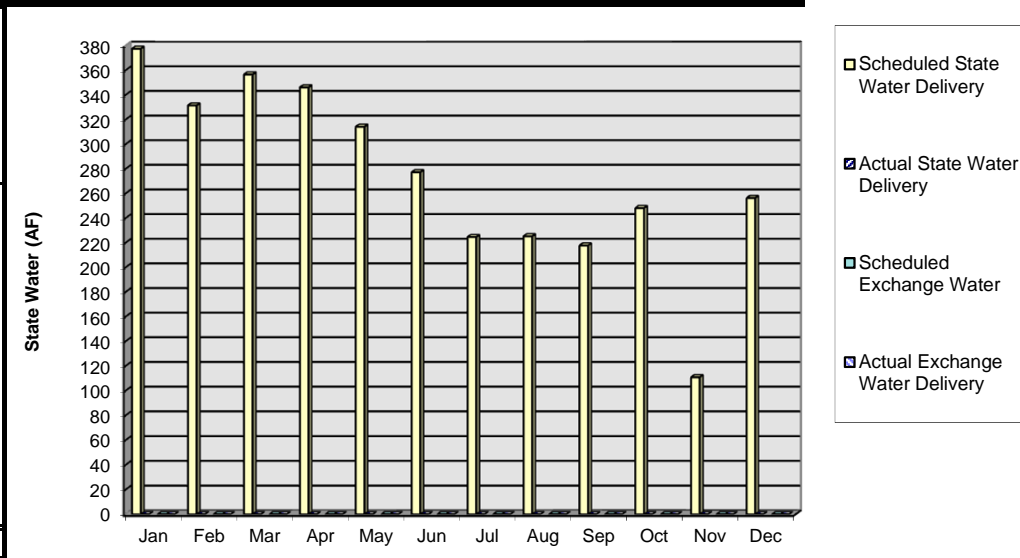
Santa Barbara - SWP Deliveries in Year 2020

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sch'l'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	377	0	377	0	0	0	
Feb	331	0	331.37	0	0	0	
Mar	356	-24	332.49	0	0	0	
Apr	346	-42	303.98				
May	314	-81	233.37				
Jun	277	-95	182.32				
Jul	225	-112	112.92				
Aug	225	-116	108.71				
Sep	218	-109	108.44				
Oct	248	-42	205.99				
Nov	111	-10	101.18				
Dec	256	0	256.18				
Total	3285	-630	2654	0	0	0	



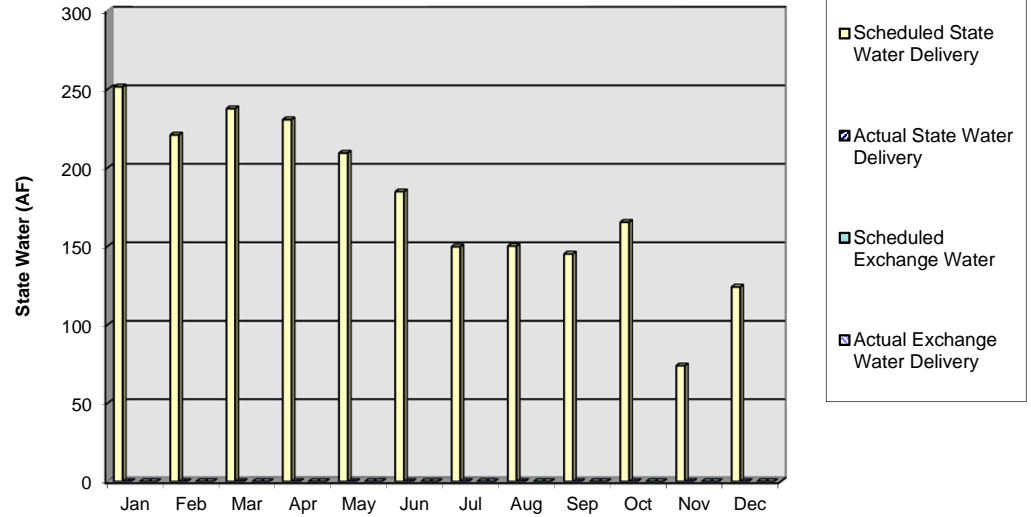
Montecito - SWP Deliveries in Year 2020

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sch'l'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	377	0	377	0	0	0	
Feb	331	0	331.37	0	0	0	
Mar	356	-24	332.49	0	0	0	
Apr	346	-42	303.98				
May	314	-81	233.37				
Jun	277	-95	182.32				
Jul	225	-112	112.92				
Aug	225	-116	108.71				
Sep	218	-109	108.44				
Oct	248	-42	205.99				
Nov	111	-10	101.18				
Dec	256	0	256.18				
Total	3285	-630	2654	0	0	0	



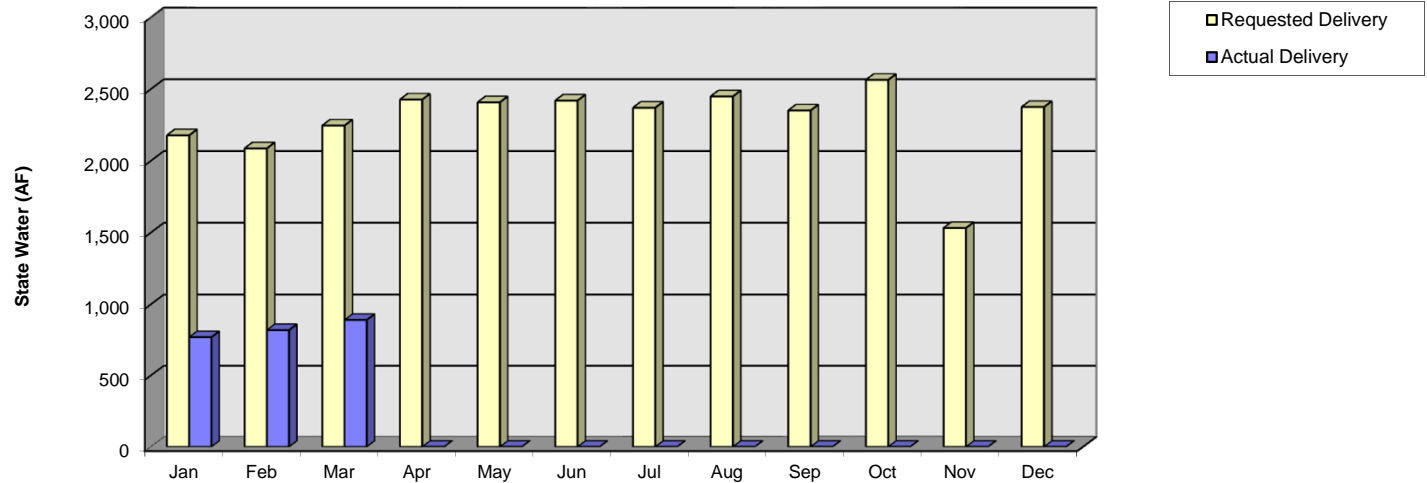
Carpinteria - SWP Deliveries in Year 2020

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Schl'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	252	0	252	0	0	0	
Feb	221	0	220.91	0	0	0	
Mar	238	-16	221.66	0	0	0	
Apr	231	-28	202.66				
May	209	-54	155.58				
Jun	185	-63	121.55				
Jul	150	-74	75.277				
Aug	150	-78	72.472				
Sep	145	-73	72.295				
Oct	165	-28	137.33				
Nov	74	-6	67.454				
Dec	124	0	124.06				
Total	2143	-420	1723	0	0	0	



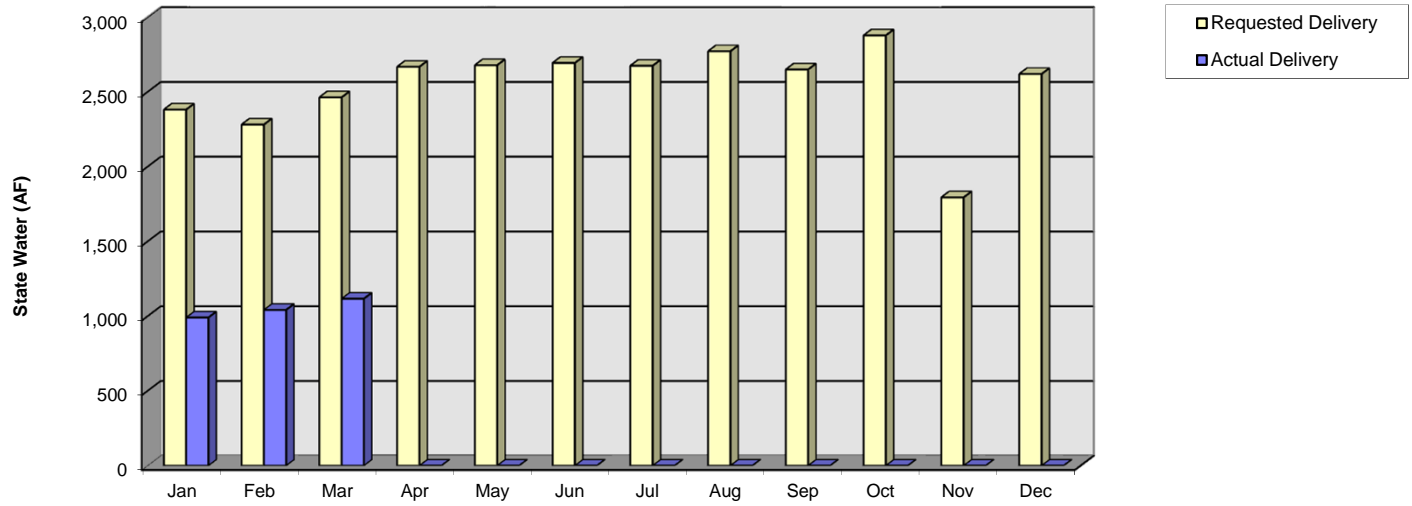
Total SB County - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery
Jan	2,180	771
Feb	2,089	821
Mar	2,248	892
Apr	2,429	
May	2,410	
Jun	2,422	
Jul	2,372	
Aug	2,451	
Sep	2,353	
Oct	2,566	
Nov	1,534	
Dec	2,377	
Total	27,431	2,484



Total SB and SLO County - SWP Deliveries in Year 2020

Month	Requested Delivery	Actual Delivery
Jan	2,383	992
Feb	2,283	1,043
Mar	2,465	1,118
Apr	2,669	
May	2,680	
Jun	2,695	
Jul	2,676	
Aug	2,773	
Sep	2,651	
Oct	2,879	
Nov	1,796	
Dec	2,621	
Total	30,565	3,153






CENTRAL COAST WATER AUTHORITY

MEMORANDUM

April 14, 2020

TO: CCWA Board of Directors

FROM: Ray Stokes
Executive Director 

SUBJECT: CCWA COVID-19 Pandemic Response

BACKGROUND

The Central Coast Water Authority (CCWA) activated its Pandemic Response Plan on Monday March 16, 2020. This action was taken in response to the Santa Barbara County Health Officer declaring a local health emergency on Thursday March 12 and President Trump declaring a national emergency on Friday March 13, 2020 related to COVID-19.

The CCWA Pandemic Response Plan (Plan) was first developed in 2002, as required by the Bioterrorism Act of 2002. Our Plan included all of the main action items that are currently recommended by the Centers for Disease Control, but there were some differences. As our Plan specifies, staff consulted the current CDC recommendations and updated the plan with current information. This process was initiated on Friday March 13, 2020.

On Monday March 16, 2020, I convened an all-hands meeting with staff and informed them that the Pandemic Response Plan has been activated. I also outlined our overall strategy for protecting staff from workplace exposure while maintaining the essential function of supplying a safe, reliable source of potable water.

In addition, I instructed our supervision group to develop more detailed plans for immediate implementation. Also, due to the dynamic nature of this event, I asked staff to monitor CDC recommendations and update our Plan accordingly. This was completed and specific work instructions were issued by Tuesday March 17, 2020

PLAN SUMMARY

Our overall strategy for our Plan implementation was to maximize social distancing through a "no crossing of paths" concept. The idea is to eliminate gatherings and reduce person-to-person interactions through physical separation and schedule separation to the maximum extent. The salient elements of our procedures include:

Administration: The vast majority of administrative functions can be completed by staff at home. However, there are tasks that need to be completed at the office, such as receiving deliveries, equipment calibration for staff, etc. Accordingly, staff was asked to specifically identify the tasks that required the use of the office. For the identified tasks, staff was instructed to schedule those tasks so that they will avoid being in the building with others at the same time. Staff was instructed to complete the task then go home to continue working from home.

Distribution: Two-man crews were eliminated for field work. Staff will report to work as normal, but will not be allowed in the building and not be allowed to gather. They are instructed to enter

their assigned truck and wait for their supervisor to place calibrated instruments, needed tools and work orders on the tailgates of their trucks. After the supervisor leaves, the materials will be gathered and staff will deploy to their respective work locations. At the end of the day, the process will be in reverse.

Instrumentation: Instrumentation Technicians have assigned trucks that are fully loaded with all required tools, for the purposes of on-call duty. Staff from this Department will be mobilized from home and work will be assigned via phone call and email. In addition, staff will cover zones of the pipeline and Water Treatment Plant to ensure optimal response times.

Water Treatment Plant (WTP): There are four departments within the WTP and the Plan addressed their respective needs:

- Treatment Operations. The WTP operates 24 hours per day, 365 days per year. Typically, the WTP is operated by one operator at a time, with operators working 12 hours shifts. The operator schedule consists of a six week cycle in which all operators are rotated through day shift, night shift and relief shift. When on relief shift, the operator serves as a backup operator on standby and works during a day schedule to assist maintenance, operations and laboratory staff.

CCWA has a total of 6 certified operators, which includes the WTP Supervisor. To reliably operate the WTP in the short term, we need a minimum of two operators to work the day and night shift. In the long term, we need a minimum of four operators to provide a service break and backup. Consequently, WTP operations has the lowest staff redundancy of all the CCWA Departments.

Due to this low redundancy, we are having the Relief Operator stay home on paid Administrative Leave. While at home, they will be assigned training related tasks and serve as the standby operator. We also will require staff from other Departments to not cross paths with the shift operator. We are also implementing social isolation procedures for receiving chemicals and other shipments.

- Maintenance. This Department includes one supervisor and two staff. All jobs requiring more than one person working in close quarters will be postponed. To limit the number of people on WTP grounds, two staff will be sent home on paid Administrative Leave during this event. The supervisor will continue all supervision duty whether at home or at the WTP and we plan to rotate staff for work duty as well. If the event extends long term, we will need to bring these staff back to work.
- Laboratory. This Department has a Senior Chemist and a Laboratory Technician. The Senior Chemist can complete most of his work from home, with some exceptions. He will come to the WTP to perform work in the laboratory on Monday morning. The Laboratory Technician will arrive to work after the Senior Chemist has departed and he will work most of the week completing required analysis. He will be instructed not to cross paths with the WTP operator.
- Instrumentation. This Department has a supervisor and three staff. The supervisor will work from home, unless specifically needed at the WTP. Also, a new Instrumentation Technician started work on April 1. He was assigned an office in an outbuilding, away from the main operations building. He will be assigned projects that he can complete alone. We will provide remote orientation digitally. He will be supervised by phone and email. All instrumentation staff will not cross paths with other staff, unless needed.

CONCLUSION

CCWA is a lean operation and this is why we are implementing a “no crossed paths” approach and other social isolation procedures. If an employee contracts COVID-19, the sickness could require 4 to 6 weeks of recovery time. Although 80% of those that contract the disease experience mild symptoms, 20% are hospitalized. These statistics are concerning and threaten our mission of providing a reliable safe source of water supply.

In addition to the measures that I have described, we are also following all guidance from our regulator, the Division of Drinking Water (DDW). In terms of communication, staff has been participating in the weekly teleconference organized by the Santa Barbara County Office of Emergency Management. Our staff has also reached out to other State Water Project Contractors and CCWA Participants to compare notes and coordinate our respective Pandemic Response Plans. Staff is also coordinating bi-weekly teleconference with the CCWA Participant General Managers as this event unfolds to continue plan coordination and to potentially share resources through CalWARN, if needed.

Finally, staff is also completing additional plans for long term operations as well as contingencies in the event of losing too many employees to sickness.

RAS



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

April 15, 2020

TO: CCWA Board of Directors

FROM: John Brady
Deputy Director, Operations and Engineering

SUBJECT: Siemens Energy & Environmental Solution Proposal for Solar Power Installation at the Water Treatment Plant and 20 Year Power Purchase Agreement

BACKGROUND

In 2019, representatives of Siemens Energy & Environmental Solutions (Siemens) approached CCWA about a potential project to construct an array of solar panels on the grounds of the Polonio Pass Water Treatment Plant (WTP). The basic project concept is that Siemens would construct, at no charge to CCWA, a solar panel electrical generation system sufficient to meet all power needs of the WTP. In return, CCWA would enter into a 20 year term Power Purchase Agreement with a lower known rate.

Considering the potential impacts of the PG&E bankruptcy on future rate escalation, staff viewed this project as a potential rate stabilization measure and subsequently allowed Siemens access to the WTP electrical usage records to conduct a preliminary study. The effects of the Camp and Tubbs Fire on PG&E's financial position are not currently known with a high level of certainty. However, in March of this year, the Governor of California did file a supportive statement with Bankruptcy Court on PG&E's plan to exit Chapter 11 Bankruptcy. Part of the plan includes three measures to minimize the potential effect on future rate escalations and they include:

- A commitment not to reinstate a dividend for approximately 3 years, which is estimated to contribute an additional \$4 billion of equity to pay down debt and invest in the business;
- Pursuing a rate-neutral \$7.5 billion securitization transaction after PG&E emerges from Chapter 11, to reduce the cost of financing for customers and to accelerate payments to wildfire victims; and
- Committing not to seek recovery in customer rates of any portion of the approximately \$25.5 billion that will be paid to victims of the 2017-2018 wildfires under the company's plan when PG&E emerges from Chapter 11 (except through the rate-neutral securitization transaction).

After Siemens preliminary review of the WTP energy use, they felt that the project had merit and presented a conceptual proposal to CCWA staff to advance the project further. They explained the main advantages to CCWA included (1) control of future unpredictable rate escalation and (2) eliminate concerns related to shifting Time of Use charges. The main advantages to Siemens includes use of a Federal Tax credit and a Power Purchase Agreement with a 20 year term.

The next stage in this project, if approved by the CCWA Board of Directors, is to negotiate a Project Development Agreement (Agreement) with Siemens. Following successful negotiation, staff will seek additional Board Authorization to enter into the Agreement. If CCWA enters into the Agreement, Siemens would conduct additional detailed study and design work for the solar panel electrical generation system. The goal of this detailed study is allow Siemens to fully understand all of the project installation and operational requirements, which may include potential improvements within PG&E's electrical distribution system to accommodate the project. Following completion of the detailed study, one of three outcomes would occur and they are:

1. Siemens finds that the project is not viable. The project would then be closed with no charge to CCWA.
2. Siemens finds the project is viable and would like to proceed and CCWA is also willing to proceed. The project would then proceed with CCWA entering into a lease agreement for the solar panel electrical generation system installation and also entering into a Power Purchase Agreement for a term of 20 years with Siemens.
3. Siemens finds the project is viable and would like to proceed and CCWA is NOT willing to proceed. The project would then be closed and CCWA would be obligated to pay Siemens' \$60,000 termination fee.

The last potential outcome is what drives the importance of negotiating the Project Development Agreement. It is important to establish mutually acceptable criteria to be used to determine if the project should move forward. CCWA needs to identify reasons up-front that would render the project unacceptable. This will avoid the situation of CCWA stopping the project and being liable for the payment of \$60,000. The project acceptance criteria is an integral part of the Agreement.

DISCUSSION

The salient issues of a project like this includes adequately defining the project acceptance criteria, selecting the appropriate procurement method, ensuring that there is proper risk transfer for the project, ensuring the Siemens is the right partner for CCWA, assessing the applicability of the California Environmental Quality Act (CEQA) and analyzing the financial performance of the proposal.

To seek input from CCWA Participants, staff presented this project, along with preliminary analysis, to the CCWA Operating Committee. The overall direction from the Operating Committee was to continue with additional evaluation of the project. Accordingly, staff met with two CCWA Participant General Managers to discuss the level of investigation that was needed, contacted references of Siemens, consulted with PG&E, performed detailed analysis of the proposal and sought additional input from Siemens.

