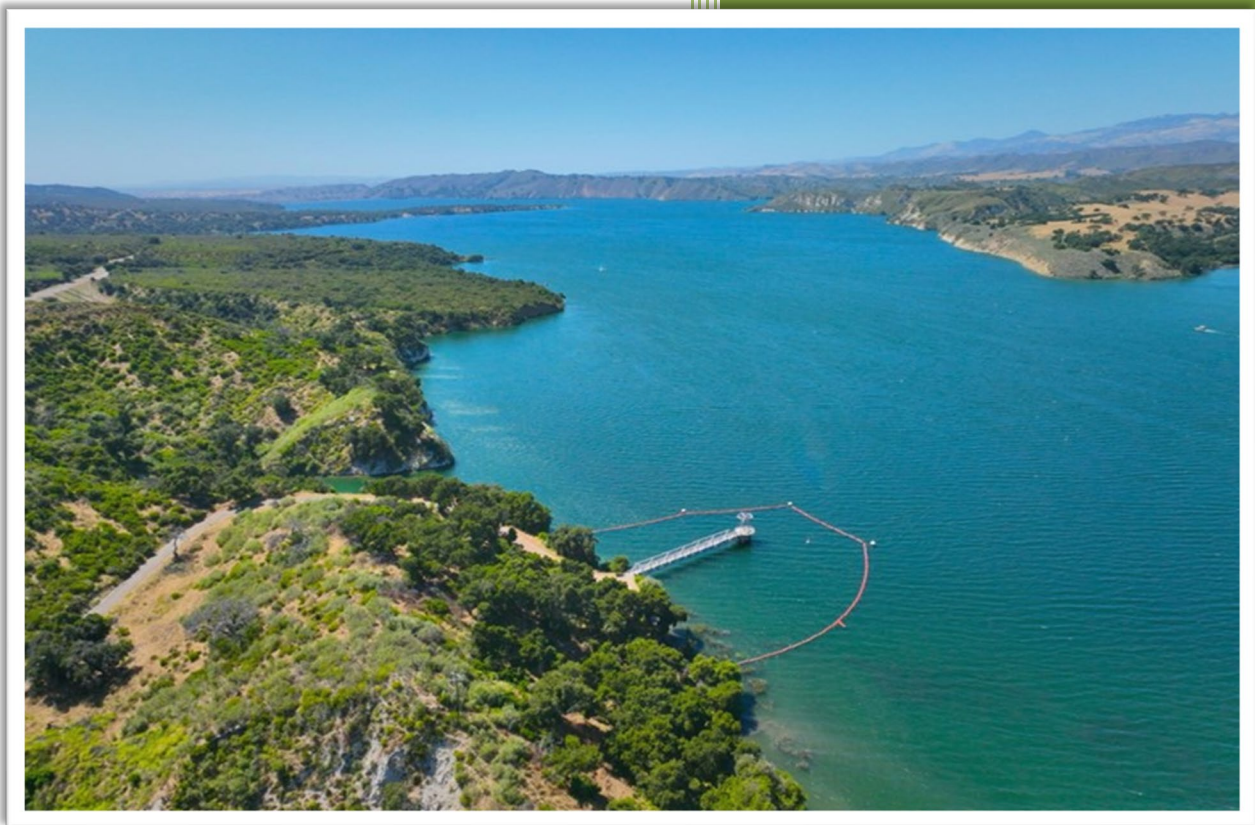


CACHUMA OPERATION &  
MAINTENANCE BOARD

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT



***For the Fiscal Years Ended  
June 30, 2024 and 2023***



A California Joint Powers Authority

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Cachuma Operation & Maintenance Board  
Santa Barbara, California

Annual Comprehensive Financial Report

For the Fiscal Years Ended  
June 30, 2024 and 2023

Staff Contributors:

Janet Gingras, General Manager  
Edward Lyons, Administrative Manager / CFO  
Dorothy Turner, Administrative Assistant II  
Rosey Bishop, Administrative Assistant II

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## Our Mission

*To provide a reliable source of water to our Member Agencies  
in an efficient and cost-effective manner  
for the betterment of our community.*



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## Cachuma Operation & Maintenance Board

### **BOARD OF DIRECTORS AS OF JUNE 30, 2024**

<b>NAME</b>	<b>TITLE</b>	<b>MEMBER AGENCY</b>
Polly Holcombe	President	Carpinteria Valley Water District
Kristen Sneddon	Vice President	City of Santa Barbara
Lauren Hanson	Director	Goleta Water District
Cori Hayman	Director	Montecito Water District

### **GENERAL MANAGER**

Janet L. Gingras

### **DIVISION MANAGERS**

Edward Lyons, Administrative Manager / CFO

Joel Degner, Engineer / Operations Division Manager

Tim Robinson, Fisheries Division Manager

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### COMB AT A GLANCE

Form of government	Joint Powers Authority
Date of organization	January 1, 1957
Number of full-time staff	15
Lake Cachuma maximum storage (acre feet)	193,305
Lake Cachuma spillway elevation (feet)	753
Tecolote Tunnel (miles)	6
South Coast Conduit pipeline (miles)	26
South Coast Conduit design capacity	45 million gallons per day
Number of reservoirs	4
Number of structures maintained	220
Number of meters maintained	28

### COMB MEMBER AGENCIES

<b>COMB Member Agency</b>	<b>COMB Board Representation</b>
Goleta Water District	2 Votes
City of Santa Barbara	2 Votes
Carpinteria Valley Water District	1 Vote
Montecito Water District	1 Vote
<b>Total</b>	<b>6 Votes</b>

### CACHUMA PROJECT WATER ENTITLEMENT

<b>Cachuma Project Member Unit</b>	<b>Entitlement (%)</b>	<b>Entitlement (AFY)</b>
Goleta Water District	36.25%	9,322
City of Santa Barbara	32.19%	8,277
Carpinteria Valley Water District	10.94%	2,813
Montecito Water District	10.31%	2,651
SYR Water Conservation District, ID No. 1	10.31%	2,651
<b>Total</b>	<b>100.00%</b>	<b>25,714</b>

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**INTRODUCTORY  
SECTION**

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*Cachuma Operation & Maintenance Board*

December 16, 2024

To the Members of the Board of Directors of Cachuma Operation & Maintenance Board (COMB), the COMB Member Agencies and our Stakeholders:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Cachuma Operation & Maintenance Board for the fiscal year ended June 30, 2024, with comparative information for fiscal year ended June 30, 2023.

This report provides detailed information about the financial condition and operating results of COMB. COMB staff worked collectively through our auditors and followed guidelines set forth by the Governmental Accounting Standards Board to prepare this report. The ACFR is presented in conformity with generally accepted accounting principles (GAAP).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

COMB requires that its financial statements be audited by a certified public accountant selected by the COMB Board of Directors. Bartlett Pringle Wolf, LLP (BPW), certified public accountants, have issued an unmodified ("clean") opinion on COMB's financial statements for years ended June 30, 2024 and 2023.

The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This introduction and the MD&A are complementary reports, which together are intended to provide a comprehensive view of COMB's finances and operations.

**Profile of COMB**

The Cachuma Project was constructed in the early 1950s by the United States Department of the Interior, U.S. Bureau of Reclamation (Reclamation) under contract with the Santa Barbara County Water Agency on behalf of the Cachuma Project Member Units. The current Cachuma Project Member Units are the Carpinteria Valley Water District, City of Santa Barbara, Goleta Water District, Montecito Water District, and Santa Ynez River Water Conservation District-Improvement District No. 1.

The Cachuma Project Member Units entered into contracts with the Santa Barbara County Water Agency for the purpose of receiving water from the Cachuma Project for use and benefit of the Member Units. Over the past sixty years, the Project has been the principal water supply for the Santa Ynez Valley and the South Coast Communities, delivering water to approximately 200,000 people.

COMB is a California Joint Powers Authority (JPA) formed in 1956 by the Cachuma Member Units pursuant to an agreement with Reclamation. The agreement transferred to COMB the responsibility to repair, replace, operate and maintain all Cachuma Project facilities exclusive of Bradbury Dam.

Since 1956, the JPA membership has changed. The current Member Agencies of COMB are the Goleta Water District, the City of Santa Barbara, Montecito Water District and the Carpinteria Valley Water District. The Santa Ynez River Conservation District, ID No. 1 (ID No.1), an original member of the JPA, notified the COMB Board of its intent to unilaterally withdraw from COMB on May 27, 2016. A Separation Agreement was entered into by ID No. 1 and COMB and was approved by all parties effective August 28, 2018.

**Officials of COMB**

COMB operates under the general direction of four elected officials who are appointed by their individual representative water agencies/councils to serve on the COMB Board of Directors. The Board engages an external General Counsel for legal matters and a Certified Public Accounting Firm for external audit review. The Board directly employs a General Manager to oversee the administration and day-to-day operations of all divisions. An executive team performs under the direction of the General Manager and consists of three managers responsible for effective operation of the Administrative Division, the Operations Division, the Fisheries Division and Engineering.

The Board of Directors is responsible for governance and policy creation and provides direction for the implementation of those policies to the General Manager.



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**Overview****Transferred Project Works Contract**

On February 24, 1956, the U.S. Bureau of Reclamation, the original Cachuma Project Member Units, and the Santa Barbara County Water Agency entered into a contract that provided for the transfer of Operation and Maintenance (O&M) of Transferred Project works to the original Member Units. The O&M contract has been amended by amendatory contracts since that time, one of which was executed with COMB as the contractor. In March 2003, Reclamation entered into a new contract with COMB for the operation and care of the transferred project works including the Tecolote Tunnel and the South Coast Conduit system. The contract remained in effect through September 30, 2020. COMB initiated the contract renewal process with Reclamation during fiscal year 2019-20. In September 2020, Reclamation and COMB executed a three-year amendatory contract to allow for the completion of a long-term agreement. In September 2023, the contract was amended for an additional three-year period.

COMB is responsible for diversion of water to the South Coast through the Tecolote Tunnel, and operation and maintenance of the South Coast Conduit pipeline, flow control valves, meters, and instrumentation at control stations, and turnouts along the South Coast Conduit and at four regulating reservoirs. COMB coordinates closely with the Bureau of Reclamation and Member Agencies' staff to ensure that water supplies meet daily demands. COMB staff reads meters and accounts for Project water deliveries on a monthly basis and performs repairs and preventive maintenance on Project facilities and equipment. COMB safeguards Project lands and rights-of-way on the South Coast as the contractor for Reclamation. COMB is responsible for issuing Project water production and use reports, operations reports, fisheries reports, and financial and investment reports which track operation and maintenance expenditures.

**National Marine Fisheries Service****Biological Opinion and Fish Management Plan**

The United States Bureau of Reclamation currently operates and maintains Bradbury Dam and associated water transport and delivery structures, collectively known as the Cachuma Project on and near the Santa Ynez River the Cachuma Project Member Units. The Santa Ynez River is about 900 square miles in watershed area with Bradbury Dam located approximately 48 miles from the Pacific Ocean.

The National Marine Fisheries Services (NMFS) is the United States federal agency that oversees protection of Southern California steelhead (*Oncorhynchus mykiss*, *O. mykiss*). The Cachuma Project Biological Opinion (BO or BiOP) and the Lower Santa Ynez River Fish Management Plan (FMP) were issued in 2000 for implementation of steelhead management actions developed over many years of study by the Cachuma Project Member Units. The BO addresses the effects of the proposed Cachuma Project operations on steelhead and its designated critical habitat in accordance with Section 7 of the Endangered Species Act of 1973.

**National Marine Fisheries Service  
Biological Opinion and Fish Management Plan (Continued)**

The goal is to provide physical projects and management strategies that will protect, enhance, restore and create new habitat for spawning and rearing of endangered steelhead, while keeping a balance between fish management, other ecological needs, and the delivery of adequate water supplies to customers of local water agencies and groundwater recharge.

On behalf of the U. S. Bureau of Reclamation, COMB is responsible for implementation of the 2000 Biological Opinion and Fish Management Plan related to the Cachuma Project on the Santa Ynez River. These activities include ongoing scientific studies along the river, monitoring and recording changing conditions, and implementation of fish passage improvements as outlined in the 2000 Biological Opinion. In addition, a consensus based, long-term Fish Management Program was developed which provides protection for steelhead/rainbow trout downstream of Bradbury Dam through a combination of water releases from Bradbury Dam, through the Hilton Creek watering system and the removal or modification of numerous fish passage barriers to steelhead on tributaries to the mainstem Santa Ynez River. By implementing these actions, stakeholders in the Cachuma Project have created significant additional habitat for steelhead within the Santa Ynez River watershed.

**Drought Response and Management**

Efficient use of water has long been a priority within the Cachuma Project Service Area. Water purveyors are dependent on local water supplies, and have experienced periodic droughts including 1989-91, and the recent multi-year drought of 2012-2019. During a drought period, the COMB Member Agencies dramatically increase their conservation efforts to minimize the impact of water shortages on the community. Drought conditions can last many years. The reductions in Cachuma Project water supplies have a major impact on water supply management for the COMB Member Agencies.

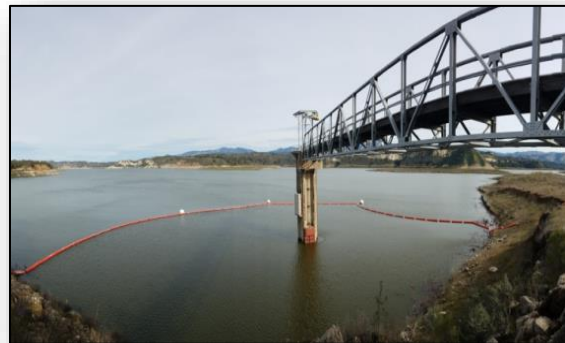
During the drought that began in 2012, COMB was responsible for the implementation of the Emergency Pumping Facility Project (EPFP), which allowed water to be pumped and conveyed during the time when lake levels were extremely low and unable to flow via gravity into the Tecolote Tunnel. After an all-time low of 7% reservoir capacity during 2016, Lake Cachuma rebounded to approximately 73% capacity during the February 2019 storms and subsequent inflows.

In December of 2022, COMB completed the installation of a secured pipeline at Lake Cachuma. The secured pipeline is a 3600-ft long HDPE pipeline that will be connected to a pumping barge in times of drought to ensure continued water deliveries. The Secured Pipeline Project will improve future deployments of the EPF by 1) reducing the elevation triggers for installing the EPF; (2) eliminate the need to install and remove temporary anchor piles; (3) eliminate the need to store the pipeline near the shore of the lake; and (4) reduce the deployment period from over a year to 120 days.

**Drought Response and Management (Continued)**

The Secured Pipeline Project will also re-establish the capability to draft from the original Gate 5 elevation (660') and allow higher quality water when available to be diverted to the Tecolote Tunnel under normal operations. COMB was awarded \$4M in grant funding which was applied to construction cost of the Secured Pipeline Project.

Over the last two water years, Santa Barbara County experienced back-to-back wet year conditions and extreme stormflow events. During both years, these storms caused flow to occur in the Santa Ynez River, Santa Cruz Creek, and other tributaries, which raised the elevation in Lake Cachuma to full capacity of 753 feet which resulted in a declaration of surplus water by Reclamation. The last occurrence of a surplus / spill event was in 2011.

**Cachuma Lake Intake Tower – Lake Elevation at Different Points in Time***August 2016**February 2019**February 2023**March 2024*

### Coronavirus (COVID-19)

California's COVID-19 state of emergency ended on February 28, 2023. While COVID-19 continues to exist in our community, public water supplies remain safe to drink due to numerous robust treatment processes used by local water agencies. California's comprehensive safe drinking water standards require a multistep treatment process that includes filtration and disinfection. This process removes and kills viruses, including coronaviruses such as COVID-19, as well as bacteria and other pathogens. According to the Environmental Protection Agency (EPA), the World Health Organization (WHO), and the Centers for Disease Control and Prevention (CDC) the COVID-19 virus has not been detected in drinking water supplies, and based on current evidence, the risk to water supplies remains low.

COMB coordinates closely with the Santa Barbara County Health Department and follows all guidelines from the California Department of Public Health (CDPH) and Centers for Disease Control and Prevention (CDC). Additionally, COMB has updated its emergency response plans and is well prepared to maintain operations in the event of an outbreak. COMB's top priority is to keep its employees, Member Agency staff, contractors, and vendors safe and healthy so we can continue to serve our community.

### Local Economy

Santa Barbara County is located approximately 100 miles north of Los Angeles and 300 miles south of San Francisco. The largest employment sectors include services, wholesale and retail trade, public administration, farming and manufacturing. The mild climate, picturesque coastline, scenic mountains, and numerous parks and beaches make Santa Barbara County a popular tourist and recreational area. The County spans over 2,700 square miles and includes an estimated population of 441,170.



*Santa Barbara County Courthouse*

Locally, the County's average unemployment rate during fiscal year 2023-24 increased slightly from 3.8% to 4.2%. The June 2024 unemployment rate was below the State unemployment rate of 5.2% and slightly higher than the national unemployment rate of 4.1% (Bureau of Labor Statistics). The state's labor market has been affected by ongoing shifts in industries, particularly in technology and renewable energy sectors. High demand for skilled workers in these areas has created both opportunities and challenges, as some workers in traditional industries face layoffs or job transitions. (California Employment Development Department)

The real estate market in Santa Barbara County continued its upward trend after a turbulent previous year. As of June 2024, the countywide median single-family home price was \$1,026,400 as compared to \$944,161 and \$974,281 in June 2023 and June 2022, respectively.

**Local Economy (Continued)**

In the southern portion of Santa Barbara County, the average single-family home price increased to \$1,921,151 in June 2024 as compared to \$1,794,792 in June 2023 and \$1,936,345 in June 2022. (Zillow)

Key industries in Santa Barbara County include:

1. **Tourism:** This sector has rebounded, with increased visitor numbers and spending, especially during the summer months.
2. **Agriculture:** Santa Barbara is known for its wine production and other agricultural products, which continue to perform well despite labor challenges.
3. **Education and Healthcare:** These sectors have shown steady growth, driven by local institutions expanding their services and workforce.
4. **Technology and Startups:** An emerging sector, driven by local innovation and venture capital investment, has contributed to job creation.

The national economy has been slowly recovering from the worldwide pandemic caused by COVID-19 which began in 2020. In the spring of 2022, the United States experienced a slowdown in recovery due to the military action in Europe as well as a spike in national inflation. Throughout 2022 and into 2023, the Federal Reserve had raised interest rates to ease demand in the U.S. economy and reduce inflation. For the twelve months ending December 2023, the annual inflation rate was 3.4% as compared to 6.5% as of December 2022. The annual inflation rate continued its downward trend through June 2024, when it reached 3.0%. Shortly thereafter, the Federal Reserve elected to lower the target range for the federal funds rate by 0.50 percentage points to 4-3/4 to 5 percent. Additional reductions in the interest rate are anticipated in the upcoming quarters.

Notwithstanding the downward trend in inflation, costs for essential materials and supplies remain unstable, due to supply chain constraints, and continue to place additional pressure on COMB and our Members Agencies. COMB has worked aggressively to contain costs in all areas by improving operating efficiencies and effectively utilizing internal resources, when possible, to achieve our objectives.

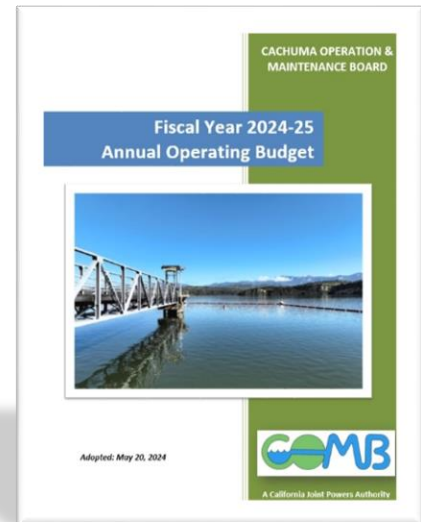
Overall, Santa Barbara County's economy for the twelve months ending June 30, 2024, demonstrated resilience amid inflationary pressures and a stabilizing real estate market. With steady unemployment rates and growth in crucial sectors, the outlook remains cautiously optimistic, though challenges related to supply costs persist.



*Breakwater at  
Santa Barbara Harbor*

## Financial Planning

COMB operates under an annual budget, which is adopted by the Board in accordance with established short and long-term financial plans. The development and adoption of an annual budget is based on the Board's financial and operational policies. Its purpose is to maintain fiscal stability by providing a structural balance between revenues and expenditures and to identify programs of work COMB has pledged to support. In addition, the budget provides the financial resources necessary to achieve or advance management strategies and goals. It serves as a financial road map and communication tool describing programs of work, resource requirements, and functions as a guideline in accomplishing our mission in the most efficient, fiscally sustainable manner while ensuring maximum value to our Member Agencies. The COMB Budget can be found on the COMB website at [www.cachuma-board.org/comb-budget](http://www.cachuma-board.org/comb-budget).

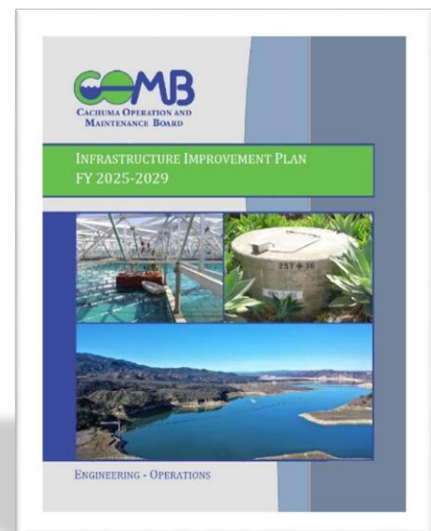


The Government Finance Officers Association recommends that all governmental entities use some form of strategic planning to provide a long-term perspective for service delivery and budgeting. COMB has developed a comprehensive five-year Infrastructure Improvement Plan (IIP) that is used as an internal guideline for forecasting, budgeting and long-term financial planning. The COMB IIP, including cost projections, can be found on the COMB website at [www.cachuma-board.org/infrastructure-improvement-program](http://www.cachuma-board.org/infrastructure-improvement-program).

The IIP formalizes the strategy for implementation of capital projects and programs needed to carry out the goals and policy objectives of the Board. The IIP is organized and structured to identify and prioritize rehabilitation projects necessary to protect, improve, and sustain a reliable source of water conveyed from the Cachuma Project to the South Coast communities of Santa Barbara County.

COMB staff actively pursues outside funding sources for all infrastructure improvement projects. Outside funding sources, such as grants, are used to finance only those improvement projects that are consistent with the Five-Year Infrastructure Improvement Project Plans and COMB priorities, and whose operating and maintenance costs have been included in future operating budget forecasts.

Board policy requires that all projects be reviewed by committee and approved by the Board prior to commencement.



**FY 2023-24 Accomplishments**

During fiscal year 2023-24, COMB continued to focus its efforts on water supply reliability, infrastructure improvements, environmental stewardship, policies and financial responsibility, and improving workforce capabilities. Outlined below are highlights of accomplishments during this past fiscal year.

**Engineering and Operations Division**

- Operated and maintained the South Coast Conduit, which consists of 26.5 miles of pipeline with a combined 124 blowoff and air vent structures, 43 turnout structures, 20 meters and 4 regulating reservoirs.
- Cleaned the Ortega Reservoir following a two-month shutdown of the reservoir for extensive joint sealing and repair by Montecito Water District/Carpinteria Valley Water District (MWD/CVWD) contractor and returned the reservoir to normal service in collaboration with MWD.
- Repaired, crack-sealed, and seal-coated the asphalt around Lauro Office and Yard with asphalt contractor.
- Replaced the pressure transducers in Carpinteria Reservoir to improve accuracy of reservoir elevation reading in collaboration with the City of Santa Barbara and CVWD.
- Assisted Goleta Water District (GWD) and MWD with turnout shutdowns from the South Coast Conduit system to facilitate repairs in their portions of the system.
- Repaired damage to two blowoff structures that resulted from the 2023 Winter Storms.
- Participated in the annual site inspections and five-year hazardous waste audit with US Bureau of Reclamation staff.
- Completed debris removal from the 2023 Winter Storms that was deposited in the debris basins around Lauro Reservoir in preparation of the 2024 Winter season with contractor. Replaced the Lauro Debris Basin pump which burned out from extensive use during the 2023 storm season.
- Removed sediment from the Lauro Reservoir Spillway Stilling Well utilizing large vacuum truck contractor to prevent impacts to San Roque Creek. Spillway was flowing at capacity during 2024 storms following the cleanout and the timely cleanout was important to prevent damage during the 2024 rainy season.
- Removed the Stow Ranch meter and re-piped structure back into a blowoff-only configuration in collaboration with Stow Ranch landowner and GWD.

