



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** April 15, 2008

**TO:** Mayor and Councilmembers

**FROM:** Water Resources Division, Public Works Department

**SUBJECT:** Cachuma Conservation Release Board Draft Budget

### RECOMMENDATION:

That Council review the draft Fiscal Year 2009 budget for the Cachuma Conservation Release Board.

### DISCUSSION:

The Cachuma Conservation Release Board (CCRB) is a joint powers agency consisting of the four South Coast members of the Cachuma Project: City of Santa Barbara, Goleta Water District, Montecito Water District, and Carpinteria Valley Water District. CCRB represents the interests of its members in matters relating to Cachuma Project water rights. Councilmember Williams represents the City on the CCRB. The draft Fiscal Year 2009 budget is recommended for review and discussion by Council, and will be finalized by CCRB in the coming weeks and resubmitted to Council for ratification in June.

In recent years, the main focus of CCRB has been a Cachuma Project water rights decision pending before the State Water Resources Control Board (SWRCB). The SWRCB has the responsibility and authority to manage water rights in California. SWRCB has held hearings to determine how the reservoir shall be operated to balance Cachuma Project water supply needs with downstream water rights and habitat needs for steelhead trout. The resultant water rights order will have the potential to significantly affect Santa Barbara's water supply.

Although not yet formally acknowledged by the SWRCB, issues related to downstream water rights were resolved as a part of a comprehensive settlement agreement in 2003.

In order to address the steelhead habitat issues, CCRB has taken the lead to ensure releases of water from the reservoir and complete projects for habitat restoration and protection. The framework for CCRB's work is the Lower Santa Ynez River Fish

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REVIEWED BY: \_\_\_\_\_ Finance \_\_\_\_\_ Attorney

Agenda Item No. \_\_\_\_\_

Management Plan (FMP). It was adopted by CCRB in 2000, and is the basis for identifying projects undertaken to meet federal requirements related to the endangered species listing of steelhead trout below Bradbury Dam. These federal requirements are contained in the Cachuma Project Biological Opinion issued by the National Marine Fisheries Service. Specific actions include surcharging the reservoir during spill years to provide additional water for fish releases, summer releases for fish rearing, winter-spring releases to support migration, fish passage restoration and barrier removal, and a long-term fish monitoring program. Because the fisheries programs are related to the Cachuma Project, Improvement District No. 1 of the Santa Ynez River Water Conservation District (ID No.1) cooperates financially with CCRB on decisions and funding related to steelhead and steelhead habitat in the lower Santa Ynez River.

The proposed CCRB budget is summarized below and discussed in more detail in the attached CCRB budget memorandum and draft budget itemization.

Description	Amount
Operations & Maintenance	\$ 57,000
General Administrative (salaries, benefits, materials & supplies)	\$ 693,249
Special Projects (Biological Opinion/Fish Mgmt. Plan, legal, oak tree restoration)	\$ 603,000
Habitat Restoration Projects (El Jaro Cross Creek & Quiota Creek Fish Passage)	\$ 913,400
Total:	\$2,266,649

In general, costs are apportioned on the basis of each member's share of the Cachuma Project yield. The City's 32.19% share in the Cachuma Project equates to a 35.89% share of CCRB costs, since ID No. 1 costs are itemized separately. The City's share of required funds is slightly higher than 35.89%, due to certain costs associated with the City's Gibraltar Reservoir. Funds are included in the recommended Fiscal Year 2009 Water Fund Operating Budget to pay the City's estimated cost share of \$726,416.

A second joint powers agency, the Cachuma Operation and Maintenance Board (COMB), administers the Cachuma Project's water entitlement, and operates and maintains the substantial facilities associated with delivery of project water. Councilmember Williams also represents the City on COMB and will participate in review of this agency's proposed Fiscal Year 2009 budget. Separate ratification of the COMB budget by its members is not required.

**SUSTAINABILITY IMPACT:**

CCRB provides an effective lead agency to address water supply issues related to the Cachuma Project. Additionally, as a member of these agencies, the City is implementing a number of fishery management projects downstream of Lake Cachuma to address the endangered species listing of steelhead trout.

**ATTACHMENT(S):** 1: CCRB Budget Memo dated March 24, 2008  
2: CCRB/ID No. 1 Proposed Draft Budget

**PREPARED BY:** Rebecca Bjork Acting Water Resources Manager/BF/spm

**SUBMITTED BY:** Paul Casey, Acting Public Works Director

**APPROVED BY:** City Administrator's Office

## 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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## Cachuma Conservation Release Board / SYR Water Conservation District ID No. 1

## Proposed Draft Budget

Fiscal Year 2008 / 09

Account Number	Account Name	FY 2007 / 08 Revised Final Budget	Projected Expenses Thru 6/30/08	FY 2008 / 09 Proposed Draft Budget	Change	Percentage Change
<b><u>OPERATIONS AND MAINTENANCE EXPENSES</u></b>						
<b>VEHICLES &amp; EQUIPMENT</b>						
3270	VEHICLES MAINT	13,000	12,000	13,000	0	0.00%
3280	FIXED CAPITAL	12,000	10,000	30,000	18,000	150.00%
3290	MISC	2,500	2,500	2,500	0	0.00%
	<b>TOTAL</b>	<b>27,500</b>	<b>24,500</b>	<b>45,500</b>	<b>18,000</b>	<b>65.45%</b>
<b>CONTRACT LABOR</b>						
4220	METERS & VALVES	3,000	2,500	3,000	0	0.00%
	<b>TOTAL</b>	<b>3,000</b>	<b>2,500</b>	<b>3,000</b>	<b>0</b>	<b>0.00%</b>
<b>MATERIALS &amp; SUPPLIES</b>						
3390	MISC	3,000	3,000	6,000	3,000	100.00%
	<b>TOTAL</b>	<b>3,000</b>	<b>3,000</b>	<b>6,000</b>	<b>3,000</b>	<b>100.00%</b>
<b>OTHER EXPENSES</b>						
3520	UNIFORMS	2,500	2,500	2,500	0	0.00%
	<b>TOTAL</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>0</b>	<b>0.00%</b>
	<b>TOTAL O &amp; M EXPENSE</b>	<b>36,000</b>	<b>32,500</b>	<b>57,000</b>	<b>21,000</b>	<b>58.33%</b>