Project Acceptance Criteria. CCWA staff expressed to Siemens that there is a need to ensure that the solar panel installation would not interfere with ongoing operations, would not structurally compromise any WTP structure and would integrate safely into the WTP electrical system. CCWA staff also cited environmental compliance issues related to the approved CCWA Habitat Conservation Plan for the endangered species that are known to exist in and around the WTP.

To specifically address the concerns raised by CCWA staff, the Project Development Agreement includes Exhibit A, which is where the project acceptance criteria will be documented. Siemens indicated that Exhibit A is the element of the Agreement that must be negotiated, be mutually acceptable and be very clear. If there is a desire to move forward with the project, CCWA staff recommends the use of an engineering consultant, with experience in solar panel electrical generation system installation, to provide support to CCWA in developing the Exhibit A project acceptance criteria.

Appropriate Procurement Method. Siemens' cited Section 4217.10 of the California Government Code and they indicated that this section allows public agencies such as CCWA to award development projects like the current proposal without need for competitive bidding. To address this issue, CCWA staff requested CCWA legal counsel to review the cited Code as well as CCWA Resolution 19-01 (Rules and Regulations governing the Policy and Procedures for the purchase of services, supplies or equipment). CCWA staff also requested the review of the Project Development Agreement, a sample Lease Agreement and a sample Power Purchase Agreement.

In short, the legal review concluded that (1) CCWA Resolution 19-01 does not apply since the proposed project is a Public Works Project, which is specifically excluded from Resolution 19-01, and (2) Section 4217.10 of the California Government Code does apply to CCWA.

Risk Transfer. The legal review identified some issues that require additional negotiation in the three reviewed sample agreements to ensure adequate risk transfer occurs. In addition, CCWA staff asked Siemens to provide a clear exit strategy in the event that CCWA needs to terminate the Lease Agreement and Power Purchase Agreement before the end of the 20 year term.

Reference Calls. Staff contacted the Executive Director of the Yuba Regional Housing Authority to discuss their experience with Siemens. The Director explained that his organization and two other Housing Authorities joined forces to issue a competitive Request for Qualifications to provide management and engineering support to pursue an energy efficiency project and grant funding. The group selected Siemens out of a group of three other firms, based on their qualifications and cost. The group then entered into separate contracts with Siemens. The project for the Yolo Regional Housing Authority included the construction of a solar panel electrical generation system, similar to the kind proposed for the WTP. The project was completed within the last year and the Director felt that Siemens staff were very professional and easy to work with. The greatest difficulty with the project was from PG&E, primarily due to the delayed in releasing of grant funding. This difficulty occurred as PG&E was responding to the aftermath of the 2017 and 2018 fires.

Staff also spoke to a CCWA Participant with experience with Siemens. The Participant indicated that Siemens performed very well with project execution, but they are savvy business people. Consequently, they advised to be fully prepared during the negotiation process with Siemens.

California Environmental Quality Act Applicability. Siemens representatives were asked about the applicability of CEQA to their proposal. They responded by indicating that there is a CEQA Exemption for Certain Solar Installations that was authorized by Senate Bill 226, which passed in 2011. The new state law established that certain solar energy systems are exempt from environmental review under the CEQA. To qualify under this statutory exemption, a solar energy project must be located either on the roof of an existing building or on an existing parking lot. SB 226 makes clear the legislative intent that rooftop and parking lot solar projects do not require in-depth environmental review. This CEQA exemption is contained in Section 21080.35 of the Public Resources Code.

CCWA staff also consulted with legal counsel to confirm this information. Legal counsel indicated that the requested action for the April 2020 Board Meeting, which is to fund negotiation of a Project Development Agreement, is not considered a project under CEQA and therefore not subject to CEQA. However, once the project is more developed, legal counsel advised that a review of CEQA applicability is merited. Therefore, there is the potential that detailed CEQA review may be required in subsequent steps of the project.

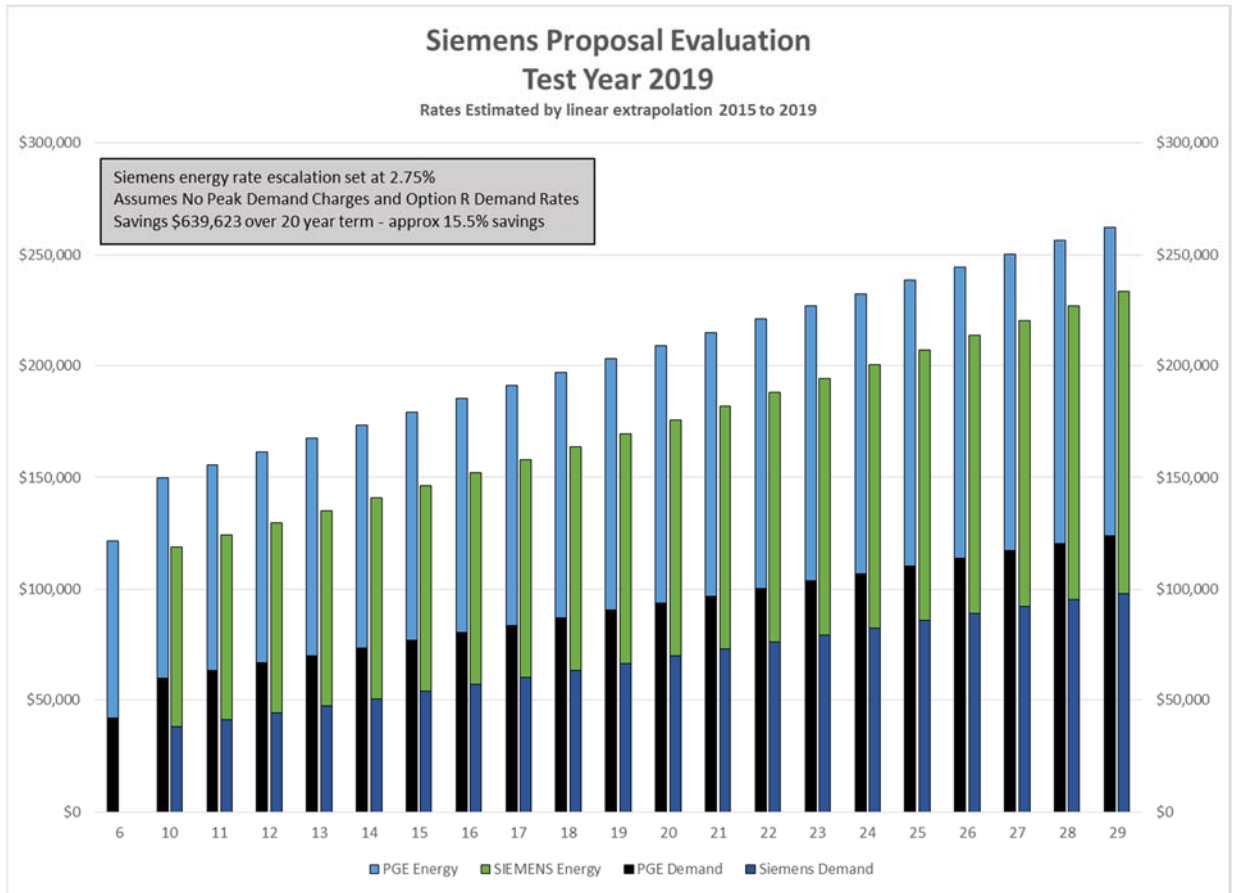
FINANCIAL

The primary benefit of the Siemens proposal is stabilization of rates through attenuated and controlled rate escalation. Also, a non-direct project benefit would arise from using a non-carbon emitting energy source, which may be beneficial to CCWA Participants that are pursuing a carbon neutral operations.

The elements of the Siemens Proposal are to provide an immediate 10% reduction in energy costs to CCWA, provide a fixed energy rate regardless if the solar panels are operational or not, and to control the rate escalation to no more than 2 to 3% per year. The proposal contemplates the installation of a 600 KW solar panel electrical generation system, which will generate enough energy to satisfy 100% of the energy needs of the WTP. Considering that the peak power used by the WTP is in the 200 KW range, Siemens intends to sell excess energy back to PG&E and to have PG&E provide power to the WTP at night.

To evaluate this proposal, staff reviewed in detail the PG&E Tariff that applies to the WTP (Tariff E19). This Tariff is complicated in that it provides ten separate electrical rates for the WTP operations. Each of these rates depends on the time of year and time of day in which electricity is used by the WTP. To add further complication, there are rates related to electrical Demand as well as for Energy use, which are two different commodities. It is best to consider these analogous to driving a car where Demand is the speed in which you drive and Energy is the distance you traveled.

The analysis proceeded with quantifying all of the electrical uses for a one year period within each of the ten rates established by Tariff E19. Then, staff utilized historical rates and current rates to provide an estimate of rate increases through time. This information was used to project the electrical costs for a 20 year period without implementing the Siemens project. This same process was performed assuming the Siemens project was implemented. The main changes with the Siemens project included (1) no demand charges during summer peak due to power generation, (2) lower demand charges due to Option R of Tariff E19, (3) an initial Energy rate reduction of 10% and (4) the annual Siemens rate escalation was assumed to be 2.75%. The results of this analysis is shown in the graph below:



The conclusion of the analysis indicates that a savings of \$639,623 over the 20-year contract term could potentially be realized, which is an overall 15.5% savings. This analysis is based on the electrical usage of 981,879 KW-hours in 2019. The most recent 5-year average of energy use at the WTP is 934,954 KW-hours.

Costs to CCWA: While the Siemens proposal suggests that there are no costs to CCWA, there will be costs related to legal review of contracts and engineering support in establishing the project acceptance criteria. We requested cost estimates and proposals from CCWA legal counsel and CCWA’s engineering consultant, HDR Engineering, and the costs provided are as follows:

- Legal Counsel for review of the Project Development Agreement, Power Purchase Agreement and Lease Agreement. \$10,000
- HDR Engineering for developing the Exhibit A and reviewing the various studies and design work produced by Siemens by an expert in Solar Power. \$10,000

It is important to point out that this project will be presented to the Board at least two additional times, if the current phase is approved. The current request is to fund the initial negotiation of the Project Development Agreement. The second future request will be for the Board to consider entering into the Project Development Agreement and the third future request will be for the Board to consider the Power Purchase Agreement and Lease. It is estimated that the future second and third requests will also need additional funding. Currently, it is estimated that future steps would have approximately \$30,000 in legal costs and \$15,000 in engineering costs.

CONCLUSION

Based on CCWA staff's analysis, the project could provide a benefit to CCWA through a savings in electrical charges of approximately \$640,000 or approximately 15% range over the 20-year contract period. An additional benefit is that the future electrical rate escalation will have a higher level of predictability. Finally, the use of renewable energy will reduce the carbon footprint of the CCWA operation, which may be of assistance to Participants attempting to implement a carbon neutral operation.

Consequently, staff believes that it would be prudent to proceed with negotiating project acceptance criteria with Siemens. Staff also believes it is prudent to retain the services of legal counsel and HDR Engineering to assist with establishing and negotiating the project acceptance criteria. If approved by the Board, staff will proceed with the negotiation, with the assistance of CCWA legal counsel and HDR Engineering, and will bring the final negotiated Project Development Agreement to the Board for consideration.

Although not part of the current consideration, Siemens is interested in a second phase to the project. The second phase is to install additional solar panels on the WTP grounds sufficient to meet 100% of the energy needs of the Santa Ynez Pumping Plant, which used approximately 6,360,000 KW-hours of energy in 2018.

RECOMMENDATION

That the Board:

- Authorize the Executive Director to retain the services of HDR Engineering and Legal Counsel to assist CCWA staff in developing and negotiating the project acceptance criteria for the proposed Siemens Project, in the amount of \$10,000 for legal Counsel and \$10,000 for HDR Engineering.

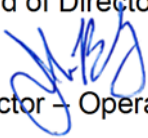


CENTRAL COAST WATER AUTHORITY

MEMORANDUM

April 15, 2020

TO: CCWA Board of Directors

FROM: John Brady 
Deputy Director – Operations and Engineering

SUBJECT: Procurement of Bulk Water Treatment Chemicals

Background

The operation of CCWA requires the use of various chemicals in bulk quantities for water treatment. CCWA purchases these chemicals using yearly contracts to secure reasonable and consistent pricing. The contracts allow for up to two one-year extensions, which are based on performance and proposed pricing for the extension period. In May 2020, the existing bulk chemical contracts will expire, including the two optional contract extensions. Consequently, CCWA solicited competitive bids for Liquid Aluminum Sulfate, Chlorine, Sodium Hydroxide, Sodium Hypochlorite and Sodium Bisulfite.

Discussion

CCWA staff prepared a Request for Bid (RFB) for bulk water treatment chemicals. This RFB was emailed to the established CCWA chemical bidder's list. It was also posted on the CCWA website and advertised through posting notification in the legal section of the San Luis Obispo Tribune on March 18th and 25th, 2020. In response to Bidders' written questions, three addendums were issued prior to the bid deadline.

Sealed bids were received and opened on April 14, 2020. Staff subsequently conducted a review of the apparent low bids to determine if the bid was responsive to the requirements outlined in the RFB. Upon review, it was determined that all of the low bidders were responsive to the contract requirements.

Financial Considerations

Table 1 presents the results of the bid review, with the lowest responsive bid highlighted.

TABLE 1: April 14, 2020 Bid Results

Company	Liquid Aluminum Sulfate, (estimated 1,276 dry tons/yr)	Liquid Chlorine, (estimated 152 tons/yr)	Sodium Hydroxide, (estimated 562 dry tons/yr)	Sodium Hypochlorite, (estimated 7,193 gallons/yr)	Sodium Bisulfite, (estimated 47 dry tons/yr)
Brenntag	No bid	No bid	\$515.00	No bid	No bid
Chemtrade LLC	\$321.48/unit	No bid	No bid	No bid	No bid
	Total \$410,208				
JCI Jones	No bid	\$540.00/unit	\$550.00	No bid	\$968.00
		Total \$82,080			
Northstar Chemical	\$392.00	No bid	\$605.00	No bid	No bid
Olin Chlor Alkali	No bid	No bid	No bid	No bid	No bid
Thatcher Company	\$347.94	\$750.00	No Bid	No bid	No bid
Univar USA	No bid	No bid	\$503.00	\$3.085/unit	\$904.00/unit
			Total \$282,686	Total \$22,190	Total \$42,569

For comparison, Table 2 presents the previous contract prices and compares it to the responsive low bid pricing. Using the water delivery volumes and quantity of chemicals utilized in the last 5 year average for comparison calculation purposes, chemical costs would decrease by 18.8% with the 2020 bid pricing.

TABLE 2: Price Comparison

Chemical	Usage/ 5 year average	Units	Previous Contract Price		2020 Bid Price		Percent Change
			Unit Cost	Total	Unit Cost	Total	
Liquid Aluminum Sulfate	1276	Dry Ton	\$349.00	\$445,324	\$321.48	\$410,208	-8.02%
Chlorine	152	Ton	\$540.00	\$82,080	\$540.00	\$82,080	0
Sodium Hydroxide	562	Dry Ton	\$787.00	\$442,294	\$503.00	\$282,686	-36.09%
Sodium Hypochlorite	7,193	Gallon	\$3.024	\$21,752	\$3.085	\$22,190	+2.02%
Sodium Bisulfite	47	Dry Ton	\$903.32	\$42,456	\$904.00	\$42,488	+0.11%
Total				\$1,033,906		\$839,653	-18.79%

Recommendation

That the Board:

- Authorize the Executive Director to award the chemical contract to the following responsive low bidders:
 - Chemtrade LLC for Liquid Aluminum Sulfate at a cost of \$321.48 per dry ton.
 - JCI Jones Chemical for Liquid Chlorine at a cost of \$540.00 per ton.
 - Univar USA Chemical for Sodium Hydroxide at a cost of \$503.00 per dry ton.
 - Univar USA for Sodium Hypochlorite at a cost of \$3.085 per gallon.
 - Univar USA for Sodium Bisulfite at a cost of \$904.00 per dry ton.



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

April 14, 2020

TO: CCWA Board of Directors

FROM: Ray A. Stokes
Executive Director 

SUBJECT: Delta Conveyance Project Contact Amendment Update

DISCUSSION

On March 18, 2020, the State Water Project Contractors (Contractors) and the Department of Water Resources (DWR) re-engaged in public negotiations to amend the State Water Project Contract for the costs and benefits of the proposed Delta Conveyance Project (DCP).

Meeting notes from both the March 18, 2020 and the April 1, 2020 negotiating meeting are attached to this report. The Contractors and DWR also held a negotiating meeting on April 15, 2020, however notes from that meeting are not yet available.

Staff will provide an update to the CCWA Board on the status of the negotiations at the April 23, 2020 board meeting.

RAS

Attachments



State Water Project (SWP) Contract Amendment for Delta Conveyance March 18, 2020 Meeting Summary

Meeting Attendance List

California Department of Water Resources

Lead Negotiators

- Brian "BG" Heiland, California Department of Water Resources
- John Leahigh, 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
- Stan Dirks, California Department of Water Resources
- James Edwards, California Department of Water Resources
- Terry Ely, California Department of Water Resources
- Avery Estrada, California Department of Water Resources
- Tasmin Eusuff, California Department of Water Resources
- Nancy Finch, California Department of Water Resources
- 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
- Nadine Small, California Department of Water Resources
- Amardeep Singh, California Department of Water Resources
- Bryan Victor, California Department of Water Resources
- Tara White, California Department of Water Resources
- Arian Zamanian, 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
- Dwayne Chisam, Antelope Valley-East Kern Water Agency
- Kathy Cortner, Mojave Water Agency
- Jeff Davis, San Geronio Pass Water Agency
- Michael Flood, Casitas Municipal Water District
- Dan Flory, Dudley Ridge Water District
- Mark Gilkey, County of Kings/Empire-West Side Irrigation District/Tulare Lake Basin
- Paul Gosselin, County of Butte, Butte County Water and Resource Conservation

- Laura Hidas, Alameda County Water District
- Cindy Kao, Santa Clara Valley Water District
- Darin Kasamoto, San Gabriel Valley Municipal Water District
- Dirk Marks, Santa Clarita Valley Water Agency
- Tom McCarthy, Mojave Water Agency
- Phillip Miller, Napa County Flood Control and Water Conservation District DPW
- Thomas Pate, Solano County Water Agency
- Bob Perreault, Plumas County Flood Control and Water Conservation District
- Valerie Pryor, Alameda County FC&WCD Zone 7
- Ray Stokes, Central Coast Water Authority
- Peter Thompson, Palmdale Water District
- Wes Thomson, San Luis Obispo County Flood Control and Water Conservation District
- Bob Tincher, San Bernardino Valley Municipal Water District
- Craig Wallace, Kern County Water Agency
- Greg Young, City of Yuba City

Public Water Agencies Staff

- Steve Abbott, Coachella Valley Water District
- Adnan Anabtawi, Mojave Water Agency
- Joseph Byrne, State Water Contractors
- Eric Chapman, State Water Contractors
- Chandra Sekhar Chilmakuri, Metropolitan Water District of Southern California
- Fray Crease, Santa Barbara County Flood Control and Water Conservation District
- Allison Febbo, State Water Contractors
- Amparo Flores, Alameda County FC&WCD Zone 7
- Anthea Hansen, Oak Flat Water District

- Courtney Howard, San Luis Obispo County Flood Control and Water conservation District
- Steven Inn, Alameda County Water District
- Dana Jacobsen, Santa Clara Valley Water District
- Mark Krause, Desert Water Agency
- Theresa Lightle, State Water Contractors
- Kathleen Low, Santa Clara Valley Water District
- Holly Melton, Kern County Water Agency
- Stef Morris, Metropolitan Water District of Southern California
- Julie Ramsay, State Water Contractors
- Ivory Reyburn, Coachella Valley Water Agency
- Jack Safely, Metropolitan Water District of Southern California
- Marty Milobar, Kern County Water Agency
- Rob Thorman, Plumas County Flood Control and Water Conservation District

Members of the Public

- Charlotte Allen, Sierra Club California
- Megan Couch, San Diego County Water Authority
- Dierdre Des Jardin, California Water Research
- Charles Dulac, Representative, Office of Assemblyman Jim Frazier
- Nancy Finch
- Meg Giberson, League of Women Voters
- Erika Giorgi, Delta Stewardship Council
- Robert Kunde, Wheeler Ridge-Maricopa Water Storage District
- Anthony Navasero, Delta Stewardship Council
- Tom Schlosser, Hoopa Valley Tribe
- Tim Stroshane, Restore the Delta
- Kelley Taber, Somach Simmons & Dunn

- Karen Wilson, South Fork River Upper River Friends

Facilitation Team

- Terra Alpaugh, Kearns & West
- John Bowie, Kearns & West
- Nora De Cuir, Kearns & West
- Ross Green, Kearns & West

- Sharon Hu, Kearns & West
- Jorge Kalil, Kearns & West
- Julie Leimbach, Kearns & West
- Kai Walcott, Kearns & West
- Cici Vu, Kearns & West

Meeting Summary

I. Welcome/Introductions & Meeting Overview

Nora De Cuir (Nora), Kearns & West, welcomed participants to the March 18 public negotiation session for the State Water Project (SWP) Contract Amendment for Delta Conveyance. Nora noted that this is the first 100 percent virtual session and asked that participants be patient with the slower tempo of the conversation. Nora explained that the lead negotiators' phone lines will be unmuted, while other participants will be largely muted for sound quality; she planned to periodically stop the conversation to unmute the lines and ask for questions. She also noted that a member of the facilitation team is available via phone to assist with any questions or technical difficulties related to the webinar.