**FY 2023-24 Accomplishments (Continued)****Engineering and Operations Division (Continued)**

- Completed repair of a washout on Lauro Reservoir Bypass Channel with contractor which included mitigation to extend the concrete channel by 80 feet to prevent damage in future events. The new concrete channel functioned well in 2024 storms. Staff also performed repairs on unimproved sections of the bypass channel which failed in three spots during the 2024 storm events.
- Set up and operated emergency bypass pumping system from the stilling basin below Bradbury Dam to the lower Santa Ynez River under the direction of the United States Bureau of Reclamation (Reclamation) and in collaboration with COMB Fisheries Division to allow Reclamation to install a refurbished fixed cone valve and test the new spillway gate motors at Bradbury Dam. The pump-bypass system allowed for critical maintenance work to be performed without impacting flows downstream. Both the spillway motors and outlet works valve were used extensively in the winter of 2024 by Reclamation in managing flows.
- Prepared an extensive update to the Infrastructure Improvement Plan for the five-year period from 2025-2029.
- Obtained coverage under the state drinking water discharge permit for maintenance and emergency discharges which is a better fit for the Cachuma Project system than the limited threat discharge permit COMB previously had coverage under.
- Completed TOC/Phosphorous Source Study which had added challenges due to the large influx of sediment and water that occurred during the 2023 Winter Storms.
- Conducted safety training meetings including Confined Space Rescue training. Acquired and trained with a rope retrieval system for a redundant extraction system for the North Portal Elevator.
- COMB's Water Resources Analyst completed a certification program at Portland State University on the subject of water quality modeling for lakes, rivers, and estuaries using CE-QUAL-W2 modeling. CE-QUAL-W2 is a two-dimensional (longitudinal and vertical) hydrodynamic and water quality model which was first recommended within the 2020 Lake Cachuma Water Quality and Sediment Management Study.
- COMB's Engineer and Operations Division Manager completed course work for the Water Service Worker Distribution Operator IV (D4) certification program and passed the D4 certification exam. This achievement will allow COMB Operations Staff to pursue advanced level certifications.



**FY 2023-24 Accomplishments (Continued)****Engineering and Operations Division (Continued)**

- Staff member completed course work for the Water Service Worker Distribution Operator II (D2) certification program and passed the D2 certification exam. COMB currently has one D4, four D3 and one D2 certified operators on staff for the D3 classified system.
- Received and reviewed 1129 Underground Service Alert tickets and took appropriate action, as necessary.
- Purchased a zero-emissions electric vehicle (Ford Lightning) in compliance with the Advanced Clean Fleet regulations, installed an electric car charging station, and replaced an old backhoe (which was limited in how many hours it could operate due to air emissions) with a new backhoe with an EPA Final Tier 4 engine.
- Worked with FEMA on a weekly basis to document winter storm damages in 2023 (DR-4683) and 2024 (DR-4769). Approved for funding of a total of \$600,000 in FEMA and CalOES public assistance damages for the 2023 disaster (DR-4683).
- Imported COMB GIS system to ESRI Field Maps program and began a systematic update of GPS-locations of structures with centimeter-grade accuracy with a goal of more accurately mapping the location of the South Coast Conduit and allow Operations staff to better utilize GIS in the field.
- Monitored numerous construction projects adjacent to and within the Reclamation right-of-way to ensure the protection of the South Coast Conduit.
- Removed vegetation at all structure sites to ensure defensible space as required by the Santa Barbara County Fire Marshal.
- Performed weekly inspections of major facilities.
- Performed routine dam inspections and instrumentation reports (all reservoirs).
- Performed North Reach structure maintenance and control station valve exercising as part of the annual Operating Division work plan.
- Enhanced the Lake Cachuma elevation projection model for water supply and conveyance planning purposes.
- Maintained the Lake Cachuma log boom around the intake tower which has been breaking more frequently requiring repairs on approximately 10 occasions during the year.

**FY 2023-24 Accomplishments (Continued)****Engineering and Operations Division (Continued)**

- Continued advancement of COMB's internal water accounting model to automate and improve monthly water accounting reports.
- Submitted monthly and quarterly reports to the Division of Drinking Water for the Total Coliform Rule, Surface Treatment Rule, Disinfection Byproducts Rule with sampling assistance from Member Agency Staff.
- Conducted an integrated pest management program to control ground squirrels at dam sites. A water service worker obtained a qualified applicator certificate to administer pesticides.
- Maintained permits with Caltrans (maintenance permit on Highway 192), Department of Industrial Relations (Elevator permit), APCD (generator permits), and EPA (Hazardous Material Program).

**Fisheries Division**

- Executed an activities agreement with Reclamation to memorialize COMB's Endangered Species Act (ESA) compliance activities pursuant to the National Marine Fisheries Service 2000 Biological Opinion for the Cachuma Project (2000 BiOp) and the State Water Resources Control Board Water Rights Order 2019-0148.
- Conducted all 2000 BiOp compliance monitoring in the Lower Santa Ynez River (LYSR) basin and its tributaries including Lake Cachuma water quality monitoring pursuant to associated guidance documents.
- Conducted all monitoring, analyses, and reporting as requested by Reclamation in compliance with the State Water Board Order WR 2019-0148.
- Completed the Water Year (WY) 2023 Annual Monitoring Report (AMR) and Annual Monitoring Summary (AMS).
- Transferred all field monitoring data files to Reclamation via the established data portal for WY2024 and files from previous years if there were modifications after a QA/QC process with Reclamation.
- Provided comments on draft sections of the Biological Assessment as requested by Reclamation for their re-consultation efforts with the National Marine Fisheries Service (NMFS).

**FY 2023-24 Accomplishments (Continued)****Fisheries Division (Continued)**

- Worked closely with Reclamation upon their request to monitor Hilton Creek and the LSYR mainstem during all required testing, modifications, or operations of Bradbury Dam, the Hilton Creek Watering System, and the Hilton Creek Emergency Backup System to safeguard the fishery downstream of the dam and assisted Reclamation operations staff.
- Worked with Reclamation staff to draft a 2-year gravel augmentation plan for Hilton Creek and the LYSR mainstem on Reclamation property that is scheduled to start in the fall of 2024.
- Continued to work closely and collaboratively with California Department of Fish and Wildlife (CDFW), Reclamation, and NMFS on fish rescue/relocation efforts in the LSYR mainstem and its tributaries as needed and requested due to dam operations, specifically spill ramp down, or tributary habitat enhancement efforts.
- Conducted WY2024 spill ramp down surveys looking for stranded fish or mortalities. This effort continued throughout the dry season.
- Wrote and submitted to Reclamation the Mudflow Report (1/9/23) and the WY2023 Spill Ramp-Down Report (3/9/23 and 1/30/24). Each incident had *O. mykiss* mortalities and the need for fish rescue/relocation efforts.
- Assisted CDFW in fish rescue and relocation efforts at Quiota Creek as needed.
- Successfully completed the Fish Passage Enhancement Project at Quiota Creek Crossings 5 and 9 in the fall of 2023.
- Completed fish scale mounting, photographing, reading, and reporting for WY2024 as part of the WY2024 AMS/AMR.
- Worked with the COMB Operations Division on monitoring algae, nutrients, and water quality in Lake Cachuma throughout the year and participated in the TOC/P Study of Lake Cachuma, specifically the sediment study and reviewing draft reports.
- Monitored and maintained all mitigation oak trees near Lake Cachuma as part of the surcharge operation at the Dam. COMB has planted approximately 5,740 oak trees under this program since its inception in 2005.
- Completed the 2023 Annual Oak Tree Survey and reported the status of the Lake Cachuma Oak Tree Restoration Program with FY 2023-24 financials to the COMB Oak Tree Committee and COMB Board of Directors.

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**FY 2023-24 Accomplishments (Continued)****Fisheries Division (Continued)**

- Updated the Fisheries Division Habitat Improvement Plan with all potential fish passage projects over the next five fiscal years.
- Maintained a rigorous watering/weeding effort of the mitigation trees in the Lake Cachuma Oak Tree Restoration Program throughout the dry season that has shown positive results in sustaining those trees.
- Obtained a CDFW 2081(A) MOU and a CDFW Scientific Collection Permit for CESA take coverage for all components of our monitoring program.
- Presented a poster at the 2023 Salmonid Restoration Federation (SRF) annual fisheries conference on Sulfur and Salmonids and gave an oral presentation at the 2024 SRF conference on fish and high flow releases.
- Submitted the WY2024 Migrant Trapping Plan to Reclamation and successfully implemented that Plan during the migration season (January -May).

**Administrative Division**

- Awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the FY 2021-22 Annual Comprehensive Financial Report.
- FY 2022-23 Audited Financial Statements received an unmodified (“clean”) opinion.
- Awarded the Distinguished Budget Presentation Award from the GFOA for the FY 2023-24 COMB Operating Budget document.
- Initiated renewal discussions with Reclamation for the Cachuma Transferred Project Works Contract. Executed a three-year amendatory contract to allow for the completion of a long-term agreement.
- Participated in a technical session with Reclamation to discuss the process of finalizing the Bradbury Dam Safety of Dams contract including any amendments that may be needed. The contract is expected to be finalized in the spring of 2025.
- Initiated discussions with Reclamation related to capitalizing certain key assets that COMB paid and installed within federal easements. Executed a twenty-five-year license agreement with Reclamation for both the Modified Upper Reach Reliability Project and the Lake Cachuma Secured Pipeline. The license agreement provided COMB’s auditors with the documentation necessary to capitalize both assets, which will better reflect COMB’s strong financial position.

**FY 2023-24 Accomplishments (Continued)****Administrative Division (Continued)**

- Participated in the Santa Barbara County Integrated Regional Water Management Program (IRWMP). The Cooperating Partners of IRWMP meet regularly to promote and practice integrated regional water management strategies; to ensure sustainable water uses, reliable water supplies and water quality, environmental stewardship, efficient urban development; and protection of agricultural and watershed awareness.
- Executed a subgrant agreement with the Santa Barbara County Water Agency under the Integrated Regional Water Management (IRWM) Implementation Grant Solicitation. COMB was awarded \$1M in grant funding to be used for the Lake Cachuma Secured Pipeline Agreement. Submitted invoicing materials and other deliverables necessary for reimbursement under the agreement.
- Initiated the application process and worked closely with FEMA/CalOES for federal disaster relief funding for damages that resulted from both the 2023 and 2024 storm events.
- Administrative Manager/CFO attended the 2023 GFOA Annual Conference and participated in several educational sessions including: Accounting and Auditing Updates for 2023, GASB Statement No. 96 – Accounting for Subscription Based Information Technology Arrangements (SBITA), Financial Forecasting, Capital Planning and Asset Management, Federal Funding Opportunities, and Cybersecurity Best Practices.
- Administrative Manager / CFO appointed to the Finance and Audit Committee of ACWA JPIA. The primary responsibility of the Committee is to put forward recommendations for approval to the Executive Committee with respect to audit, budget and investment policy.
- Completed the annual ACWA JPIA Worker’s Compensation, Liability, and Property Risk Assessment. ACWA JPIA reviewed COMB’s Employment Practices, Safety protocols and Heat Illness Prevention Program, ACWA’s Risk Control and Risk Transfer Manual, and COMB’s Workers Compensation and Liability Program experience history.
- Received the President’s Special Recognition Award from the Association of California Water Agencies. The JPIA recognizes its members that have a loss ratio of 20% or less in the Liability, Property and Worker’s Compensation programs.
- Conducted the annual Information Technology (IT) review with COMB’s IT consultant. The purpose of the meeting was to review COMB’s systems, identify updates to system requirements, assess current IT protocols, review data disaster recovery practices, as well as identify potential new security threats.

**FY 2023-24 Accomplishments (Continued)****Administrative Division (Continued)**

- Updated various internal operational safety procedures/protocols to maintain a safe and healthy working environment, free from hazards, for all employees including COMB's Injury and Illness Prevention Plan, Safe Operating Procedures Manual and Heat Illness Prevention Plan.
- Updated COMB's Personnel Policy and Employee Handbook for labor law updates and changes.
- COMB field and administrative staff completed their biennial First Aid/CPR certification training.
- Hired and trained an Administrative Assistant II position.



*COMB Board Room*

**Independent Audit**

Under the terms and provisions of the Joint Powers Authority Agreement, COMB requires that its financial statements be audited by a Certified Public Accountant selected and approved by the COMB Board of Directors. This requirement has been satisfied and the auditor's report is included in the financial section of this report.

**Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to COMB for its ACFR for the fiscal years ended June 30, 2023, and 2022. This was the seventh consecutive year COMB has achieved this prestigious award. In order to be awarded a Certificate of Achievement, COMB had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements. The Certificate of Achievement is valid for a period of one fiscal year. However, we believe our current ACFR meets the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a subsequent certificate.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Administration Division. I wish to thank the members of that division for their assistance in providing the data necessary to prepare this report. Recognition is also given to the COMB Board for their unfailing support for maintaining the highest standards of professionalism in governance of COMB. I am pleased to present this report to the Board of Directors for formal adoption.

Respectfully submitted,

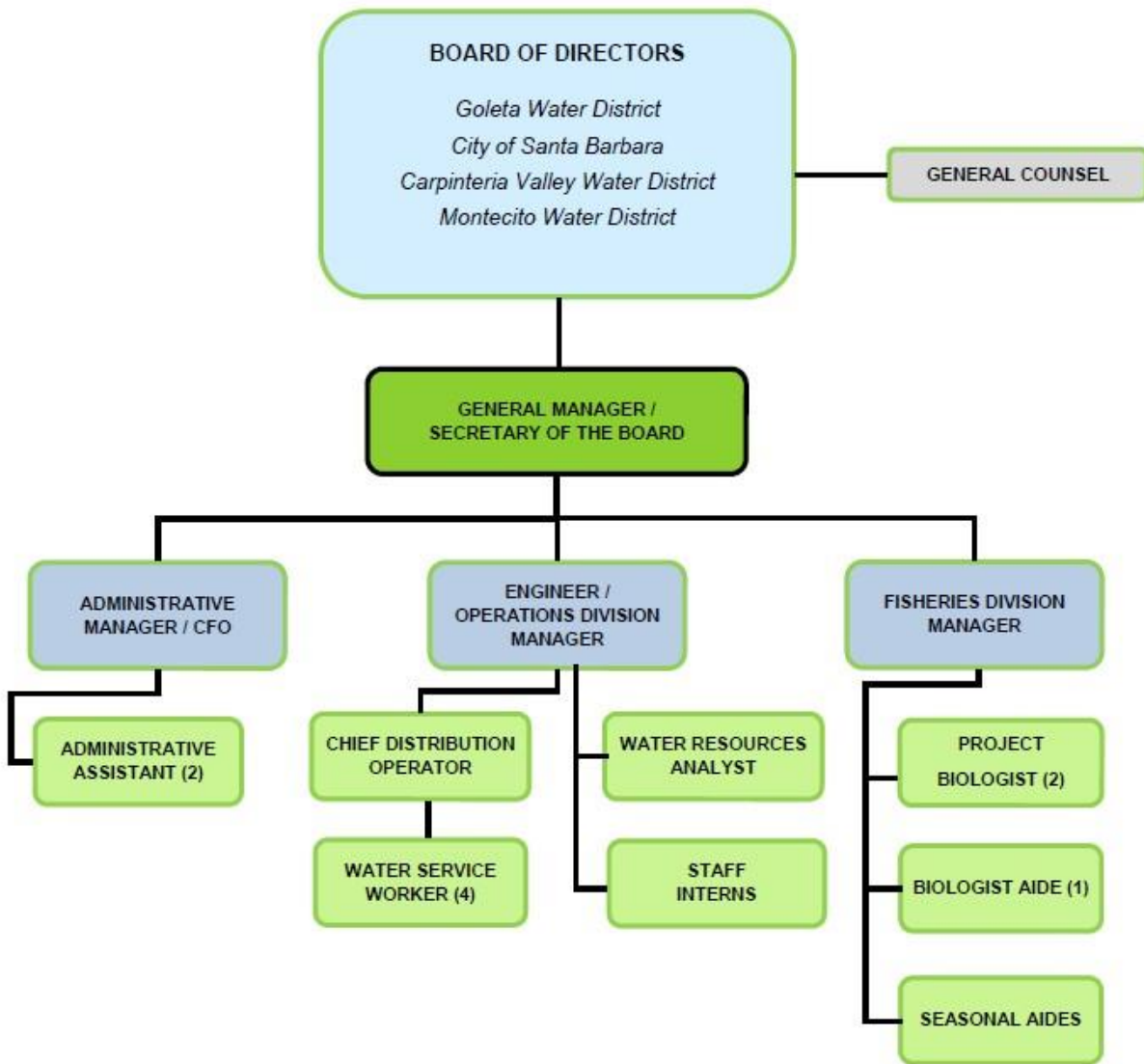


Janet Gingras  
General Manager

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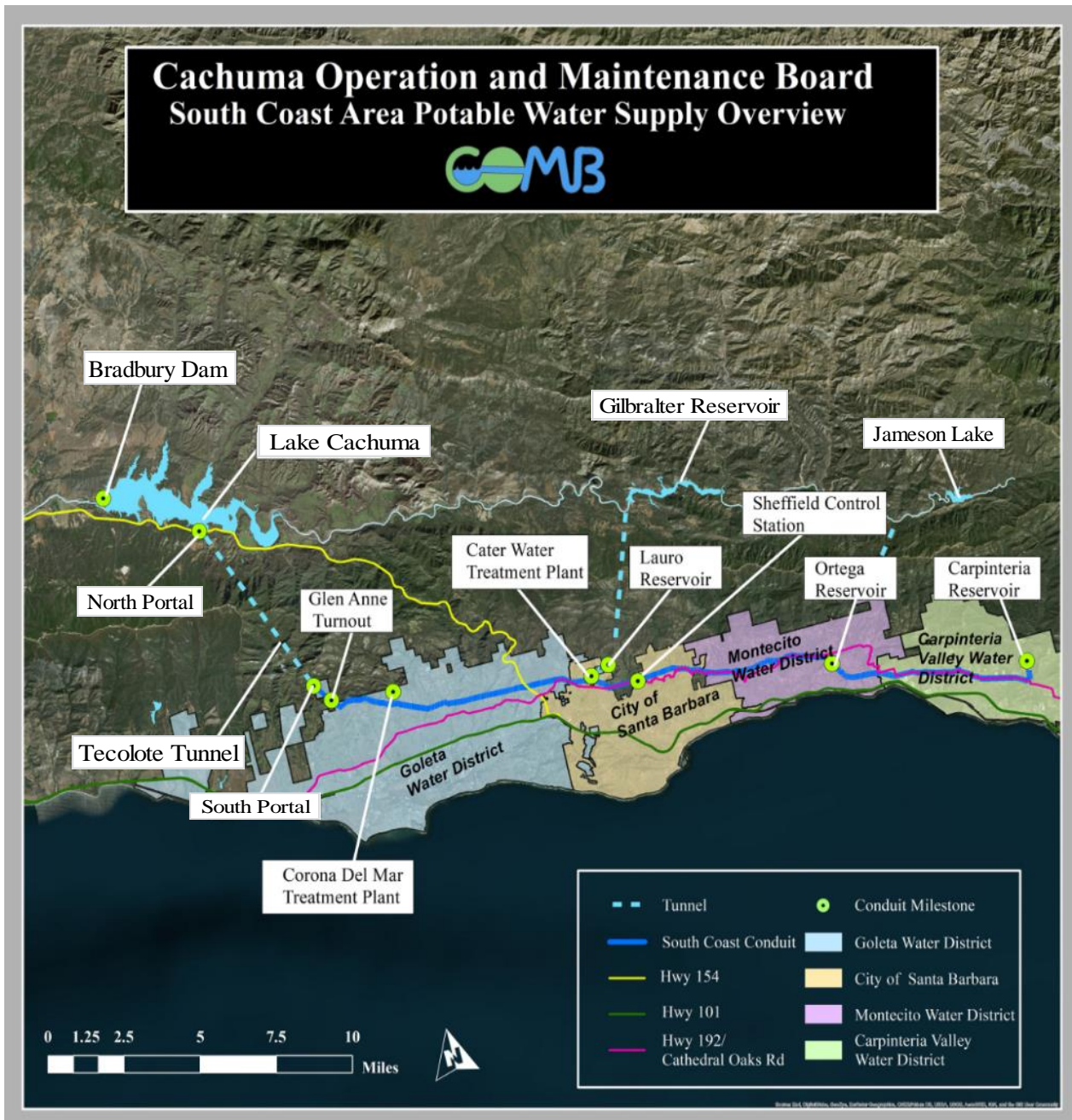


**COMB ORGANIZATIONAL CHART**



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CACHUMA PROJECT FACILITIES MAP



Water from Lake Cachuma is conveyed to the South Coast Member Units through the Tecolote Tunnel intake tower at the east end of the reservoir. The Tecolote Tunnel extends 6.4 miles through the Santa Ynez Mountains from Lake Cachuma to the western terminus of the South Coast Conduit, a concrete pipeline that extends 26 miles from the Tecolote Tunnel outlet to the Carpinteria Valley Water District. COMB is responsible for diversion of water to the South Coast through the Tecolote Tunnel, and operation and maintenance of the South Coast Conduit pipeline, flow control valves, meters, and instrumentation at control stations, and turnouts along the South Coast Conduit and at four regulating reservoirs. COMB coordinates closely with the Bureau of Reclamation and Member Units' staff to ensure that water supplies meet daily demands.

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Cachuma Operation and Maintenance Board  
California**

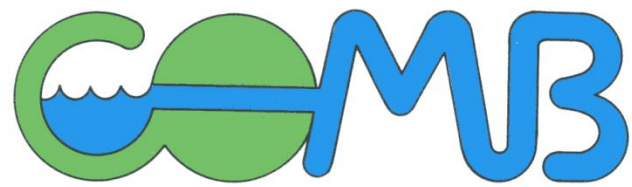
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

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**FINANCIAL  
SECTION**

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**FINANCIAL SECTION**  
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## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of  
Cachuma Operation and Maintenance Board**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Cachuma Operation and Maintenance Board (COMB) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise COMB's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of COMB, as of June 30, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of COMB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

As discussed in Note 14 to the financial statements, the June 30, 2023 financial statements have been restated. Our opinion is not modified with respect to this matter.



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## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about COMB's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the COMB's internal control. Accordingly, no such opinion is expressed.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about COMB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 25 through 41, the California Public Employees' Retirement System - Schedule of Cachuma Operation and Maintenance Board's Proportionate Share of the Net Pension Liability on page 82, California Public Employees' Retirement System - Schedule of Cachuma Operation and Maintenance Board's Contributions on page 83, and Other Post-Employment Benefits (OPEB) Plan – Schedule of Changes in the Net OPEB Liability and Related Ratios on page 84 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise COMB's basic financial statements. The supplemental schedule of operation and maintenance, general and administrative and other maintenance expense on pages 85 and 86 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of



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the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and the other additional procedures in accordance with GAAS. In our opinion, the supplemental schedule of operation and maintenance, general and administrative and other maintenance expense is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024 on our consideration of COMB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of COMB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering COMB's internal control over financial reporting and compliance.

*Bartlett, Pringle & Wolf, LLP*

Santa Barbara, California  
December 16, 2024

## Management's Discussion and Analysis

### FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

This section presents management's analysis of the financial condition and activities of COMB for the fiscal years ended June 30, 2024 and 2023. This information should be read in conjunction with the financial statements and the additional information included herewith.

### OVERVIEW OF THE FINANCIAL STATEMENTS

COMB operates as a proprietary fund-type. All proprietary fund-types use a flow of economic resources measurement focus. Under this measurement focus, all assets and liabilities associated with the operation of these funds are included on the Statement of Net Position and where appropriate, total net position (i.e., fund equity) are segregated into invested in capital and unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in total net position.

