

CACHUMA CONSERVATION RELEASE BOARD

MEMORANDUM

DATE: March 24, 2008

TO: CCRB Board of Directors
Santa Ynez Water Conservation District, ID No. 1 Board of Trustees

FROM: Kate Rees, Manager

RE: **Proposed 2008-09 CCRB/ID No. 1 Draft Budget**

Attached for your review is the proposed CCRB/ID No. 1 Draft Budget for 2008-09 for your consideration. Included is a summary budget sheet showing the total budget, the CCRB portion of the budget, and the ID No. 1 portion of the budget, as well as a spreadsheet comparing the FY 08-09 budget to the FY 07-08 budget. This is followed by several pages detailing the expenses for each budget category, the consultants' draft scopes of work for FY 08-09, and a breakdown showing the percentage cost share of the proposed budget for each Member Unit. Additional back-up material supporting the budgeted activities is not included, but is available at any time upon request. The draft budget has been reviewed by the CCRB Finance Committee, and was revised based on suggested changes. Any additional changes will be incorporated into the final budget prior to presenting it to the Board at the April 28, 2008 Board meeting. The FY 2008-09 Draft Budget reflects a 0.08% increase in overall expenses of about \$1,750, so is essentially flat compared to last year.

The primary change in the General & Administrative category is primarily due to salary increases as a result of regular step increases and an annual cost of living increase, which is currently estimated to be about 3.1%. The General & Administrative budget does not reflect any increase to the CCRB Manager's salary at this time. Ms Rees salary is currently budgeted at 65% from the CCRB/ID No. 1 budget and 35% from the COMB budget. However, it may be more appropriate to change the percentage to 50% from each agency due to the increased time Ms Rees is spending on COMB activities. Ms Rees salary may be adjusted following her performance review in April.

For the Fisheries Operation and Maintenance expenses, we have budgeted for a new four-wheel drive truck and additional necessary monitoring equipment for the fisheries crew. Other expenses include vehicle maintenance, equipment, uniforms, and materials and supplies, which are normal operating expenses comparable to this year.

The budget includes \$207,000 for ongoing expenses to implement the Biological Opinion and Fish Management Plan activities, primarily through work by the Adaptive Management Committee to develop and prepare required reports for several of the terms and conditions of the Biological Opinion. This necessitates a continued increased level of senior consultant participation resulting in an overall increase to this budget item of about 51%, due to an unanticipated amount of work involving the Biological Opinion Adaptive Management Committee.

Much of this increase has been offset in other accounts, such as the State Board Cachuma EIR expenses, because comments on the 2007 revised Draft EIR have been completed, and the Board has decided not to fund completion of the Final EIR. Funds are still budgeted for consultant support for the SWRCB water rights proceedings, should the State Board actually issue a decision on the Cachuma water right permits during the fiscal year.

Anticipated legal expenses for FY 08-09 are budgeted at \$100,000, the same level as this year, and are associated with the SWRCB Cachuma water rights hearing, due to continued delays in the State Board process, reconsultation on the Biological Opinion, and with the NMFS steelhead recovery planning process.

Funds are budgeted for continued work on updating the IRWMP to meet Proposition 84 standards, completion of the development of a new RiverWare hydrologic model for the Santa Ynez River, and continued Geographic Information System support.

As discussed at recent Board meetings, the Oak Tree Restoration Program has been extended for an additional three years of planting in a phased approach due to the larger number of tress affected by the surcharge. The Program costs will remain essentially the same as this year. They include installation of the fourth installment of 375 oak trees and maintenance of the all trees already planted, or approximately 1,125 trees.

The budget includes \$7,000 for legislative, lobbying and steelhead funding support on both the federal and state level. These funds will be used for Chip Wullbrandt's legislative support services involving the Water Bond Coalition, Propositions 50 and 84 bond implementation, future water bonds, and state and federal steelhead funding activities. In addition to Mr. Wullbrandt's activities, this item includes funds for a CCRB Board Member to attend the Washington D.C. ACWA conference to assist with lobbying activities for salmonid funding.

Lastly, \$917,000 of the budget is earmarked for Habitat Enhancements. The anticipated expenses for habitat enhancements are approximately the same as FY 07-08 because of the planned construction of two fish passage enhancement projects – El Jaro Cross Creek Fish Passage and one of the stream crossings on Quiota Creek. The majority of these costs will be reimbursed with approved grants some time after the projects are completed. These fish project costs will not be assessed with the regular quarterly assessments. A special assessment will be made when it is certain that the projects will be built. If they are not constructed by the end of the fiscal year, no assessment will be made.

The draft budget also reflects planning, feasibility studies, and design work for several other tributary projects. Because Public Outreach Program for the fisheries activities is included in the Fish Management Plan and Biological Opinion, it is included in this category. \$23,000 has been budgeted for design and production of two fisheries program newsletters, and for revising and providing technical support for the CCRB and FMP websites.

Renewal Fund/Trust Fund monies available in FY 2008-09 will be \$295,937, which is about \$34,000 more than last year due to a higher amount of State Water Project water delivered to Lake Cachuma in calendar year 2006. The Renewal Fund/Trust Fund Committee will not meet until April 8, 2008 to authorize how the funds will be distributed, therefore, there may be some adjustment in the Final CCRB/ID No. 1 Budget. \$40,000 from the County's Cachuma Betterment contribution will offset some of the expenses for FY 08-09. The remainder of the \$100,000 will be paid directly by the County to USGS for the fisheries stream gauge program (\$50,000) and to the Water Agency reserves for the Cachuma Park boat launch modifications (\$10,000), so only \$40,000 is included in the CCRB/ID No. 1 budget.

As we approach another year of reorganization talks among CCRB, ID No.1 and COMB, the FY 08-09 budget distribution assumes the same reductions to ID No.1's share of the budget as agreed to for the FY 07-08 budget. The CCRB Member Units will be assessed per their normal CCRB percentage shares. This will result in a shortfall in budgeted funds, as is the case this year.

The Finance Committee has met and approved the proposed budget for presentation and consideration by the CCRB Board of Directors and ID No. 1 Board of Trustees. Because the CCRB Budget must be approved 60 days prior to the end of the fiscal year (June 30, 2008), the Final 2008-09 Budget will come before you for approval at the April 28, 2008 meeting. It must then be ratified or approved by the Cachuma Member Units governing boards prior to the end of the fiscal year. **I would request that each of the Member Units place this item on your respective Board or Council agendas during the month of April for discussion, if your Board so desires, or during May or June for ratification.** I am available to come to any of your Board or Council meetings to present the proposed CCRB/ID No. 1 FY 08-09 Budget and to answer any questions.

Respectfully submitted,



Kate Rees, Manager

Attachments

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