Nora described how the public comment process would be conducted at the end of the meeting. At that time, she plans to invite members of the public who want to give comment to identify themselves in the chat box and then she will call on stakeholders in the order of received requests in the chat box; she will then follow-up by asking for comment from anyone joining by phone only. Other than the changes to public comment, the ground rules for this session remain the same.

Department of Water Resources (DWR) negotiators and staff, Public Water Agency (PWA) negotiators and staff, and members of the public were invited to introduce themselves and identify their organization.

Nora turned to the negotiators to confirm the summary for the November 13 and March 4 negotiation sessions. Tom McCarthy (Tom), Mojave Water Agency, and Tripp Mizell (Tripp), DWR, indicated that the PWAs and DWR, respectively, had no further edits to the summaries. Nora informed meeting attendees that the March 4 summary has already been posted to the DWR Box site (<https://cadwr.app.box.com/s/irusyewojv4nwzmxzfzngzhmgli9sswcw>), and the November 13 summary will be posted there as soon as it is ADA accessible.

II. PWAs' Seventh Offer

Nora turned to Tom to provide an overview of the PWAs' Seventh Offer. Tom explained that the PWAs' Seventh Offer is largely an edit of DWR's Sixth Offer. With this in mind, the document provided by the PWAs and shown on the webinar is formatted to aid the reader in distinguishing new text from the PWAs by showing it in red. Tom noted that this is also explained in the preliminary text in the document.

Tom noted that there are minor changes throughout the document, but that the majority of changes are in Section V, Delta Conveyance Facility (DCF) Billing, and Section VI, DCF Benefits Allocation. He explained that these changes are intended to provide PWAs with more specificity on how the project will be billed and what benefits they are receiving.

Tom provided an overview of the changes proposed in the PWAs' Seventh Offer as follows, starting with changes in Section 1, Definitions:

1. **Section I Definitions (D): DCF Benefits.** Tom indicated that the PWAs added a definition for the term "DCF Benefits." This is part of their effort to add specificity on what benefits PWAs will receive. He read the PWAs' proposed text as follows:
 - *"DCF Benefits shall mean those water supply and capacity benefits attributable to the DCF including but not limited to: (1) Table A water supplies; (2) Article 21 water supplies; (3) carriage water savings; (4) water supply and capacity in the event of a temporary or permanent disruption of Clifton Court Forebay; and (5) capability to move non-project water through the proposed DCF."*
 - Tom noted that (4) above was intended to describe emergency situations.
2. **Section I Definitions (E): Fair Compensation.** Tom indicated that the PWAs added a definition for the term "Fair Compensation." The PWAs want fair compensation defined to prepare for cases in which other parties use the DCF. He noted that DWR and PWAs addressed this topic in earlier negotiations. The PWAs are proposing text that reflects those earlier discussions. Tom read the PWAs' proposed new text as follows:
 - *"Fair Compensation will include but is not limited to capital recovery, operations and maintenance, replacement, and variable charges associated with the use of the DCF capacity."*

Tom asked whether DWR had any clarifying questions on the PWAs' additions to the definitions section. Tripp repeated Tom's description of part (4) of the DCF benefits definition (*i.e.*, "water supply and capacity in the event of a temporary or permanent disruption of Clifton Court Forebay") as referring to water supply and capacity in "emergency situations." Tripp asked what type of water would be moved in emergency situations that is not covered by the other four categories in the definition and questioned whether part four of the definition was necessary.

Tom explained that the PWAs are referring to a catastrophic event, for example, an earthquake, sea level rise, or a massive water quality issue that would make pumping at Clifton Court Forebay impossible.

Cindy Kao (Cindy), Santa Clara Valley Water District, expanded on Tom's response, stating that if there is an inability to pump through the Delta because of a temporary or permanent emergency, this benefit would allow contractors to move their allocated project water through the DCF. If a PWA does not participate, they would have more limited access to the DCF to move their water during an emergency. She stated that DCF Benefits part (5), "*capability to move non-project water through the proposed DCF,*" is a separate benefit.

Tripp clarified that his question is what type of water would be moved. Table A water supplies, Article 21 water supplies, and non-project water are already covered by the other parts of the definition.

Tom provided an example to illustrate the PWAs' thinking: if there was a catastrophic disruption and Mojave was able to utilize groundwater storage of SWP water, Mojave would have the right to transfer its DCF water to another PWA who was not a participant so that PWA could access that water.

Cindy explained that part (4) of the DCF Benefits definition targets the capacity benefit of the DCF which could include, for example, access to capacity that non-participants would not have. The definition is not referring to any new water supplies, but rather access to those supplies in the event of disruption.

Tripp thanked Cindy and Tom for their explanations and stated that these comments help him understand the thinking behind the PWAs' proposed part (4) of the DCF Benefits definition.

Tom continued his overview of the changes proposed in the PWAs' Seventh Offer in Section II, Objective 1:

3. **Section II Objective 1: Availability of an option to opt out of costs and DCF Benefits.** Tom stated that the changes to this section were minor. The PWAs changed the word "avoid" to "opt out," a word change that was applied throughout the document.
 - **Section II Objective 1 (a, b, c):** In parts a, b, and c, the PWAs removed the ability to "partially" opt out. In previous versions, PWAs could opt in for less than 100% of their Municipal and Industrial or Agricultural Table A.
 - **Section II Objective 1 (a).** The PWAs refer to a Delta Conveyance Allocation Factors Table, which is provided in Section VI of this version of the AIP.
 - **Section II Objective 1 (c):** The revised text states that "*a PWA must opt out of at least a minimum of 100 percent of its Municipal and Industrial or Agricultural Table A.*" Tom also read the language in II(c) that states, "*This provision does not prohibit a PWA from taking more than their Table A share, if available, in the Delta Facilities Allocation table.*" Tom clarified that a PWA can opt in for their entire portion of Table A, or more, but not less. Those Table A percentages must equal 100 when added together in the Delta Conveyance Allocation Factors Table.

Dave Paulson (Dave), DWR, noted that the language suggests that a PWA can opt out of more than its Table A; he asked Tom to describe those situations.

Tom clarified that you cannot opt out of more than your Table A amount.

Tripp asked whether the language in Section II (c), is intended to confirm that Section II is not a constraint on Section III (Availability of an option to assume additional costs and benefits of the DCF). Section II (c) states "*This provision does not prohibit a PWA from taking more than their Table A share, if available, in the Delta Facilities Allocation table.*"

Tom responded that it appears that some of the PWAs will not participate in the DCF. Section II (c) allows a participating PWA to take on capacity in the project that is not being utilized by others.

Steve Arakawa (Steve), Metropolitan Water District of Southern California, explained further that each PWA can opt to assume zero percent, 100 percent, or more than 100 percent of their Table A share. Ultimately, those commitments will be identified in the participation table (i.e., the Delta Conveyance Allocation Factors table) and will total 100 percent participation in the project.

Cindy added that the last sentence in Section II(c) refers to a situation in which a contractor is participating at 100 percent of their Municipal and Industrial or Agricultural Table A share and wants more. The contractor can take on a higher Delta Conveyance Allocation Factor as long as it is not more than the total when added together with the other PWAs' shares in the Delta Conveyance Allocation Factors table. The last sentence in II(c) states, "*This provision does not prohibit a PWA from taking more than their Table A share, if available, in the Delta Facilities Allocation table.*"

Tripp continued to inquire related to Section II (c). He noted the Section is focused on the ability to opt out of costs and benefits, but it addresses provisions related to opting in. He observed that this information appears more appropriate for the following Section III, Objective 2, Availability of an Option to Assume Additional Costs and Benefits.

Tom continued his overview of the changes proposed in the PWAs' Seventh Offer:

4. **Section III Objective 2: Availability of an option to assume additional costs and benefits.** Tom explained that the PWAs tried to maintain the same format as DWR's Sixth Offer but revised the text to allow PWAs to assume additional costs and benefits. He read the following text aloud, *"This AIP makes available to each PWA an option to assume additional costs and benefits of the DCF through a contract amendment that establishes additional costs on the Statement of Charges in exchange for DCF Benefits to water diverted at or conveyed through the DCF, as described in Section VI of this AIP."* Tom noted that the PWAs are open to improvements like Tripp's suggestion that text from Section II be moved into this section.
5. **Section IV Objective 3: Pursuit of State Water Project Delta Conveyance Facilities under the State Water Project Water Supply Contracts.** Tom explained that the PWAs removed what was previously Section IV(c) in DWR's sixth offer, the provision that read, "Effective Date: A contract amendment pursuant to this AIP shall have an effective date no sooner than the billing transition date set forth in State Water Project Water Supply Contract Amendment known as The Contract Extension Amendment." That version of the AIP did not have any cost provisions, so it needed an effective date. Due to the fact that cost provisions are included in this version, the PWAs do not feel an effective date provision is needed.
 - **Section IV Objective 3(c):** The PWAs retained the language from 3(d) of DWR's Sixth Offer, *"Administration of DCF: DWR will account for Project Water attributable to the DCF and DWR will determine whether or not that Project Water would not have been available at Clifton Court Forebay,"* but added *"consistent with the attached white paper."* The PWAs respect DWR's effort to keep the offer as clear and concise as possible, but their caucus did raise numerous administrative and technical issues related to accounting. These do not belong in the AIP itself, so the PWAs propose convening the technical group to discuss the issues and memorialize their approach in a white paper to accompany the AIP.

Cindy explained that the PWAs have already started assembling ideas related to accounting and would like to meet with DWR to discuss these further.

Tripp responded that he saw that Cindy had already reached out to Brian "BG" Heiland (BG), DWR, to suggest a meeting of the technical team. DWR supports convening a technical team meeting. He noted that the white paper draft has not been shared and asked if it is still in development.

Cindy affirmed that the PWAs are still working on an initial draft but will likely be ready to share it this afternoon.

Tripp noted that DWR will need to review the removal of the effective date provision (formerly Section IV(c) in DWR's Sixth Offer). He acknowledged that the PWAs' Seventh Offer has better detail on the billing components, so DWR will assess how those impact the need for that provision. He thanked the PWAs for their efforts to keep the document as concise as possible.

Tom continued his overview of the changes proposed in the PWAs' Seventh Offer:

6. **Section V Objective 4: Delta Conveyance Facility billing.** Tom suggested that the group do a high-level overview of this section, since it was previously negotiated as part of the California WaterFix AIP section on billing and the parties have seen it before. He walked through the

format of the section as follows:

- **Section V Objective 4 (a)** states that *“These costs would be billed to and collected from SWP PWAs consistent with the Delta Facilities Allocation Factor table below through their annual Statement of Charges (SOC).”* Tom pointed to the table in part (i) that identifies all the PWAs’ participation levels.
- **Section V Objective 4 (b)** states that there are two charge components as follows *“(1) Delta Conveyance Facilities Capital Charge Component and (2) Delta Conveyance Facilities Minimum OMP&R Component.”*
- **Section V Objective 4 (c)** discusses how the Capital Charge Component is calculated.
- **Section V Objective 4 (f)** discusses how the OMP&R Charge Component is calculated.
- **Section V Objective 4 (i)** presents the Delta Conveyance Allocation Factors table referenced throughout the AIP to define how costs and benefits will be allocated. The first column identifies the PWAs and the second column identifies their DCF allocation factor. Each PWA must participate at a level of zero or greater or equal to their percent of Table A. Tom noted that this table still needs to be populated; each lead negotiator will need to identify a percentage they can comfortably bring to their Board. Tom reminded everyone that the PWAs’ Boards will make the ultimate decision of whether to approve that level of participation. In DWR’s Sixth Offer, there was a Statement of Charges section that has been deleted in this AIP.

Tripp had no questions but noted that Section V will require a detailed review. He acknowledged that the language had been previously negotiated but stated that DWR will want to confirm that all these provisions are adequate in a situation where all water is treated as Table A water. The November AIP had introduced a new type of water.

Tom thanked Tripp for his statement. Tom reminded the participants that California WaterFix also adopted the premise that all water associated with the project was Table A water, which is why the PWAs thought that this approach was a good fit. The PWAs are trying to return to an earlier model as opposed to that which was laid out in the November 2019 AIP.

Tripp asked Tom to clarify which AIP this language was pulled from. Tom stated that it was developed for the California WaterFix, two tunnel project negotiated with Joel Ledesma. Steve clarified that it was part of the AIP negotiation around water management tools in 2018. It was not from the 2019 negotiations.

Tom continued his overview of the changes proposed in the PWAs’ Seventh Offer:

7. Section VI Objective 5: Delta Conveyance Facility Benefits Allocation.

- **Section VI Objective 5 (a):** This section outlines the benefits that a PWA opting out is agreeing to forego. Tom explained that the PWAs made a number of small adjustments to the language in this section. Tom read the revised provisions aloud and added clarifications as necessary, *“PWAs that execute a contract amendment to opt out of DCF costs and benefits will agree, within that amendment, to the following:*
 - **Section VI Objective 5 (a.i):** *“Charges as set forth in Section V of this AIP will not appear on its Statement of Charges.”*
 - **Section VI Objective 5 (a.ii):** *“Forego and waive any contractual rights to the following:*
 - (a) *Right to or delivery of Project Water attributable to the DCF. Provided that*

DWR calculates that such water would not have been available for diversion at Clifton Court Forebay. This AIP will not modify the amounts within Table A but will memorialize this limited reduction for DCF Benefits by adding a footnote to the PWA's Table A to reflect their zero allocation for DCF Benefits.

(b) Any contractual rights to or delivery of Article 21 Interruptible Water prior to the point(s) in time each year DWR calculates that the SWP share of San Luis Reservoir storage will be displaced by pumping from Clifton Court Forebay for storage in San Luis Reservoir and after displacement of an amount of water in San Luis Reservoir equal to the amount of Project Water diverted at or conveyed through the DCF. Provided that, when supply of Article 21 Interruptible Water is greater than demand for Article 21 Interruptible Water, this constraint shall not prohibit DWR from offering and a PWA from taking delivery of said water. [See Illustration 1.] DWR will administer Article 21 consistent with the white paper, including charging Fair Compensation."

Tom noted that the PWAs added language to specify storage displaced "by pumping" and to reference the Administrative Issues White Paper (discussed earlier). The referenced illustration was part of DWR's Sixth Offer and outlined where Article 21 water would be available.

"(c) Right to any Article 21 water that is diverted through the DCF after Point B. Provided that, when supply of Article 21 Interruptible Water is greater than demand for Article 21 Interruptible Water, this constraint shall not prohibit DWR from offering and a PWA from taking delivery of said water for Fair Compensation."

Tom noted that part (c) is new language explaining that after Point B, PWAs who opt out of the agreement, can access Article 21 Water. If there is additional supply of Article 21 Water, PWAs who have opted out can also access Article 21 Water for fair compensation.

Tripp observed that the way part (c) is worded, it appears that PWAs opting out would not receive any Article 21 water. In Section VI (a) (ii) (b), PWAs opting-out waive the right to Article 21 water between points A and B. However, here, in Section VI (a) (ii) (c) it appears they also waive the right to Article 21 water after Point B.

Tom and Cindy acknowledged the confusion. They explained that the distinction this language is trying to make is that PWAs opting-out give up the right to any Article 21 water diverted through the DCF.

Tom continued his review of **Section VI Objective 5.**

"(d) For the North of Delta PWAs DWR will not change the current administrative process for determining the availability of Article 21. This will be documented in a Notice to Contractors.

(e) Right to use DCF conveyance capacity unused by DWR for SWP purposes to convey non-SWP project water.

(f) Right to use available DCF conveyance capacity to convey allocated SWP supplies in the event that pumping directly from the south Delta is prevented or impaired by sea level rise, seismic events, flooding, or other uncontrollable event.

(g) Right to carriage water savings that DWR determines are realized during its operation of any DCF for purposes of conveying Project Water.

(h) Right to any credit from wheeling charges to third parties collected by DWR for use of available DCF conveyance capacity.

(i) Rights to use of the DCF, [concept of transfer/exchange partners TBD] unless a subsequent contract with DWR is entered that provides for payment of capital, fixed and variable costs associated with such use.”

Tom noted that the bracketed text in part (i) indicates a concept the PWAs are still discussing internally. PWAs felt they should proceed with negotiations even as they work to resolve this concept.

Tom continued his overview of the changes proposed in Section VI Objective 5, now in subsection (b):

- **Section VI Objective 5 (b):** This section outlines the costs and benefits assumed by a PWA opting in. Tom reiterated that this section is important to the PWAs in terms of adding specificity regarding what benefits are conveyed in exchange for the costs. Tom explained that this section is mostly the same as the text in DWR’s Sixth Offer with a small number of editorial changes. Tom read the revised provisions aloud as follows: *“PWAs that execute a contract amendment to assume costs and benefits of the DCF will agree, within that amendment, to the following:*
 - **Section VI Objective 5 (b.i):** *“Costs will appear on the Statement of Charges as set forth in the table in the percentages shown in Section V of this AIP.*
 - **Section VI Objective 5 (b.ii):** *“Benefits in proportion to the percentage table in Section V of this AIP, including but not limited to:*
 - (a) Delivery of Table A amounts diverted at and conveyed through the DCF. This AIP will not modify the amounts within Table A but will memorialize this DCF Benefits by amending the PWA’s Table A with a footnote recognizing the DCF Benefits.*
 - (b) Article 21 Interruptible Water attributable to DCF.*
 - (c) Available DCF conveyance capacity unused by DWR for SWP purposes, to convey non-SWP project water.*
 - (d) Carriage water savings that DWR determines are realized during its operation of any DCF for purposes of conveying Project Water.*
 - (e) A Available DCF conveyance capacity to convey SWP supplies in the event that pumping in the south Delta is prevented or impaired by sea level rise, seismic events, flooding, or other uncontrollable event.*
 - (f) A credit from wheeling charges to third parties collected by DWR for use of available DCF conveyance capacity.”*

Tripp stated that DWR had no additional questions on Section VI at this time.

Tripp informed participants that DWR’s internet was currently down, so they could not see the webcast. They were able to follow along with their hard copies, so they asked the group to proceed.

Tom noted that the PWAs made no changes to DWR's Sixth Offer in Section VII, Objective 6, Affect upon other Water Supply Contract provisions.

Tom continued his overview of the changes proposed in the PWAs' Seventh Offer in Section VIII, which was renamed as Other Provisions, since the previous title was no longer applicable.

8. **Section VIII, Other Provisions.** The PWAs added a description of the Clifton Court Forebay Priority, stating that *"In the event that DWR uses its discretion to move Table A Water through the DCF that could have been moved through Clifton Court Forebay Intake, PWAs with a greater than zero Delta Conveyance Facilities Charge Components will be given a first priority of available capacity based on their percentage in section V to move up to that same amount of non-project water at Clifton Court Forebay Intake."*

Tom explained that Section IX, Environmental Review Process was copied and pasted from a prior AIP. It was his understanding that all the parties approved of the approach outlined in this section.

Tom concluded his review and indicated he was open to questions and any suggestions for improvements on the document.

Tripp agreed that the last sections seem straightforward. Tripp offered a friendly amendment to Section VIII; he suggested adding the following bracketed text to the end of the statement *"first priority of available capacity [as determined by DWR and at DWR's discretion] based on their percentage in section V..."* He explained that this would mirror language DWR insisted on in the prior AIP. Tripp noted that this additional language could be included by DWR in their response to the PWAs Seventh Offer.

Tripp confirmed that DWR had no further questions at this time, but the DWR team will want to caucus.