All proprietary fund-types utilize the accrual basis of accounting. Under this method, revenues are recognized when earned, regardless of when received, and expenses are recognized at the time the related liabilities are incurred, regardless of when paid.

### Summary of Organization and Business

COMB is a Joint Powers Authority and public entity in the County of Santa Barbara, organized and existing in accordance with Government Code Section 6500 *et seq.*, and operating pursuant to the 1996 Amended and Restated Agreement for the Establishment of a Board of Control, dated May 23, 1996 ("Amended and Restated Agreement"), as amended by an Amendment to the Amended and Restated Agreement made effective September 16, 2003 and a Second Amendment to the Amended and Restated Agreement made effective November 20, 2018 (collectively the "Joint Powers Agreement" or "JPA"). The Cachuma Project Member Units entered into the Joint Powers Agreement to exercise their common power to provide for the rights to, the facilities of, and the operation, maintenance and use of the United States, Department of the Interior, Bureau of Reclamation project known as the Cachuma Project, including storage, treatment, transport and appurtenant facilities, and all necessary tangible and intangible property and rights. In particular, the Member Units expressed their desire to create COMB for the purpose of providing authority for the financing of "costs" for the capture, development, treatment, storage, transport and delivery of water; and for repayment of notes, bonds, loans, warrants, and revenue bonds as may be issued to finance facilities, operations or services. In September 2010, the COMB Board approved a budget adjustment effective January 2011 to transfer from Cachuma Conservation and Release Board (CCRB) the implementation of the Santa Ynez River Fisheries Program as required by the 2000 Biological Opinion.

## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

#### Summary of Organization and Business (Continued)

COMB currently has a staff of 15 full-time employees. Of these, four are employed in an administrative capacity and eleven are in field operations.

COMB is composed of four Member Agencies, all of which are public agencies: the Carpinteria Valley Water District, the Goleta Water District, the Montecito Water District, and the City of Santa Barbara. (A founding Member Unit of COMB, the Summerland Water District, reorganized with the Montecito Water District, with Montecito Water District as the successor agency. Another founding Member Unit of COMB, the Santa Ynez River Water Conservation District, assigned its Member Unit water contract to the Santa Ynez River Water Conservation District, Improvement District No. 1.)

On May 27, 2016, Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1) notified the COMB Board of its stated intent to withdraw from the Agreement. A Separation Agreement was entered into by ID No. 1, COMB, and the remaining COMB Member Agencies and was approved by all parties effective August 28, 2018. ID No. 1 continues to be a member of the Cachuma Project, which carries certain benefits and obligations associated with the Project as outlined in various agreements.

Under the Joint Powers Agreement, each of the four Member Agencies appoints a representative to the COMB Board of Directors. The following table shows the number of votes each has on the Board of Directors:

<u>Member Unit</u>	<u>Board Representation</u>
Carpinteria Valley WD	1 vote
Goleta Water District	2 votes
Montecito Water District	1 vote
City of Santa Barbara	2 votes
Total	<u>6 votes</u>

Votes representing a majority of the number of votes authorized under the Joint Powers Agreement are required for the approval of any decision, other than adjournment, which requires action of the Board of Directors. In addition, the affirmative vote of at least three representatives to the Board of Directors is necessary for the approval of such a decision.



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## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

#### Summary of Organization and Business (Continued)

The unanimous consent of the representatives of all the Member Agencies is required for COMB to take action on the following matters:

1. Approval of a Cachuma Project Master Contract amendment, renewal or extension.
2. A matter involving water rights of any party.
3. Acquisition of significant facilities from the United States.
4. Issuance of bonds, loans or other forms of indebtedness in excess of one million (\$1,000,000) dollars.

A decision of COMB authorizing a capital expenditure in excess of one million dollars or incurring an indebtedness or obligation in excess of one million dollars is not effective unless it has been ratified by a resolution approved by all of the Member Agencies.

#### Operating Assessments

Current operations of COMB are funded by assessment of the Member Agencies, with the assessments based on the Member Agencies' Cachuma Project entitlement percentages. The four COMB Member Agencies also fund the operation and maintenance portion of the annual budget as well as the cost of special projects for other Cachuma Project storage and conveyance facilities that serve the South Coast of Santa Barbara County. These facilities include the Tecolote Tunnel, the South Coast Conduit (SCC), and four dams and reservoirs (Glen Annie, Lauro, Ortega and Carpinteria). During the fiscal year ended June 30, 2024, COMB conducted and/or completed a number of special studies and projects using revenue provided by these assessments. These projects included storage of key components of the Emergency Pumping Facility, improvements to the South Coast Conduit, and rehabilitation and betterment of control stations, valves and structures.

In September 2010, the COMB Board approved a budget adjustment effective January 2011 to transfer from Cachuma Conservation and Release Board (CCRB) the implementation of the Santa Ynez River Fisheries Program as required by the 2000 Biological Opinion. All four Member Agencies fund the general and administrative portion of the annual budget as well as the cost of special projects. All four Member Agencies also fund the Santa Ynez River Fisheries Program and related activities. Pursuant to the Separation Agreement between COMB and ID No. 1, starting in Fiscal Year 2017-18 and going forward, certain actual expenditures incurred by COMB will be collected from ID No. 1 through an invoice issued quarterly to it by COMB.

## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

#### Grant Program

COMB has developed a grant program by utilizing a team of staff members to write proposals, administer grants and carry out grant contracts. They have applied for and received various federal and state contracts for habitat enhancement, fisheries projects within the Lower Santa Ynez River drainage and South Coast pipeline improvement projects.

In 2019, the COMB Engineering Division was selected under the US Bureau of Reclamation Drought Resiliency Program for a WaterSMART Drought Resiliency Project grant for \$750,000. In 2022, COMB was also awarded a grant from the Department of Water Resources Urban and Multi Benefit Drought Relief Program for \$2,250,000. Funds from both grants were applied towards the Lake Cachuma Secured Pipeline Project during FY 2022-23.

In 2021, COMB entered into a Cooperative Agreement with Carpinteria Valley Water District (CVWD) proposing a collaborative work effort between CVWD and COMB to repair and rehabilitate aging infrastructure in the lower reach section of the South Coast Conduit and the CVWD distribution system. CVWD proposed to financially participate in rehabilitating SCC laterals in collaboration with COMB installing two (2) isolation valves on the SCC. This approach would allow improved isolation and enable longer shutdowns to repair and maintain the system in the future or during an emergency. Phase 2 of this project is scheduled to be completed in fiscal year 2024-25.

In December 2022, COMB was awarded \$1,000,000 under the Department of Water Resources, Proposition 1 Implementation Grant Program – Round 2, Cycle 1 through its participation in the Santa Barbara County Regional Water Management Program (IRWMP). Projects proposed by IRWMP support the goals and targets of the adopted IRWMP and achieve many of the region's resource management strategies. Funds from this grant were applied to the Lake Cachuma Emergency Pumping Facility – Secured Pipeline Project in FY 2023-24.

The 2023 and 2024 winter storm events and subsequent debris flows caused damage to South Coast Conduit appurtenant structures and facilities. President Joseph R. Biden, Jr. declared that an emergency existed in the State of California and ordered Federal assistance to supplement State, tribal, and local response efforts. COMB has initiated the application process and is working closely with FEMA/CalOES for federal disaster relief and hazard mitigation funding for damages that resulted from these events.

## Management's Discussion and Analysis

### COMB Committees

COMB has five standing committees: the Administrative Committee (financial, personnel and legal matters), the Operations Committee, the Fisheries Committee, the Public Outreach Committee, and the Lake Cachuma Oak Tree Committee. Each committee is composed of two Board members and one alternate Board member. Appointments to the committees are made by the President of the Board. The committees meet with staff on an as-needed basis and make recommendations to the Board of Directors regarding capital improvements, finance, and other matters. From time to time, COMB utilizes ad-hoc committees, which are temporary in nature.

### FINANCIAL HIGHLIGHTS

The following table shows a condensed version of COMB's statement of net position with corresponding analysis regarding significant variations.

	Condensed Statement of Net Position						
	Year Ended			2024-2023 Variance		2023-2022 Variance	
	June 30, 2024	June 30, 2023 (Restated)	June 30, 2022 (Restated)	Dollars Change	Percent Change	Dollars Change	Percent Change
<u>Assets:</u>							
Current Assets	\$ 2,277,960	\$ 2,567,562	\$ 2,432,633	\$ (289,602)	-11.3%	\$ 134,929	5.5%
Restricted Assets	197,723	325,116	278,657	(127,393)	-39.2%	46,459	16.7%
Property, Plant & Equipment	9,174,834	9,152,015	4,575,680	22,819	0.2%	4,576,335	100.0%
Other Assets	4,007,682	4,279,239	4,542,080	(271,557)	-6.3%	(262,841)	-5.8%
<b>Total Assets</b>	<b>\$ 15,658,199</b>	<b>\$ 16,323,932</b>	<b>\$ 11,829,050</b>	<b>\$ (665,733)</b>	<b>-4.1%</b>	<b>\$ 4,494,882</b>	<b>38.0%</b>
<u>Deferred Outflows of Resources:</u>							
Deferred pensions	\$ 1,124,425	\$ 1,136,753	\$ 479,670	\$ (12,328)	-1.1%	\$ 657,083	137.0%
Deferred other post employment benefits	543,969	652,844	761,719	(108,875)	-16.7%	(108,875)	-14.3%
<b>Total Deferred Outflows of Resources</b>	<b>\$ 1,668,394</b>	<b>\$ 1,789,597</b>	<b>\$ 1,241,389</b>	<b>\$ (121,203)</b>	<b>-6.8%</b>	<b>\$ 548,208</b>	<b>44.2%</b>
<u>Liabilities:</u>							
Current Liabilities	\$ 1,933,341	\$ 2,310,796	\$ 1,699,510	\$ (377,455)	-16.3%	\$ 611,286	36.0%
Long-Term Liabilities	9,898,448	10,157,713	9,061,621	(259,265)	-2.6%	1,096,092	12.1%
<b>Total Liabilities</b>	<b>\$ 11,831,789</b>	<b>\$ 12,468,509</b>	<b>\$ 10,761,131</b>	<b>\$ (636,720)</b>	<b>-5.1%</b>	<b>\$ 1,707,378</b>	<b>15.9%</b>
<u>Deferred Inflows of Resources:</u>							
Deferred pensions	\$ 67,850	\$ 129,899	\$ 1,102,745	\$ (62,049)	-47.8%	\$ (972,846)	-88.2%
Deferred other post employment benefits	1,104,764	1,035,632	1,140,861	69,132	6.7%	(105,229)	-9.2%
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,172,614</b>	<b>\$ 1,165,531</b>	<b>\$ 2,243,606</b>	<b>\$ 7,083</b>	<b>0.6%</b>	<b>\$ (1,078,075)</b>	<b>-48.1%</b>
<u>Net Position:</u>							
Net investment in capital assets	\$ 9,174,834	\$ 9,152,015	\$ 4,575,680	\$ 22,819	0.2%	\$ 4,576,335	100.0%
Unrestricted	(4,852,644)	(4,672,526)	(4,509,978)	(180,118)	-3.9%	(162,548)	-3.6%
<b>Total Net Position</b>	<b>\$ 4,322,190</b>	<b>\$ 4,479,489</b>	<b>\$ 65,702</b>	<b>\$ (157,299)</b>	<b>-3.5%</b>	<b>\$ 4,413,787</b>	<b>6717.9%</b>

## Management's Discussion and Analysis

### FINANCIAL HIGHLIGHTS (Continued)

#### Statement of Net Position Analysis

June 30, 2024 Comparison to June 30, 2023

Total assets reported as of June 30, 2024 decreased by \$665,734 (4.1%) as compared to June 30, 2023. The changes are noted below.

- Current assets include cash and cash equivalents, prepaid assets and accounts receivable. During fiscal year 2024, current assets decreased by \$289,602 (11.3%) as compared to fiscal year 2023. The decrease in current assets was attributed to a decrease in miscellaneous receivable of \$225,000 and a decrease in cash and cash equivalents of \$78,100. The decrease in miscellaneous receivable was related to the receipt of a grant receivable of \$225,000 from the Department of Water Resources as reimbursement for the Secured Pipeline Project. The balance in cash and cash equivalents can fluctuate from year to year based on time of payment of expenses.
- Restricted assets include funds deposited into the Warren Act Trust Fund and the Renewal Fund. Restricted assets decreased \$127,393 (39.2%) in fiscal year 2024 due to a decrease in deposits into the Warren Act Trust Fund. Deposits into the Warren Act Trust Fund are variable in nature and are directly tied to the annual amount of State Water Project Water delivered to the lake on behalf of the State Water Project (SWP) participants during each calendar year. Funds are reviewed annually by the Funds Committee for use in the upcoming fiscal year.
- The value of property, plant, and equipment increased \$22,819 (0.2%) in fiscal year 2024. During the current fiscal year, COMB purchased a new John Deere 320 P-Tier Loader/Backhoe for \$153,100, a Ford F-150 Lighting Truck for \$78,400, and miscellaneous field equipment for \$64,000. This amount was offset by asset disposals of \$110,000 and the current year depreciation expense of \$162,800.
- Other assets decreased in fiscal year 2024 by \$271,557 (6.3%) primarily due to a decrease in the long-term Bradbury and Lauro Safety of Dams (SOD) Act assessments receivable, as described in Note 6 - SOD Act Assessments Receivable and Contracts Payable in the Notes to the Basic Financial Statements.
- Deferred outflows and deferred inflows are related to accounting for pension liabilities associated with GASB 68. This is further detailed in Note 11 - Pension Plan, in the Notes to the Basic Financial Statements.

## Management's Discussion and Analysis

### FINANCIAL HIGHLIGHTS (Continued)

#### Statement of Net Position Analysis (Continued)

June 30, 2024 Comparison to June 30, 2023

Total liabilities reported as of June 30, 2024 decreased by \$636,720 (5.1%) as compared to June 30, 2023. The changes are noted below.

- Current liabilities represent the balance in accounts payable, the current portion due (within one year) of long-term debt, payable to member agencies, accrued wages and deferred revenue account balances. Current liabilities decreased by \$377,455 (16.3%) in fiscal year 2024 as compared to fiscal year 2023. The net change in current liabilities was primarily attributable to a decrease in payable to member agencies of \$316,945 and a decrease in unearned revenue of \$127,392. These amounts were offset by an increase in accrued vacation/sick leave for \$55,596. The amount payable to member agencies can fluctuate due to the current year unexpended funds and carryover funds for project expenditures delayed or placed on hold. The decrease in unearned revenue was attributed to deposits made into the Warren Act Trust Fund which are variable in nature and are directly tied to the annual amount of State Water Project Water delivered to the lake on behalf of the State Water Project (SWP) participants during each calendar year. The increase in accrued vacation/sick liability was due to benefits earned but not paid to staff.
- Long term liabilities decreased by \$259,265 (2.6%) in FY 2024 as compared to FY 2023. The decrease was attributed to a decrease in SOD Act contract payable of \$271,556 and a decrease in other post-employment benefits (OPEB) liability of \$192,933. These amounts were offset by an increase in pension liability of \$205,225. The decrease in SOD Act contract payable resulted from loan repayments per the terms of the SOD agreement. Changes in OPEB and pension liability can vary based on changes in discount rates and actuarial assumptions. Note 11 – Pension Plan contains detailed information regarding accounting under GASB 68. Note 12 – Other Post-employment Benefits (OPEB) contains further detailed information regarding accounting under GASB 74/75.

Total net position reported as of June 30, 2024 decreased by \$157,299 (3.5%) as compared to June 30, 2023. The changes are noted below.

- The invested in capital assets increased \$22,819 in fiscal year 2024 primarily due to a change in the value of property, plant and equipment as previously described.
- Unrestricted net position decreased \$180,118 in fiscal year 2024. Further details are provided on page 36. Unrestricted net position remains in a deficit position due to previous years' recognition of the GASB 68 pension liability and GASB 74 OPEB liability.

## Management's Discussion and Analysis

### FINANCIAL HIGHLIGHTS (Continued)

#### Statement of Net Position Analysis

June 30, 2023 Comparison to June 30, 2022

Total assets reported as of June 30, 2023 increased by \$4,494,882 (38.0%) as compared to June 30, 2022. The changes are noted below.

- Current assets include cash and cash equivalents, prepaid assets and accounts receivable. During fiscal year 2023, current assets increased by \$134,929 (5.5%) as compared to fiscal year 2022. The increase in current assets was attributed to an increase in miscellaneous receivable of \$208,400 and was offset by a decrease in cash and cash equivalents of \$61,399. The increase in miscellaneous receivable was related to a grant receivable of \$225,000 from the Department of Water Resources as reimbursement for the Secured Pipeline Project. The balance in cash and cash equivalents can fluctuate from year to year based on time of payment of expenses.
- Restricted assets include funds deposited into the Warren Act Trust Fund and the Renewal Fund. Restricted assets increased \$46,459 (16.7%) in fiscal year 2023 due to an increase in deposits into the Warren Act Trust Fund. Deposits into the Warren Act Trust Fund are variable in nature and are directly tied to the annual amount of State Water Project Water delivered to the lake on behalf of the State Water Project (SWP) participants during each calendar year. Funds are reviewed annually by the Funds Committee for use in the upcoming fiscal year.
- The value of property, plant, and equipment increased \$4,576,335 (100.0%) in fiscal year 2023 primarily due to the installation of the Lake Cachuma Secured Pipeline Project of \$4,751,940, two new fleet vehicles for \$211,995, and the COMB office repaving project of \$39,913. This amount is offset by a decrease in construction in progress of \$258,767 and current year depreciation expense of \$205,096.
- Other assets decreased in fiscal year 2023 by \$262,841 (5.8%) primarily due to a decrease in the long-term Bradbury and Lauro SOD Act assessments receivable, as described in Note 6 - SOD Act Assessments Receivable and Contracts Payable in the Notes to the Basic Financial Statements.
- Deferred outflows and deferred inflows are related to accounting for pension liabilities associated with GASB 68. This is further detailed in Note 11 - Pension Plan, in the Notes to the Basic Financial Statements.

## Management's Discussion and Analysis

### FINANCIAL HIGHLIGHTS (Continued)

#### Statement of Net Position Analysis (Continued)

June 30, 2023 Comparison to June 30, 2022

Total liabilities reported as of June 30, 2023 increased by \$1,707,378 (15.9%) as compared to June 30, 2022. The changes are noted below.

- Current liabilities represent the balance in accounts payable, the current portion due (within one year) of long-term debt, payable to member agencies, accrued wages and deferred revenue account balances. Current liabilities increased by \$611,286 (36.0%) in fiscal year 2023 as compared to fiscal year 2022. The net change in current liabilities was primarily attributable to an increase in payables to member agencies of \$641,285, an increase in unearned revenue of \$49,148 and an increase in accrued vacation/sick liability of \$30,930. This amount is offset by a decrease in accounts payable and accrued expenses of \$126,177. The amount payable to member agencies can fluctuate due to the current year unexpended funds and carryover funds for project expenditures delayed or placed on hold. The increase in unearned revenue was attributed to deposits made into the Warren Act Trust Fund which are variable in nature and are directly tied to the annual amount of State Water Project Water delivered to the lake on behalf of the State Water Project (SWP) participants during each calendar year. The increase in accrued vacation/sick liability was due to benefits earned but not paid to staff. The change in accounts payable and accrued expenses can fluctuate based on the timing of payment of expenses.
- Long term liabilities increased by \$1,096,092 (12.1%) in FY 2023 as compared to FY 2022. The increase was attributed to an increase in net pension liability of \$1,337,922 and is offset by a decrease in SOD Act contract payable of \$228,083 resulting from loan repayments. Changes in pension liability can vary based on changes in discount rates and actuarial assumptions. Note 11 – Pension Plan contains detailed information regarding accounting under GASB 68.

Total net position reported as of June 30, 2023 increased by \$4,413,787 (6717.9%) as compared to June 30, 2022. The changes are noted below.

- The invested in capital assets increased \$4,576,335 in fiscal year 2023 primarily due to a change in the value of property, plant and equipment as previously described.
- Unrestricted net position decreased \$162,548 in fiscal year 2023. Further details are provided on page 37. Unrestricted net position remains in a deficit position due to previous years' recognition of the GASB 68 pension liability and GASB 74 OPEB liability.

## Management's Discussion and Analysis

### FINANCIAL HIGHLIGHTS (Continued)

The following table shows a condensed version of COMB's Statement of Revenues, Expenses, and Changes in Net Position, with corresponding analysis regarding significant variances.

	Condensed Statement of Revenues, Expenses and Changes in Net Position						
	Year Ended			2024-2023 Variance		2023-2022 Variance	
	June 30, 2024	(Restated) June 30, 2023	(Restated) June 30, 2022	Dollars Change	Percent Change	Dollars Change	Percent Change
Operating Revenues (Expenses):							
Operating Revenues	\$ 4,902,380	\$ 8,197,308	\$ 4,799,037	\$ (3,294,928)	-40.2%	\$ 3,398,271	70.8%
Operating Expenses, excluding Depreciation Expense	(4,856,529)	(3,570,499)	(2,436,470)	1,286,030	36.0%	1,134,029	46.5%
Depreciation	(272,811)	(205,096)	(138,893)	67,715	33.0%	66,203	47.7%
<b>Operating Income (Deficit)</b>	<b>(226,960)</b>	<b>4,421,713</b>	<b>2,223,674</b>	<b>(4,648,673)</b>	<b>-105.1%</b>	<b>2,198,039</b>	<b>98.8%</b>
Non-operating Revenues	100,623	34,222	22,235	66,401	194.0%	11,987	53.9%
Non-operating Expenses	(30,962)	(42,148)	(69,226)	(11,186)	-26.5%	(27,078)	-39.1%
<b>Non-operating Revenues / (Expenses)</b>	<b>69,661</b>	<b>(7,926)</b>	<b>(46,991)</b>	<b>77,587</b>	<b>978.9%</b>	<b>39,065</b>	<b>83.1%</b>
<b>Change in Net Position</b>	<b>(157,299)</b>	<b>4,413,787</b>	<b>2,176,683</b>	<b>(4,593,458)</b>	<b>-104.1%</b>	<b>2,237,104</b>	<b>102.8%</b>
Net Position at beginning of year	4,479,489	65,702	(2,110,981)	4,413,787	6717.9%	2,176,683	103.1%
<b>Net Position at End of Year</b>	<b>\$ 4,322,190</b>	<b>\$ 4,479,489</b>	<b>\$ 65,702</b>	<b>\$ (157,299)</b>	<b>-3.5%</b>	<b>\$ 4,413,787</b>	<b>6717.9%</b>

The statement of revenues, expenses and changes in net position provides a condensed summary of the change in COMB's net position over the previous three fiscal years. COMB's net position decreased by \$157,299 in fiscal year 2024 as compared to fiscal year 2023. For the fiscal year ended 2023, COMB's net position increased by \$4,413,787 as compared to fiscal year 2022. Further discussion of the change in net position is provided on the following pages.



