

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

March 10, 2022

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

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

I. Call to Order and Roll Call

Mr. Garcia, Committee Chair, called the March 10, 2022, Central Coast Water Authority Operating Committee meeting held at 255 Industrial Way, Buellton, California, to order at 9:00 a.m.

Committee members present:

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

Jose Acosta, Advisory Member for the City of Solvang was also present.

II. Closed Session

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code section 54956.9(d) (1)
Name of case: Central Coast Water Authority, et al. v. Santa Barbara County Flood Control and Water Conservation District, et al. (Case No. 21CV02432)
- B. CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Government Code section 54956.8
Property: Warren Act Contract
Agency negotiator: Ray Stokes

III. Return to Open Session

The Committee reconvened to open session at 9:34 AM.

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

IV. Public Comment

There was no public comment.

V. Consent Calendar

A. Approve Minutes of the January 13, 2022 Operating Committee Meeting

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

VI. Executive Director's Report

A. Operations Update

John Brady, CCWA Deputy Director, reported on plant production, chemical costs, and totals pumped into Lake Cachuma and an explanation of how chemical costs are calculated to provide an estimate for the cost of water per AF for budgetary purposes.

CCWA is changing its weekly sample collection procedures, so that free ammonia will be measured in the field to shorten the time between collection and testing and improve sample analysis accuracy.

Mr. Brady also provided an overview of operations:

- An improved monitoring system has been purchased and established at the WTP laboratory.
- A chloramine booster station has been designed for Tank 5 by an outside consultant, and CCWA is reviewing the design approach to lower the cost and improve the design.
- The Process Logic Controller Equipment upgrade project is continuing, with CCWA staff planning the installation for winter shutdown in 2022.
- The WTP flocculation basin cross collector has been evaluated by the manufacturer, and after analysis will be replaced in the winter shutdown.
- Due to the lake level decline at Lake Cachuma, CCWA has installed a splash pad to help prevent erosion of the spillway apron and dam base. Additional measures, including sandbag diversion, are being implemented.
- CCWA has provided design to USBR for an extension of the discharge pipeline to bring the delivery point beyond the dam.
- CCWA has issued a Request for Bids for the Water Treatment Plant Heating, Ventilation and Air Conditioning System.
- CCWA and Municipal Water Quality Investigations staff coordinated a joint meeting with Regional Water Quality Control Board and Department of Drinking Water staff regarding permits for North Valley Recycled Water Project to discuss reuse of treated waste water for potable use.
- Provided support for the litigation work and negotiation work for the Warren Act Contract.
- Staff have updated CCWA's COVID-19 plans, provided all staff training and managed COVID 19 cases and close contacts.

- Discussion is taking place regarding vegetation clearing work Cal-Fire is planning at Tank 2. We are reviewing the scope and determining if there are any potential issues, especially with regard to erosion.

B. Water Supply Situation Report

Ray Stokes, CCWA Executive Director, reviewed the precipitation indices and noting that there has been virtually no precipitation since January 1, 2022, so the state is now below the historical average rainfall.

Snow water content is also well below average, and the temperature and precipitation outlook indicate precipitation chances are not expected to improve. Overall the state is in moderate to extreme drought in most areas.

Current reservoir storage conditions have recovered from the historic lows, but are still below average levels. DWR has indicated that there may be a reduction in the current 15% allocation. In response to a question, Mr. Stokes stated it is uncertain what the new allocation would be, as there are health and safety allocations that would need to be made and other factors can affect the final allocation.

San Luis Obispo County has expressed interest in an exchange of water treatment capacity for 1,000 AF of their Table A allocation, and those negotiations are ongoing.

C. 2022 Supplemental Water Purchase Program Update

Currently six CCWA participants have expressed an interest in the 2022 Supplemental Water Purchase Program, and four have executed participation agreements. Two potential purchase opportunities have been identified: Casitas Municipal Water District, and the State Water Contractors Dry Year Transfer Program (DYTP).

The DYTP is in the negotiation process with potential sellers, but it is expected that the demand will exceed quantity available. Both purchases are \$700/AF, but the DYTP will include carriage water losses, and the cost per AF may increase as negotiations proceed.

Mr. Stokes reviewed additional requirements for the DYTP, including a \$5/AF deposit and a participation agreement specific to the DYTP which would need to be executed before March 24, 2022. The \$5/AF deposit would be to cover the administrative costs of SWCs, and would be refunded if it is not expended.

Additional purchase opportunities include Mojave Water Agency and the Yuba Accord. The cost being considered in initial discussion for Mojave is the in the range of \$1,200 to \$1,400 AF. The cost for the Yuba Accord is still under negotiation.

D. CCWA FY 2022/23 Preliminary Budget

Ms. Dessi Mladenova, CCWA Controller, provided an overview of the preliminary budget, highlighting changes between the prior and current years' budgets. The

preliminary budget calls for total project participant payments of \$47.4 million compared to the FY 2021/22 budget of \$69.6 million, a \$22.2 million decrease. The preliminary FY 2022/23 Operating Expense Budget is \$9.9 million, a \$3.7 decrease from the FY 2021/22 budget, due largely to decreases in legal and utility expenses. Ms. Mladenova provided additional detail on certain budget amounts, including decrease in requested water deliveries from 31,007 AF in FY 2021/22 to 14,983 AF in FY 2022/23, the cost per acre foot calculations, and DWR fixed and variable charges.

Committee members were requested to provide any feedback on the preliminary budget prior to the March 24, 2022 Board of Directors meeting.

VII. Reports from Committee Members for Information Only

There were no reports from the Committee members.

VIII. Date of Next Regular Meeting:

July 10, 2022 is the date of the next Regular meeting. It is currently expected that the next regular meeting will be in person at CCWA's Buellton Administrative Office.

IX. Adjournment

The meeting was adjourned at 10:50 AM.

Respectfully submitted,

Elizabeth F. Watkins
Secretary to the Board



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

July 7, 2022

TO: CCWA Operating Committee

FROM: Ray A. Stokes
Executive Director 

SUBJECT: Aquaterra Water Bank Proposal and Term Sheet

DISCUSSION

At its meeting on May 26, 2022, the CCWA Board of Directors received a presentation from representatives of the McMullin Area Groundwater Sustainability Agency (MAGSA) on the proposed Aquaterra Water Bank. The proposal and presentation outlined the concepts for the water bank which could be beneficial for CCWA and its participants in our efforts advance the goal of storing State water supplies when State water is not needed for current year demand, for use in later years when it is needed.

The MAGSA has provided the attached "Groundwater Banking Priority Phase Storage Subscription Agreement" which outlines the basic terms for potential participants in the water bank. Additionally, I have attached the presentation and related materials for the Aquaterra Water Bank for your information.

Matt Hurly, the General Manager for MAGSA, will be at the Operating Committee meeting to present the background information on the water bank and answer questions.

This information is being presented for information only. CCWA staff would like to return to this subject later in the fall of 2022 to determine if there is an interest in pursuing participation in the Aquaterra Water Bank either by CCWA as a whole or by individual CCWA project participants.

RAS

Attachments