Nora asked DWR to estimate a timeline for the caucus. DWR and the PWAs agreed to aim to reconvene at 1:30 p.m. Kearns & West committed to being in touch with the caucuses and updating webinar participants with the appropriate time to dial back in if anything changed.

[The PWAs and DWR called a caucus at 11:30 AM]

[The meeting resumed at 1:48 PM.]

III. DWR's Questions on PWA's Seventh Offer

Nora reconvened the meeting and turned to Tripp to respond to the PWA's Seventh Offer. Nora noted that the offer document has been posted to the DWR Box Site as Document #101, "PWA Seventh Offer (Counteroffer to DWR'S Sixth Offer)":

<https://cadwr.app.box.com/s/irusyewojv4nwzmxzfzngzhmgli9sswcw/folder/81068636227>.

Tripp thanked the PWAs for the overview and stated that DWR discussed the document at length during the caucus. He agreed that the technical team meeting should be scheduled as soon as possible and may need to be conducted virtually.

Tripp turned to the PWA Seventh Offer to begin discussing DWR's clarifying questions.

Tripp referred to Section I(d) DCF Benefits, item (4) and asked if *"the event of a temporary or permanent disruption of Clifton Court Forebay"* is a reference to non-discretionary shutdowns of Clifton Court Forebay facilities.

Tom responded in the affirmative and asked Steve to concur.

Nora noted that Steve was unable to respond due to technical difficulties and called on Cindy who had indicated she would like to speak.

Cindy asked Tripp to clarify if he was referring specifically to Section I(d) item (4) *“water supply and capacity in the event of a temporary or permanent disruption of Clifton Court Forebay.”*

Tripp responded in the affirmative. He reiterated his question and asked to confirm if the intent of this definition is to reference non-discretionary actions that shut down Clifton Court Forebay, and not any other circumstances, as “disruptions.”

Cindy responded in the affirmative.

Steve concurred with Cindy’s response.

Tripp continued on to Section I (e), Fair Compensation, and noted that this term appears to only be in reference to Article 21 water. He asked for clarification on whether discretionary shifts of Table A water through the DCF are not considered “use of DCF capacity” because they are being handled with the shift of carriage water savings.

Tom asked Tripp to restate his question.

Tripp described his interpretation of the document and asked for confirmation that the term “fair compensation” only appears to be relevant to Article 21 water. Fair compensation is not related to the use of the DCF where DWR is making a discretionary shift of Table A water from the South Delta to the North Delta. Those operations are accounted for by giving carriage water savings to participating PWAs.

Tom confirmed that fair compensation applies to Article 21 water, but not to DWR discretionary movement of water. He noted that fair compensation also applies to wheeling water (California Water Code section 1810).

Tripp asked if section 1810 wheeling water is the only other type of water, or if the intent is to include all non-project water movement by entities who are not participating PWAs.

Tom stated that this definition includes all non-discretionary use unless otherwise stated.

Tripp stated that fair compensation appears to apply to any use of the DCF, except for discretionary shifts of Table A water by DWR.

Tom responded in the affirmative.

Tripp paused for additional questions from DWR negotiators.

Nora noted that the phone lines were unmuted for lead negotiators to speak.

Dave thanked Tripp and stated that he does not have any other questions.

Cindy referenced Section I(e) and commented that fair compensation does not apply to discretionary use by DWR or situations where transfers and exchanges would occur between participating and non-participating PWAs. Cindy was not sure that was clearly captured in the discussion.

Dave reiterated that Tripp has addressed his questions and he had nothing further to add.

Tripp moved on to Section IV, Objective 3 – Pursuit of State Water Project Delta Conveyance Facilities under the State Water Project Water Supply Contracts.

Nora noted for the attendees that the lead negotiators were referencing a version of the document with different pagination than the version posted to the Box site. The different pagination is due to the difference in length between a printed version with markups and a clean version.

Tripp returned to the proposed deletion of the language from Section IV(c) of DWR’s Sixth Offer, which reads:

- **Section IV(c) Objective 3 – Pursuit of State Water Project Delta Conveyance Facilities under the State Water Project Water Supply Contracts:** "Effective Date – A contract amendment pursuant to this AIP shall have an effective date no sooner than the billing transition date set forth in the State Water Project Water Supply Contract Amendment known as The Contract Extension Amendment."

Tripp noted that removing this date provision may impact other items that reference the contract extension amendment, including the State Water Resources Development System (SWRDS) Finance Committee. He asked how the remaining language on the SWRDS Finance Committee will be implemented in light of the timeline for when contract extensions will be finalized.

Tom asked Tripp if his question is asking whether a contract extension amendment will be needed to set up the SWRDS Finance Committee.

Tripp asked if this section should include a date that references the finalization of the contract extension amendment. Given that the PWAs’ Seventh Offer has multiple provisions that will be carried over from the contract extension amendment, it may be necessary to insert an effective date for the AIP to make sure that it is not implemented prior to the contract extension being finalized. He stated that the SWRDS Finance Committee is being set up and finalized within the contract extension amendment.

Tom turned to Kathy Corner (Kathy), Mojave Water Agency, who chairs the SWRDS Finance Committee, for her response. Kathy stated that she did not think it was necessary to link the timing of this document explicitly to the contract extension, because a contract extension is not necessary to set up the SWRDS Finance Committee or any other committee.

Stan Dirks (Stan), DWR, replied that there is also a reference to the State Water Resources Development System Reinvestment Account in the text, which he believes may necessitate a link to the contract extension amendment.

Tom asked Stan to locate the section referencing the State Water Resources Development System Reinvestment Account. Stan and Tripp referred Tom to Section V(d) Objective 4 – Delta Conveyance Facilities billing, which reads:

- **Section V(d) Financing Method shall be divided into four categories: Delta Conveyance Facilities Capital Costs paid with the proceeds of Water System Facility Revenue Bonds; Delta Conveyance Facilities Capital Costs paid with amounts in the State Water Resources Development System Reinvestment Account; Delta Conveyance Facilities Capital Costs paid annually for assets that will have a short Economic Useful Life or the costs of which are not substantial, and Delta Conveyance Facilities Capital Costs prepaid by the PWAs consistent with the Delta Facilities Allocation table.**

Tom stated that the PWAs will review this section.

Kathy stated that it may be possible to address the State Water Resources Development System Reinvestment Account without having to tie it to the contract extension amendment. She suggested that the language in Section V(d) could be amended with phrasing such as "... to the extent that account is set up."

Nora asked Tom and Tripp if they would like to make live edits to the PWA Seventh Offer.

Tripp stated he would like to flag this language on the State Water Resources Development System Reinvestment Account language to revisit after the PWAs have a chance to see whether an effective date or other reference to the contract extension amendment is necessary. He voiced his concern that leaving out explicit links to the contract extension amendment could impact the finance stream for the DCP; DWR needs to be comfortable that the financing provisions are reliable.

Tripp stated that he had no further questions. He paused for other negotiators to provide additional questions and comments.

Dave stated that there were no other questions from DWR staff at this time.

Tripp moved on and stated that DWR has all of the information they need to better assess the PWAs' Seventh Offer. He stated that DWR may propose edits once the joint technical team reviews the technical features in more detail.

Nora asked if Tom had anything to add with regards to the PWAs Seventh Offer.

Tom stated that he does not have anything to add and that the PWAs look forward to seeing a response from DWR. He stated it would be a good idea for the technical team to meet very soon.

Nora asked Tripp and Tom if they had anything else to add before moving on to next steps.

Tripp indicated that he had nothing else to add.

Tom indicated that he had nothing else to add and indicated that other PWAs may want to comment.

No PWAs offered additional comment.

IV. Next Steps

Nora asked negotiators to confirm the action item for the technical team to meet, with Cindy and BG as the technical team leads, and asked for any additional action items.

Tripp and Tom agreed to this action item and indicated that they did not have any other items to add.

Nora then asked the negotiators to confirm dates for the next negotiation session.

Tripp stated that there may be logistical hurdles with remote work and suggested cancelling the March 25th negotiation session so that the earliest and next negotiation session would be April 1st.

Tom agreed with Tripp and stated that cancelling the March 25th negotiation session would provide more time for the technical team to meet and for DWR to prepare its response.

Nora thanked Tripp and Tom and confirmed that the March 25th session will be tentatively cancelled, and the next tentatively scheduled session will be April 1st to allow time for the technical team to meet. She stated that the Kearns & West facilitation team will follow up with the distribution list on any cancellations and future meeting dates as soon as possible.

Nora asked DWR and the PWAs if there were any other items to discuss before concluding the business portion of the meeting.

Tripp and Tom indicated that they had nothing else to discuss.

Nora thanked Tripp and Tom and adjourned the business portion of the meeting.

V. Public Comment

Nora then moved on to public comment and asked meeting attendees to indicate their interest in submitting public comment by submitting their name and affiliation in the webinar chat pod. She noted that the facilitation team will ask members of the public to provide comments in the order that chat submissions are received.

Two members of the public provided comment.

Nora then opened public comment to other members of the public on the phone and asked if there were any other members of the public interested in providing a comment. Hearing none, she reminded all meeting attendees that they may submit written comments to B.G. Heiland at Brian.Heiland@water.ca.gov, thanked all participants for participating in the webinar, and adjourned the meeting.

VI. Adjourn

The meeting was adjourned at 2:20 PM.

Action List

- Kearns & West will make the November 13, 2019 508-compliant; DWR will post the 508-compliant November 13, 2019 meeting summary on the DWR Box site.
- Kearns & West will cancel the tentative March 25 negotiation date and plan tentatively to hold the next session on April 1.
- Kearns & West will submit a draft March 18, 2020 meeting summary to be finalized before the next meeting.
- As schedules allow, DWR and the PWAs will convene a technical group session to discuss the draft white paper on administrative and technical issues.
- DWR will prepare a response to the PWAs' Seventh Offer.



State Water Project (SWP) Contract Amendment for Delta Conveyance April 1, 2020 Meeting Summary

Meeting Attendance List

California Department of Water Resources Lead Negotiators

- Brian "B.G." Heiland, 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
- James Edwards, California Department of Water Resources
- Terry Ely, California Water Research
- Avery Estrada, California Department of Water Resources
- Tasmin Eusuff, 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

- Nancy Quan, California Department of Water Resources
- Dave Rizzardo, California Department of Water Resources
- Amardeep Singh, California Department of Water Resources
- Arian Zamanian, 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
- Dwayne Chisam, Antelope Valley-East Kern Water Agency
- Kathy Cortner, Mojave Water Agency
- Fray Crease, Santa Barbara County Flood Control and Water Conservation District
- Jeff Davis, San Geronio Pass Water Agency
- Dan Flory, Dudley Ridge Water District
- Mark Gilkey, County of Kings/Empire-West Side Irrigation District/Tulare Lake Basin
- Paul Gosselin, County of Butte, Butte County Water and Resource Conservation
- Anthea Hansen, Oak Flat Water District
- Laura Hidas, Alameda County Water District
- Cindy Kao, Santa Clara Valley Water District
- Darin Kasamoto, San Gabriel Valley Municipal Water District
- Mark Krause, Desert Water Agency

- Dirk Marks, Santa Clarita Valley Water Agency
- Tom McCarthy, Kern County Water Agency
- Phillip Miller, Napa County Flood Control and Water Conservation District DPW
- Thomas Pate, Solano County Water Agency
- Valerie Pryor, Alameda County FC&WCD Zone 7
- Ray Stokes, Central Coast Water Authority
- Peter Thompson, Palmdale Water District
- Wes Thomson, San Luis Obispo County Flood Control and Water Conservation District
- Rob Thorman, Plumas County Flood Control and Water Conservation District
- Bob Tincher, San Bernardino Valley Municipal Water District
- Greg Young, City of Yuba City

Public Water Agencies Staff

- Steve Abbott, Coachella Valley Water District
- Adnan Anabtawi, Mojave Water Agency
- Joseph Byrne, State Water Contractors
- Eric Chapman, State Water Contractors
- Chandra Sekhar Chilmakuri, Metropolitan Water District of Southern California
- Jaime Dalida, Metropolitan Water District of Southern California
- Allison Febbo, State Water Contractors
- Amparo Flores, Alameda County FC&WCD Zone 7
- Robert Hight, State Water Contractors
- Steven Inn, Alameda County Water District
- Dana Jacobson, Santa Clara Valley Water District
- Theresa Lightle, State Water Contractors
- Holly Melton, Kern County Water Agency
- Marty Milobar, Kern County Water Agency
- Amelia Minaberrigarai, Kern County Water Agency,

- Stefanie Morris, Metropolitan Water District of Southern California
- Ted Page, Kern County Water Agency
- Julie Ramsay, State Water Contractors
- Ivory Reyburn, Coachella Valley Water District
- Jack Safely, Metropolitan Water District of Southern California
- Bob Siemak, United Water Conservation District
- Matt Stone, Santa Clarita Valley Water Agency
- Craig Wallace, Kern County Water Agency
- Jacob Westra, County of Kings/Tulare Lake Basin Water Storage District

Members of the Public

- John Armstrong, Sierra Club CA
- Megan Couch, San Diego County Water Authority
- Gail Delihant, Western Growers Association Charles Dulac, Office of Assemblymember Jim Frazier
- Roshena Duree, California State Association of Counties
- Erika Giorgi, Delta Stewardship Council
- Robert Kunde, Wheeler Ridge-Maricopa Water Storage District
- Colin Maloney, Bureau of Reclamation
- Anthony Navasero, Delta Stewardship Council
- Cathleen Pieroni, Inland Empire Utilities Agency
- Tom Schlosser, Hoopa Valley Tribe
- Tim Stroshane, Restore the Delta
- Kelley Taber, Somach Simmons & Dunn
- Dan Waterhouse, Unknown
- Ellen Wehr, Unknown
- S. Chander, Unknown
- Anonymous, Semitropic Water Storage District
- Steve Johnson, Unknown

Facilitation Team

- Anna West, Kearns & West
- John Bowie, Kearns & West
- Ross Green, Kearns & West

- Sharon Hu, Kearns & West
- Jorge Kalil, Kearns & West
- Julie Leimbach, Kearns & West
- Kai Walcott, Kearns & West

Meeting Summary

I. Welcome/Introductions

Anna West (Anna), Kearns & West, welcomed participants to the April 1 public negotiation session for the State Water Project (SWP) Contract Amendment for Delta Conveyance. She thanked participants for their patience in setting up the virtual meeting. She noted that participants can use several different methods to join the webinar and audio conference.

Anna asked Department of Water Resources (DWR) and Public Water Agency (PWA) negotiators and staff to introduce themselves when prompted. Members of the public were invited to introduce themselves and identify their affiliation.

II. Meeting Overview

Anna described how the public comment process would be conducted at the end of the business portion of the meeting. She noted that participants can refer to the ground rules for instructions on how to participate in the public comment period using the webinar chat feature to enter their name, affiliation and noting that you'd like to provide public comment. She stated that DWR and the PWAs can call a caucus at any time, during which they will leave the audio conference to caucus remotely. She reminded all participants to remain on mute to preserve sound quality.

Anna then reviewed the meeting agenda, stating that there will be a technical team update and a follow up discussion on the March 18 negotiation session, which will be followed by DWR's response to the PWAs Seventh Offer.

Anna asked the negotiators to approve the summary for the March 18 DCP negotiation meeting. Tom McCarthy (Tom), Kern County Water Agency, and Pedro Villalobos (Pedro), DWR, stated that they have no additional changes to the meeting summary. Anna noted that Pedro will be the lead negotiator for DWR in Tripp Mizell's absence. Anna informed meeting attendees that the March 18th summary will be made 508 compliant and posted on the DWR Box site:

<https://cadwr.app.box.com/s/irusyewojv4nwzmxzfzngzhmgli9sswcw>.

III. Technical Team Update

Anna invited Brian Heiland (B.G.), DWR, and Cindy Kao (Cindy), Santa Clara Valley Water District to discuss the outcomes of the technical team meeting.

B.G. thanked the PWAs for meeting and discussing concepts from the PWAs Seventh Offer. He stated that DWR is still analyzing the details and is working on providing feedback to the PWAs. He noted that DWR expects to have a technical team meeting soon to provide feedback and discuss feasibility and impacts.

Anna asked Cindy if she had anything else to add.

Cindy said that the PWAs also see the need for a technical team meeting in the near future to discuss the accounting and administration of the Delta conveyance facilities.

Anna asked Cindy to confirm if the subsequent team meeting will expect to report back in a negotiation meeting.

Cindy answered in the affirmative.

IV. Follow up from March 18 Negotiation Meeting

Anna asked if the negotiators had any topics they would like to discuss to follow up on the March 18 negotiation meeting.

Tom stated that the PWAs have two responses to DWR's questions regarding document #101, PWAs Seventh Offer, from the March 18 negotiation meetings.

First, Tom noted that DWR had questions about why the PWAs had stricken language in Item IV (c), regarding the effective date of the contract amendment. He stated that the PWAs have discussed this item and would be amenable to DWR restoring this language. The language they are amenable to restoring reads as follows:

- **Item IV (c)** Effective date: A contract amendment pursuant to this AIP shall have an effective date no sooner than the billing transition date set forth in State Water Project Water Supply Contract Amendment known as The Contract Extension Amendment.

Second, Tom stated that there seemed to be a disconnect between the PWAs and DWR regarding Item I (d) which reads as follows:

- **Item I (d)** *DCF Benefits shall mean those water supply and capacity benefits attributable to the DCF including but not limited to: (1) Table A water supplies; (2) Article 21 water supplies; (3) carriage water savings; (4) water supply and capacity in the event of a temporary or permanent disruption of Clifton Court Forebay; and (5) capability to move non-project water through the proposed DCF."*

Tom stated that the PWAs would like clarity on Item I (d.4), regarding water supply and capacity and disruptions to Clifton Court Forebay and the PWAs look to DWR to provide feedback.

Anna invited DWR to respond.

Pedro responded to Tom stating that DWR's intent is to provide feedback. He added that DWR intends to provide feedback later in this meeting.

Anna asked if the PWAs had any other follow up items for discussion.

Tom asked if Steve Arakawa (Steve), Metropolitan Water District of Southern California had anything to add.

Steve confirmed that the PWAs only had these two discussion items.

Anna thanked Steve and Tom and reminded audio conference participants to please mute their phone lines for improved sound quality.

V. DWR's Response to the PWAs Seventh Offer

Anna asked Pedro to introduce document #109, titled "DWR Proposed Revision to PWAs Seventh Offer, Definition d, DCF Benefits".

Pedro stated that DWR will provide verbal edits to the definition for "DCF Benefits"; these should not be interpreted as DWR's formal response. He asked Molly White (Molly), DWR, to discuss thoughts on "DCF Benefits" for the PWAs' consideration.

Molly thanked Pedro and provided an overview of document #109. She stated that based upon the discussion from the previous meeting, DWR expanded Item I (d.4) into two separate concepts, relating to disruption to South-of-Delta exports, in Items I (d.4, 5). She provided an overview of the following edits:

- **Item I (d.4).** Molly explained that new text has been added to refer to any loss of exports due to "acceptable salinity level concentrations in the Delta or intake facilities at the Clifton Court Forebay intake facility due to Delta levee failure or sea level rise."
- **Item I (d.5).** Molly explained that this new sub section refers to loss of exports, temporary or permanent, based on physical operational issues at Clifton Court Forebay.
- **Item I (d.6).** Molly noted that Item I (d.6) was previously Item I (d.5). She explained that this sub section has been edited to clarify "available" capacity at the proposed Delta Conveyance Project.

Molly concluded her overview by stating that there is an addition to Items I (d.4, 5). The addition, "subject to Article 18(a)", has been included to clarify within the definition that the DWR Director retains the discretion to direct water for minimum health and safety demands.

The fully edited language suggested by DWR is below.

RECITAL OF PWA's 7th OFFER, P.2d.

Item I (d). DCF Benefits shall mean those water supply and capacity benefits attributable to the DCF including but not limited to: (1) Table A water supplies; (2) Article 21 water supplies; (3) carriage water savings; (4) water supply and capacity in the event of a temporary or permanent disruption of Clifton Court Forebay; and (5) capability to move non-project water through the proposed DCF.

DWR's REVISION FOR DISCUSSION PURPOSES

Item I (d). DCF Benefits shall mean those water supply and capacity benefits attributable to the DCF including but not limited to: (1) Table A water supplies; (2) Article 21 water supplies; (3) carriage water savings; (4) reliable water supply and use of DCF available capacity in the event of a temporary or permanent disruption to acceptable salinity concentrations at the Clifton Court Forebay intake facility due to Delta levee failure or sea level rise, subject to Article 18(a); (5) reliable water supply and use of DCF available capacity in the event of a temporary or permanent disruption to the physical operation of the Clifton Court Forebay, subject to Article 18(a); and (56) use of DCF available capacity capability to move non-project water through the proposed DCF for use in its service area.