## Management's Discussion and Analysis

## FINANCIAL HIGHLIGHTS (Continued)

	Total Revenues						
	Year Ended			2024-2023 Variance		2023-2022 Variance	
	June 30, 2024	June 30, 2023	June 30, 2022	Dollars Change	Percent Change	Dollars Change	Percent Change
<b>Operating Revenues:</b>							
Operating Assessments from Member Agencies	\$ 3,043,054	\$ 4,910,368	\$ 4,473,144	\$ (1,867,314)	-38.0%	\$ 437,224	9.8%
Operating Assessment from Non-Member Agency	52,117	43,945	37,300	8,172	18.6%	6,645	17.8%
Grant Revenue	1,328,858	2,997,082	15,763	(1,668,224)	-55.7%	2,981,319	18913.4%
Renewal and Warren Act Trust Fund	361,533	128,715	182,830	232,818	180.9%	(54,115)	-29.6%
Cachuma Project Betterment Fund	100,000	100,000	90,000	-	0.0%	10,000	11.1%
Other Revenues	16,818	17,198	-	(380)	-2.2%	17,198	100.0%
Total Operating Revenues:	4,902,380	8,197,308	4,799,037	(3,294,928)	-40.2%	3,398,271	70.8%
<b>Non-Operating Revenues:</b>							
Interest income	56,147	34,222	5,635	21,925	64.1%	28,587	507.3%
Gain on sale of capital asset	27,000	-	16,600	27,000	100.0%	(16,600)	-100.0%
Unrealized gain on pooled investments	17,476	-	-	17,476	100.0%	-	0.0%
Total Non-Operating Revenues:	100,623	34,222	22,235	66,401	194.0%	11,987	53.9%
Total Revenues:	\$ 5,003,003	\$ 8,231,530	\$ 4,821,272	\$ (3,228,527)	-39.2%	\$ 3,410,258	70.7%

	Total Expenses						
	Year Ended			2024-2023 Variance		2023-2022 Variance	
	June 30, 2024	June 30, 2023	June 30, 2022	Dollars Change	Percent Change	Dollars Change	Percent Change
<b>Operating Expenses:</b>							
<b>Operation and Maintenance Division:</b>							
Operation and Maintenance	\$ 1,493,974	\$ 1,062,484	\$ 1,217,454	\$ 431,490	40.6%	\$ (154,970)	-12.7%
General and Administrative	842,913	724,417	(1,010,065)	118,496	16.4%	1,734,482	-171.7%
Emergency Pumping Facility Project	42,000	40,557	72,649	1,443	3.6%	(32,092)	-44.2%
Special Projects	895,035	599,921	961,403	295,114	49.2%	(361,482)	-37.6%
<b>Fisheries Division:</b>							
Operation and Maintenance	874,167	693,981	778,078	180,186	26.0%	(84,097)	-10.8%
General and Administrative	353,855	287,983	287,112	65,872	22.9%	871	0.3%
Fishery Related Projects	130,718	142,751	128,552	(12,033)	-8.4%	14,199	11.0%
Quiota Creek Crossing Habitat Enhancement	215,670	-	-	215,670	100.0%	-	0.0%
Other Habitat Enhancement	8,197	18,405	1,287	(10,208)	-55.5%	17,118	1330.1%
Operating Expenses Before Depreciation	4,856,529	3,570,499	2,436,470	1,286,030	36.0%	1,134,029	46.5%
Depreciation	272,811	205,096	138,893	67,715	33.0%	66,203	47.7%
Total Operating Expenses:	5,129,340	3,775,595	2,575,363	1,353,745	35.9%	1,200,232	46.6%
<b>Non-Operating Expenses:</b>							
Interest Expense	30,962	40,029	48,723	(9,067)	-22.7%	(8,694)	-17.8%
Unrealized loss on pooled investments	-	2,119	20,503	(2,119)	-100.0%	(18,384)	-89.7%
Total Non-Operating Expenses:	30,962	42,148	69,226	(11,186)	-26.5%	(27,078)	-39.1%
Total Expenses:	\$ 5,160,302	\$ 3,817,743	\$ 2,644,589	\$ 1,342,559	35.2%	\$ 1,173,154	44.4%

## Management's Discussion and Analysis

### FINANCIAL HIGHLIGHTS (Continued)

#### Statement Analysis

June 30, 2024 Comparison to June 30, 2023

The net position reported as of June 30, 2024 decreased by \$157,299 (3.5%) as compared to June 30, 2023. The changes are noted below.

- Operating revenues decreased \$3,294,928 (40.2%) in fiscal year 2024 as compared to fiscal year 2023. The net change in revenue was due to decrease in operating assessments from member agencies of \$1,867,314 and a decrease in grant revenue of \$1,668,224. These amounts are offset by an increase in Renewal and Warren Act Trust fund revenue of \$232,818. Operating assessments can fluctuate based on the timing of infrastructure improvement projects due to imitations placed on COMB to perform a shutdown of the system. The decrease in grant revenue was related to two grants received for the Lake Cachuma Secured Pipeline Project in fiscal year 2023. Further information on these two grants can be found on page 28. Revenue for the Renewal and Warren Act Trust fund are variable in nature and are directly tied to the annual amount of State Water Project Water delivered to the lake on behalf of the State Water Project (SWP) participants during each calendar year.
- Operating expenses before depreciation increased \$1,286,030 (36.0%) in fiscal year 2024 as compared to fiscal year 2023. The change in operating expenses was due to an increase in pension expenses of \$465,759, an increase in special projects and habitat enhancement projects of \$501,672, and an increase in contract labor of \$96,151. Changes in pension liability can vary based on changes in discount rates and actuarial assumptions. Further information on pension expense is provided in Note 11 – Pension Plan. Special projects, habitat enhancements and contract labor are variable in nature and vary from year to year. The timing and ranking of projects are dependent on factors such as: (1) water supply reliability, (2) risk, (3) critical need/life cycle of asset, (4) safety, and (5) service disruption necessary to accomplish project.
- Non-operating revenues increased \$66,401 (194.0%) due to a gain on sale of a capital asset of \$27,000, an increase in interest income of \$21,925 and an unrealized gain on pooled investments of \$17,476. The increase in interest income is due in part to an increase in the effective yield rate for amounts held on deposit at LAIF. The average annual yield for fiscal year 2023-24 was 3.9% as compared to 2022-23 was 2.17%.
- Non-operating expenses decreased by \$11,186 (26.5%) in fiscal year 2024 due to a decrease in interest expense of \$9,067 and a decrease in unrealized loss on pool investments of \$2,119. The decrease in interest expense was attributed to a decrease in notes payable and SOD Act contract payable resulting from loan repayments.

## Management's Discussion and Analysis

### FINANCIAL HIGHLIGHTS (Continued)

#### Statement Analysis

June 30, 2023 Comparison to June 30, 2022

The net position reported as of June 30, 2023 increased by \$4,413,787 (6,717.9%) as compared to June 30, 2022. The changes are noted below.

- Operating revenues increased \$3,398,271 (70.8%) in fiscal year 2023 as compared to fiscal year 2022. The net change in revenue was due to an increase in grant revenue of \$2,981,319 and an increase in operating assessments from member agencies of \$437,224. These amounts are offset by a decrease in the Renewal and Warren Act Trust fund revenue of \$54,115. The increase in grant revenue was related to two grants received for the Lake Cachuma Secured Pipeline Project. Further information on these two grants can be found on page 28. Operating assessments can fluctuate based on the timing of infrastructure improvement projects due to imitations placed on COMB to perform a shutdown of the system. Revenue for the Renewal and Warren Act Trust funds are variable in nature and are directly tied to the annual amount of State Water Project Water delivered to the lake on behalf of the State Water Project (SWP) participants during each calendar year.
- Operating expenses before depreciation increased \$1,134,029 (46.5%) in fiscal year 2023 as compared to fiscal year 2022. The change in operating expenses was due to an increase in general and administrative expenses of \$1,734,482 which was offset by a decrease in special projects of \$361,482. The increase in general and administrative expenses was due to a one-time adjustment in the measured liability for Other Post-Employment Benefits during FY 2021-22. Further information is provided on pages 40-41 – Other Post-Employment Benefits. Special projects are variable in nature and vary from year to year. The timing and ranking of projects are dependent on factors such as: (1) water supply reliability, (2) risk, (3) critical need/life cycle of asset, (4) safety, and (5) service disruption necessary to accomplish project.
- Non-operating revenues increased \$11,987 (53.9%) due to an increase in interest income of \$28,587 due in part to an increase in the effective yield rate for amounts held on deposit. The average annual yield for fiscal year 2022-23 was 2.17% as compared to fiscal year 2021-22 of 0.37%. This amount was offset by the sale of a capital asset of \$16,600 that occurred during FY 2021-22.
- Non-operating expenses decreased by \$27,078 (39.1%) in fiscal year 2023 due to a decrease in unrealized loss on pool investments of \$18,384 and a decrease in interest expense of \$8,964 attributed to decrease in notes payable and SOD Act contract payable resulting from loan repayments.

## Management's Discussion and Analysis

### FINANCIAL HIGHLIGHTS (Continued)

#### Capital Assets

The following table provides a summary of COMB's capital assets and changes from the prior year.

	Capital Assets							
	Year Ended			2024-2023 Variance		2023-2022 Variance		
	June 30, 2024	(Restated) June 30, 2023	(Restated) June 30, 2022	Dollars Change	Percent Change	Dollars Change	Percent Change	
Infrastructure	\$ 9,209,557	\$ 9,209,557	\$ 4,457,615	\$ -	0.0%	\$ 4,751,942	106.6%	
Vehicles	805,354	726,894	514,899	78,460	10.8%	211,995	41.2%	
Office Furniture and Equipment	242,066	248,484	258,023	(6,418)	-2.6%	(9,539)	-3.7%	
Field Equipment	666,108	552,543	546,704	113,565	20.6%	5,839	1.1%	
Mobile Offices Used for Facilities	424,910	424,910	424,910	-	0.0%	-	0.0%	
Building Improvements	62,264	62,264	-	-	0.0%	62,264	100.0%	
Resurfacing	-	-	38,351	-	0.0%	(38,351)	-100.0%	
Construction in progress	-	-	258,767	-	0.0%	(258,767)	-100.0%	
<b>Total Capital Assets</b>	<b>11,410,259</b>	<b>11,224,652</b>	<b>6,499,269</b>	<b>185,607</b>	<b>1.7%</b>	<b>4,725,383</b>	<b>72.7%</b>	
Accumulated Depreciation	(2,235,425)	(2,072,637)	(1,923,589)	162,788	7.9%	149,048	7.7%	
<b>Net Capital Assets</b>	<b>\$ 9,174,834</b>	<b>\$ 9,152,015</b>	<b>\$ 4,575,680</b>	<b>\$ 22,819</b>	<b>0.2%</b>	<b>\$ 4,576,335</b>	<b>100.0%</b>	

Note 8 - Capital Assets, in the Notes to Basic Financial Statements, contains additional information on COMB's capital assets.

#### Debt Administration

##### Safety of Dams Repayment Contracts

Under the terms and conditions of a repayment contract executed in 2002, COMB is responsible for payment to the United States for fifteen percent (15%) of the total amount of Safety of Dams (SOD) Act funds expended by the United States for structural stability and related work at Bradbury Dam.

The total debt under the contract as executed is approximately \$6,791,000 plus interest and is to be repaid through annual payments over a 50-year period. COMB assesses the Member Agencies annually collecting the revenue for the payment due that year, with the assessments calculated in accordance with each Member Agencies' Cachuma Project entitlement percentages.

The funds expended by Reclamation through June 30, 2013 on the Lauro Dam rehabilitation project as identified in the re-payment schedule for this project are approximately \$6,731,580. The fifteen percent obligation plus interest during construction equates to approximately \$1,009,737 for the Lauro SOD Act repayment debt which appears in the long-term liability account. All work activities related to the Lauro SOD Act rehabilitation project have been completed as of June 30, 2012.

## Management's Discussion and Analysis

### FINANCIAL HIGHLIGHTS (Continued)

#### Debt Administration (Continued)

##### Safety of Dams Repayment Contracts (Continued)

Work activities during the current fiscal year related to the completion of the Bradbury Dam SOD Act rehabilitation were relatively minor and produced an inconsequential increase to the overall debt obligation. Note 6 – SOD Act Assessments Receivable and Contracts Payable, in the Notes to Basic Financial Statements, contains additional information on the Safety of Dams Repayment Contracts

##### American Riviera Bank Emergency Pumping Facility Project Notes Payable

During the fiscal year ending 2015, COMB contracted for the construction of the Emergency Pumping Facilities Project (Project) to provide continued delivery of water from Lake Cachuma to the COMB Member Agencies until sufficient inflow occurs and the reservoir level returns to normal operating conditions. In order to implement this large-scale project, three of the four COMB Member agencies agreed to finance their proportionate share through a commercial financing arrangement with the Bank of Santa Barbara, which merged with American Riviera Bank during 2016.

The note consisted of two separate financing facilities: 1) A revolving line of credit (\$1.2 million) for a period of 24 months followed by a fixed 60 months of principal and interest, 2) A non-revolving line of credit (\$2.0 million) for a period of 24 months followed by a fixed 60 months of principal and interest. The districts participating in the financing included Goleta Water District, Montecito Water District, and Carpinteria Valley Water District. The City of Santa Barbara did not participate in the financing and chose to fund the project through quarterly assessments. Santa Ynez River Water Conservation District, Improvement District No. 1 was indemnified by the four South Coast Member Agencies and therefore not responsible for any project costs.

COMB secured financing for the project. The three districts participating in the debt obligation provided the guarantee for repayment of their allocated percentage. In addition, the districts are held solely liable for any interest rate increase caused by a downgrade of their individual credit rating. The original financing terms included the conversion from lines of credit to a sixty-month repayment loan as of July 25, 2016. Carpinteria Valley Water District paid their obligation in full during fiscal year 2017. During fiscal year 2021-22, the two remaining water districts paid their obligation in full.

## Management's Discussion and Analysis

### FINANCIAL HIGHLIGHTS (Continued)

#### Pension Plan Accounting

In June 2012, the Governmental Accounting Standards Board (GASB) issued two new standards that substantially changed the accounting and financial reporting of public employee pension plans and the state and local governments that participate in such plans. GASB Statement No. 67, *Financial Reporting for Pension Plans* revises existing guidance for the financial reports of most governmental pension plans.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. GASB Statement No. 67 is applicable to CalPERS and effective for financial statements for fiscal years beginning after June 15, 2013. GASB Statement No. 68 is applicable to employers and effective for financial statements for fiscal years beginning after June 15, 2014. GASB Statement No. 68 requires employers to recognize a liability as employees earn their pension benefits. To the extent that a long-term obligation to provide pension benefits (total pension liability) is larger than the value of the assets available in the plan (fiduciary net position) to pay pension benefits, the employers must report a net pension liability on the employer's accrual-based financial statements for the first time.

A cost-sharing multiple-employer plan (cost-sharing plan) is one in which the participating employers pool their assets and their obligations to provide defined pension benefits, such as employers participating in risk pools. Under the new GASB standards, each participating cost-sharing employer is required to report its proportionate share of the collective net pension liability, pension expense, and deferred outflows/deferred inflows of resources in their financial statements. Note 11 – Pension Plan, in the Notes to Basic Financial Statements, contains detailed information regarding these balances.

#### Other Postemployment Benefits

In June 2015, GASB issued two new standards that changed the accounting and financial reporting of postemployment benefits other than pensions. GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions* amended GASB Statement No. 43. GASB 74 became effective for financial statements for fiscal years beginning after June 15, 2016. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* amended GASB Statement No. 45. GASB 75 became effective for financial statements for fiscal years beginning after June 15, 2017.

Under GASB Statement No. 75, government employers that sponsor OPEB plans will recognize a net OPEB liability in their statement of net position which is the difference between the total OPEB liability (actuarial accrued liability using the entry age actuarial cost method) and fiduciary net position (plan assets at fair value).

## Management's Discussion and Analysis

### FINANCIAL HIGHLIGHTS (Continued)

#### Other Postemployment Benefits (Continued)

Agencies that provide OPEB to employees without the use of a trust are required to report the total OPEB liability for all employees' statement of net position. In addition, the annual required contribution (ARC) is to be replaced with OPEB expense and follows the same calculation as required under GASB Statement No. 68. Under GASB Statement No. 75, actuarial valuations are required every two years.

The new standards also require government agencies that offer OPEB plans to provide additional and detailed disclosures and supplementary information about OPEB liabilities and related assumptions to allow for better assessments of reasonableness of OPEB measurements. Note 12 – Other Post-employment Benefits (OPEB), in the Notes to Basic Financial Statements, contains detailed information regarding these balances.

Effective January 1, 2022, COMB Medicare retirees were automatically transferred to a new Medicare Advantage health plan which carried a substantially lower premium. Retirees that have not reached Medicare age will remain in their current plan until such time they reach age 65 and they will be automatically transferred to the new plan, as well. COMB recognized approximately \$1.9M reduction in the measured liability at June 30, 2022, as a result of this plan change. The adjustment was recognized as a Change in Benefit Terms which provides that the entire decrease in measured liability flows through OPEB expense in the current year as opposed to other unexpected changes which are deferred over a given period.



Fish Passage Project – Quiota Creek

## Basic Financial Statements

### STATEMENT OF NET POSITION

June 30, 2024 and 2023

#### ASSETS

	2024	(Restated) 2023
Current Assets		
Cash (Note 3)	\$ 583,383	\$ 584,670
Investments, cash equivalents (Note 3)	1,391,624	1,468,437
Restricted Assets (Note 4)	197,723	325,116
Grant receivable	-	225,000
Other receivable	16,895	14,458
Prepaid insurance	14,502	12,156
Current portion of SOD Act assessments receivable (Note 6)	271,556	262,841
Total current assets	2,475,683	2,892,678
Capital Assets (Note 8)		
Infrastructure	9,209,557	9,209,557
Vehicles	805,354	726,894
Office furniture and equipment	242,066	248,484
Field equipment	666,108	552,543
Modular administrative offices	424,910	424,910
Building improvements	62,264	62,264
Subtotal	11,410,259	11,224,652
Less: accumulated depreciation	(2,235,425)	(2,072,637)
Capital assets, net	9,174,834	9,152,015
Other Assets		
Long-term assessments receivable SOD Act (Note 6)	4,007,682	4,279,239
Total other assets	4,007,682	4,279,239
Total noncurrent assets	13,182,516	13,431,254
Total assets	15,658,199	16,323,932
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred pensions (Note 11)	1,124,425	1,136,753
Deferred other post-employment benefits (Note 12)	543,969	652,844
Total deferred outflows of resources	1,668,394	1,789,597
Total assets and deferred outflows of resources	\$ 17,326,593	\$ 18,113,529

*See accompanying notes*



## Basic Financial Statements

### STATEMENT OF NET POSITION

June 30, 2024 and 2023

#### LIABILITIES

	<u>2024</u>	<u>(Restated) 2023</u>
Current Liabilities		
Accounts payable	\$ 198,839	\$ 193,732
Accrued vacation and sick leave benefits	313,673	254,077
Payable to member agencies	923,425	1,240,371
Unearned revenue	197,723	325,116
Accrued interest	28,125	34,659
Current portion of SOD Act contract payable (Note 6)	271,556	262,841
Total current liabilities	<u>1,933,341</u>	<u>2,310,796</u>
Long-Term Liabilities		
Net other post-employment benefit liability (Note 12)	3,185,182	3,378,115
Net pension liability (Note 11)	2,705,584	2,500,359
SOD Act contract payable, net of current portion (Note 6)	<u>4,007,682</u>	<u>4,279,239</u>
Total long-term liabilities	<u>9,898,448</u>	<u>10,157,713</u>
Total liabilities	<u>11,831,789</u>	<u>12,468,509</u>

#### DEFERRED INFLOWS OF RESOURCES

Deferred pensions (Note 11)	67,850	129,899
Deferred other post-employment benefits (Note 12)	<u>1,104,764</u>	<u>1,035,632</u>
Total deferred inflows of resources	<u>1,172,614</u>	<u>1,165,531</u>

#### NET POSITION

Net investment in capital assets	9,174,834	9,152,015
Unrestricted:		
Accumulated deficit	<u>(4,852,644)</u>	<u>(4,672,526)</u>
Total net position	<u>\$ 4,322,190</u>	<u>\$ 4,479,489</u>

See accompanying notes

## Basic Financial Statements

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended June 30, 2024 and 2023

	2024	(Restated) 2023
Operating Revenues		
Operating assessments from member agencies	\$ 3,043,054	\$ 4,910,368
Operating assessment from non-member agency	52,117	43,945
Grant revenue	1,328,858	2,997,082
Renewal and Warren Act Trust Fund (Note 4)	361,533	128,715
Cachuma Project Betterment Fund (Note 5)	100,000	100,000
Other revenues	16,818	17,198
Total operating revenues	<u>4,902,380</u>	<u>8,197,308</u>
Operating Expenses		
Operation and maintenance division:		
Operation and maintenance	1,493,974	1,062,484
General and administrative	842,913	724,417
Emergency pumping facility project	42,000	40,557
Special projects	895,035	599,921
Fisheries division:		
Operation and maintenance	874,167	693,981
General and administrative	353,855	287,983
Fishery related projects	130,718	142,751
Quiota Creek crossing habitat enhancement	215,670	-
Habitat enhancement	8,197	18,405
Depreciation	272,811	205,096
Total operating expenses	<u>5,129,340</u>	<u>3,775,595</u>
Net Operating Gain (loss)	<u>(226,960)</u>	<u>4,421,713</u>
Non-Operating Revenues (Expenses)		
Interest income	56,147	34,222
Interest expense	(30,962)	(40,029)
Gain on sale of capital asset	27,000	-
Unrealized gain (loss) on pooled investments (Note 3)	17,476	(2,119)
Total non-operating revenues (expenses)	<u>69,661</u>	<u>(7,926)</u>
Change in net position	<u>(157,299)</u>	<u>4,413,787</u>
Net Position, beginning of year as previously reported		(3,552,396)
Prior period adjustment		3,618,098
Net Position, beginning of year as restated	<u>4,479,489</u>	<u>65,702</u>
Net Position, end of year	<u>\$ 4,322,190</u>	<u>\$ 4,479,489</u>

See accompanying notes

## Basic Financial Statements

### STATEMENT OF CASH FLOWS For the Years Ended June 30, 2024 and 2023

	2024	(Restated) 2023
<u>Cash Flows from Operating Activities</u>		
Cash received from member agencies	\$ 3,303,460	\$ 5,170,838
Cash received from non member agency	52,117	43,945
Cash received from other sources	16,818	17,198
Cash received from grantor	1,553,858	2,772,082
Cash received from Cachuma Betterment Fund	100,000	100,000
Cash received from Renewal and Warren Act Funds	361,533	128,715
Cash received from disposal of asset	27,000	-
Cash payments to suppliers for operations	(3,291,436)	(1,730,923)
Cash payments to employees	(1,679,105)	(1,516,298)
Net cash provided by operating activities	444,245	4,985,557
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition of capital assets	(295,630)	(4,781,431)
Deposit on modular office building and furniture	-	5,868
Interest payments on SOD Act contract payable	(37,496)	(46,212)
Principal payments on SOD Act contract payable	(262,842)	(254,595)
Net cash flows used by capital and related financing activities	(595,968)	(5,076,370)
<u>Cash Flows From Investing Activities</u>		
Interest received	56,147	34,222
Sale of investments	94,289	101,502
Net cash flows provided by investing activities	150,436	135,724
Net increase (decrease) in cash	(1,287)	44,911
Cash and Cash Equivalents - Beginning of Year	584,670	539,759
Cash and Cash Equivalents - End of Year	\$ 583,383	\$ 584,670

See accompanying notes

## Basic Financial Statements

### STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2024 and 2023

	2024	(Restated) 2023
<u>Reconciliation of net operating gain to net cash provided by operating activities</u>		
Net operating gain (loss)	\$ (226,960)	\$ 4,421,713
Adjustments to reconcile net operating gain (loss) to net cash provided by operating activities:		
Depreciation expense	272,811	205,096
Gain on sale of capital asset	27,000	-
Changes in operating assets and liabilities		
Restricted assets	(127,393)	46,459
Grant receivable	225,000	(225,000)
Other receivable	(2,436)	5,875
Prepaid insurance	(2,346)	27,864
Current portion of SOD Act assessment receivable	262,842	254,595
Accounts payable	5,107	(109,451)
Payable to member units	(316,946)	641,285
Accrued vacation and sick leave benefits	59,596	30,930
Deferred revenue	127,392	(46,459)
OPEB liability	(192,933)	21,011
Net pension liability	205,225	1,337,922
Deferred outflows of resources - OPEB	108,875	108,875
Deferred inflow of resources - OPEB	69,132	(105,229)
Deferred outflows of resources - pension	12,328	(657,083)
Deferred inflows of resources - pension	(62,049)	(972,846)
Net cash provided by operating activities	<u>\$ 444,245</u>	<u>\$ 4,985,557</u>

See accompanying notes

## Notes to the Basic Financial Statements

### Note 1 – Organization

The Cachuma Operation and Maintenance Board (COMB) is a joint powers agency organized to operate and maintain the water delivery system of the Cachuma Project located in Santa Barbara County. COMB's member agencies (Member Agencies) consist of four water purveyors as follows: Carpinteria Valley Water District, City of Santa Barbara, and Goleta Water District, Montecito Water District.