**GENERAL & ADMINISTRATIVE**

5100	AUDIT	9,000	10,000	10,000	1,000	11.11%
5150	UNEMPLOYMENT TAX	3,828	0	3,870	42	1.11%
5200	LIABILITY INSURANCE	10,000	10,000	10,000	0	0.00%
5201	HEALTH & WC	92,853	93,000	98,012	5,159	5.56%
5250	PERS	59,612	60,000	61,365	1,753	2.94%
5339	FICA / MEDICARE	30,783	31,000	30,662	(121)	-0.39%
5300	SALARIES	355,099	356,000	359,320	4,221	1.19%
5308	SEASONAL TEMPS	27,720	27,720	27,720	0	0.00%
5310	POSTAGE / OFFICE SUPPLIES	10,000	10,000	10,000	0	0.00%
5311	Office Equip / Leases etc.	6,500	6,500	6,500	0	0.00%
5312	Misc. Admin. Exp.	10,000	12,000	10,000	0	0.00%
5313	Communications	8,000	9,000	10,000	2,000	25.00%
5314	Utilities	6,000	6,800	7,000	1,000	16.67%
5315	Membership Dues	3,500	3,500	3,800	300	8.57%
5316	Admin. Fixed Assets	6,000	5,000	5,000	(1,000)	-16.67%
5317	Computer Consultant / Software Licenses	0	0	16,000	16,000	100.00%
5325	Employee Training / Subscriptions	6,500	5,000	5,000	(1,500)	-23.08%
5330	Admin. Travel & Conferences	10,000	9,000	8,000	(2,000)	-20.00%
5332	Transportation	1,500	1,000	1,000	(500)	-33.33%
5333	Consultant Analyst	10,000	10,000	10,000	0	0.00%
	<b>TOTAL G &amp; A</b>	<b>666,895</b>	<b>665,520</b>	<b>693,249</b>	<b>26,353</b>	<b>3.95%</b>
	<b>CCRB/ID1 TOTAL OPS/MTCE &amp; G &amp; A</b>	<b>702,895</b>	<b>698,020</b>	<b>750,249</b>	<b>47,353</b>	<b>6.74%</b>

Renewal Fund/Warren Act Trust Fund  
NET OPS/MTCE and G & A

261,767  
441,128

295,937  
454,312

**Cachuma Conservation Release Board / SYR Water Conservation District ID No. 1  
Proposed Draft Budget**

*Fiscal Year 2008 / 09*

<i>Account Number</i>	<i>Account Name</i>	<i>FY 2007 / 08 Revised Final Budget</i>	<i>Projected Expenses Thru 6/30/08</i>	<i>FY 2008 / 09 Proposed Draft Budget</i>	<i>Change</i>	<i>Percentage Change</i>
<b>SPECIAL PROJECTS</b>						
6001	Biological Opinion/FMP Implementation	137,000	135,000	207,000	70,000	51.09%
6097	GIS and mapping	25,000	20,000	25,000	0	0.00%
6100	Integrated Regional Water Management Plan De	10,000	10,000	10,000	0	0.00%
6800	Steelhead/Rainbow Trout Upper Basin Analysis P	15,000	17,635	5,000	(10,000)	-66.67%
7000	Legal	140,000	140,000	100,000	(40,000)	-28.57%
7200	SWRCB Proceedings Support	70,000	65,000	26,000	(44,000)	-62.86%
7501	SYR Hydrology Support for Fisheries Program	40,000	25,000	29,000	(11,000)	-27.50%
8000	SWRCB Water Rights EIR Prep	50,000	25,000	0	(50,000)	-100.00%
8100	NMFS Steelhead Recovery Plan Activities	40,000	35,000	48,000	8,000	20.00%
8200	Tri County Fish Team Funding	5,000	5,000	5,000	0	0.00%
8502	Oak Tree Restoration Program	145,000	145,000	140,000	(5,000)	-3.45%
9001	Legislative & Steelhead Funding Support	8,000	7,000	8,000	0	0.00%
9500	Habitat Enhancements **	877,000	200,000	913,400	36,400	4.15%
<b>TOTAL SPECIAL PROJECTS</b>		<b>1,562,000</b>	<b>829,635</b>	<b>1,516,400</b>	<b>(45,600)</b>	<b>-2.92%</b>
<b>TOTALS</b>		<b>2,264,895</b>	<b>1,527,655</b>	<b>2,266,649</b>	<b>1,753</b>	<b>0.08%</b>

**Funding:**

SB County Cachuma Betterment Fund	40,000	40,000
Renewal Fund/Warren Act Trust Fund	261,767	295,937
Member Units Assessments	1,963,128	1,930,712
<b>TOTAL</b>	<b>2,264,895</b>	<b>2,266,649</b>

**\*\* Significant portion to be reimbursed by grant funding:**

Quiota Creek Grant	371,000
El Jaro Creek/Rancho San Julian Grant	317,400
<b>Total</b>	<b>688,400</b>