Anna asked Tom and Steve for a response and noted that document #109 has been posted to the DWR Box site: <https://cadwr.app.box.com/s/irusyewojv4nwzmxzfzngzhmgli9sswcw>.

Tom and Steve stated that they needed time to think about the document prior to having a response.

Cindy asked DWR to clarify the reference to “its” in Item I (d.6), with regards to the section reading “for use in *its* service area”.

Molly replied that “its” refers to the contractor and participant using capacity within the Delta Conveyance Facility (DCF).

Anna asked DWR to clarify if “*its service area*” refers to the participating PWA’s service area.

Pedro replied in the affirmative and stated that the intent is for any purchased water being transferred through the DCF goes through the PWA’s service area for that particular transfer.

Cindy thanked Molly and Pedro.

Anna asked the PWAs for any further comments on this document. Hearing none, she turned to Pedro for additional comments from DWR.

Pedro stated that DWR has been taking a detailed look at the PWAs Seventh Offer. He added that DWR is preparing a written response for the next scheduled negotiation meeting on April 8. He summarized three questions on the PWAs Seventh Offer for the PWAs to consider:

- Clarification on their vision for the white paper in support of the AIP. He stated that DWR would like more information on the PWAs intent for the white paper in relation to the AIP or contract.
- Clarification on the timeline for completing the white paper, in relation to the AIP timeline. He explained that DWR is trying to understand whether concepts in the white paper are intended for inclusion in the contract and whether concepts in the white paper are developed in parallel with contract language, or before or after. He stated that it is not DWR’s preference to tie the white paper to the AIP or contract.
- Third, Pedro asked the PWAs about the overall timing of the AIP. He asked if the PWAs intend to conclude the negotiations process with Board approvals by mid-June. He asked to consider discussing this timeline for approval of the AIP by the PWAs and their respective boards.

Pedro then turned to Carl Torgersen (Carl), DWR.

Carl clarified that the second question is whether the white paper would contain guidelines for administration and accounting or whether the intent is to insert language from the white paper into the contract?

Anna asked Tom and Steve if they had any other clarifying questions.

Tom stated that he would like to repeat each of the questions for clarification. He asked if the first question was concerning the objective and the timing of the white paper and if the second question was concerning the timing of the white paper.

Pedro confirmed that the first question is concerning the vision and the second question is confirming the timing of completion for the white paper.

Tom asked if the questions about whether the white paper would be completed in conjunction with the AIP, before the AIP, or after the AIP was part of Pedro’s second question.

Pedro answered in the affirmative.

Tom asked if DWR's third question is whether the PWAs are on the same page about the timing, urgency, and priority for completing the AIP. He stated his understanding is that DWR would like to see approval of the AIP from PWAs board members in mid-June.

Pedro answered in the affirmative.

Tom asked if any other PWAs have clarifying questions.

Steve asked if DWR's concern about the timing of the white paper is related to whether the AIP would refer to guidelines under development?

Carl stated that the intent to use the AIP to inform subsequent contract language is clear, but DWR is concerned that the AIP not be linked to too many prescriptive processes that ultimately may not be able to change as operations of the facility, processes, and inputs change over time. He stated that DWR is asking for clarification on the intent behind the white paper due to concerns about what might be included in the white paper, and how it is linked or not to the AIP and subsequent contract language.

Steve asked if there is a difference between attaching a white paper and referencing guidelines within a white paper yet to be developed.

Anna asked Carl to confirm if DWR's concern with including the white paper in the AIP will cause the AIP to be overly prescriptive and unable to change over time?

Carl responded in the affirmative, this is DWR's concern.

Anna asked Carl to confirm if DWR is asking the PWAs whether the white paper can serve as a reference, but not be included as part of the AIP, in order to provide DWR with more operational flexibility.

Carl responded in the affirmative. He added that ultimately, principles within the AIP will be in the contract, but there needs to be a balance between having sufficient details in the contract and maintaining the flexibility to deal with future uncertainties.

Anna turned to Steve and asked if he needed further clarification.

Steve responded that Carl's responses were helpful and the PWAs will discuss these questions in caucus.

Pedro added that DWR does not want contract language to be dependent on the white paper, or for the white paper to drive the interpretation of the language in the contract.

Steve thanked Pedro for his comment.

Anna asked the PWAs if there were any other clarifying questions.

Tom stated that the original objective of the white paper was to provide documentation of administrative concepts not included in the contract or that do not belong in the contract. He said that he would like to caucus on this item and come back today with any additional feedback.

Tom then stated that the PWAs would like to caucus after reviewing the rest of the agenda topics.

Anna asked if the PWAs would like to caucus and reconvene on April 8.

Tom stated that the PWAs would like to caucus and reconvene later in the day with feedback. He noted that the PWAs would like to move discussions along and receive more reactions on documents from DWR.

Anna referred to the agenda and asked Pedro if he had anything else to add to DWR's response to the PWAs Seventh Offer.

Pedro stated that he does not have anything to add, but that DWR would like to schedule a technical team meeting later.

Anna turned to the negotiators and asked if there were any additional topics to raise prior to the PWAs caucus. Hearing none, she proceeded to ask Tom and Steve how long they would like to caucus.

Tom asked the PWAs to confirm a caucus and suggested reconvening at 1:30 p.m.

Steve and Thomas Pate (Thomas), Solano County Water Agency, confirmed this proposed schedule.

Anna stated that the facilitation team will post a notice on the webinar and update participants about any changes to the restart time, but as of now it is anticipated that we will restart at 1:30 p.m.

The PWAs and DWR called a caucus at 11:30 a.m.

The meeting resumed at 1:33 p.m.

Anna reconvened the meeting and reminded participants about the public comment process at the end of the meeting. She asked participants interested in providing public comment to enter their name and affiliation in the webinar chat box. She stated that the facilitation team will take comments in the order received. Anna invited anyone who did not introduce themselves during the morning session to do so at this time. No new participants were announced.

Anna turned to Tom to report out on the PWAs caucus and begin discussing their response to DWR's revisions to the PWAs Seventh Offer.

Tom shared that the PWAs had a productive caucus and divided the topics into two areas for discussion: (1) DWR's changes to the DCF Benefits definition in 1(d); and (2) DWR's three questions about the white paper's purpose, timing, and relationship with the AIP.

Tom stated that the PWAs are seeking more clarity from DWR's about the purpose of changing the DCF Benefits definition in section 1(d). He noted that the PWAs have adopted DWR's overall thinking about resiliency, and a key part of resiliency is flexibility. The PWAs see the DCF as a tool that allows for flexibility and want to understand some of the specific language added by DWR.

Tom stated that the first area of discussion is related to the new reference to Article 18 (a), on health and safety. He explained that the PWAs want to understand DWR's purpose for making that addition.

Pedro responded that Molly was unable to return for the afternoon session. He stated that DWR negotiators will do their best to respond to questions, but they may need to confer with her on some matters.

Tom asked if the new language under Article 18 (a) implies a charge. He stated that if DWR is asserting the ability to move water to non-participants without a charge, then that would be problematic for participating agencies. Tom asked if water would be moved without charging non-participating agencies. He also noted that PWAs view this as DCF capacity vs water supply.

Pedro clarified that it is not DWR's intent for referencing Article 18 (a). He stated that if there is a reason to move water for local supply, then that is available to any agency – whether they are participating or not in the DCF. He added that if any agency needs to move water on behalf of the general public, then the Department would do so. He noted that the addition of the Article 18 (a) reference was not intended to address participating or non-participating PWAs.

Tom followed up by asking if there would be a charge for non-participants.

Pedro responded that DWR would need to discuss that internally and report back.

Tom asked whether, when disruptions of service South-of-Delta make the DCF the primary water supply conveyance, are participants limited to moving water for health and safety purposes only, or if participants are allowed a greater supply if the allocation provides for it.

Pedro confirmed that he understood the question and said that DWR would need to discuss internally and come back with a response.

Tom turned to Steve, who continued to ask PWA questions regarding document #109.

Steve asked if the intent of the new language in Item I (d.6) is to define how capacity could be used and if a non-participant would be able to access that capacity. Item I (d.6) reads as follows:

- **Item I (d.6) DCF Benefits.** “[U]se of DCF available capacity ~~capability~~ to move non-project water through the proposed DCF for use in its service area.”

Pedro affirmed and clarified that this language is about the capacity for deliveries of transfers that may be acquired from a PWA. DWR wants to ensure that agencies are using their capacity and that transfers are being delivered through to the agency's service area.

Steve asked Pedro to clarify if a participating PWA is able to use available capacity, as determined by DWR, to move non-project water through the conveyance facility.

Pedro answered in the affirmative.

Steve asked if that provision applies to non-participants looking to enter into an agreement with a participant.

Pedro answered in the affirmative.

Steve asked for confirmation that, in the scenario where a non-participant is looking to transfer non-project water through the Delta Conveyance, DWR would determine available capacity, and the non-participant would enter into an agreement with DWR on that available capacity.

Pedro answered in the affirmative. He stated that at that point, DWR would also address whatever compensation may be needed.

Steve asked if participants have the capability to utilize capacity in the Delta Conveyance proportionate to their contract right if there is an outage South-of-Delta that is not supply related, such as physical capability.

Pedro replied that he would need to defer to Dave or Carl from the technical team for a response.

Carl asked Steve to clarify if his question is whether a participant would be able to use capacity above their own health and safety requirements, should there be some type of outage at the South-of-Delta facilities.

Steve confirmed that Carl understood correctly.

Carl said he believes the answer is yes, but DWR would need to discuss the question in more depth internally.

Steve turned to Tom to ask for more clarity on document #109 Item I (d.4).

Tom asked why the language about levee failure, sea level rise, or any disruption was needed? PWA's characterize the disruptions as broad and unknown so what is the purpose of adding this detail? Item I (d.4) reads as follows:

- **Item I (d.4) DCF Benefits.** [R]eliable water supply and use of DCF available capacity in the event of a temporary or permanent disruption to acceptable salinity concentrations at the Clifton Court Forebay intake facility due to Delta levee failure or sea level rise, subject to Article 18(a).

Pedro responded that these are examples to show the variation of potential outages in south of the Delta and are intended to include both permanent and temporary disruptions. Pedro added that DWR would need to check with Molly for more background and report back.

Cindy asked for clarity on Item I (d.6), which reads as follows:

- **Item I (d.6) DCF Benefits.** “[U]se of DCF available capacity ~~capability~~ to move non-project water through the proposed DCF **for use in its service area.**”

Cindy stated that this additional language, “use in its service area” seems to refer to policy discussion or decisions related to how water is managed after it passes through the tunnel and the water is south of the Delta. She added that this section is intended to define DCF Benefits, not how the water will be used south of the Delta. The DCF Benefit is to move water through the tunnel, not how water is moved south of the Delta once it is through the tunnel which is related to DWR policy and not defining DCF Benefits. She noted that this section does not seem like the right place to add this language.

Pedro responded that DWR will need to discuss Cindy’s question internally and will provide clarification at the next meeting.

Carl asked the PWAs to confirm that their questions about Item I (d) are regarding: (1) the addition of the reference to Article 18 (a); and (2) the purpose of the phrase “for use in its service area” in Item I (d.6).

Cindy replied in the affirmative and added a third topic regarding Steve’s question on transfers of non-project water for non-participants.

Pedro added that his understanding of Steve’s question was to clarify the process for a non-participant to move water. Pedro confirmed that there would be two steps; first, DWR would reach an agreement for how that water would be moved, then there would be a discussion on appropriate compensation.

Steve confirmed that Pedro accurately articulated his question.

Anna noted that there was a fourth topic for discussion regarding whether the addition of specific language on levee failure and sea level rise is necessary for the definitions section on DCF Benefits.

Kathy Cortner (Kathy), Mojave Water Agency, asked if the group could return to discussing the transfer of water for participants and non-participants. Kathy asked about the addition of “for use in its service area” and how this is relevant to the definition of the DCF Benefits. Kathy stated that if a non-participant moves non-project water for themselves, there may be some charge.

Pedro reiterated the two-step process wherein the non-participant would first develop an agreement with DWR before the water is used, and then discuss appropriate compensation.

Anna recapped the questions from the PWAs that require DWR’s response:

1. Why was the reference to Article 18 (a), on health and safety, added?
2. If there is some type of outage at the South-of-Delta facilities, would a participant be able to use capacity above their own health and safety requirements?
3. What is the purpose of adding specific language about levee failure and sea level rise and are these examples necessary for the DCF benefits definition?
4. What is implied in the “use in its service area” language added at the end of Definition d, “DCF Benefit” (6)?

Tom then responded to DWR’s questions for PWAs about the vision and objective of a white paper, the timing of a white paper relative to the AIP, and the PWAs timeline for completing the AIP.

Tom shared that the PWAs’ vision and objective for the white paper are to record administrative items that do not belong in a contract amendment. Tom stated that there is a technical team that discusses concepts with DWR in a smaller group. He noted that in the past, a similar legal team discussed concepts and legal approaches. He stated that the PWAs recommend re-launching the legal group to sort out what items would belong in a white paper, which would not be part of a contract amendment and are not legally binding. He noted that the legal team would also determine what belongs in a white paper and what belongs in the AIP.

Pedro thanked Tom for the helpful clarification and agreed that any white paper should not be a part of the contract amendment. He asked when the white paper would be developed and if it is essential to the development of the AIP.

Carl also asked the PWAs to confirm if the white paper would summarize guidelines associated with the administrative process and not be part of the contract, as an exhibit or otherwise.

Tom responded that the purpose of the legal group would be to hear from DWR what guidelines should be included in the AIP and what should be excluded, not part of the AIP. The goal is to bridge the communication gap between DWR and the PWAs.

Anna asked Tom if the PWAs are currently envisioning anything that could go into the AIP, or would they need a legal group for guidance.

Tom confirmed that they would want the legal group to make recommendations.

Anna responded that the legal group would then need to convene prior to completing the AIP so that they can determine what is appropriate to include in the AIP.

Tom responded in the affirmative. He stated that the PWAs envision that the white paper would be developed in parallel with the AIP. He noted that, at this time, PWAs cannot answer whether it would be an exhibit, an attachment, or a separate set of guidelines. He stated that the PWAs would need answers from the legal group to then be able to answer the question on the timing of the white paper and its relationship with the AIP.

Tom discussed the PWAs' vision for the AIP completion timeline. He stated that the PWAs have a goal of completing this process as soon as possible, and that there is typically a two-month process to secure review and approval from their elected boards after the AIP is finalized through this process. He noted that the process is already approaching a difficult deadline to finalize boards' approvals in June, adding that this means the development of the white paper should begin as soon as possible.

Anna asked if DWR had any follow-up questions.

Pedro responded that it appears that the white paper would be more like a validation of what the negotiations have memorialized.

Tom stated his agreement and added that there are some technical details that may not be appropriate for the AIP that could be included in the white paper. For example, the subject of forecasting is appropriate for the white paper but does not belong in a contract.

Pedro thanked Tom for the helpful clarification.

Anna solicited any other comments or questions from DWR.

Pedro asked for more clarification on PWAs' anticipated timing for the AIP and the possibility of wrapping the process up in mid-June. He asked if there is a way to expedite board approvals.

Tom shared that often a PWA board requires approval from a subgroup before going to the full board for a vote. He explained that if a board meets once a month, then there would be a two-month cycle to get through two sets of board approvals, assuming no special board meeting is convened. He stated that once the AIP is finalized, PWA staff must educate their boards on the costs and benefits in the AIP for the Delta Conveyance Facilities, and that process takes time. For example, if an AIP is agreed upon on April 1st, then a two-month process would wrap things up on June 1st. He added that convening special board meetings is possible. The critical path is completing the AIP.

Pedro thanked Tom for the clarification. He asked again if there could be shortcuts to the monthly board meetings. He raised a concern that if they do not commit to a timeframe, it will keep slipping.

Tom responded that he believes a majority of PWAs are open to special board meetings, but the critical path is to finalize an AIP.

Anna recapped the discussion by sharing that there is a need to complete this AIP as soon as possible.

Steve added that the AIP is key because it lays out the allocation of DCF costs and benefits to the PWA boards. He stated that PWA negotiators have been searching for the right approach for contract principles and provisions so that they can take it to their boards and so that DWR can administer this contract. He added that both sets of parties are striving to reach an outcome quickly.

Anna returned to the proposal of re-convening the legal group to determine items to include and exclude from the AIP.

Tom responded in the affirmative and asked DWR if it is possible to re-convene the legal group.

Pedro responded that he needs to talk to DWR's legal staff who are not in attendance. He stated that he will circle back with a response at the next meeting.

Anna confirmed this as an action item. She noted that there is a time crunch and asked for DWR's response as soon as possible. She stated that if DWR approves re-convening the legal group, the next step will be to identify the legal leads for DWR and PWAs so they can coordinate.

VI. Other Topics (as appropriate)

Anna asked for any other comments or questions before moving on to next steps and public comment.

Carl asked for further clarification on the legal group and what work product the PWAs think the group would deliver.

Tom and Steve responded that the legal group would report on proposed concepts for inclusion in the AIP and what other content is better suited for the white paper.

Carl asked if the technical team would develop the white paper based on the legal team's recommendations.

Steve replied that the technical team members are already discussing concepts.

Anna asked whether the technical and legal group would meet in parallel.

Steve responded that convening the legal group is important because they will be reviewing concepts that are relevant to the technical team.

Cindy agreed that it would be helpful to have the technical team meetings in parallel with the legal team.

Pedro also agreed that the technical team meetings should continue and reiterated that he needs to confirm with DWR's legal staff about whether to reconvene the legal working group.

Anna recommended that B.G. and Cindy coordinate to schedule the next technical team meeting as soon as possible.

Pedro agreed.

Tom clarified that the PWAs envision the technical and legal groups meeting separately, but in parallel.

Cindy and Steve agreed that the groups would meet separately, but in parallel.

Pedro and Carl agreed that these groups would meet in parallel, assuming that DWR approves re-convening the legal working group.

VI. Next Steps and Review Actions

Anna emphasized the need to determine if the legal group is to be convened, and, if so, to identify legal group leads and a meeting schedule as soon as possible. Anna asked for any other comments or questions from the lead negotiators before reviewing action items and the next meeting agenda.

Pedro asked whether this is the appropriate venue to schedule a technical team meeting, since it is important for B.G. and Cindy to connect.

Anna clarified that B.G. and Cindy typically coordinate outside of these meetings but agreed that they should meet and report back.

Cindy agreed to work with B.G. to schedule a meeting.

Anna confirmed that as an action item and added that DWR should report back on the decision on reconvening the legal group. Anna asked Pedro if DWR will have prepared a response to the PWAs Seventh Offer for the next meeting on April 8, 2020.

Pedro confirmed that DWR is working to provide additional language for the next meeting on April 8, 2020.

Anna suggested that the next meeting agenda will include an update from the technical team, a report back from DWR on re-convening the legal group, and a discussion about DWR's response PWA Seventh Offer. The lead negotiators affirmed these topics and did not have any additions to the proposed agenda.

Anna asked DWR and the PWAs if there are any other items to discuss before concluding the business portion of the meeting.

Pedro and Tom indicated that they had nothing further to discuss.

Anna thanked everyone and adjourned the business portion of the meeting.

VIII. Public Comment via Webinar and Phone

Anna asked meeting attendees to indicate their interest in submitting public comment by submitting their name and affiliation in the webinar chat pod.

Julie Leimbach, Kearns & West, noted that the facilitation team will ask members of the public to provide public comments in the order that chat submissions are received.

Two members of the public provided public comment, one was read by BG Heiland that was an email submitted.

Anna then opened public comment to other members of the public on the phone and asked if there were any members of the public interested in providing a comment. Hearing none, she thanked all participants for participating in the webinar, confirmed that Kearns & West will distribute a notice for the April 8th meeting, and adjourned the meeting.

IX. Adjourn

The meeting was adjourned at 2:35 PM.

Action List

- Kearns & West will send a notice for the next meeting on April 8, 2020.
- Kearns & West will submit a draft April 1, 2020 meeting summary which will be finalized at the next meeting.
- Cindy and B.G. will schedule the next technical team meeting.

- DWR will determine whether to convene the legal working group and notify the PWAs. If agreed upon, DWR and the PWAs will each identify a team lead for the legal group.
- DWR to develop responses to PWAs questions about edits to the DCF Benefits definition.