On May 27, 2016, Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1) notified the COMB Board of its stated intent to withdraw from the Agreement. A Separation Agreement was entered into by ID No. 1, COMB, and the remaining COMB Member Agencies and was approved by all parties effective August 28, 2018. ID No. 1 continues to be a member of the Cachuma Project which carries certain benefits and obligations associated with the Project as outlined in various agreements.

The Member Agencies entered into a Joint Exercise of Powers Agreement to exercise their common power to provide for the rights to, the facilities of, and the operation, maintenance and use of the United States, Department of the Interior, Bureau of Reclamation project known as the Cachuma Project, including storage, treatment, transport and appurtenant facilities, and all necessary tangible and intangible property rights. In September 2010, the Cachuma Operation and Maintenance Board approved a budget adjustment effective January 2011 to transfer from CCRB the implementation activities of the Santa Ynez River Fisheries Program as required by the 2000 Biological Opinion.

### Note 2 – Summary of Significant Accounting Policies

#### A) Basis of Accounting

COMB operates as a proprietary fund type. All proprietary fund types are accounted for on a flow of economic resources measurement focus. Under this measurement focus, all assets and liabilities associated with the operation of these funds are included in the statement of net position. Where appropriate, net total position are segregated into net position invested in capital assets and unrestricted position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

## Notes to the Basic Financial Statements

### Note 2 – Summary of Significant Accounting Policies (Continued)

#### A) Basis of Accounting (Continued)

All proprietary fund types utilize the accrual basis of accounting. Under this method, revenues are recognized at the time the related liabilities are incurred regardless of when paid.

COMB distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with COMB's principal ongoing operations. The principal operating revenues of COMB are assessments of the Member Agencies and grant monies received. Operating expenses for COMB include maintenance and administrative expenses, depreciation on capital assets and litigation costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The financial statements of COMB have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting financial reporting principles.

#### B) Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes demand deposits and money market accounts, but does not include restricted cash or funds invested in the Local Agency Investment Fund (LAIF).

#### C) Capital Assets

Property and equipment are stated at cost. COMB's capitalization threshold is \$5,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Title to the assets of the Cachuma Project is with the United States of America; the assets are not recorded as assets of COMB. Costs relating to capital improvements, rehabilitation, betterment, maintenance and modifications are therefore reported as expenditures when incurred by COMB.

## Notes to the Basic Financial Statements

### Note 2 – Summary of Significant Accounting Policies (Continued)

#### D) Investments

Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

#### E) Accrued Vacation and Sick Pay

Employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences vest and accumulate and are accrued when they are earned.

#### F) Unspent Operating Assessments

The operating assessments represent amounts received from COMB's Member Agencies to fund current operations. To the extent that revenues exceed expenses in a given year, they are constructively returned to the Member Agencies in subsequent years.

#### G) Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of COMB's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date:	June 30, 2024
Measurement Date:	June 30, 2024
Measurement Period:	July 1, 2023 – June 30, 2024

## Notes to the Basic Financial Statements

### Note 2 – Summary of Significant Accounting Policies (Continued)

#### H) Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of COMB's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date:	June 30, 2022
Measurement Date:	June 30, 2023
Measurement Period:	July 1, 2022 – June 30, 2023

#### I) Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows is classified into three components as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.

Restricted – This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors, grantors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets." Unrestricted, reserved net position represents unrestricted assets which are segregated by the Board of Directors for specific future uses.



## Notes to the Basic Financial Statements

### Note 2 – Summary of Significant Accounting Policies (Continued)

I) Net Position (Continued)

When an expense is incurred for purposes for which both unrestricted and restricted resources are available for use, it is COMB's policy to apply restricted assets first, then unrestricted resources.

J) Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. COMB's principal areas that include estimates are the liabilities and related receivables for Safety of Dams Act construction in process, useful lives of capitalized assets and the liability for other postemployment benefits. It is at least reasonably possible that the significant estimates used will change within the next year.

K) Unearned Revenue

Deferred revenue consists of the unspent Renewal Fund and Warren Act Trust fund money that is restricted for Lake Cachuma projects. Each year, the Fund Committees decide how to spend these funds and revenue is recognized when the money is spent. See Note 4 for disclosures on restricted cash.

L) Implementation of New Governmental Accounting Standards Board (GASB) Statements

For the year ended June 30, 2024, COMB implemented the following Governmental Accounting Standards Board (GASB) Statements:

## Notes to the Basic Financial Statements

### Note 2 – Summary of Significant Accounting Policies (Continued)

#### L) Implementation of New Governmental Accounting Standards Board (GASB) Statements (Continued)

Statement No. 100	"Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62"	The requirements of this statement are effective for periods beginning after June 15, 2023. (FY 23/24)
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The adoption of these statements did not have a material impact on COMB.

#### M) Future Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board Statements listed below will be implemented in future financial statements. These statements will be evaluated by COMB to determine if they will have a material impact to the financial statements once effective.

Statement No. 101	"Compensated Absences"	The requirements of this statement are effective for periods beginning after December 15, 2023. (FY 24/25)
Statement No. 102	"Certain Risk Disclosures"	The requirements of this statement are effective for periods beginning after June 15, 2024. (FY 24/25)
Statement No. 103	"Financial Reporting Model Improvements"	The requirements of this statement are effective for periods beginning after June 15, 2025. (FY 25/26)
Statement No. 104	"Disclosure of Certain Capital Assets"	The requirements of this statement are effective for periods beginning after June 15, 2025. (FY 25/26)

## Notes to the Basic Financial Statements

### Note 3 – Cash and Investments

#### Investments Authorized by COMB's Investment Policy

Under the provisions of COMB's investment policy, the agency may invest in state or national banks, state or federal saving and loan associations, the State of California Local Agency Investment Fund (LAIF), or may invest as provided in the California Government Code.

#### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. COMB did not have any investments with fair values that are considered to be highly sensitive to changes in interest rates.

#### Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, COMB will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of COMB and are held by either the counter-party or the counter-party's trust department or agent but not in COMB's name.

All cash is entirely insured or collateralized. The California Government Code requires California banks and savings and loans associations to secure COMB's deposits by pledging government securities, which equal at least 110% of COMB's deposits. California law also permits financial institutions to secure COMB's deposits by the pledging of first trust deed mortgage notes in excess of 150% of the COMB's deposits. COMB may waive collateral requirements for deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC).

None of COMB's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

## Notes to the Basic Financial Statements

### Note 3 – Cash and Investments (Continued)

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. COMB's investment in the Local Agency Investment Fund is not rated.

#### Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, COMB was not exposed to concentration of credit risk.

#### Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, COMB was not exposed to foreign currency risk.

Cash and investments as of June 30, 2024 and 2023 consist of the following:

	2024	
	Carrying Amount	Fair Value
Cash in banks and on hand	\$ 781,106	\$ 781,106
Local Agency Investment Fund (LAIF)	1,396,770	1,391,624
Total cash and investments, at fair value	<u>\$ 2,177,876</u>	<u>\$ 2,172,730</u>
	2023	
	Carrying Amount	Fair Value
Cash in banks and on hand	\$ 909,786	\$ 909,786
Local Agency Investment Fund (LAIF)	1,491,059	1,468,437
Total cash and investments, at fair value	<u>\$ 2,400,845</u>	<u>\$ 2,378,223</u>

## Notes to the Basic Financial Statements

### Note 3 – Cash and Investments (Continued)

#### Investment in Local Agency Investment Fund (LAIF)

COMB is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of COMB's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon COMB's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The amortized cost approximates fair value. LAIF invests some of its portfolio in derivatives. Detailed information on derivative investments held by this pool is not readily available. Investments in LAIF are not rated by a national rating agency.

### Note 4 – Restricted Assets

The Cachuma Project Trust Fund (Trust Fund) and the Cachuma Project Renewal Fund (Renewal Fund) are two separate funds that have been established through contracts with the U.S. Bureau of Reclamation (Reclamation). The Trust Fund is a requirement of the Warren Act contract between the Central Coast Water Authority (CCWA) and Reclamation for the transport of State Water Project water through Cachuma Project facilities.

The Warren Act contract is an agreement between the Central Coast Water Authority (CCWA) and Reclamation for the delivery and transport of State Water Project water through the Cachuma Project facilities. A memorandum of understanding (MOU) creating the Trust Fund established a two person Fund Committee and an Advisory Committee. One member of the Fund Committee is appointed by the Member Agencies through COMB. The other member of the Fund Committee is a representative from Reclamation. CCWA and the Advisory Committee can attend the Trust Fund Committee meetings but have no vote.

The Renewal Fund is a requirement of the Cachuma Project Renewal Master Contract between Reclamation and the Santa Barbara County Water Agency. The contract provides for water service from the Cachuma Project to the five Cachuma Project Member Units. The Cachuma Project Renewal Master Contract specified that five years after adoption of the first Annual Plan, the Contractor (Santa Barbara County) shall be substituted for the Contracting Officer (Reclamation) for the Renewal Fund discussions; this change in representation began in WY2003 and Santa Barbara County has been the representative since that time.

## Notes to the Basic Financial Statements

### Note 4 – Restricted Assets (Continued)

Through COMB Board Resolution No. 249 adopted in 1997, the COMB Member Agencies agreed to merge the processes for implementation and administration of the Cachuma Project Warren Act Trust Fund and the Cachuma Project Master Contract Renewal Fund under a single committee (referred to as the Funds Committee). The Funds Committee composition dictates that the voting members of the Funds Committee are Reclamation, COMB and Santa Barbara County. Both the Trust Fund and the Renewal Fund require annual and five-year plans. To date, the annual and five-year plans have authorized the combined funds to be used for implementation of the Biological Opinion (BO)/Fish Management Plan (FMP). Pursuant to the Renewal Master Contract, COMB administers both the Trust Fund and the Renewal Fund accounts.

Summary of restricted cash and investments as of June 30:

	2024	2023
Trust Fund	\$ 71,561	\$ 282,899
Renewal Fund	126,162	42,217
Total Restricted Cash	\$ 197,723	\$ 325,116

### Note 5 – Cachuma Project Betterment Fund

Since the Cachuma Project was completed in the mid-1950s, the Santa Barbara County Water Agency has collected \$100,000 per year in taxes for the betterment of the Cachuma Project. For the first 40 years, these funds were used to pay down the capital cost of constructing the Cachuma Project. The authorized uses of these funds were broadened in 1995 pursuant to the Renewal Master Contract. The County Water Agency was still obligated to provide \$100,000 annually to the Cachuma Project. However, under Article 8 (b), the funds could be used for any beneficial purpose consistent with the Water Agency Act within the Santa Ynez River watershed or the Cachuma Project service area. Each fiscal year, representatives from the Cachuma Project Member Units and the County Water Agency must mutually agree on the activities to be funded by the County Water Agency's \$100,000 contribution. To date, the Betterment Fund has been combined with the Trust Fund and Renewal Fund revenues to offset the costs of the Fisheries Program. On January 1, 2011, the balance of the Betterment fund was transferred from Cachuma Conservation Release Board to COMB to support the Fisheries Program.

## Notes to the Basic Financial Statements

### Note 6 – SOD Act Assessments Receivable and Contract Payable

#### Bradbury Dam

On July 1, 2002, COMB executed a repayment contract with U.S. Bureau of Reclamation in the Department of Interior of the United States (Reclamation). Under the terms of the agreement and in accordance with the United States Safety of Dams (SOD) Act, COMB will reimburse Reclamation for fifteen percent (15%) of the total amount of SOD Act funds expended by Reclamation to preserve the structural integrity of Bradbury Dam and related Cachuma Project facilities.

COMB entered into a repayment contract with Reclamation when the project was deemed to be substantially complete. The repayment contract, as executed, calls for a repayment of 15% of a total authorized cost of \$45,276,008 or approximately \$6,791,000 plus interest, as appropriate, over a 50-year period.

The repayment obligation has been allocated fifty-one and three tenths percent (51.3%) to irrigation uses (Irrigation Allocation) or \$3,483,989 and forty eight and seven tenths percent (48.7%) to municipal and industrial (M&I) uses (M&I Allocation) or \$3,307,412. The Irrigation allocation bears no interest and repayment commenced in fiscal year end 2017. Interest during construction in the amount of \$325,477 was added to the M&I Allocation. During construction COMB made advances in the amount of \$1,496,148 that were applied against the M&I Allocation amounts. Accounting for advances made by COMB during construction, the balance due under the M&I Allocation contract was \$2,136,741.

COMB will assess the Cachuma Project Member Units annually amounts equal to the obligation due Reclamation. The annual payment requirements at June 30, 2024 to retire the contract as of October 1, 2051, including interest payments at 5.856%, are presented in the following table. This table does not include adjustments that will be made to the Bradbury Dam repayment contract due to additional incurred costs or for payments that will be required under the Lauro Dam repayment contract.

## Notes to the Basic Financial Statements

### Note 6 – SOD Act Assessments Receivable and Contract Payable (Continued)

#### Bradbury Dam (Continued)

	M&I Allocation		Irrigation Allocation	Total
	Principal	Interest		
2025	\$ 138,994	\$ 25,876	\$ 96,778	\$ 261,648
2026	147,133	17,737	96,778	261,648
2027	155,749	9,121	96,778	261,648
2028	-	-	96,778	96,778
2029	-	-	96,778	96,778
2030 - 2034	-	-	483,890	483,890
2035 - 2039	-	-	483,890	483,890
2040 - 2044	-	-	483,890	483,890
2045 - 2049	-	-	483,890	483,890
2050 - 2052	-	-	290,334	290,334
	<u>\$ 441,876</u>	<u>\$ 52,734</u>	<u>\$ 2,709,784</u>	<u>\$ 3,204,394</u>

The interest expense for the Bradbury Dam SOD Act contract payable was \$33,565 and \$40,826 for the years ended June 30, 2024 and 2023, respectively.

The total cost of the Bradbury Dam SOD Act project is to be reevaluated and the repayment agreement amended as necessary by Reclamation and COMB when all phases of the work are completed. Total project costs as of June 30, 2024 were \$48,321,547, \$3,045,539 higher than the total cost authorized under the repayment contract. It is management's opinion that COMB will be responsible for reimbursing Reclamation 15% of the total construction costs in excess of the costs per the original repayment contract.

As of June 30, 2024, an additional liability of \$456,831 was recorded for construction costs incurred in excess of the original repayment agreement. This is an estimate based on management's best judgment which may be adjusted as more current information becomes available.

Reclamation can also reevaluate the ability of COMB's Member Agencies to repay the Irrigation Allocation every five years, commencing in fiscal year end 2008. No adjustment has been made to the Irrigation Allocation balance to reflect a discount due to the non-interest bearing feature of the contract.



## Notes to the Basic Financial Statements

### Note 6 – SOD Act Assessments Receivable and Contract Payable (Continued)

#### Lauro Dam

On March 21, 2007, COMB executed a repayment contract with U.S. Bureau of Reclamation in the Department of Interior of the United States (Reclamation). Under the terms of the agreement and in accordance with the United States Safety of Dams (SOD) Act, COMB will reimburse Reclamation for fifteen percent (15%) of the total amount of SOD Act funds expended by Reclamation to preserve the structural integrity of Lauro Dam and reservoir; total costs not to exceed \$17,314,125. The primary contract for construction of the modification project was awarded by Reclamation in September 2005 and the work was deemed substantially complete in February 2007.

The total costs of the Lauro Dam SOD Act project was to be re-evaluated and repayment agreement amended as necessary. During 2017, the Reclamation completed its final accounting for the project and issued a final repayment schedule. The repayment obligation has been allocated fifty and seventy two one hundredths percent (50.72%) to irrigation uses (Irrigation Allocation) or \$512,139, and forty nine and twenty eight hundredths percent (49.28%) to municipal and industrial (M&I) uses (M&I Allocation) or \$497,598. The Irrigation allocation bears no interest

COMB will assess the COMB Member Agencies annually amounts equal to the obligation due October 1, 2057, including interest payments at 4.556%, are presented in the following table. This table represents the final repayment contract received during fiscal year 2017.

## Notes to the Basic Financial Statements

### Note 6 – SOD Act Assessments Receivable and Contract Payable (Continued)

#### Lauro Dam (Continued)

	M&I Allocation		Irrigation Allocation	Total
	Principal	Interest		
2025	\$ 23,557	\$ 11,620	\$ 12,227	\$ 47,404
2026	24,630	10,547	12,227	47,404
2027	25,753	9,425	12,227	47,405
2028	26,926	8,252	12,227	47,405
2029	28,153	7,025	12,227	47,405
2030 - 2034	126,035	14,674	61,136	201,845
2035 - 2039	-	-	61,136	61,136
2040 - 2044	-	-	61,136	61,136
2045 - 2049	-	-	61,136	61,136
2050 - 2054	-	-	61,136	61,136
2055 - 2058	-	-	48,878	48,878
	<u>\$ 255,054</u>	<u>\$ 61,543</u>	<u>\$ 415,693</u>	<u>\$ 732,290</u>

The interest expense for the Lauro Dam SOD Act contract payable was \$12,647 and \$13,629 for the years ended June 30, 2024 and 2023, respectively.

Management deems the assessments receivable related to the Bradbury and Lauro Dams SOD Act projects to be fully collectable.

## Notes to the Basic Financial Statements

### Note 6 – SOD Act Assessments Receivable and Contract Payable (Continued)

The total SOD Act liability at June 30, 2024 and 2023 is composed of the following:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Bradbury Dam repayment contract:		
M&I principal	\$ 441,876	\$ 573,181
Irrigation principal	<u>2,709,784</u>	<u>2,806,532</u>
Total Bradbury Dam repayment contract excluding interest	3,151,660	3,379,713
Bradbury Dam liability for 15% of additional costs incurred over repayment contract	<u>456,831</u>	<u>456,831</u>
Total Bradbury Dam SOD Act liability	3,608,491	3,836,544
Lauro Dam repayment contract:		
M&I principal	255,054	277,584
Irrigation principal	<u>415,693</u>	<u>427,952</u>
Total Lauro SOD Act liability	<u>670,747</u>	<u>705,536</u>
Total SOD Act liability	4,279,238	4,542,080
Less current portion	<u>(271,556)</u>	<u>(262,841)</u>
Long-term portion of SOD Act liability	<u>\$ 4,007,682</u>	<u>\$ 4,279,239</u>

## Notes to the Basic Financial Statements

### Note 7 – Long-Term Debt

Changes in long term debt amounts for years ended June 30, 2024 and 2023 were as follows:

	Beginning Balance 2023	Additions	Principal Payments	Adjustments	Ending Balance 2024
SOD Act liabilities	\$4,542,080	\$ -	\$ (262,842)	\$ -	\$4,279,238
	<u>\$4,542,080</u>	<u>\$ -</u>	<u>\$ (262,842)</u>	<u>\$ -</u>	<u>\$4,279,238</u>

	Beginning Balance 2022	Additions	Principal Payments	Adjustments	Ending Balance 2023
SOD Act liabilities	\$4,796,675	\$ -	\$ (254,595)	\$ -	\$4,542,080
	<u>\$4,796,675</u>	<u>\$ -</u>	<u>\$ (254,595)</u>	<u>\$ -</u>	<u>\$4,542,080</u>

## Notes to the Basic Financial Statements

### Note 8 – Capital Assets

The following is a summary of capital assets which include property, plant and equipment at June 30, 2024 and 2023.

	Beginning				Ending
	Balance 2023				
	Restated	Additions	Deletions	Transfers	
Infrastructure *	\$ 9,209,557	\$ -	\$ -	\$ -	\$ 9,209,557
Vehicles	726,894	78,460	-	-	805,354
Office furniture and equipment	248,484	-	(6,418)	-	242,066
Field equipment	552,543	217,170	(103,605)	-	666,108
Mobile offices used for facilities	424,910	-	-	-	424,910
Building improvements	62,264	-	-	-	62,264
Resurfacing	-	-	-	-	-
Construction in progress	-	-	-	-	-
<b>Total depreciable assets</b>	<b>11,224,652</b>	<b>295,630</b>	<b>(110,023)</b>	<b>-</b>	<b>11,410,259</b>
Less: accumulated depreciation and amortization					
Infrastructure	(968,269)	(184,193)	-	-	(1,152,462)
Vehicles	(419,588)	(39,383)	-	-	(458,971)
Office furniture and equipment	(174,722)	(11,401)	6,418	-	(179,705)
Field equipment	(459,499)	(18,177)	103,605	-	(374,071)
Mobile offices used for facilities	(27,987)	(16,996)	-	-	(44,983)
Building improvements	(22,572)	(2,661)	-	-	(25,233)
Resurfacing	-	-	-	-	-
<b>Total accumulated depreciation and amortization</b>	<b>(2,072,637)</b>	<b>(272,811)</b>	<b>110,023</b>	<b>-</b>	<b>(2,235,425)</b>
<b>Net capital assets</b>	<b>\$ 9,152,015</b>	<b>\$ 22,819</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,174,834</b>

## Notes to the Basic Financial Statements

### Note 8 – Capital Assets (Continued)

	Beginning Balance 2022				Ending Balance 2023
	Restated	Additions	Deletions	Transfers	Restated
Infrastructure *	\$ 4,457,615	\$ 4,493,175	\$ -	\$ 258,767	\$ 9,209,557
Vehicles	514,899	211,995	-	-	726,894
Office furniture and equipment	258,023	15,961	(25,500)	-	248,484
Field equipment	546,704	20,387	(14,548)	-	552,543
Mobile offices used for facilities	424,910	-	-	-	424,910
Building improvements	-	39,913	(16,000)	38,351	62,264
Resurfacing	38,351	-	-	(38,351)	-
Construction in progress	258,767	-	-	(258,767)	-
Total depreciable assets	6,499,269	4,781,431	(56,048)	-	11,224,652
Less: accumulated depreciation and amortization					
Infrastructure	(839,517)	(128,752)	-	-	(968,269)
Vehicles	(391,619)	(27,969)	-	-	(419,588)
Office furniture and equipment	(188,315)	(11,907)	25,500	-	(174,722)
Field equipment	(454,796)	(19,251)	14,548	-	(459,499)
Mobile offices used for facilities	(10,991)	(16,996)	-	-	(27,987)
Building improvements	-	(221)	16,000	(38,351)	(22,572)
Resurfacing	(38,351)	-	-	38,351	-
Total accumulated depreciation and amortization	(1,923,589)	(205,096)	56,048	-	(2,072,637)
Net capital assets	\$ 4,575,680	\$ 4,576,335	\$ -	\$ -	\$ 9,152,015

\* In FY 2012-13, COMB completed the MURRP pipeline and in FY 2022-23, COMB completed the Lake Cachuma Secured Pipeline Project.

### Note 9 – Joint Powers Insurance Authority

COMB participates in the property and liability program organized by the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA). Employees working for COMB receive the benefits of this plan through the employee services agreement. ACWA/JPIA is a Joint Powers Authority created to provide a self-insurance program to water agencies in the State of California. The ACWA/JPIA is not a component unit of COMB for financial reporting purposes, as explained below.

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## Notes to the Basic Financial Statements

### Note 9 – Joint Powers Insurance Authority (Continued)

ACWA/JPIA provides liability, property and workers' compensation insurance for approximately 400 water agencies for losses in excess of the member agencies specified self-insurance retention levels. Individual claims (and aggregate public liability and property claims) in excess of specified levels are covered by excess insurance policies purchased from commercial carriers. ACWA/JPIA is governed by a board comprised of members from participating agencies. The board controls the operations of ACWA/JPIA, including selection of management and approval of operating budgets, independent of any influence by the members beyond the representation on the board. Each member shares surpluses and deficiencies proportionately to its participation in ACWA/JPIA.

Additional information and complete financial statements for the ACWA/JPIA are available for public inspection at 5620 Birdcage Street, Suite 200, Citrus Heights, CA, between the hours of 8 a.m. and 5 p.m., Monday through Friday.

### Note 10 – Deferred Compensation Plan

COMB offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are maintained (until paid or made available to the participant or beneficiary) in a trust account held by State Street Bank and Trust and administered by Lincoln Financial Group. Participants have sole rights under the plan in an amount equal to the fair market value of the deferred for each participant. Contributions made by COMB for the employees to the plan for the years ended June 30, 2024 and 2023 were \$30,306 and \$29,880, respectively.

## Notes to the Basic Financial Statements

### Note 11 – Pension Plan

#### Plan Description

All qualified employees are eligible to participate in COMB's Miscellaneous Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and local government resolution. Eligible employees hired after January 1, 2013 that are considered new members as defined by the Public Employees' Pension Reform Act (PEPRA) participate in the PEPRA Miscellaneous Plan. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at: <https://www.calpers.ca.gov/>

#### Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, as discussed above. Members with five years of total service are eligible to retire at age 50, or 52 if in the PEPRA Miscellaneous Plan, with statutorily reduced benefits. An optional benefit regarding sick leave was adopted. Any unused sick leave accumulates at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit, as well as the 1959 Survivor Benefit. The cost of living adjustments for all plans are applied as specified by the Public Employees' Retirement Law.

#### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. COMB is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.



## Notes to the Basic Financial Statements

### Note 11 – Pension Plan (Continued)

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above, and as a dollar amount for contributions toward the unfunded liability. The District's required contribution for the unfunded liability was \$169,245 and \$181,066 for the fiscal years ended June 30, 2024 and 2023, respectively.

For employees hired prior to January 1, 2013 and for all classic members as defined by PEPR, the District pays the a portion of the employee's contribution in addition to the employer's contribution. Effective July 2017, all employees who are "Classic" employees as defined by CalPERS will begin contributing towards their employee member contribution under a phased-in method over the next five years (1.4% annual incremental increase each July 1st) not to exceed 7%. These contributions made on behalf of employees are included in operating expenses on the statement of revenues, expenses, and changes in net position, but are not included in pension expense as disclosed below.

The Plans' provisions and benefits in effect at June 30, 2024 and 2023, are summarized as follows:

Hire date	Miscellaneous Plan	
	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - Minimum	52 - Minimum
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates		
2024	7.00%	6.75%
2023	7.00%	6.75%
Required employer contribution rates		
2024	12.47%	7.68%
2023	10.87%	7.47%

## Notes to the Basic Financial Statements

### Note 11 – Pension Plan (Continued)

#### Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024, COMB reported a liability of \$2,705,584 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability for all Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. COMB's proportion of the net pension liability was based on a projection of their long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

COMB's proportionate share of the net pension liability for all Plans as of June 30, 2023 and 2022 (measurement dates) was as follows:

Measurement Date June 30, 2023		Measurement Date June 30, 2022	
Proportion – June 30, 2022	0.05344%	Proportion – June 30, 2021	0.06122%
Proportion – June 30, 2023	0.05411%	Proportion – June 30, 2022	0.05344%
Change – Increase (Decrease)	<u>0.00067%</u>	Change – Increase (Decrease)	<u>-0.00778%</u>

For the years ended June 30, 2024 and 2023, COMB recognized pension expense of \$485,590 and \$19,818, respectively. COMB's contributions to the Plan for the years ended June 30, 2024 and 2023 were \$330,086 and \$311,824, respectively.

At June 30, 2024 and 2023, COMB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## Notes to the Basic Financial Statements

### Note 11 – Pension Plan (Continued)

#### Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 330,086	\$ -	\$ 311,824	\$ -
Differences between expected and actual experience	138,216	(21,440)	50,213	(33,630)
Changes in assumptions	163,348	-	256,214	-
Changes in employer's proportion	46,127	-	60,503	-
Difference between the employer's contributions and the employer's proportionate share of contributions	8,589	(46,410)	-	(96,269)
Net differences between projected and actual earnings on plan investments	438,059	-	457,999	-
Total	<u>\$ 1,124,425</u>	<u>\$ (67,850)</u>	<u>\$ 1,136,753</u>	<u>\$ (129,899)</u>

Employer contributions of \$330,086 reported at June 30, 2024 as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

## Notes to the Basic Financial Statements

### Note 11 – Pension Plan (Continued)

#### Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Fiscal Year Ended June 30:

2025	\$	220,645
2026		154,049
2027		339,225
2028		12,570
2029		-
Thereafter		-
	\$	<u>726,489</u>

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan were originally amortized over a 30 year rolling period, however, in February, 2018, modifications to the amortization policy shortened the period from 30 years to 20 years. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 29 year amortization period.

#### Actuarial Assumptions

The total pension liabilities in the June 30, 2022 and 2021 actuarial valuations (June 30, 2023 and 2022 measurement dates) were determined using the following actuarial assumptions:

## Notes to the Basic Financial Statements

### Note 11 – Pension Plan (Continued)

#### Actuarial Assumptions (Continued)

	For the Year Ended June 30,	
	2024	2023
	Miscellaneous Plan	Miscellaneous Plan
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method, in accordance with the requirements of GASB Statement No. 68	Entry-Age Normal Cost Method, in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Projected Salary Increase	Varies by entry age and service (1)	Varies by entry age and service (1)
Investment Rate of Return	6.90%	6.90%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

#### Change of Assumptions

Deferred inflows and outflows of resources for changes of assumptions represents the unamortized portion of the changes of assumptions related to prior measurement periods. In November, 2021, the CalPERS Board of Administration adopted new investment portfolios as well as several changes to actuarial assumptions under the Public Employees' Retirement Fund (PERF). For PERF B, these changes were implemented in the June 30, 2021 actuarial valuation for funding purposes. Included in these changes were assumptions for

## Notes to the Basic Financial Statements

### Note 11 – Pension Plan (Continued)

#### Change of Assumptions (Continued)

inflation, the discount rate, and administrative expenses, as well as demographic assumptions including changes to mortality rates. In the prior year, the inflation assumption was reduced from 2.50% to 2.30%, the administrative expense assumption was reduced from 0.15% to 0.10%, and the discount rate was reduced from 7.00% to 6.80%. As a result, for financial reporting purposes, the discount rate for the PERF C was lowered from 7.15% to 6.90% in Fiscal Year 2021-22, however, there were no changes of these assumptions for the current year information. See the 2022-23 CalPERS ACFR for additional information.

#### Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the measurement periods ending June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

The table below reflects the expected real rates of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

## Notes to the Basic Financial Statements

### Note 11 – Pension Plan (Continued)

#### Long-Term Expected Rate of Return (Continued)

Asset Class	Measurement Date - June 30, 2023		Asset Class	Measurement Date - June 30, 2022	
	Net Strategic Allocation	Real Return Years 1 -10(a)		Net Strategic Allocation	Real Return Years 1 -10(a)
Global Equity - Cap-weighted	30.00%	4.54%	Global Equity - Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%	Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%	Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%	Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%	Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%	Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%	High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%	Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%	Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%	Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%	Leverage	-5.00%	-0.59%

(a) An expected inflation of 2.3% used for this period.

Figures are based on the 2021-22 Asset Liability Management study.

(a) An expected inflation of 2.3% used for this period.

Figures are based on the 2021-22 Asset Liability Management study.

#### Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents COMB's proportionate share of the net pension liability calculated using the discount rate of 6.90% at the measurement dates June 30, 2023 and June 30, 2022, as well as what COMB's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

For the Fiscal Year Ended June 30, 2024		For the Fiscal Year Ended June 30, 2023	
1% Decrease	5.90%	1% Decrease	5.90%
Net Pension Liability	\$ 4,048,041	Net Pension Liability	\$ 3,781,952
Current Discount Rate	6.90%	Current Discount Rate	6.90%
Net Pension Liability	\$ 2,705,584	Net Pension Liability	\$ 2,500,359
1% Increase	7.90%	1% Increase	7.90%
Net Pension Liability	\$ 1,600,627	Net Pension Liability	\$ 1,445,926

## Notes to the Basic Financial Statements

### Note 11 – Pension Plan (Continued)

#### Pension Plan Fiduciary Net Position

Detailed information about all pension plan fiduciary net positions is available in the separately issued CalPERS financial reports.

### Note 12 – Other Post-employment Benefits (OPEB)

#### Plan Description

COMB offers a single-employer post-retirement health insurance benefit plan (medical, dental, and vision service) to retired employees.

For employees hired before February 1, 2014, COMB pays 100% of insurance premiums for retired employees and their spouses/registered domestic partners. Under the Plan, a “retired employee” is a former employee of COMB who (i) performed a minimum of twelve (12) years of continuous service for COMB (or CalPERS covered service); (ii) is receiving a monthly retirement benefit from the Public Employees Retirement System (PERS); and (iii) was employed by COMB immediately prior to becoming eligible to receive benefits under PERS.

For employees hired on and after February 1, 2014, COMB pays 50% of the retiree insurance premiums after 12 years of covered service, with increases in premium payments coverage at 6.25% per covered year until COMB pays 100% of the insurance premium at 20 years of covered service. Under the Plan, a “retired employee” is a former employee of COMB who (i) performed a minimum of twelve (12) years of continuous service for COMB (or CalPERS covered service); (ii) is receiving a monthly retirement benefit from the Public Employees Retirement System (PERS); and (iii) was employed by COMB immediately prior to becoming eligible to receive benefits under PERS. The spouse of a retiree is not included in this coverage.

The Public Employees’ Pension Reform Act (PEPRA) became law in January 2013. Since that time, all retirees reaching Medicare eligible age must enroll in Medicare whereby Medicare becomes primary and their current health insurance coverage through ACWA/JPIA becomes secondary. The OPEB Plan does not have a stand alone report and is not administered through a trust or equivalent arrangement and thus there are no assets accumulated in a GASB-compliant trust.



## Notes to the Basic Financial Statements

### Note 12 – Other Post-employment Benefits (OPEB) (Continued)

#### Employees Covered

As of the June 30, 2024 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Participating active employees	14
Inactive employees or beneficiaries currently receiving benefits	9
Total	<u>23</u>

#### Funding Policy

COMB funds the plan on a pay as you go basis. COMB contributes up to the amount of the monthly premium for employees and dependents, plus administrative fees.

#### Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2024 based on the following actuarial methods and assumptions:

	OPEB Plan
Actuarial Cost Method:	Entry-Age Actuarial Cost Method in accordance with the requirements of GASB Statement No. 75
Actuarial Assumptions:	
Inflation	2.50%
Discount Rate	3.93%
Payroll Growth (1)	2.75%
Mortality Assumptions: Mortality Tables	2021 CalPERS Mortality for Miscellaneous and Schools Employees
Experience Studies: Retirement Tables	Hired before 2013: 2021 CalPERS 2.0%@55 Rates for Miscellaneous Employees; Hired after 2013: 2021 CalPERS 2.0%@62 Rates for Miscellaneous Employees
Experience Studies: Turnover Table	2021 CalPERS Turnover for Miscellaneous Employees
Healthcare Trend Rate	4% per year

(1) Benefits are not dependent upon salary. Rate is used in applying the level percentage of projected payroll amortization method.

## Notes to the Basic Financial Statements

### Note 12 – Other Post-employment Benefits (OPEB) (Continued)

#### Discount Rate

The discount rate used to measure the total OPEB liability was 3.93% and 3.65% for the measurement periods ending June 30, 2024 and 2023, respectively. The discount rate is the equivalent index rate for 20-year General Obligation Municipal Bonds with an average rating of AA or higher. The Bond Buyer 20 Bond Index at June 30, 2024 was used.

#### Changes in the Net OPEB Liability

The changes in the net OPEB liability for the OPEB Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (a) - (b)
Balance at June 30, 2023 (Measurement Date June 30, 2023)	\$ 3,378,115	\$ -	\$ 3,378,115
Changes Recognized for the Measurement Period:			
Service cost	106,793	-	106,793
Interest on Total OPEB Liability	122,083	-	122,083
Contributions - Employer	-	173,558	(173,558)
Benefit Payments	(173,558)	(173,558)	-
Expected versus actual experience	(148,061)	-	(148,061)
Assumption changes	(100,190)	-	(100,190)
Changes in benefit terms	-	-	-
Net Changes	(192,933)	-	(192,933)
Balance at June 30, 2024 (Measurement Date June 30, 2024)	\$ 3,185,182	\$ -	\$ 3,185,182

#### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

1% Decrease	Current Discount Rate	1% Increase
2.93%	3.93%	4.93%
\$ 3,596,665	\$ 3,185,182	\$ 2,843,573

## Notes to the Basic Financial Statements

### Note 12 – Other Post-employment Benefits (OPEB) (Continued)

#### Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trends

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

Trend 1% Lower	Valuation Trend	Trend 1% Higher
\$ 2,790,747	\$ 3,185,182	\$ 3,672,357

#### Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five year period. The remaining gains and losses are amortized over the expected average remaining service life, which was 8.8 years at measurement date June 30, 2024.

#### OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the years ended June 30, 2024 and 2023, COMB recognized OPEB expense of \$158,632 and \$182,502, respectively. During the year ended June 30, 2022, COMB switched to a Medicare plan which carried a substantially lower premium than the previous plan. The change in plans had a significant impact, decreasing the measured liability by 1.9M. This was reflected as a Change in Benefit Terms which means that the entire decrease flowed through OPEB expense in the 2021-22 fiscal year rather than being deferred and amortized over time. This caused a negative OPEB expense in the 2021-22 fiscal year which is reflected as an OPEB benefit.

At June 30, 2024 and 2023, COMB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## Notes to the Basic Financial Statements

### Note 12 – Other Post-employment Benefits (OPEB) (Continued)

#### OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (557,750)	\$ -	\$ (505,469)
Changes in assumptions	543,969	(547,014)	652,844	(530,163)
Total	<u>\$ 543,969</u>	<u>\$ (1,104,764)</u>	<u>\$ 652,844</u>	<u>\$ (1,035,632)</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ended June 30	
2025	\$ (70,244)
2026	(70,244)
2027	(70,244)
2028	(75,115)
2029	(94,570)
Thereafter	(180,378)
	<u>\$ (560,795)</u>

### Note 13 – Commitments and Contingencies

#### Legal Contingencies

In the ordinary course of conducting business, various legal proceedings may be pending; however, in the opinion of COMB's management, the ultimate disposition of these matters will have no significant impact on the financial position of the COMB.

## Notes to the Basic Financial Statements

### Note 13 – Commitments and Contingencies (Continued)

#### Emergency Pumping Facilities Project Operating Costs (EPFP)

As a part of the construction and operating agreement, COMB is obligated to pay \$98,000 a month for operating costs to Cushman Contracting until the pumping facility is disposed. In February 2017, significant rainfall raised the water level at Lake Cachuma and the pump was subsequently demobilized and placed on standby. Monthly costs for when the pump is on stand-by are \$3,500.

COMB staff regularly monitors projected lake elevation scenarios for planning purposes. If it becomes likely that the EPFP needs to be deployed during the current fiscal year, approval for a budget augmentation will be presented to the Board.

Exact timing of EPFP remobilization is dependent on certain factors including, but not limited to, future rainfall, lake elevation and member unit demands.

### Note 14 – Restatement of Prior Years

The accompanying financial statements for June 30, 2023 have been restated to record as a capital asset the Modified Upper Reach Reliability Project (“MURRP”) which was expensed as repairs and maintenance during the fiscal years ended June 30, 2011, 2012 and 2013 in the amounts of \$67,867, \$3,463,797 and \$925,951, respectively. The project constructed a second pipeline to parallel the existing South Coast Conduit from the South Portal of the Tecolote Tunnel to the Glen Annie Turnout (GATO) and consists of approximately 2,000 total linear feet of new pipeline. The cost of the pipeline was previously reported as an operating expense on the Statement of Revenues, Expenses and Changes in Net Position, consistent with COMB’s responsibility for the operation and maintenance of the South Coast Conduit. However, the cost should have been capitalized and reported as a capital asset on the Statement of Net Position as COMB constructed the additional pipeline with the intent to own, operate and maintain the pipeline in perpetuity.

## Notes to the Basic Financial Statements

### Note 14 – Restatement of Prior Years (Continued)

The effect of the restatement was to decrease the Change in Net Position for June 30, 2023 by \$89,152, caused by an increase in depreciation expense. Net Position at the beginning of year ended June 30, 2023 has been adjusted for the effects of the restatement on prior years, as have capital assets and accumulated depreciation.

Reconciliations of balances as previously reported to beginning balances as restated as of:

<b>Prior Period Adjustment</b>	<u>June 30, 2022</u>
Add adjustment to capital assets applicable to prior years resulting from capitalization of the MURRP pipeline	\$ 4,457,615
Subtract adjustment to accumulated depreciation applicable to prior years resulting from capitalization of the MURRP pipeline	<u>(839,517)</u>
Total prior period adjustment as of June 30, 2022	\$ 3,618,098

<b>Capital Assets, net</b>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Balance, beginning, as previously reported	\$ 5,623,069	\$ 957,582
Add adjustment to capital assets applicable to prior years resulting from capitalization of the MURRP pipeline	4,457,615	4,457,615
Subtract adjustment to accumulated depreciation applicable to prior years resulting from capitalization of the MURRP pipeline	(839,517)	(839,517)
Subtract adjustment to accumulated depreciation applicable to the year ended June 30, 2023 resulting from capitalization of the MURRP pipeline	<u>(89,152)</u>	<u>-</u>
Net investment in capital assets as restated	\$ 9,152,015	\$ 4,575,680

<b>Net Position at beginning of year</b>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Balance, as previously reported	\$ (3,552,396)	\$ (5,818,231)
Add net prior period adjustment applicable to the beginning of the years ended June 30, 2023 and 2022, respectively, resulting from capitalization of the MURRP pipeline	<u>3,618,098</u>	<u>3,707,250</u>
Net position at beginning of year as restated	\$ 65,702	\$ (2,110,981)

<b>Net Position at end of year</b>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Balance, as previously reported	\$ 950,543	\$ (3,552,396)
Add net prior period adjustment applicable to the year ended June 30, 2022 resulting from capitalization of the MURRP pipeline	3,618,098	3,618,098
Subtract adjustment to depreciation applicable to the year ended June 30, 2023 resulting from capitalization of the MURRP pipeline	<u>(89,152)</u>	<u>-</u>
Net position at end of year as restated	\$ 4,479,489	\$ 65,702

## Notes to the Basic Financial Statements

### Note 14 – Restatement of Prior Years (Continued)

<b>Change in Net Position</b>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Amount, as previously reported	\$ 4,502,939	\$ 2,265,835
Subtract adjustment to depreciation applicable to the years ended June 30, 2023 and 2022, respectively, resulting from capitalization of the MURRP pipeline	(89,152)	(89,152)
Change in net position as restated	<u>\$ 4,413,787</u>	<u>\$ 2,176,683</u>
<b>Infrastructure</b>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Balance, beginning, as previously reported	\$ 4,751,942	\$ -
Add adjustment to capital assets applicable to prior years resulting from capitalization of the MURRP pipeline	4,457,615	4,457,615
Infrastructure as restated	<u>\$ 9,209,557</u>	<u>\$ 4,457,615</u>
<b>Total Capital Assets</b>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Balance, beginning, as previously reported	\$ 6,767,037	\$ 2,041,654
Add adjustment to capital assets applicable to prior years resulting from capitalization of the MURRP pipeline	4,457,615	4,457,615
Total capital assets as restated	<u>\$ 11,224,652</u>	<u>\$ 6,499,269</u>
<b>Accumulated Depreciation</b>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Balance, beginning, as previously reported	\$ (1,143,968)	\$ (1,084,072)
Subtract adjustment to accumulated depreciation applicable to prior years resulting from capitalization of the MURRP pipeline	(839,517)	(839,517)
Subtract adjustment to accumulated depreciation applicable to the year ended June 30, 2023 resulting from capitalization of the MURRP pipeline	(89,152)	-
Accumulated depreciation as restated	<u>\$ (2,072,637)</u>	<u>\$ (1,923,589)</u>
<b>Depreciation Expense</b>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Amount, as previously reported	\$ 115,944	\$ 49,741
Add adjustment to depreciation applicable to the years ended June 30, 2023 and 2022, respectively, resulting from capitalization of the MURRP pipeline	89,152	89,152
Depreciation expense as restated	<u>\$ 205,096</u>	<u>\$ 138,893</u>

### Note 15 – Subsequent Events

Subsequent events have been evaluated through December 16, 2024 the date that the financial statements were available to be issued.

## Required Supplementary Information

**CACHUMA OPERATION AND MAINTENANCE BOARD**  
**A COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN**  
**AS OF JUNE 30, 2024**  
**LAST 10 YEARS\***  
**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**SCHEDULE OF CACHUMA OPERATION AND MAINTENANCE BOARD'S**  
**PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.02169%	0.02165%	0.02149%	0.01910%	0.01848%	0.01798%	0.01797%	0.01766%	0.01690%	0.01800%
Proportionate share of the net pension liability	\$2,705,584	\$2,500,359	\$1,162,437	\$2,078,203	\$1,893,141	\$1,732,868	\$1,781,995	\$1,527,915	\$1,160,030	\$1,120,314
Covered payroll	\$1,430,980	\$1,373,248	\$1,268,422	\$1,393,821	\$1,247,498	\$1,165,740	\$1,086,753	\$ 933,496	\$1,030,191	\$ 1,021,786
Proportionate Share of the net pension liability as percentage of covered payroll	189.07%	182.08%	91.64%	149.10%	151.76%	148.65%	163.97%	163.68%	112.60%	109.64%
Plan fiduciary net position as a percentage of percentage of the total pension liability	72.74%	73.40%	87.05%	75.81%	76.84%	77.72%	76.04%	77.19%	81.67%	81.76%
Measurement date:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Valuation date:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

**Notes to Schedule:**

*Benefit changes*: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2022 valuation date.

\* Historical information is required only for measurement periods for which GASB 68 is applicable. Future year's information will be displayed up to 10 years as information becomes applicable

*See accompanying notes*



**Required Supplementary Information**

**CACHUMA OPERATION AND MAINTENANCE BOARD  
A COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
AS OF JUNE 30, 2024  
LAST 10 YEARS\*  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF CACHUMA OPERATION & MAINTENANCE BOARD'S CONTRIBUTIONS**

	Miscellaneous									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 330,086	\$ 311,824	\$ 282,006	\$ 246,413	\$ 229,718	\$ 190,925	\$ 180,892	\$ 161,108	\$ 139,831	\$ 133,619
Contributions in relation to the actuarially determined contributions	\$ 330,086	\$ 311,824	\$ 282,006	\$ 246,413	\$ 229,718	\$ 190,925	\$ 180,892	\$ 161,108	\$ 139,831	\$ 133,619
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,616,327	\$ 1,430,980	\$ 1,373,248	\$ 1,268,422	\$ 1,393,821	\$ 1,247,498	\$ 1,165,740	\$ 1,086,753	\$ 933,496	\$ 1,030,191
Contributions as a percentage of covered payroll	20.42%	21.79%	20.54%	19.43%	16.48%	15.30%	15.52%	13.30%	10.76%	12.97%
<b>Notes to Schedule:</b>										
Funding valuation date:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2023-2024 were derived from the June 30, 2021 funding valuation report.

\* Historical information is required only for measurement periods for which GASB 68 is applicable. Future year's information will be displayed up to 10 years as information becomes applicable

*See accompanying notes*

## Required Supplementary Information

**CACHUMA OPERATION AND MAINTENANCE BOARD  
OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2024  
LAST 10 YEARS\***

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability:</b>							
Service cost	\$ 106,793	\$ 106,600	\$ 236,346	\$ 227,626	\$ 99,286	\$ 89,531	\$ 87,135
Interest on the total OPEB liability	122,083	117,934	125,738	123,163	186,517	175,856	187,791
Expected versus actual experience	(148,061)	-	(75,021)	-	(730,130)	-	-
Changes of assumptions	(100,190)	(45,678)	(623,479)	35,409	835,434	238,389	-
Changes in benefit terms	-	-	(1,923,020)	-	-	-	-
Benefit payments	(173,558)	(157,845)	(172,946)	(162,409)	(209,622)	(198,531)	(190,895)
Net change in total OPEB liability	(192,933)	21,011	(2,432,382)	223,789	181,485	305,245	84,031
Total OPEB liability - beginning	3,378,115	3,357,104	5,789,486	5,565,697	5,384,212	5,078,967	4,994,936
Total OPEB liability - ending (a)	<u>\$ 3,185,182</u>	<u>\$ 3,378,115</u>	<u>\$ 3,357,104</u>	<u>\$ 5,789,486</u>	<u>\$ 5,565,697</u>	<u>\$ 5,384,212</u>	<u>\$ 5,078,967</u>
<b>Fiduciary Net Position</b>							
Employer contributions	\$ 173,558	\$ 157,845	\$ 172,946	\$ 162,409	\$ 209,622	\$ 198,531	\$ 190,895
Benefit payments	(173,558)	(157,845)	(172,946)	(162,409)	(209,622)	(198,531)	(190,895)
Net change in fiduciary net position	-	-	-	-	-	-	-
Total fiduciary net position - beginning	-	-	-	-	-	-	-
Total fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 3,185,182	\$ 3,378,115	\$ 3,357,104	\$ 5,789,486	\$ 5,565,697	\$ 5,384,212	\$ 5,078,967
Plan fiduciary net position as a percentage of the total OPEB lial	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered - employee payroll	\$ 1,745,189	\$ 1,554,045	\$ 1,491,479	\$ 1,425,249	\$ 1,393,821	\$ 1,268,927	\$ 1,257,371
Net OPEB liability as a percentage of covered - employee payro	182.51%	217.38%	225.09%	406.21%	399.31%	424.31%	403.94%
Valuation date	06/30/24	06/30/22	06/30/22	06/30/20	06/30/20	06/30/18	06/30/18
Measurement date	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18

## Notes to Schedule:

\* Historical information is required only for measurement periods for which GASB 75 is applicable. Future year's information will be displayed up to 10 years as information becomes applicable. There are no assets accumulated in a GASB-compliant trust.