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

April 14, 2020

TO: CCWA Board of Directors

FROM: Ray A. Stokes
Executive Director 

SUBJECT: State Water Project Contract Assignment Update

DISCUSSION

On March 23, 2020, the attached letter was sent to Gregg Hart, the Chairman of the Santa Barbara County Flood Control and Water Conservation District (District), requesting the District consider CCWA's request to assign the State Water Project contract from the District to CCWA.

After distribution of the letter to the District Chairman, and each of the individual members of the District's Board of Directors, CCWA Chairman, Eric Friedman contacted Chairman Hart to follow up and state that we understand that County personnel are involved with the COVID-19 response, and that we anticipate after the crisis has abated, the District will consider CCWA's request.

RAS

Attachments



March 23, 2020

Honorable Gregg Hart, Chair and
Members of the Board of Supervisors
County of Santa Barbara
105 East Anapamu Street
Santa Barbara, CA 93101

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

Dear Chair Hart and Members of the Board of Supervisors:

On behalf of the Central Coast Water Authority (CCWA), I am writing to request that the Santa Barbara County Board of Supervisors (Board), acting in its capacity as the governing board of the Santa Barbara County Flood Control and Water Conservation District (District), formally approve assignment of the State Water Contract from the District to CCWA, as described in the proposed Assignment, Assumption and Release Agreement (Assignment Agreement), at your earliest convenience. A copy of the proposed Assignment Agreement is included as Attachment A to this letter.

The District and CCWA have been considering the contract assignment issue since at least 1991 and in earnest since 2015. Those discussions have been productive, albeit prolonged. It is time to bring the issue to a decision, for one simple reason: we are out of time. Several significant decisions and projects related to the continued operation, management and funding of the State Water Project (SWP) and delivery of supplemental water to Santa Barbara County will require review and consideration within the next twelve months. These projects are of critical financial importance to CCWA's Members and the other participants. Accordingly, the State Water Contract should be assigned to CCWA.

For all of the reasons provided in CCWA's prior correspondence to the Board regarding the proposed assignment (see correspondence from Ray Stokes dated January 31, 2019 and September 17, 2018), we believe that CCWA is the right public agency to evaluate the merits of these upcoming decisions and projects. CCWA's eight members (Members)¹ are all public agencies whose elected officials are directly responsible to their ratepayers and voters who fund the cost of the SWP facilities and the supplemental water supply that serves more than 85 percent of the County's residents and businesses. The impacts of the upcoming decisions regarding the SWP will be felt directly by these ratepayers and voters, and they are entitled to have a direct voice in those decisions.

Moreover, by assigning the State Water Contract to CCWA, the County will insulate itself from all of the fiscal and operational aspects of the SWP, including future projects. The assignment will result in a full release of the County from all potential liability for the State Water Contract and CCWA will be fully and directly responsible for it. As

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

¹ CCWA's Members are: City of Buellton, City of Guadalupe, City of Santa Barbara, City of Santa Maria, Carpinteria Valley Water District, Goleta Water District, Montecito Water District, and Santa Ynez River Water Conservation District, Improvement District No. 1.



you know, although the District remains the contracting party to the State Water Contract with the Department of Water Resources (DWR), since 1991, CCWA has been 100% responsible for the State Water Contract and the delivery of SWP water to Santa Barbara County and CCWA's Members and other participants are responsible for 100% of the costs. CCWA also owns, operates and maintains the delivery system and treatment facilities that permit the delivery of SWP water to Santa Barbara County. Since 1991, the County has not paid a nickel toward the cost of SWP water or any of the facilities that deliver SWP water to Santa Barbara County. Nevertheless, the District remains the contracting party. In the event of a CCWA default, the District, and thus the County of Santa Barbara and County tax payers, even those that do not receive SWP water, would be liable.

In 2017, all eight Members of CCWA individually approved assignment of the State Water Contract from the District to CCWA. Of the 42 elected officials who considered assignment of the State Water Contract from the District to CCWA, only two voted against assignment, and one (then City of Santa Barbara Councilmember Gregg Hart) abstained.

On October 26, 2017, CCWA's Board of Directors unanimously approved a draft of the proposed Assignment Agreement, specifically agreeing to assume all responsibility for, and liability regarding, the State Water Contract, and the full release of the County from all responsibility and liability. (See CCWA Resolution No. 17-04 previously provided to the Board.) DWR has also, informally, agreed to assignment of the State Water Contract. (See correspondence from DWR dated September 17, 2018 previously provided to the Board.) DWR will not provide its final approval until the Board, on behalf of the District, has approved the assignment.

When the Board last considered assignment in February, 2019, it instructed District staff to investigate a number of issues before returning to the Board for formal consideration of assignment. CCWA staff has worked diligently with District staff since February, 2019 to address and/or respond to all of the issues raised by the Board. CCWA has also addressed an additional issue regarding out-of-county sales of SWP water raised by District staff. A summary of CCWA's response to these issues is provided in Attachment B to this letter. Accordingly, the only remaining action is the Board's decision on the assignment.

As described in detail in CCWA's prior correspondence regarding this matter (see correspondence from Ray Stokes dated January 31, 2019 and September 17, 2018), assignment of the State Water Contract provides numerous benefits for the County and Santa Barbara County residents and ratepayers. Most importantly, assignment aligns State Water Contract decision-making authority with financial and operational responsibility by making CCWA fully and solely responsible for the State Water Contract. At the same time, assignment releases the District, the County and the residents of Santa Barbara County who do not receive SWP water from all potential liability for the State Water Contract. This result aligns with the County's oft-stated interest in being relieved of the obligations and liability for the State Water Contract.

What's more, assignment of the State Water Contract would streamline decision-making regarding the delivery of supplemental water at the local level and eliminate redundant and unnecessary government that is costly to County rate-payers, delays decision-making and is unnecessarily complex. Because the District has no role in the delivery of SWP water to Santa Barbara County, there is no rational basis for the District to continue as the contracting party.

Finally, it should be noted that CCWA's management of the State Water Contract has been exemplary. Since 1991, CCWA has never missed a single payment to the State of California, and its financial management and reporting systems have been recognized for their excellence. CCWA has been scrupulous in monitoring and auditing the costs imposed by the State on CCWA, and CCWA has been one of the statewide leaders in efforts to promote accuracy and transparency in the State's cost accounting for the State Water Project. As a result of CCWA's expert and prudent management of the delivery of State Water Project water to Santa Barbara County, CCWA has demonstrated that it has the technical, financial and managerial expertise to contract with the State for the delivery of SWP water. In sum, CCWA has expertly and prudently managed the State Water Contract for 27 years and it will continue to do so as the contracting party for SWP water for Santa Barbara County.

I respectfully request that the Board of Supervisors approve, as soon as possible, assignment of the State Water Contract from the District to CCWA.

Sincerely,



Eric Friedman
Chair of the Board of Directors

Attachments:

- A: Assignment, Assumption and Release Agreement
- B: CCWA Responses to County Board of Supervisor Questions/Issues

cc: Karla Nemeth, Director, DWR
Spencer Kenner, DWR Chief Counsel
CCWA Member Agencies
Mona Miyasato, Chief Executive Officer, Santa Barbara County
Tom Fayram, Water Resources Deputy Director, Santa Barbara County
Michael Ghizzoni, County Counsel, Santa Barbara County
Johannah Hartley, Deputy County Counsel, Santa Barbara County,
Ray Stokes, Executive Director, Central Coast Water Authority
Stephanie Hastings, General Counsel, Brownstein Hyatt Farber Schreck

ATTACHMENT A

ASSIGNMENT, ASSUMPTION, AND RELEASE AGREEMENT
REGARDING STATE WATER SUPPLY CONTRACT
FOR SANTA BARBARA COUNTY

This **ASSIGNMENT, ASSUMPTION, AND RELEASE AGREEMENT** (the “**Agreement**”) is made by and between the Santa Barbara County Flood Control and Water Conservation District (the “**District**”), the Central Coast Water Authority (the “**Authority**”), and the California Department of Water Resources (the “**DWR**”) (each, a “**Party**” and collectively, the “**Parties**”), with reference to the following facts and intentions. This Agreement is effective as of _____, 2020, which is the last date of signature by all Parties hereto (the “**Effective Date**”).

RECITALS

A. As of February 23, 1963, the District entered into a Water Supply Contract with the DWR (the “**State Water Supply Contract**”) with respect to the delivery of 57,700 acre feet per year of water from the State Water Project to Santa Barbara County. Said quantity of water is set forth in “**Table A**” to the State Water Supply Contract and is therefore referred to as the “**Table A Allocation**.” As permitted by Article 45(e) of the State Water Supply Contract, the District elected to delay construction of the facilities that would be required to permit delivery of the Table A Allocation.

B. In 1981, the District and the DWR executed Amendment No. 9 to the State Water Supply Contract whereby the District agreed to reduce its Table A Allocation to 45,486 acre feet per year (“**Amended Table A Allocation**”). The balance of the Table A Allocation, which is 12,214 acre feet per year, is referred to as the “**Suspended Table A Allocation**.”

C. On various dates between 1985 and 1988, the District entered into a series of agreements, each called a “**Water Supply Retention Agreement**,” with various cities, water districts, and other retailers and end users of water (the “**Participant(s)**”). Under each Water Supply Retention Agreement, the District assigned a specified portion of the Amended Table A Allocation to the Participant.

D. In August 1991, the Authority was formed by eight public agencies (“**Members**”), each of whom was a Participant. The Authority entered into a series of agreements, each called a “**Water Supply Agreement**,” with each Member and several additional Participants. Each of the Water Supply Agreements included a provision that the rights held by each Participant under its Water Supply Retention Agreement with the District was assigned to the Authority, in return for the delivery of that water by the Authority to the Participant. Each of the remaining Participants elected not to participate further and assigned its respective rights under its Water Supply Retention Agreement with the District to the Authority.

E. On November 12, 1991, the Authority and the District entered into a “**Transfer of Financial Responsibility Agreement**” under which the Authority agreed, *inter alia*, to accept responsibility for all financial obligations of the District under the State Water Supply Contract.

F. In August 1997, the Authority completed construction and permanently fixed the size and delivery capability of the transportation and treatment system by which water under the State Water Supply Contract would be delivered to those Participants having entered into Water Supply Agreements with the Authority.

G. In August 1997, the first delivery of water to Santa Barbara County pursuant to the State Water Supply Contract was made.

H. Since the formation of the Authority and in connection with the Authority’s ownership and operation of the transportation and treatment system connecting the State Water Project to Santa Barbara County, it has been the intention of the Authority and the District that the Authority receive all rights, and assume all of the District’s obligations, under the State Water Supply Contract, and that the District be released from all such obligations. The Parties desire to enter into this Agreement to effectuate such assignment, assumption, and release.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into the operative provisions of this Agreement by this reference, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **Assignment.** Effective as of the Effective Date of this Agreement, the District does hereby assign, transfer, and set over to the Authority, without recourse and without representation or warranty of any kind, all of the District’s rights, title, and interest in, to, and under the State Water Supply Contract (including, but not limited to, the District’s rights to delivery of the Table A Allocation, inclusive of the Suspended Table A Allocation), along with all liabilities and obligations of the District arising from or under the State Water Supply Contract. This assignment is absolute and presently effective.

2. **Assumption.** Effective as of the Effective Date of this Agreement, the Authority accepts such assignment without recourse and without representation or warranty of any kind, and assumes all of the District’s liabilities and obligations arising from or under the State Water Supply Contract, including any and all obligations to make payments, indemnifications or reimbursements thereunder, and agrees to be bound by and to keep, perform and observe the terms, covenants and conditions of the District under the State Water Supply Contract. The Authority agrees to be bound by said State Water Supply Contract to the same extent as if it had been an original party to said instrument and accepts and agrees to perform all of the District’s obligations therein.

3. **Authority Indemnification and Release.** The Authority hereby releases and forever acquits, discharges and holds harmless and shall indemnify the District from and against any and all liabilities (at law or in equity), obligations, liens, claims, orders, rulings, losses, damages, assessments, fines, penalties, injuries, demands, actions, judgments, suits, costs, expenses, or disbursements of any kind (including attorneys' fees and costs) which may at any time on or after the Effective Date be imposed on, incurred by, or asserted against the District by any third party, based on, resulting from, in any way relating to, in connection with, or arising out of the State Water Supply Contract, except to the extent caused by the District's gross negligence or willful misconduct.

4. **DWR Consent and Release.** DWR hereby consents to the assignment, transfer, and assumption described herein, and releases the District from all liabilities and obligations arising from or under the State Water Supply Contract. DWR shall hold the Authority responsible for all liabilities and obligations of the District arising from or under the State Water Supply Contract to the same extent as if the Authority had been an original party to said instrument.

5. **Right of First Refusal Regarding Permanent Out-Of-County Sale.** If at any time following the Effective Date of this Agreement, a Participant proposes to sell or otherwise dispose of all or any portion of its Project Allotment (as that term is defined in the Participant's Water Supply Agreement), such that such Project Allotment ("**Sale Allotment**") will no longer be delivered to end users within the County of Santa Barbara County ("**Permanent Out-of-County Sale**"), the Authority's approval of such Permanent Out-of-County Sale as required by the Participant's Water Supply Agreement shall be subject to a right of first refusal by the District to take delivery of such Sale Allotment on the same terms and conditions ("**District's Right of First Refusal**"). For clarity, the District's Right of First Refusal shall be secondary and subordinate to the right of first refusal held by each Participant pursuant to the provision of each Participant's Water Supply Agreement that provides for the "Sale or Other Disposition of Project Allotment."

6. **Reimbursement.**

a. **Reacquisition of Suspended Table A Allocation.** If at any time following the Effective Date of this Agreement, the Authority reacquires the Suspended Table A Allocation, the Authority shall reimburse the District for an amount equivalent to the amount the District otherwise would have been entitled to pursuant to Article 45(j) of the State Water Supply Contract. If the Authority elects to reacquire only a portion of the Suspended Table A Allocation, then the reimbursement shall be for a corresponding proportionate share of the overpayment, as provided in Article 45(j). Subject to all laws, including but not limited to the California Environmental Quality Act, the Authority shall make all reasonable best efforts to consider and analyze reacquisition of the Suspended Table A Allocation within a reasonable period of time following the Effective Date. If at any time following the Effective Date of this Agreement, the Authority elects not to purchase all or a portion of the Suspended Table A Allocation (the Suspended Table A Allocation not reacquired being the "**Excess Table A**

Allocation”), and DWR reimburses the Authority for all or a portion of the overpayment attributable to the Excess Table A Allocation pursuant to Article 45(j), the Authority shall deliver such reimbursement to the District.

b. **Permanent Out-of-County Sale.** If at any time following the Effective Date of this Agreement, a Permanent Out-of-County Sale is completed, the Authority shall reimburse the District in an amount equivalent to the portion of the actual Transportation Capital Costs, Transportation Minimum OMP&R and the Delta Water Charges, as those terms are defined in the State Water Supply Contract, that bears the same ratio as the Sale Allotment bears to the Table A Allocation for the period in which the District was fully responsible for the State Water Supply Contract. As determined in the calendar year 2019 DWR Statement of Charges, the actual costs paid by the District for the calendar year 1964 to the year 1985 total \$8,922,919, as set forth in the schedule attached as **Exhibit A** to this Agreement, which is incorporated by this reference.

7. **Governing Law and Jurisdiction.** The validity and interpretation of this Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

8. **Waiver.** Any waiver or failure to declare a breach as a result of the violation of any term or condition of this Agreement shall not constitute a waiver of that term or condition and shall not provide the basis for a claim of estoppel or waiver by any Party to that term or condition.

9. **Counterparts.** The Parties may execute this Agreement in counterpart. The Parties agree to accept facsimile or PDF signatures as original signatures.

10. **Authorization.** Each signatory represents and warrants that he or she has the appropriate authorization to enter into this Agreement on behalf of the Party for whom he or she signs.

11. **Other Agreements and Term Sheet.**

a. **Transfer of Financial Responsibility Agreement.** Upon the Effective Date of this Agreement, the Transfer of Financial Responsibility Agreement shall automatically terminate and this Agreement shall supersede all provisions of the Transfer of Financial Responsibility Agreement.

b. **Water Supply Retention Agreements.**

(i) **Assignment and Assumption.** Effective as of the Effective Date of this Agreement, the District does hereby assign, transfer, and set over to the Authority, without recourse and without representation or warranty of any kind, all of the District’s rights, title, and interest in, to and under all the existing Water Supply Retention

Agreements, along with all liabilities and obligations of the District arising from or under the Water Supply Retention Agreements. The Authority accepts such assignment without recourse and without representation or warranty of any kind, and assumes all of the District's liabilities and obligations arising from or under the Water Supply Retention Agreements, including any and all obligations to make payments, indemnifications, or reimbursements thereunder, and agrees to be bound by and to keep, perform, and observe the terms, covenants, and conditions of the District under the Water Supply Retention Agreements. The Authority agrees to be bound by the Water Supply Retention Agreements to the same extent as if it had been an original party to said instruments and accepts and agrees to perform all of the District's obligations therein.

(ii) **Release and Indemnification.** The Authority hereby releases and forever acquits, discharges, and holds harmless and shall indemnify the District from and against any and all liabilities (at law or in equity), obligations, liens, claims, orders, rulings, losses, damages, assessments, fines, penalties, injuries, demands, actions, judgments, suits, costs, expenses, or disbursements of any kind (including attorneys' fees and costs), which may at any time on or after the Effective Date be imposed on, incurred by or asserted against the District by any third party, based on, resulting from, in any way relating to, in connection with, or arising out of the Water Supply Retention Agreements, except to the extent caused by the District's gross negligence or willful misconduct.

c. **Term Sheet Regarding Reacquisition of Table A Water.** Upon the Effective Date of this Agreement, the Term Sheet Regarding Reacquisition of Table A Water approved by the District on or about December 13, 2016 ("**Term Sheet**") shall automatically terminate and this Agreement shall supersede all provisions of the Term Sheet.

12. **Notices.** All communications or notices in connection with this Agreement shall be in writing and either hand-delivered or sent by U.S. first class mail, postage prepaid, or electronic mail followed by written notice sent by U.S. mail and addressed to the Parties as follows:

Santa Barbara County Flood Control and Water Conservation District
Fray Crease, Water Agency Manager
130 East Victoria Street, Suite 200
Santa Barbara, CA 93101-2019
Tel: (805) 568-3542
fcrease@cosbpw.net

Central Coast Water Authority
Ray Stokes, Executive Director
255 Industrial Way
Buellton, CA 93427-9565
Tel: (805) 697-5214
ras@ccwa.com

13. **Construction and Interpretation.** The Parties agree and acknowledge that the terms of this Agreement have been negotiated by the Parties and the language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent. The Agreement shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument to be drafted, or in favor of the party receiving a particular benefit under this Agreement.

14. **Entire Agreement and Amendment.** This Agreement is the entire understanding of the Parties in respect of the subject matter hereof. There are no other promises, representations, agreements or warranties by any of the Parties. This Agreement may only be amended by a writing signed by all of the Parties. Each Party waives its right to assert that this Agreement was affected by oral agreement, course of conduct, waiver or estoppel.

– Signatures Follow on Next Page –

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the Effective Date.

**SANTA BARBARA COUNTY FLOOD
CONTROL AND WATER
CONSERVATION DISTRICT**

APPROVED AS TO FORM:

By: _____
Fray Crease, Water Agency Manager

By: _____
Michael C. Ghizzoni, County Counsel

Date: _____

CENTRAL COAST WATER AUTHORITY

APPROVED AS TO FORM:

By: _____
Ray Stokes, Executive Director

By: _____
Stephanie Osler Hastings
Brownstein Hyatt Farber Schreck, LLP

Date: _____

**CALIFORNIA DEPARTMENT OF WATER
RESOURCES**

APPROVED AS TO FORM:

By: _____
Karla Nemeth, Director

By: _____
Spencer Kenner, Chief Counsel

Date: _____

EXHIBIT A: Schedule of costs paid by District from 1964 to 1985

ATTACHMENT B

CCWA RESPONSES TO COUNTY BOARD OF SUPERVISOR QUESTIONS/ISSUES

I. Post-Assignment Liability

On numerous occasions, the Santa Barbara County Board of Supervisors (Board) has expressed interest in having the Santa Barbara County Flood Control and Water Conservation District (District), fully and finally relieved from all actual and potential liability for the State Water Contract. Since 1991, although CCWA has assumed full responsibility for all costs and liabilities of the State Water Contract, as the contracting party, the District, and thus the County of Santa Barbara, retains some residual liability in the event of a default by CCWA. During its February, 2019 meeting, the Board expressed concern about the potential that the proposed assignment would not fully relieve the County of all liability for the State Water Contract.