*See accompanying notes*

## Other Supplementary Information

### SUPPLEMENTAL SCHEDULE OF OPERATION AND MAINTENANCE, GENERAL AND ADMINISTRATIVE AND OTHER MAINTENANCE EXPENSE For the Years Ended June 30, 2024 and 2023

	2024	(Restated) 2023
Operation and Maintenance Division		
Operation and Maintenance Expense		
Salaries and benefits	\$ 1,166,926	\$ 827,848
Contract labor	124,762	70,611
Equipment	700	1,436
Equipment rental	1,934	6,293
Materials and supplies	80,623	63,217
Vehicle maintenance	36,117	34,978
Other expenses	82,912	58,101
Total operation and maintenance expense	<u>\$ 1,493,974</u>	<u>\$ 1,062,484</u>
General and Administrative Expense		
Administration salaries and benefits	\$ 448,347	\$ 294,024
Administration travel and conference	2,769	3,005
Accrued wages and vacation	16,883	21,530
Directors fees and expense	9,318	7,772
Legal and audit	46,440	79,885
Liability insurance	45,408	37,797
Health insurance and workers compensation	(12,139)	(12,471)
Retirement plan expense (benefit) (Note 12)	158,632	182,502
Payroll tax expense	24,577	20,035
Office supplies and expense	50,566	46,434
Membership dues	11,583	12,173
Employee training	1,800	2,304
Public information	3,700	2,439
Other expenses	35,029	26,988
Total general and administrative expense	<u>\$ 842,913</u>	<u>\$ 724,417</u>
Special Projects		
Bradbury Dam outlet works	\$ 117,930	\$ -
Lauro Dam outlet works	5,015	-
COMB building improvements / maintenance	42,995	13,202
Integrated regional water management plan	2,040	1,693
SCC structure rehabilitation	-	391,963
2023 winter storm repairs	639,893	54,091
2024 winter storm repairs	5,289	-
GIS and mapping	10,337	9,300
Cachuma watershed management study	58,701	68,270
SCC Isolation Valve Evaluation	-	46,256
SCADA improvements & support	12,835	12,169
ROW management program	-	2,977
Total special projects	<u>\$ 895,035</u>	<u>\$ 599,921</u>

*See accompanying notes*

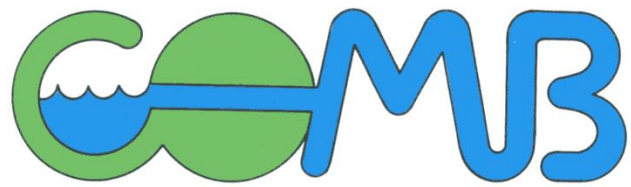
## Other Supplementary Information

### SUPPLEMENTAL SCHEDULE OF OPERATION AND MAINTENANCE, GENERAL AND ADMINISTRATIVE AND OTHER MAINTENANCE EXPENSE (CONTINUED)

For the Years Ended June 30, 2024 and 2023

	<b>2024</b>	<b>(Restated) 2023</b>
Fisheries Division		
Operation and Maintenance Expense		
Salaries and benefits	\$ 819,868	\$ 627,349
Contract labor	10,742	5,670
Vehicles and equipment	31,626	47,763
Materials and supplies	6,958	11,105
Other expenses	4,973	2,094
Total operating and maintenance expense	<u>\$ 874,167</u>	<u>\$ 693,981</u>
General and Administrative Expense		
Administration salaries and benefits	\$ 201,786	\$ 159,494
Health insurance and workers compensation	22,793	15,438
Retirement plan expense (benefit) (Note 12)	-	-
Payroll tax expense	13,149	10,788
Office supplies and expense	29,592	24,985
Administrative travel and conferences	2,046	4,733
Membership dues	7,092	6,917
Legal and audit	23,905	20,436
Accrued wages and vacation	8,484	10,292
Liability insurance	24,450	20,055
Other expenses	20,558	14,845
Total general and administrative expense	<u>\$ 353,855</u>	<u>\$ 287,983</u>
Fishery Related Projects		
FMP implementation	\$ 19,936	\$ 18,177
GIS and mapping	5,020	6,800
USGS stream gauge program	104,455	113,180
Oak tree restoration program	1,307	4,594
Total fishery related projects	<u>\$ 130,718</u>	<u>\$ 142,751</u>
Habitat Enhancement		
Quiota Creek crossing habitat enhancement	\$ 215,670	\$ -
Other habitat enhancement	8,197	18,405
Total habitat enhancement	<u>\$ 223,867</u>	<u>\$ 18,405</u>

*See accompanying notes*



**STATISTICAL  
SECTION**

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**STATISTICAL SECTION NARRATIVE SUMMARY**

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the annual comprehensive financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition.

	Page
<p><b><u>FINANCIAL TRENDS</u></b></p> <p>These schedules contain trend information to help the reader understand how COMB's financial performance and well-being have changed over time.</p>	88-94
<p><b><u>DEBT CAPACITY</u></b></p> <p>These schedules present information to help the reader assess the affordability of COMB's current level of outstanding debt.</p>	95
<p><b><u>ECONOMIC AND DEMOGRAPHIC INFORMATION</u></b></p> <p>These schedules offer economic and demographic indicators to help the reader understand the environment within which COMBs financial activities take place.</p>	96-97
<p><b><u>OPERATING INFORMATION</u></b></p> <p>These schedules contain service and infrastructure data to help the reader understand how the information in COMB's financial report relates to the activities performed by COMB.</p>	98-107

## Schedule 1

Changes in Net Position and Net Position Component  
Previous Ten Fiscal Years

	(Restated) 2014-15	(Restated) 2015-16	(Restated) 2016-17	(Restated) 2017-18	(Restated) 2018-19
Net position, beginning of year	\$ 4,704,153	\$ 1,292,740	\$ 2,165,148	\$ 1,846,585	\$ (2,605,775)
Operating revenues (see schedule 2)	5,889,530	7,019,280	6,490,950	3,545,146	6,827,119
Operating expenses (see schedule 4)	7,698,633	5,811,811	6,534,603	3,795,688	6,283,533
Depreciation <sup>(3)</sup>	147,275	161,532	154,270	144,249	145,735
Net operating gain (loss)	(1,956,378)	1,045,937	(197,923)	(394,791)	397,851
Non-operating revenues (expenses) (see schedule 4)					
Non-operating revenues	1,551	2,307	7,072	16,551	31,476
Non-operating expenses	99,228	175,836	127,712	134,132	115,404
Total non-operating revenues (expense):	(97,677)	(173,529)	(120,640)	(117,581)	(83,928)
Change in net position	(2,054,055)	872,408	(318,563)	(512,372)	313,923
Prior Period Adjustment <sup>(1), (2)</sup>	(1,357,357)	-	-	(3,939,988)	-
Amount constructively returned to members	-	-	-	-	-
Net position, end of year	\$ 1,292,740	\$ 2,165,148	\$ 1,846,585	\$ (2,605,775)	\$ (2,291,853)
Net invested in capital assets <sup>(4)</sup>	4,441,727	4,358,919	4,211,170	4,131,625	4,049,337
Unrestricted					
Designated to be constructively returned	-	-	-	-	-
Accumulated earnings (deficit)	(3,148,987)	(2,193,771)	(2,364,585)	(6,737,400)	(6,341,190)
Total Net Position	\$ 1,292,740	\$ 2,165,148	\$ 1,846,585	\$ (2,605,775)	\$ (2,291,853)

## Notes:

- (1) In FY 2014-15, COMB implemented GASB Statement No. 68 - Accounting and Financial Reporting for Pensions resulting in a prior period adjustment to establish the Net Pension Liability at June 30, 2014. Note 12 contains further detailed explanation.
- (2) In FY 2017-18, COMB implemented GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions resulting in a prior period adjustment to adjust the Net OPEB Liability at the end of June 30, 2017. Note 13 to the Basic Financial Statements contains further detailed explanation.
- (3) In FY 2023-24, COMB recorded a prior period adjustment related to the capitalization of the Modified Upper Reach Reliability Project (MURRP) pipeline which was constructed during fiscal years 2011-12, 2012-13 and 2013-14 in the amounts of \$67,867, \$3,463,797 and \$925,951, respectively. Additional annual depreciation expense of \$89,152 was recorded in subsequent years. Note 14 to the Basic Financial Statements contains further detailed information.
- (4) In FY 2022-23, COMB completed the Lake Cachuma Secured Pipeline Project (\$4.8M).

Source: COMB's Annual Audited Financial Statements



Schedule 1 (continued)**Changes in Net Position and Net Position Component  
Previous Ten Fiscal Years**

	(Restated) 2019-20	(Restated) 2020-21	(Restated) 2021-22	(Restated) 2022-23	2023-24
Net position, beginning of year	\$ (2,291,853)	\$ (2,312,461)	\$ (2,110,981)	\$ 65,702	\$ 4,479,489
Operating revenues (see schedule 2)	6,686,085	4,189,738	4,799,037	8,197,308	4,902,380
Operating expenses (see schedule 4)	6,482,474	3,789,829	2,436,470	3,570,499	4,856,529
Depreciation <sup>(3)</sup>	155,220	139,054	138,893	205,096	272,812
Net operating gain (loss)	48,391	260,855	2,223,674	4,421,713	(226,961)
Non-operating revenues (expenses)					
Non-operating revenues	23,405	8,425	22,235	34,222	100,623
Non-operating expenses	92,404	67,800	69,226	42,148	30,962
Total non-operating revenues (expenses)	(68,999)	(59,375)	(46,991)	(7,926)	69,661
Change in net position	(20,608)	201,480	2,176,683	4,413,787	(157,300)
Prior Period Adjustment <sup>(1), (2), (3)</sup>	-	-	-	-	-
Amount constructively returned to members	-	-	-	-	-
Net position, end of year	\$ (2,312,461)	\$ (2,110,981)	\$ 65,702	\$ 4,479,489	\$ 4,322,190
Net invested in capital assets <sup>(4)</sup>	3,980,594	3,853,844	4,575,680	9,152,015	9,174,834
Unrestricted					
Designated to be constructively returned	-	-	-	-	-
Accumulated earnings (deficit)	(6,293,055)	(5,964,825)	(4,509,978)	(4,672,526)	(4,852,644)
Total Net Position	\$ (2,312,461)	\$ (2,110,981)	\$ 65,702	\$ 4,479,489	\$ 4,322,190

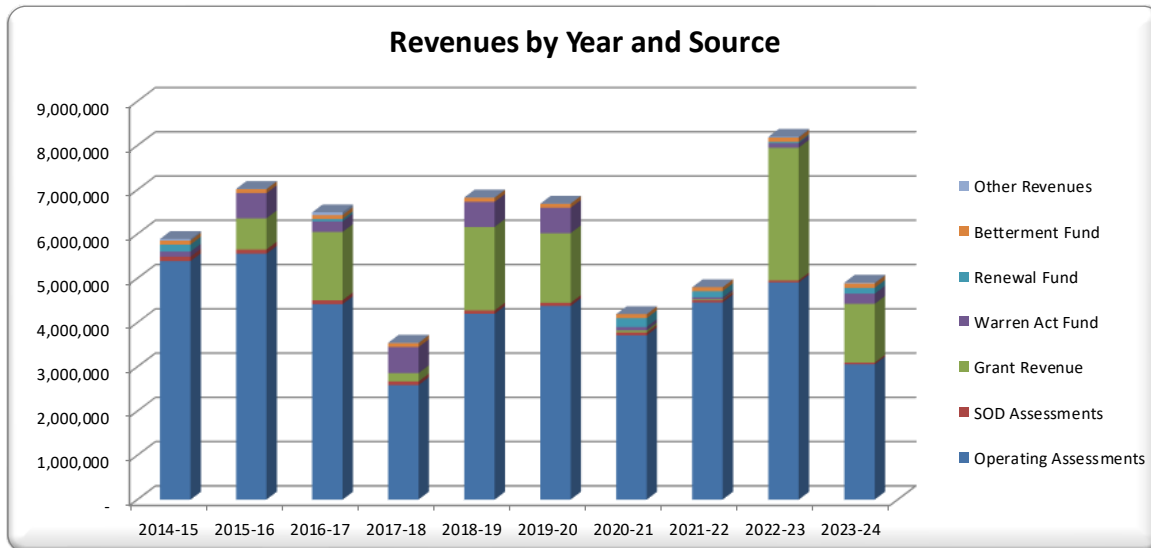
## Notes:

- (1) In FY 2014-15, COMB implemented GASB Statement No. 68 - Accounting and Financial Reporting for Pensions resulting in a prior period adjustment to establish the Net Pension Liability at June 30, 2014. Note 12 contains further detailed explanation.
- (2) In FY 2017-18, COMB implemented GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions resulting in a prior period adjustment to adjust the Net OPEB Liability at the end of June 30, 2017. Note 13 to the Basic Financial Statements contains further detailed explanation.
- (3) In FY 2023-24, COMB recorded a prior period adjustment related to the capitalization of the Modified Upper Reach Reliability Project (MURRP) pipeline which was constructed during fiscal years 2011-12, 2012-13 and 2013-14 in the amounts of \$67,867, \$3,463,797 and \$925,951, respectively. Additional annual depreciation expense of \$89,152 was recorded in subsequent years. Note 14 to the Basic Financial Statements contains further detailed information.
- (4) In FY 2022-23, COMB completed the Lake Cachuma Secured Pipeline Project (\$4.8M).

Source: COMB's Annual Audited Financial Statements

**Schedule 2**  
**Revenues by Source**  
**Previous Ten Fiscal Years**

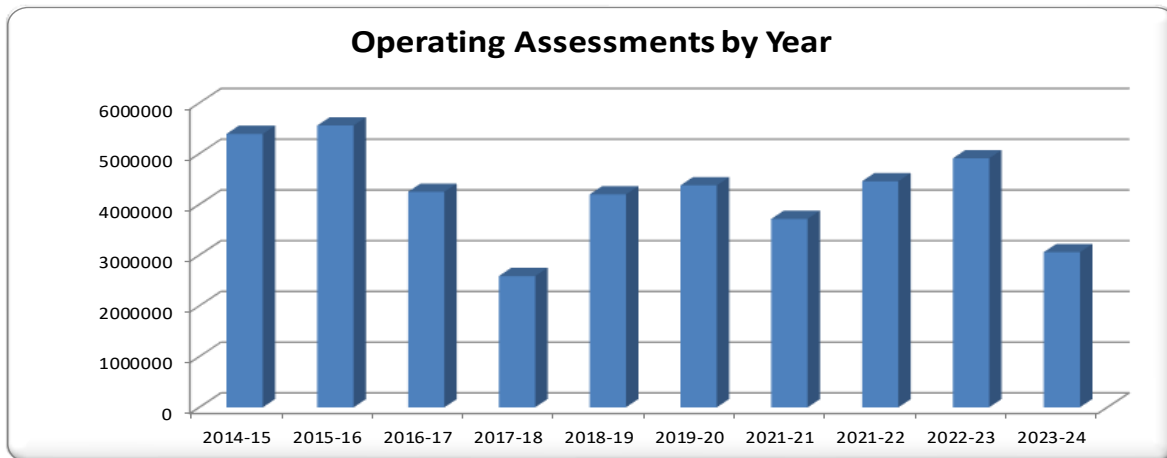
Fiscal Year	Operating Assessments	SOD Assessments	Grant Revenue	Warren Act Fund	Renewal Fund	Cachuma Project Betterment Fund	Other Revenues	Total Revenues
2014-15	5,389,631	99,228	-	113,434	159,887	90,000	37,350	5,889,530
2015-16	5,556,673	93,692	705,205	571,728	-	90,000	1,982	7,019,280
2016-17	4,415,207	89,479	1,542,476	238,306	52,872	90,000	62,610	6,490,950
2017-18	2,587,215	83,228	186,266	590,019	-	90,000	8,418	3,545,146
2018-19	4,197,066	76,622	1,886,408	569,521	-	90,000	7,502	6,827,119
2019-20	4,376,204	69,640	1,573,172	576,293	-	90,000	777	6,686,085
2020-21	3,713,700	62,259	47,017	77,780	198,482	90,000	500	4,189,738
2021-22	4,455,986	54,458	15,763	43,086	139,744	90,000	-	4,799,037
2022-23	4,908,101	46,212	2,997,082	99,592	29,123	100,000	17,198	8,197,308
2023-24	3,057,676	37,496	1,328,858	229,354	132,179	100,000	16,818	4,902,380
<b>Total</b>	<b>\$ 42,657,458</b>	<b>\$ 712,313</b>	<b>\$ 10,282,247</b>	<b>\$ 3,109,113</b>	<b>\$ 712,287</b>	<b>\$ 920,000</b>	<b>\$ 153,155</b>	<b>\$ 58,546,574</b>
% of Total	72.9%	1.2%	17.6%	5.3%	1.2%	1.6%	0.3%	100.0%



Source: COMB's Annual Audited Financial Statements

**Schedule 3**  
**Operating Assessments (Unaudited) <sup>(1)</sup>**  
**Previous Ten Fiscal Years**

Fiscal Year	Goleta Water District	City of Santa Barbara	Carpinteria Valley Water	Montecito Water District	Santa Ynez River Water Conservation District ID No. 1	Total
2014-15 <sup>(2)</sup>	1,415,063	3,025,216	430,371	403,030	115,951	5,389,631
2015-16 <sup>(3),(4)</sup>	2,363,419	1,801,784	716,135	675,334	92,588	5,649,260
2016-17 <sup>(3),(4),(5)</sup>	1,672,907	1,192,299	903,824	479,177	151,424	4,399,631
2017-18 <sup>(5)</sup>	1,181,845	729,668	250,699	339,518	85,484	2,587,215
2018-19 <sup>(5)</sup>	1,850,921	1,323,609	452,646	529,872	40,017	4,197,066
2019-20 <sup>(5)</sup>	1,919,558	1,384,576	470,513	546,386	55,170	4,376,202
2020-21 <sup>(5)</sup>	1,650,523	1,162,537	390,076	471,524	39,040	3,713,700
2021-22 <sup>(5)</sup>	1,798,637	1,570,593	533,741	511,573	41,442	4,455,986
2022-23	1,965,907	1,745,887	593,280	559,082	43,945	4,908,101
2023-24	1,214,697	1,078,901	366,559	345,400	52,117	3,057,675



Notes:

(1) Amounts reported exclude Safety of Dams (SOD) assessments.

(2) In July 2014, COMB entered into two notes payable agreements with American Riviera Bank to finance the Emergency Pumping Facilities Project on behalf of Goleta Water District, Carpinteria Water District, and Montecito Water District. The City of Santa Barbara elected to fund its proportionate share (\$1.8M) of the project cost through their quarterly operating assessments.

(3) On May 27, 2016, Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1) notified the COMB Board of its stated intent to unilaterally withdraw from the JPA Agreement. A Separation Agreement was entered into by ID No. 1, COMB and the South Coast Member Units and approved by all parties effective August 28, 2018. Pursuant to the Separation Agreement, starting in Fiscal Year 2017-18 and going forward, certain actual expenditures related to the 2000 BiOp and Oak Tree Mitigation activities incurred by COMB will be collected from ID No. 1 through an invoice issued quarterly to it by COMB.

(4) Assessments for SYRWCD are recorded at gross amount billed for FY 2015-16, 2016-17 and 2017-18. See Note #2 above.

(5) Amount reported is net of Unexpended Funds Credit resulting from current year unexpended funds and carryover funds for project expenditures delayed or placed on hold.

Source: COMB's Annual Approved Operating Budget

## Schedule 4

Operating Expenses  
Previous Ten Fiscal Years

	(Restated) 2014-15	(Restated) 2015-16	(Restated) 2016-17	(Restated) 2017-18	(Restated) 2018-19
Operating Expenses					
Operation and maintenance division					
Operation and maintenance	\$ 809,837	\$ 761,405	\$ 883,276	\$ 844,066	\$ 1,046,011
General and administrative <sup>(1)</sup>	1,076,051	725,474	826,355	845,091	859,378
Emergency pumping facility project <sup>(2)</sup>	4,149,098	2,158,739	1,800,628	160,123	109,939
Special projects	425,804	172,632	185,430	441,017	1,007,851
Sub Total	6,460,790	3,818,250	3,695,689	2,290,297	3,023,179
Fisheries Division					
Operations and maintenance	539,134	541,421	635,954	660,930	720,535
General and administrative	346,347	302,705	309,613	347,902	281,969
Fishery related projects	224,563	199,330	165,167	173,489	148,608
Quiota Creek crossing habitat enhancement	122,541	950,105	1,704,571	299,950	2,090,987
Other habitat enhancement	5,258	-	23,609	23,120	18,262
Sub Total	1,237,843	1,993,561	2,838,914	1,505,391	3,260,361
Depreciation <sup>(3)</sup>	147,275	161,532	154,270	144,249	145,728
Total Operating Expenses	\$ 7,845,908	\$ 5,973,343	\$ 6,688,873	\$ 3,939,937	\$ 6,429,268
Add: Other Non Operating Revenues (Expense)					
Interest income	\$ 1,551	\$ 2,307	\$ 7,072	\$ 7,072	\$ 31,476
Interest expense	(99,228)	(175,836)	(138,192)	(138,192)	(115,404)
Gain (loss) on sale of capital asset	-	-	10,480	10,480	-
Unrealized loss on pooled investments	-	-	-	-	-
Total Other Non Operating Revenues (Expenses)	\$ (97,677)	\$ (173,529)	\$ (120,640)	\$ (120,640)	\$ (83,928)

## Notes:

- (1) Effective January 1, 2022, COMB Medicare retirees were automatically transferred to a new Medicare Advantage health plan which carried a substantially lower premium. Retirees that have not reached Medicare age will remain in their current plan until such time they reach age 65 and they will be automatically transferred to the new plan, as well. COMB recognized approximately \$1.9M reduction in the measured liability at June 30, 2022 as a result of this plan change. The adjustment was recognized as a Change in Benefit Terms which provides that the entire decrease in measured liability flows through OPEB expense in the current year as opposed to other unexpected changes which are deferred over a given period.
- (2) Emergency Pumping Facility Project (EPFP) includes costs associated with design, build, operation and maintenance of a temporary pumping barge and pipeline to convey water from the Lake during ongoing drought conditions and low lake levels. In February 2017, the EPFP was demobilized following a significant rain event which raised the lake level to over 50% capacity. Key components of the EPFP have been purchased and stored should it become necessary to remobilize in the future.
- (3) In FY 2023-24, COMB recorded a prior period adjustment related to the capitalization of the Modified Upper Reach Reliability Project (MURRP) pipeline which was constructed during fiscal years 2011-12, 2012-13 and 2013-14 in the amounts of \$67,867, \$3,463,797 and \$925,951, respectively. Additional annual depreciation of expense of \$89,152 was recorded in subsequent years. Note 14 to the Basic Financial Statements contains further detailed information.