The proposed Assignment Agreement clearly/unambiguously provides for the full assignment of the State Water Contract from the District to CCWA and both CCWA and DWR's full release of the County from any continuing obligation. (See Assignment Agreement, ¶ 3.) CCWA staff has worked closely with the District's staff and County Counsel over the past two years to address any issues or concerns with respect to the proposed assignment. County Counsel has expressed no concern regarding the release provisions in the proposed Assignment Agreement. In short, with assignment of the State Water Contract to CCWA, the County will have no liability for it.

A. Reacquisition of Table A Project

Also at its February, 2019 meeting, the Board expressed interest in, and support for, CCWA's reacquisition of certain SWP Table A allocation previously relinquished by the District in 1981 with Amendment No. 9 to the State Water Contract.

CCWA, on behalf of one or more of its Members and other CCWA participants,¹ proposes to reacquire up to 12,214 acre-feet per year of additional SWP Table A allocation, thereby increasing the total Table A allocation pursuant to the State Water Contract from 45,486 AFY to 57,700 AFY (Reacquisition Project). The quantity of increased Table A supply that could be available for delivery to CCWA as a result of the Reacquisition Project is contingent upon capacity constraints of existing facilities and projected future decreases in the reliability of SWP Table A supply. If SWP reliability increases or remains the same as historical reliability, under the proposed project, more water would be available for delivery to CCWA as compared to the existing condition. If SWP reliability decreases as compared to historical reliability, the proposed project would serve to offset this decrease in whole or in part. Accordingly, the proposed project will provide an additional buffer against future droughts, among other benefits.

The proposed Reacquisition Project is well underway. On February 14, 2020, CCWA published its Notice of Publication of an EIR and on February 27, 2020, CCWA held a Scoping Meeting. The comment period on the Notice of Publication closed on March 16, 2020. CCWA staff anticipates presenting the Reacquisition Project and CEQA compliance document to the CCWA Board of Directors in late summer, 2019. If approved, the Reacquisition Project will require amendment of the State Water Contract.

B. CCWA Voting

Also at its February, 2019 meeting, the Board inquired about CCWA's weighted voting structure.

¹ To date, four Members have elected to participate: Carpinteria Valley Water District, Montecito Water District, City of Santa Maria, and Santa Ynez River Water Conservation District, Improvement District No. 1.

As provided in the Joint Exercise of Powers Agreement, CCWA Member voting is proportional based on each agency's share of CCWA's SWP allocation (Table A amount). All costs and liabilities of CCWA are allocated according to each participant's proportional share of the project allocation. Therefore, the City of Santa Maria, which holds the largest share of the project allocation, and thus the largest costs, holds the largest vote.

However, each Member's voting percentage is capped; it may not be increased in excess of the Member's original project allocation, as set forth in the Member's first Water Supply Agreement with CCWA. Therefore, even if a Member increases its allocation and share of CCWA's costs and liabilities, the Member's voting percentage will not increase. For example, the City of Santa Maria's voting percentage is 43.19%, yet its current share of the Members' total project allocation, is materially higher – 50.9 %. Even if the City of Santa Maria increases its allocation further, for example by participating in the Reacquisition Project, its voting percentage will remain capped at 43.19%, despite the fact that its share of the Members' total project allocation will be increased.

CCWA's weighted voting structure has worked without incident for more than twenty years. Since CCWA began water deliveries in 1997, nearly all CCWA Board votes have been unanimous. By way of example, the CCWA Board recently voted unanimously on both the Reacquisition Project and an earlier version of what is now referred to as the "Delta Conveyance" project, two of the most important projects facing CCWA. As noted above, in 2017, all eight Members – including the South Coast Members – voted unanimously in favor of Assignment.

CCWA's voting structure is unrelated to assignment. A Member may, at any time and without regard to whether the District or CCWA is the contracting party for the State Water Contract, propose amendment of the Joint Exercise of Powers Agreement creating CCWA to modify the weighted voting structure. To date, no Member has proposed such an amendment.

C. Out-of-County Sales of Table A

Following the Board's February 5, 2019 meeting, District staff raised concern that if the State Water Contract was assigned to CCWA, one or more Members may seek to sell all or a portion of their Table A allocation outside of the County without the County's consent. District staff expressed an interest in ensuring that the County of Santa Barbara retains the benefits of the SWP in-county.

On October 23, 2019, in response to District staff's stated concerns regarding potential out-of-county sales of Table A, the CCWA Board of Directors directed staff to revise the proposed Assignment Agreement to include an obligation by CCWA to condition any approval of a CCWA participant's proposal to permanently sell all or a portion of its Table A allocation to a party out of the County, as follows:

- In addition to offering the Table A proposed to be sold outside Santa Barbara County first to all CCWA participants, per the selling participant's Water Supply Agreement, the selling participant must also offer the Table A to be sold to the District on the same terms and conditions; and
- If the District declines to purchase the Table A proposed to be sold outside Santa Barbara County, and the sale is completed, the selling participant will reimburse the District for all amounts paid by the District to DWR during the period 1963 to 1991 that were associated with the increment of water to be sold (per acre-foot).

CCWA staff revised the proposed Assignment Agreement as directed by the CCWA Board of Directors. (See Assignment Agreement, ¶¶ 5 and 6(b).)



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

April 23, 2020

TO: CCWA Board of Directors

FROM: Lisa M. Long
Controller

SUBJECT: CCWA Financial Statement Independent Auditor Selection

Background

Central Coast Water Authority produces a Comprehensive Annual Financial Report (CAFR) each year which is audited by an independent auditing firm. Since 1998, the CPA firm, Nasif, Hicks, Harris & Co. LLP has been the auditor for Central Coast Water Authority. Due to changes in the Government code requiring a change in audit firms under certain conditions, on January 2, 2020 CCWA issued a Request for Proposal for Professional Auditing Services for the Years ending June 30, 2020, 2021, and 2022, with the option to extend for two additional years for the years ending June 30, 2023 and 2024. Three proposals were received, reviewed and scored by Staff. The purpose of this report is to request CCWA Board approval of the staff recommended auditing firm.

Discussion

CCWA was required to seek a new auditing firm due to Section 12410.6 (b) of the Government code which states, "Commencing with the 2013–14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013–14 fiscal year. The Controller may waive this requirement if he or she finds that another eligible public accounting firm is not available to perform the audit."

CCWA staff prepared and sent a Request for Proposal (RFP) for Professional Auditing Services to five firms in Santa Barbara and San Luis Obispo Counties and received three responses.

Based on Staff's review and discussion, Glen Burdette Attest Corporation, CPA's in Santa Maria was determined to be the best firm for performing the annual audit of CCWA's financial statements. Glen Burdette has a well-qualified professional staff, a thorough audit approach, and ample experience auditing the financial statements of many other public agencies. Their proposal includes a total all-inclusive maximum price for FY 2019/20 of \$24,000 with 2.5% increases for each of the next 4 years. They will assign a staff of 5 to the CCWA audit and are estimating 161 hours including associated interim and year-end field work.

Financial Considerations

The budgeted amount in the preliminary budget for FY 2020/21 for the annual financial audit is currently \$30,000, therefore the proposal from Glen Burdette falls within budgeted funds pending approval of the final budget by the CCWA Board of Directors at the April 2020 Board Meeting.

Recommendation

That the Board:

- Authorize the Executive Director to engage Glen Burdette Attest Corporation to perform the Annual audit of the financial statements for Fiscal Years ending June 30, 2020, 2021, and 2022, with the option to extend for two additional years for the years ending June 30, 2023 and 2024.



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

April 23, 2020

TO: CCWA Board of Directors

FROM: Lisa M Long
Controller

SUBJECT: CCWA Adoption of Final FY 2020/21 Budget

SUMMARY

Due to cancellation of the March 26, 2020 meeting under the COVID-19 restrictions, the Preliminary FY 2020/21 Budget was provided to the CCWA Board of Directors via regular mailing on March 19, 2020, with a request for comments prior to April 1, 2020. This report will highlight the proposed changes to the FY 2020/21 Preliminary Budget and request that the Board approve the proposed final budget.

DISCUSSION

The following changes are presented for the Board's consideration and inclusion in the final FY 2020/21 Budget. The proposed final FY 2020/21 Budget is \$71,090,383 or \$945,934 less than the Preliminary FY 2020/21 Budget as described below and \$3,107,591 less than the final FY 2019/20 Budget.

- Decrease of \$373,532 in Chemical costs due to the results of the bid opening on April 14, 2020.
- Decrease of \$576,150 in DWR Transportation Capital Fixed costs related to anticipated credits to be provided by DWR.
- Increase of \$3,749 in Computer expenses for software and computers for the Administration Department.

Proposed Final FY 2020/21 Budget

The following table shows a summary of the proposed final FY 2020/21 Budget and a comparison to the prior year budget.

Budget Item	Final FY 2019/20 Budget	Proposed Final FY 2020/2021 Budget	Increase (Decrease)
CCWA Expenses			
CCWA Operating Expenses - Fixed	\$ 7,329,248	\$ 7,467,814	\$ 138,566
CCWA Operating Expenses - Variable	3,259,787	2,618,077	(641,711)
Revenue Bond Debt Service Payments	10,310,248	10,274,767	(35,480)
Capital/Non-Capital Projects	1,719,206	1,956,528	237,322
Total CCWA Expenses:	22,618,490	22,317,186	(301,304)
Pass-Through Expenses			
DWR Fixed Costs	46,608,277	43,237,081	(3,371,196)
DWR Variable Costs	4,747,722	5,449,707	701,985
Warren Act and Trust Fund Payments	710,152	538,969	(171,183)
Total Pass-Through Expenses:	52,066,151	49,225,756	(2,840,395)
Subtotal Gross Budget:	74,684,641	71,542,943	(3,141,698)
CCWA (Credits) Due	(486,666)	(452,559)	34,107
TOTAL:	\$ 74,197,974	\$ 71,090,383	\$ (3,107,591)

As the table above shows, the proposed final FY 2020/21 gross budget (before CCWA credits) is about \$3.1 million less than the prior year budget. The decrease is primarily attributed to the \$3.3 million decrease in DWR Fixed costs due to the change in the Transportation Minimum OMP&R costs for prior years. There is a \$.7 million increase in the estimated DWR variable costs over prior fiscal year. The decrease in CCWA Variable costs is directly related to the reduced cost of chemicals. There is also an increase of \$0.2 million for Capital/Non-Capital projects most of which are for maintaining CCWA's aging facilities.

The attached FY 2020/21 Proposed Final Budget in Brief document will provide a full overview of the proposed final budget and changes when compared to the FY 2019/20 Budget. Additionally, the attached FY 2020/21 Total Expenditures Summary provides each project participant a summary of the total expenditures by component for their agency.

Ten-Year Financial Plan Projections

The Ten-Year Financial Plan Projections for each project participant will be updated based on the Board approved Final FY 2020/21 Budget and posted on the CCWA web server in each participant's folder. These projections are estimates only, and are intended to provide a basis for anticipated future costs associated with the large DWR capital expenditures.

Approval to Obtain Bids for Projects Included in the Budget

In conjunction with the requested approval of the FY 2020/21 Budget, staff is also requesting approval to obtain bids for those projects included in the budget which require a formal bidding process. As always, CCWA staff will present the results of the bids for each project to the Board for final acceptance and approval.

RECOMMENDATION

That the Board approve the Final FY 2020/21 Budget as outlined in this report and that CCWA staff be authorized to obtain bids for those projects included in the FY 2020/21 Budget which require formal bids.

Attachments

LML



Central Coast Water Authority FY 2020/21 Proposed Final Budget in Brief

FY 2020/21 BUDGET SUMMARY

	FY 2019/20	FY 2020/21	Increase
	Budget	Budget	(Decrease)
CCWA Operating Expenses	\$ 10,589,034	\$ 10,085,891	\$ (503,144)
DWR Fixed and Variable Costs	51,355,999	48,686,788	(2,669,211)
Capital Improvement & Non Capital Projects	1,719,206	1,956,528	237,322
Warren Act Charges	710,152	538,969	(171,183)
Debt Service Payments	10,310,248	10,274,767	(35,480)
Subtotal	74,684,639	71,542,943	(3,141,697)
CCWA Credits	(486,666)	(452,559)	34,107
TOTAL :	\$ 74,197,973	\$ 71,090,383	\$ (3,107,590)

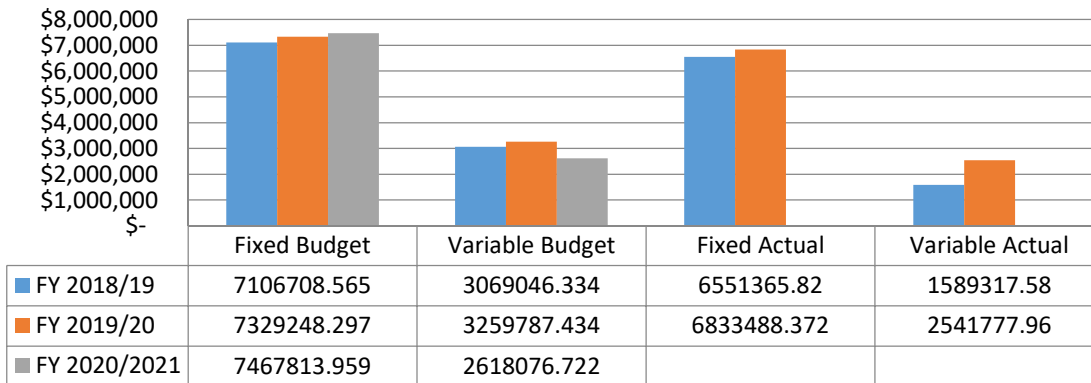
\$3.1 million decrease in the gross budget, excluding CCWA credits

CCWA OPERATING EXPENSES

	FY 2019/20	FY 2020/21	Increase
	Budget	Budget	(Decrease)
Personnel	\$ 5,201,852	\$ 5,221,432	\$ 19,580
Office Expenses	20,500	21,300	800
Supplies & Equipment	2,297,803	1,845,711	(452,091)
Monitoring Expenses	105,604	106,215	611
Repairs & Maintenance	285,620	293,760	8,140
Professional Services	432,843	493,223	60,380
General & Administrative	309,710	322,412	12,702
Utilities	1,331,312	1,143,895	(187,417)
Other Expenses	603,791	637,942	34,151
Total Operating Expense	\$ 10,589,034	\$ 10,085,891	\$ (503,144)

Total operating expense decrease of \$0.5 million inclusive of the following factors: \$20k increase in personnel; \$60k increase in professional services related to legal services for the SWP Contract Assignment and Reacquisition of Suspended Table A Water; G&A is higher by \$12k for increased dues and training; \$34k increase in other expenses due to anticipated increase in insurance costs; \$452k decrease in Supplies and Equipment related to reduced chemical costs. and \$187k in reduced Utilities due to reduced pumping.

Operating Expenses Fixed and Variable Expenses



DWR FIXED AND VARIABLE CHARGES

DWR Fixed cost decrease of \$3.3 million due to reduced Transportation Minimum and Transportation Capital costs and Water System Revenue Bond costs, combined with a \$1.6 million increase in all other DWR Fixed charges

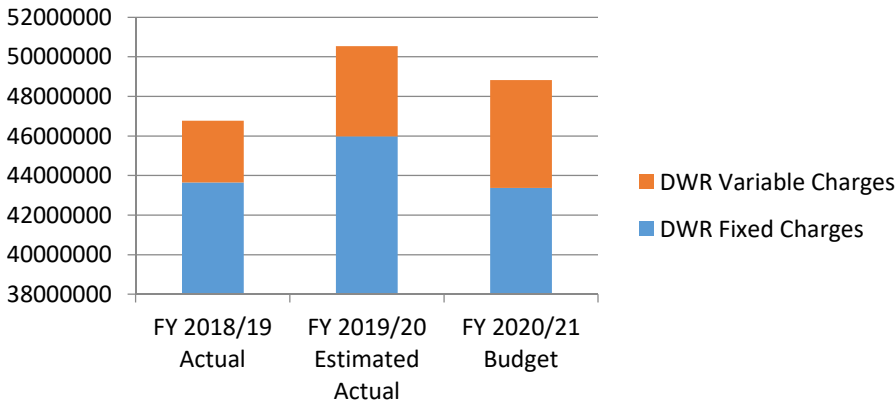
DWR Variable cost increase of \$0.7 million over FY 2019/20 is due to an increase in the estimated Variable OMP&R costs for calendar year 2020.

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

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

	FY 2019/20 Budget	FY 2020/21 Budget	Increase (Decrease)
	\$ 19,478,510	\$ 19,343,843	\$ (134,667)
	1,754,152	2,632,194	878,042
	19,703,881	16,099,347	(3,604,534)
	2,513,296	1,227,790	(1,285,506)
	3,275,866	4,062,438	786,572
	46,725,705	43,365,611	(3,360,094)
	17,398	70,544	53,146
	4,730,324	5,379,162	648,838
	4,747,722	5,449,707	701,985
	(117,428)	(128,530)	(11,102)
	\$ 51,355,999	\$ 48,686,788	\$ (2,669,211)

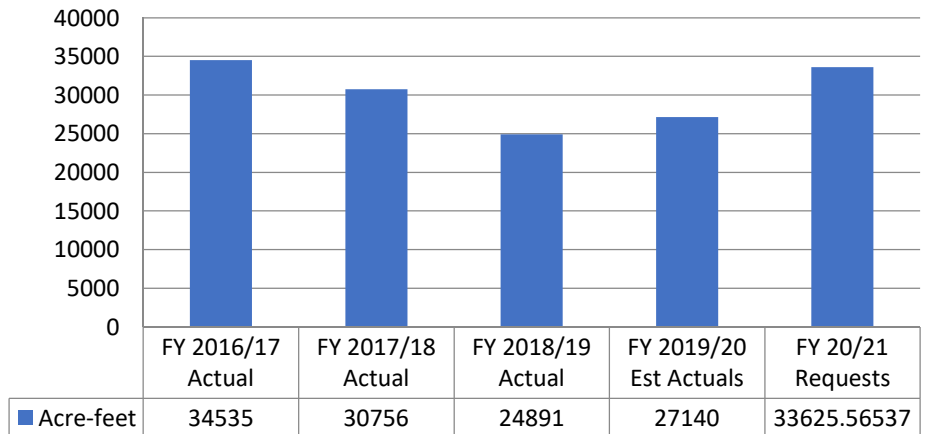
DWR Fixed and Variable Charges



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

DWR Delivery Allocation Percentage	
Calendar Year	Percentage
2010	50%
2011	80%
2012	65%
2013	60%
2014	5%
2015	20%
2016	60%
2017	85%
2018	35%
2019	75%

Water Deliveries and Requests

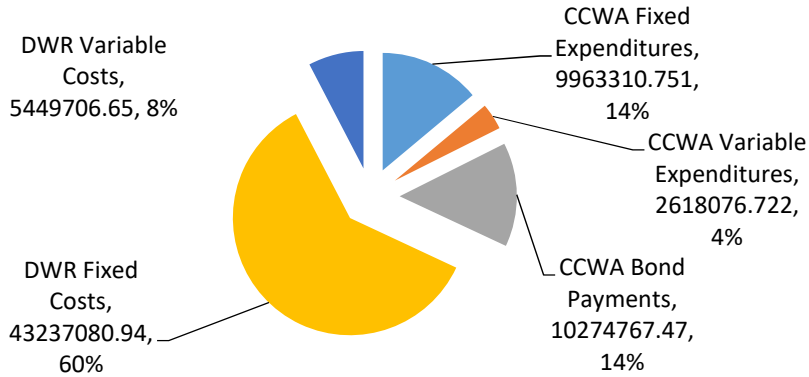


OTHER EXPENDITURES

	FY 2019/20 Budget	FY 2020/21 Budget	Increase (Decrease)
Debt Service Payments	\$ 10,310,248	\$ 10,274,767	\$ (35,480)
Capital Improvement & Non-Capital Projects	1,719,206	1,956,528	237,322
Warren Act Charges	710,152	538,969	(171,183)
Total Other Expenditures	\$ 12,739,606	\$ 12,770,264	\$ 30,658

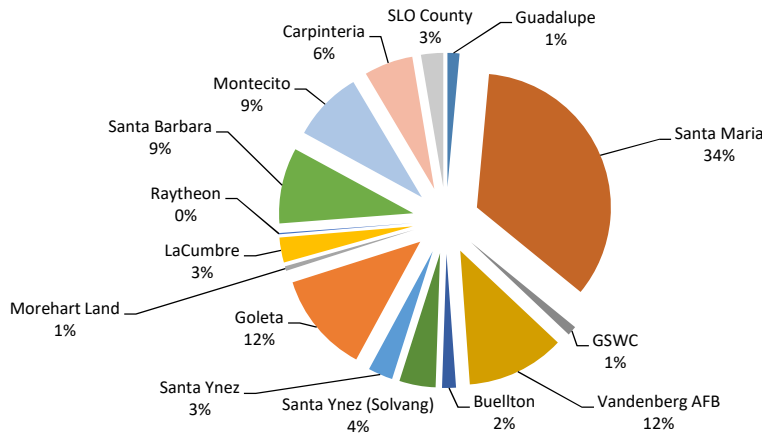
\$0.04 million decrease in debt service payments; \$0.2 million increase in Capital & Non-Capital Projects; \$0.17 million decrease in Warren Act

FY 2020/21 Budget Components



82% of the CCWA Budget is outside of the direct control of CCWA. DWR costs comprise 68% of the total CCWA Budget with another 14% representing the CCWA revenue bond debt service payments

FY 2020/21 Percent of Total Payments by Project Participant



FY 2020/21 Variable Cost Per Acre-Foot

Table A Water

North Santa Barbara County	\$ 267.02
South Santa Barbara County	\$ 358.61

Santa Ynez Exchange Water

Santa Ynez ID#1	\$ 226.32
South Coast Exchange Participants	\$ 196.68

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

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2020/2021 Budget

Project Participant	Unadjusted Fixed CCWA Operating Expense ⁽¹⁾	Unadjusted Variable CCWA Operating Expense	Exchange Agreement Adjustment Cap. & Fixed	Exchange Agreement Adjustment Variable	Regional WTP Allocation	Regional WTP Allocation Credit	Adjusted Charge	Warren Act Charges	2016A Revenue Bond Debt Service	Subtotal FY 2020/2021 CCWA	Non-Annual Recurring Expenses	CCWA (Credits) Amount Due	Total FY 2020/2021 CCWA
Guadalupe	\$ 99,191	\$ 31,968	\$ -	\$ -	\$ 36,966	\$ -	\$ 168,126	\$ -	\$ 146,303	\$ 314,429	\$ -	\$ -	\$ 314,429
Santa Maria	2,889,245	643,452	-	-	\$996,641	-	4,529,338	-	-	4,529,338	-	-	4,529,338
Golden State Water	93,423	26,972	-	-	\$32,959	-	153,354	-	-	153,354	-	-	153,354
Vandenberg AFB	1,094,122	128,142	-	-	\$310,445	-	1,532,709	-	-	1,532,709	-	-	1,532,709
Buellton	133,542	21,438	-	-	\$35,089	-	190,069	-	259,139	449,209	-	-	449,209
Santa Ynez (Solvang)	342,399	47,711	-	-	\$88,612	-	478,722	-	796,458	1,275,181	-	-	1,275,181
Santa Ynez	114,999	76,241	448,919	139,748	\$219,473	-	999,379	-	299,113	1,298,491	-	(10,295)	1,288,196
Goleta	1,334,163	240,720	(161,376)	(50,236)	\$197,978	(\$687,860)	873,389	78,328	2,510,356	3,462,073	-	(163,927)	3,298,146
Morehart Land	59,296	6,911	-	-	\$10,662	(\$37,152)	39,718	2,842	115,257	157,817	-	-	157,817
La Cumbre	296,481	114,954	-	-	\$62,779	(\$216,383)	257,831	47,270	551,791	856,891	-	-	856,891
Raytheon	14,824	4,514	-	-	\$2,994	(\$10,349)	11,982	1,856	24,094	37,932	-	-	37,932
Santa Barbara	889,442	408,706	(107,872)	(33,580)	\$161,125	(\$552,806)	765,015	154,254	1,543,194	2,462,463	-	-	2,462,463
Montecito	889,442	408,706	(107,872)	(33,580)	\$161,125	(\$552,806)	765,015	154,254	1,813,398	2,732,667	-	(123,610)	2,609,057
Carpinteria	592,961	265,938	(71,799)	(22,351)	\$106,685	(\$366,178)	505,256	100,164	1,036,774	1,642,195	-	(79,920)	1,562,274
Shandon	14,333	-	-	-	-	-	14,333	-	11,642	25,975	-	-	25,975
Chorro Valley	273,076	119,707	-	-	-	-	392,783	-	927,433	1,320,216	-	(34,889)	1,285,327
Lopez	293,404	71,996	-	-	-	-	365,400	-	239,815	605,215	-	(39,919)	565,296
TOTAL:	\$ 9,424,342	\$ 2,618,077	\$ (0)	\$ 0	\$ 2,423,534	\$ (2,423,534)	\$ 12,042,419	\$ 538,969	\$ 10,274,767	\$ 22,856,155	\$ -	\$ (452,559)	\$ 22,403,596

(1) Includes Capital and Non-Capital Projects.

Project Participant	DWR FIXED CHARGES							DWR VARIABLE CHARGES					TOTAL DWR and CCWA
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable	DWR Interest Income	Total DWR Charges	
Guadalupe	\$ 272,735	\$ -	\$ -	\$ 224,221	\$ 20,076	\$ 54,031	\$ 571,063	\$ 1,557	\$ 137,937	\$ 139,495	\$ -	\$ 710,558	\$ 1,024,987
Santa Maria	8,006,141	573,748	-	6,611,239	591,336	1,591,640	17,374,105	30,004	2,548,693	2,578,697	-	19,952,802	24,482,141
Golden State Water	247,591	17,708	-	204,283	18,251	49,149	536,982	1,355	123,222	124,576	-	661,558	814,912
Vandenberg AFB	2,717,718	194,791	319,413	2,245,129	200,762	540,310	6,218,124	5,927	659,415	665,342	-	6,883,466	8,416,174
Buellton	286,277	20,471	33,567	236,521	21,098	56,861	654,795	1,073	90,225	91,298	-	746,093	1,195,302
Santa Ynez (Solvang)	733,065	53,125	87,113	599,160	52,087	134,043	1,658,593	2,170	172,368	174,539	-	1,833,132	3,108,313
Santa Ynez	255,371	17,708	29,038	217,968	8,745	62,554	591,384	2,142	247,713	249,856	(7,293)	833,947	2,122,143
Goleta	2,222,911	159,375	261,338	1,837,526	47,506	444,049	4,972,704	-	-	-	(56,778)	4,915,926	8,214,072
Morehart Land	98,651	7,083	11,615	81,535	7,300	19,527	225,712	107	12,024	12,132	-	237,843	395,661
La Cumbre	493,255	35,417	58,075	408,565	36,502	98,298	1,130,112	2,435	158,198	160,633	-	1,290,746	2,147,637
Raytheon	25,144	1,771	2,904	21,020	1,825	4,882	57,546	99	7,615	7,714	-	65,260	103,192
Santa Barbara	1,481,691	106,250	174,225	1,223,717	109,507	294,564	3,389,954	9,469	637,559	647,029	-	4,036,983	6,499,446
Montecito	1,481,691	106,250	174,225	1,223,717	42,454	294,564	3,322,901	8,480	151,241	159,720	(40,786)	3,441,835	6,050,892
Carpinteria	988,436	70,833	116,150	817,128	29,259	196,597	2,218,404	5,726	432,950	438,676	(23,673)	2,633,406	4,195,681
Goleta 2500 AF	33,166	-	-	147,616	41,081	221,369	443,232	-	-	-	-	443,232	443,232
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	25,975
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	1,285,327
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	565,296
TOTAL:	\$ 19,343,843	\$ 1,364,529	\$ 1,267,665	\$ 16,099,347	\$ 1,227,790	\$ 4,062,438	\$ 43,365,611	\$ 70,544	\$ 5,379,162	\$ 5,449,707	\$ (128,530)	\$ 48,686,788	\$ 71,090,383

Central Coast Water Authority
ALL PROJECT PARTICIPANTS
 State Water Cost Ten-Year Projections
 Fiscal Year 2020/21 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
Table A Water Deliveries-1st Quarter	8,098	8,157	8,157	8,157	8,157	8,157	8,157	8,157	8,157	8,157
Table A Water Deliveries-2nd Quarter	7,296	7,375	7,375	7,375	7,375	7,375	7,375	7,375	7,375	7,375
Table A Water Deliveries-3rd Quarter	7,445	7,445	7,445	7,445	7,445	7,445	7,445	7,445	7,445	7,445
Table A Water Deliveries-4th Quarter	8,186	8,186	8,186	8,186	8,186	8,186	8,186	8,186	8,186	8,186
Total FY Table A Deliveries (acre-feet)	31,025	31,163	31,163	31,163	31,163	31,163	31,163	31,163	31,163	31,163

Exchange Deliveries-1st Quarter	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405
Exchange Deliveries-2nd Quarter	215	215	215	215	215	215	215	215	215	215
Exchange Deliveries-3rd Quarter	75	75	75	75	75	75	75	75	75	75
Exchange Deliveries-4th Quarter	906	906	906	906	906	906	906	906	906	906
Total FY Exchange Deliveries (acre-feet)	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601

CCWA Variable Cost per AF Assumptions	\$ 104	\$ 109	\$ 115	\$ 120	\$ 126	\$ 133	\$ 139	\$ 146	\$ 154	\$ 161
DWR Variable Cost per AF Assumptions	\$ 197	\$ 207	\$ 217	\$ 228	\$ 239	\$ 251	\$ 264	\$ 277	\$ 291	\$ 305

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 9,424,342	\$ 9,707,072	\$ 9,998,284	\$ 10,298,233	\$ 10,607,180	\$ 10,925,395	\$ 11,253,157	\$ 11,590,752	\$ 11,938,474	\$ 12,296,629
CCWA Variable O&M Costs ⁽⁵⁾	2,618,077	2,756,766	2,894,604	3,039,334	3,191,301	3,350,866	3,518,409	3,694,330	3,879,046	4,072,999
CCWA Revenue Bond Payments ⁽⁹⁾	9,822,208	10,300,125	10,287,375	-	-	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	538,969	538,969	538,969	538,969	538,969	538,969	538,969	538,969	538,969	538,969
Subtotal: CCWA Costs	22,403,596	23,302,932	23,719,232	13,876,536	14,337,450	14,815,230	15,310,535	15,824,051	16,356,490	16,908,596

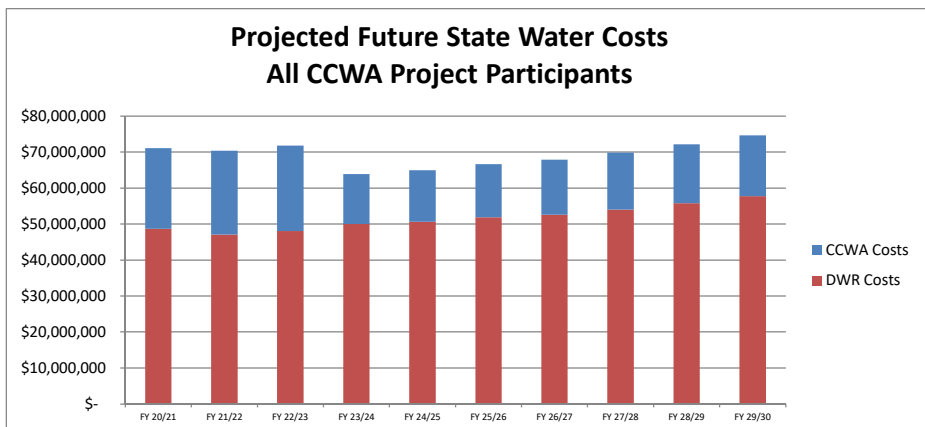
DWR Costs ⁽⁷⁾										
Transportation Capital	19,343,843	19,444,267	19,617,394	19,876,117	20,027,048	20,030,321	20,033,374	20,036,904	20,037,504	20,024,022
Coastal Branch Extension	2,632,194	2,705,574	2,756,815	3,332,980	2,425,595	2,475,219	2,023,843	2,118,328	2,122,167	3,013,217
Water System Revenue Bond Surcharge	1,227,790	2,608,446	2,270,501	2,219,349	2,373,340	2,214,298	2,074,820	1,979,706	2,241,662	1,685,485
Transportation Minimum OMP&R	16,099,347	11,837,666	12,429,550	13,051,027	13,703,579	14,388,757	15,108,195	15,863,605	16,656,785	17,489,625
Delta Water Charge	4,062,438	4,236,012	4,454,760	4,684,446	4,925,617	5,178,845	5,444,736	5,723,921	6,017,065	6,324,866
DWR Variable Costs ⁽⁵⁾	5,321,176	6,207,309	6,517,674	6,843,558	7,185,736	7,545,022	7,922,273	8,318,387	8,734,306	9,171,022
Subtotal: DWR Costs	\$ 48,686,788	\$ 47,039,273	\$ 48,046,695	\$ 50,007,477	\$ 50,640,913	\$ 51,832,463	\$ 52,607,241	\$ 54,040,851	\$ 55,809,490	\$ 57,708,236

Total Projected State Water Costs	\$ 71,090,383	\$ 70,342,205	\$ 71,765,927	\$ 63,884,013	\$ 64,978,363	\$ 66,647,693	\$ 67,917,776	\$ 69,864,901	\$ 72,165,979	\$ 74,616,832
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Projected Payments by Due Date										
June 1st Fixed Payment ⁽³⁾	\$ 62,483,631	\$ 60,839,162	\$ 61,814,680	\$ 53,462,152	\$ 54,062,358	\$ 55,212,836	\$ 55,938,125	\$ 57,313,216	\$ 59,013,658	\$ 60,833,843
April 1st Variable Payment ⁽⁴⁾	#DIV/0!	2,711,555	2,840,856	2,976,622	3,119,176	3,268,857	3,426,023	3,591,047	3,764,323	3,946,262
July 1st Variable Payment	#DIV/0!	2,081,639	2,179,840	2,282,952	2,391,220	2,504,900	2,624,265	2,749,598	2,881,198	3,019,378
October 1st Variable Payment	#DIV/0!	2,117,497	2,215,687	2,318,788	2,427,044	2,540,712	2,660,064	2,785,383	2,916,968	3,055,133
January 1st Variable Payment	#DIV/0!	2,592,353	2,714,863	2,843,499	2,978,566	3,120,387	3,269,300	3,425,657	3,589,833	3,762,217

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a change in Fixed Costs reflected in fiscal years 2022/23 thru 2029/30 due to the payoff of CCWA Revenue Bond Debt, thereby changing the Retirement Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e. the FY 2020/21 fixed payment is paid on June 1, 2020).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) CCWA variable O&M, DWR variable and DWR Transportation Minimum costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retirement charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2019 Statement of Charges dated July 1, 2019.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule.





CENTRAL COAST WATER AUTHORITY

MEMORANDUM

April 14, 2020

TO: CCWA Board of Directors

FROM: Ray A. Stokes
Executive Director 

SUBJECT: Revised Payment Schedule for FY 2020/21 DWR Fixed Costs

DISCUSSION

As a result of the restrictions imposed for social distancing as part of the COVID-19 pandemic response, some CCWA project participants are experiencing significant decreases in revenues associated with lower water usage. As a result, they have asked if there is anything CCWA could do to help alleviate some of the pressure associated with the upcoming June 1, 2020 fixed payment for FY 2020/21.

In response to the project participant requests, CCWA requested DWR to accelerate certain credits that are due to CCWA and the other 28 State Water Project Contractors. DWR has been holding these credits pending the final completion of a project DWR started over 10 years ago to fully reconcile all capital projects and bond debt service allocation. DWR is close to completing this project.

One of the credits DWR has been holding is interest earnings on the bond debt service reserve fund. DWR has agreed to release a portion of these bond reserve interest earnings, of which CCWA's share is approximately \$576,000. This credit has been included in the FY 2020/21 budget as a reduction of the DWR charges.

In addition to requesting additional credits from DWR, staff contacted CCWA Bond Counsel, Doug Brown to explore other options available to possibly revise the payment schedule for some of the DWR fixed costs.

The Water Supply Agreements between CCWA and each of our project participants state that 100% of the fixed costs each fiscal year will be paid on June 1st in advance of the fiscal year for which the costs will be expended. However, the DWR portion of the fixed costs are paid by CCWA to DWR primarily in two payments: one payment in July and one in January each year.

Staff proposes that the CCWA Board approve a revised payment schedule for the DWR Fixed costs for FY 2020/21 so that CCWA project participants have the option of paying their DWR fixed costs in two installments: (1) June, 1, 2020 payment of all DWR fixed costs for the months of July to December 2020, and (2) December 1, 2020 payment of all DWR fixed costs for the months of January to June 2021. Additionally, it is proposed that this option only be approved for a special one-time basis due to the State of Emergency declared by Governor Newsom due to the COVID-19 pandemic.

The following table shows the split between the payments between June 1, 2020 and December 1, 2020 for each project participant.

Project	Table A	CCWA Charges, Debt Svc & partial DWR charges	Remaining DWR charges	FY 2020/21
Participant	Amount	Billed June 1, 2020	Billed Dec 1, 2020	Total Fixed Assessment
Guadalupe	550	\$ 541,978	\$ 301,649	\$ 843,627
Santa Maria	16,200	12,060,683	9,012,251	21,072,934
Golden State Water	500	376,843	278,541	655,385
Vandenberg AFB	5,500	4,457,410	3,136,311	7,593,721
Buellton	578	746,758	330,289	1,077,047
Solvang (Billed to SY) ⁽¹⁾	1,500	2,038,807	835,425	2,874,232
Santa Ynez ID#1 ⁽¹⁾	500	1,288,779	299,095	1,587,874
Goleta	4,500	5,474,515	2,504,957	7,979,472
Morehart Land Co.	200	262,150	113,835	375,985
La Cumbre	1,000	1,286,966	570,013	1,856,980
Raytheon	50	61,346	29,040	90,386
Santa Barbara	3,000	3,717,773	1,709,800	5,427,573
Montecito	3,000	3,776,513	1,673,595	5,450,108
Carpinteria	2,000	2,352,917	1,117,289	3,470,206
Subtotal SB County:	39,078	\$ 38,443,439	\$ 21,912,091	\$ 60,355,530
Shandon	100	\$ 26,623	\$ -	\$ 26,623
California Men's Colony	400	144,751	-	144,751
County of SLO	425	154,082	-	154,082
Cuesta College	200	72,379	-	72,379
Morro Bay	1,313	801,150	-	801,150
Avila Beach CSD	100	23,281	-	23,281
Avila Valley Water	20	2,305	-	2,305
Oceano CSD	750	172,394	-	172,394
Pismo Beach	1,240	284,975	-	284,975
San Luis School	7	807	-	807
San Miguelito Water	275	31,689	-	31,689
Subtotal SLO County:	4,830	1,714,435	-	1,714,435
Goleta Additional Table A	2,500	204,243	238,964	443,207
TOTAL:	46,408	\$ 40,362,117	\$ 22,151,055	\$ 62,513,171

RECOMMENDATION

That the CCWA Board of Directors approve a special one-time revision to the payment schedule for the FY 2020/21 DWR fixed costs to allow a portion of the DWR fixed costs to be paid June 1, 2020 for those costs to be paid to DWR between July 2020 to December 2020 and the remaining portion to be paid on December 1, 2020 for those DWR fixed costs to be paid to DWR between January 2021 and June 2021. This is a special provision applicable only because of the state of emergency declared by Governor Newsom for the COVID-19 pandemic.

RAS



CENTRAL COAST WATER AUTHORITY
MEMORANDUM

April 16, 2020

TO: CCWA Board of Directors

FROM: Lisa M Long
Controller

SUBJECT: FY 2018/19 Continuing Disclosure Annual Report for Ratification

SUMMARY

The FY 2018/19 Continuing Disclosure Annual Report was submitted to the CCWA Revenue Bond Trustee prior to the due date of March 25, 2020, and is available online at ccwa.com. If you require a hard copy, please contact Lisa Watkins at lfw@ccwa.com. Hard copies have been included in the Board members' packets.

Please refer to the transmittal letter in the front of the document for the highlights of the report. Additionally, staff will present an overview of the report at the March 26, 2020 Board meeting and request ratification of the report.

RECOMMENDATION

That the CCWA Board of Directors ratify the CCWA FY 2018/19 Continuing Disclosure Annual Report.

LML

Enclosure