Source: COMB's Annual Audited Financial Statements

**Schedule 4 (Cont'd)****Operating Expenses****Previous Ten Fiscal Years**

	(Restated) 2019-20	(Restated) 2020-21	(Restated) 2021-22	(Restated) 2022-23	2023-24
Operating Expenses					
Operation and maintenance division					
Operation and maintenance	\$ 1,416,525	\$ 1,107,370	\$ 1,217,454	\$ 1,062,484	\$ 1,493,974
General and administrative <sup>(1)</sup>	852,836	935,703	(1,010,065)	724,417	842,913
Emergency pumping facility project <sup>(4)</sup>	162,204	111,393	72,649	40,557	42,000
Special projects	1,583,949	468,394	961,403	599,921	895,035
Sub Total	4,015,514	2,622,860	1,241,441	2,427,379	3,273,922
Fisheries Division					
Operations and maintenance	707,309	724,968	778,078	693,981	874,167
General and administrative	429,373	259,517	287,112	287,983	353,855
Fishery related projects	129,122	145,706	128,552	142,751	130,718
Quiota Creek crossing habitat enhancement	1,199,457	36,640	-	-	215,670
Other habitat enhancement	1,699	138	1,287	18,405	8,197
Sub Total	2,466,960	1,166,969	1,195,029	1,143,120	1,582,607
Depreciation <sup>(3)</sup>	155,220	139,054	138,893	205,096	272,812
Total Operating Expenses	\$ 6,637,694	\$ 3,928,883	\$ 2,575,363	\$ 3,775,595	\$ 5,129,341
Add: Other Non Operating Revenues (Expense)					
Interest income	\$ 23,405	\$ 8,425	\$ 5,635	\$ 34,222	\$ 56,147
Interest expense	(92,038)	(67,499)	(48,723)	(40,029)	(30,962)
Gain (loss) on sale of capital asset	(366)	(301)	16,600	-	27,000
Unrealized loss on pooled investments	-	-	(20,503)	(2,119)	17,476
Total Other Non Operating Revenues (Expenses)	\$ (68,999)	\$ (59,375)	\$ (46,991)	\$ (7,926)	\$ 69,661

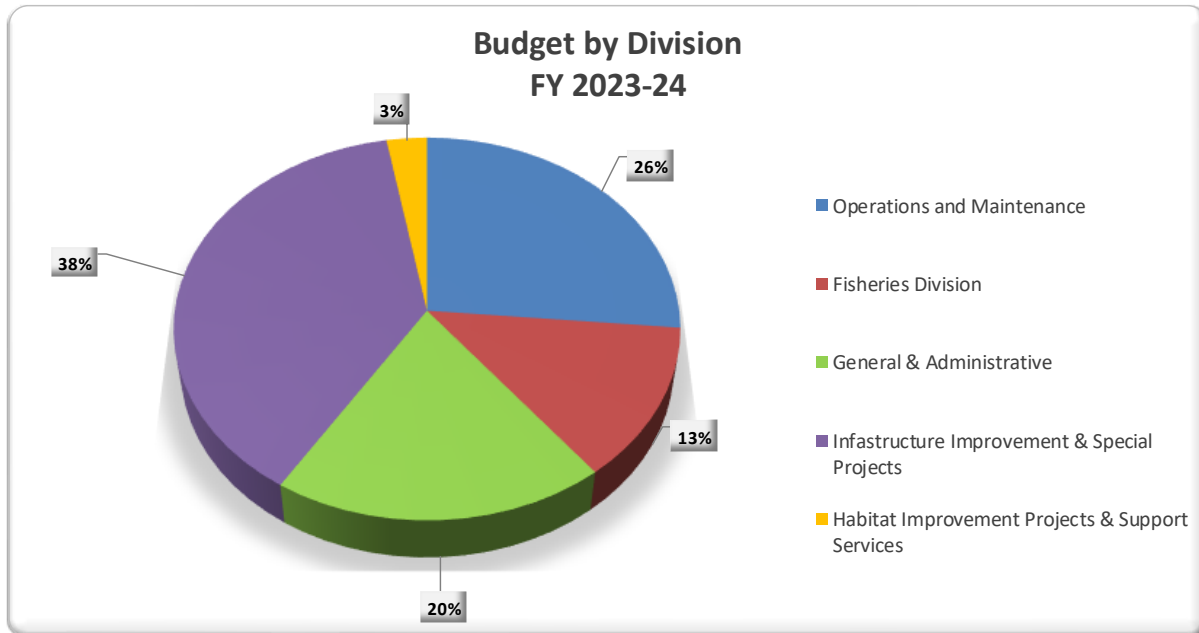
## Notes:

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- (3) In FY 2023-24, COMB recorded a prior period adjustment related to the capitalization of the Modified Upper Reach Reliability Project (MURRP) pipeline which was constructed during fiscal years 2011-12, 2012-13 and 2013-14 in the amounts of \$67,867, \$3,463,797 and \$925,951, respectively. Additional annual depreciation of expense of \$89,152 was recorded in subsequent years. Note 14 to the Basic Financial Statements contains further detailed information.

Source: COMB's Annual Audited Financial Statements

**Schedule 5**  
**Budget History by Division**  
**Previous Ten Fiscal Years**

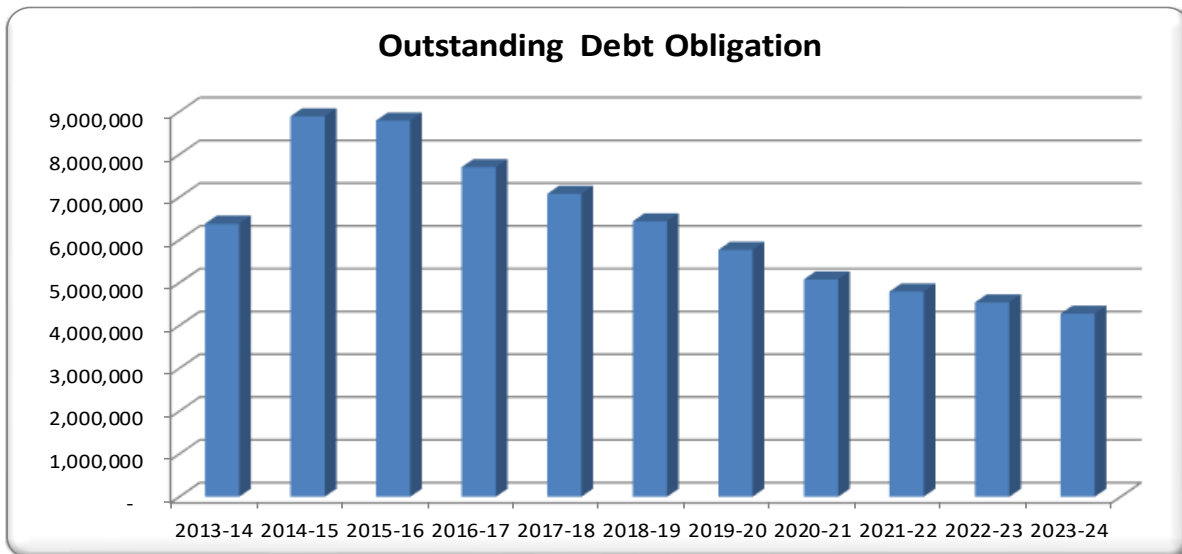
Fiscal Year	Operations and Maintenance	Fisheries Division	General and Administrative	Infrastructure Improvement & Special Projects	Habitat Improvement Projects & Support	Total
2014-15	1,059,736	634,641	1,315,450	5,454,000	447,000	8,910,827
2015-16	1,100,197	632,994	1,234,251	3,689,250	2,132,000	8,788,693
2016-17	1,097,375	691,118	1,082,056	2,561,250	2,283,000	7,714,799
2017-18	1,062,108	753,374	1,139,848	1,020,000	1,343,000	5,318,330
2018-19	1,101,747	763,409	1,191,679	2,116,400	2,349,996	7,523,231
2019-20	1,227,664	800,515	1,303,471	2,045,327	1,390,000	6,766,977
2020-21	1,339,141	810,413	1,199,967	1,630,000	185,000	5,164,521
2021-22	1,402,187	867,558	1,237,439	1,600,050	185,000	5,292,234
2022-23	1,561,326	934,164	1,288,054	6,050,000	185,000	10,018,544
2023-24	1,846,147	908,982	1,365,659	2,670,000	197,000	6,987,788



Source: COMB's Annual Approved Operating Budget

**Schedule 6**  
**Outstanding Debt**  
**Previous Ten Fiscal Years**

Fiscal Year	Bradbury SOD Act <sup>(1)</sup>	Lauro SOD Act <sup>(2)</sup>	Note Payable EPFP <sup>(3)</sup>	Total
2013-14	5,412,719	968,607	-	6,381,326
2014-15	5,334,043	954,789	2,601,317	8,890,149
2015-16	5,250,760	940,342	2,601,317	8,792,419
2016-17	5,065,822	894,904	1,742,137	7,702,863
2017-18	4,875,721	865,428	1,339,678	7,080,827
2018-19	4,680,144	835,169	921,683	6,436,997
2019-20	4,478,793	804,089	487,584	5,770,466
2020-21	4,271,319	772,150	36,623	5,080,092
2021-22	4,057,362	739,313	-	4,796,675
2022-23	3,836,543	705,537	-	4,542,080
2023-24	3,608,460	670,779	-	4,279,239



Notes:

(1) **Bradbury SOD Act**- A repayment contract with U.S. Bureau of Reclamation (USBR) whereas COMB will reimburse USBR for fifteen (15%) of the total Safety of Funds Act funds expended to preserve the structural integrity of Bradbury Dam and related Cachuma Project facilities.

(2) **Lauro SOD Act** - A repayment contract with U.S. Bureau of Reclamation (USBR) whereas COMB will reimburse USBR for fifteen (15%) of the total Safety of Funds Act funds expended to preserve the structural integrity of Lauro Dam and reservoir.

(3) **Notes Payable EPFP** - A notes payable agreement with American Riviera bank to finance the Emergency Pumping Facilities Project on behalf of Goleta Water District, Carpinteria Water District, and Montecito Water District. The obligation was paid in-full during FY 2021-22.

Source: COMB's Annual Audited Financial Statements

**Schedule 7**  
**Economic and Demographics Statistics**  
**County of Santa Barbara**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Personal Income (per Capita)</u>	<u>Average Unemployment Rate</u>
2014-15	437,643	21,700,000	49,584	4.7%
2015-16	446,717	22,300,000	49,920	4.9%
2016-17	450,663	24,200,000	53,699	4.3%
2017-18	453,457	25,000,000	55,132	3.9%
2018-19	454,593	26,600,000	58,514	3.5%
2019-20	451,840	28,000,000	61,969	11.6%
2020-21	441,172	29,500,000	66,867	5.9%
2021-22	445,164	30,190,000	67,818	2.8%
2022-23	440,557	33,037,000	74,989	3.8%
2023-24	443,623	33,608,000	75,758	4.2%



Source: County of Santa Barbara



Schedule 8

**Economic and Demographics Statistics  
County of Santa Barbara**

Top Ten Largest Industries - FYE 2024 and FY 2015As of June 30, 2024

Industry	Jobs	Percent of Total County
Government	37,200	16.14%
Farming	37,000	16.05%
Private Education and Health Services	32,000	13.88%
Leisure and Hospitality	29,000	12.58%
Professional and Business Services	27,800	12.06%
Trade, Transportation, and Utilities	26,500	11.50%
Manufacturing	12,200	5.29%
Mining, Logging and Construction	10,600	4.60%
Financial Activities	7,000	3.04%
Information	4,300	1.87%
Total ten largest industries	223,600	97.01%
Total all other	6,900	2.99%
Total all industries	230,500	100.00%

As of June 30, 2015

Industry	Jobs	Percent of Total County
Government	39,800	19.49%
Trade, Transportation, and Utilities	27,200	13.32%
Leisure and Hospitality	26,900	13.17%
Private Education and Health Services	25,700	12.59%
Farming	23,600	11.56%
Professional and Business Services	22,600	11.07%
Manufacturing	13,000	6.37%
Mining, Logging and Construction	8,900	4.36%
Financial Activities	6,400	3.13%
Information	4,200	2.06%
Total ten largest industries	198,300	97.11%
Total all other	5,900	2.89%
Total all industries	204,200	100.00%

Source: County of Santa Barbara and Employment Development Department,  
State of California

Note: Employment data is presented by industry rather than by individual  
employers, as employer-specific figures were not available at the time of this report.

Schedule 9

Miscellaneous Statistical Information

Cachuma Operation and Maintenance Board (COMB)

Form of government	Joint Powers Authority
Date of organization	January 1, 1957
Number of Full Time Staff	15
Lake Cachuma maximum storage (acre feet)	193,305
Tecolote Tunnel (miles)	6
South Coast Conduit (SCC) pipeline (miles)	26
SCC design capacity	45 million gallons per day
Number of reservoirs	4
Number of Structures Maintained	220
Number of Meters Maintained	28

COMB Member Agencies <sup>(1)</sup>

<u>COMB Member Agency</u>	<u>COMB Board Representation</u>
Goleta Water District	2 Votes
City of Santa Barbara	2 Votes
Montecito Water District	1 Vote
Carpinteria Valley Water District	1 Vote
Total	<u>6 Votes</u>

Cachuma Project Water Entitlement <sup>(1)</sup>

<u>Cachuma Project Member Unit</u>	<u>Entitlement (%)</u>	<u>Entitlement (AFY)</u>
Goleta Water District	36.25%	9,322
City of Santa Barbara	32.19%	8,277
Carpinteria Valley Water District	10.94%	2,813
Montecito Water District	10.31%	2,651
SYRWater Conservation District, ID No. 1	10.31%	2,651
Total Cachuma Project Allocation	<u>100.00%</u>	<u>25,714</u>

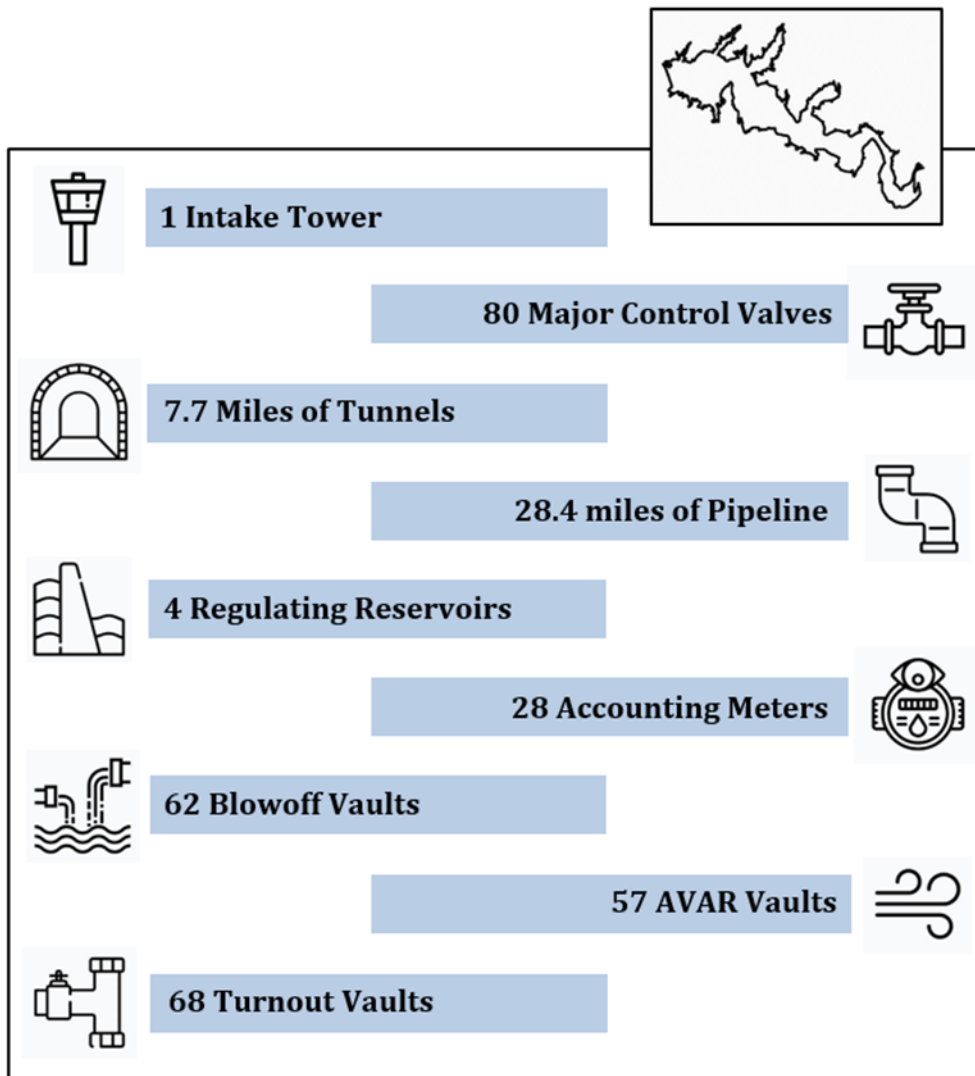
AFY - Acre feet per year

(1) On May 27, 2016, Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1) notified the COMB Board of its stated intent to unilaterally withdraw from the JPA Agreement. A Separation Agreement was entered into by ID No. 1, COMB and the COMB Member Agencies and approved by all parties effective August 28, 2018. ID No. 1 continues to be a member of the Cachuma Project which carries certain benefits and obligations associated with the Project as outlined in various agreements.

Schedule 10

**COMB Managed Assets**

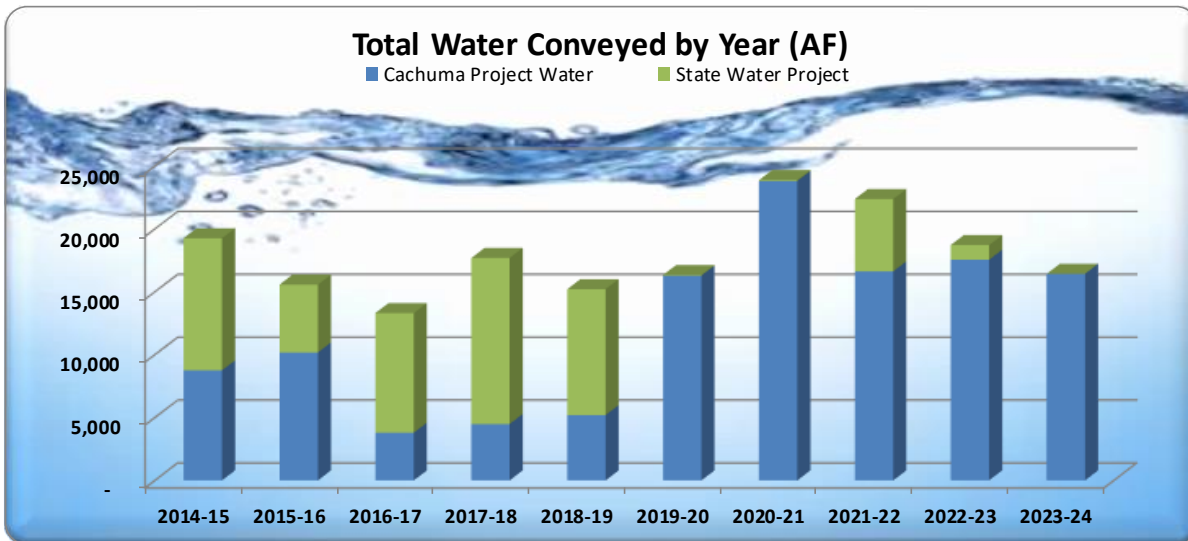
COMB, through a Transferred Project Works contract, is responsible for operating and maintaining Reclamation facilities. COMB operates and maintains the Cachuma Project critical infrastructure assets that include the North Portal, Tecolote Tunnel, South Coast Conduit, Sheffield Tunnel, and Glen Anne, Lauro, Ortega, and Carpinteria Reservoir locations.



**Schedule 11**

**Total Water Conveyed by Source Via South Coast Conduit (Acre Feet)  
Previous Ten Fiscal Years**

Fiscal Year	Cachuma Project Deliveries <sup>(1)</sup>	State Water Project Deliveries <sup>(1),(2)</sup>	Total
2014-15	8,750	10,506	19,256
2015-16	10,174	5,391	15,565
2016-17	3,787	9,519	13,306
2017-18	4,484	13,204	17,688
2018-19	5,192	10,008	15,201
2019-20	16,282	52	16,334
2020-21	23,814	66	23,880
2021-22	16,621	5,751	22,371
2022-23	17,547	1,164	18,711
2023-24	16,426	-	16,426



Notes:

(1) Reported in Acre Feet. One Acre Feet = 325,851 Gallons of Water

(2) State Water Project deliveries includes both Table A Water and Supplemental Water Purchases.

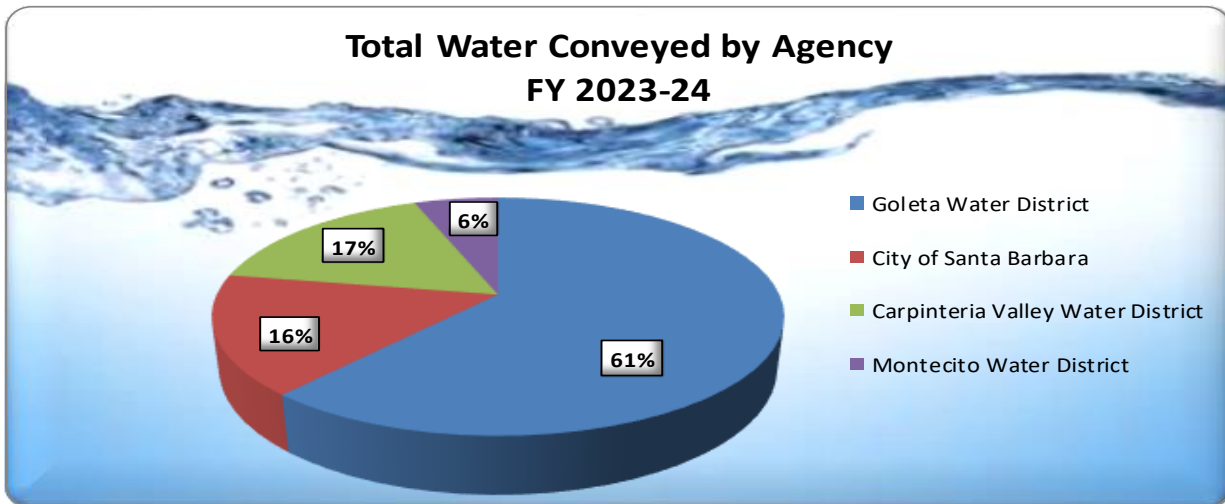
(3) Starting with Water Year 2014-15 (Oct-Sep), the annual Cachuma Project water allocation was reduced to 45% due to ongoing drought conditions and low lake level. Subsequent annual allocations were as follows: WY 2015-16 (0%), WY 2016-17 (40%), WY 2017-18 (40%), WY 2018-19 thru WY 2020-21 (100%), WY 2021-22 (70%), and WY 2022-23 thru WY 2023-24 (100%).

Source: Cachuma Monthly Water Reports

Schedule 12

**Total Water Conveyed by Agency Via South Coast Conduit (Acre Feet) <sup>(1),(2),(3)</sup>**  
**Previous Ten Fiscal Years**

Fiscal Year	Goleta Water District	City of Santa Barbara	Carpinteria Valley Water District	Montecito Water District	Total
2014-15	7,296	7,684	1,855	2,421	19,256
2015-16	5,037	6,513	1,209	2,807	15,565
2016-17	4,949	3,940	1,916	2,501	13,306
2017-18	7,782	4,108	2,533	3,264	17,688
2018-19	7,330	3,051	2,212	2,608	15,201
2019-20	9,152	2,031	2,919	2,233	16,334
2020-21	11,117	5,281	4,259	3,223	23,880
2021-22	10,117	7,119	2,470	2,665	22,371
2022-23	9,412	5,867	2,112	1,320	18,711
2023-24	10,097	2,678	2,722	930	16,426



Notes:

(1) Reported in Acre Feet. One Acre Feet = 325,851 Gallons of Water

(2) Includes Cachuma Project and State Water Project [Table A Water] and Supplemental Water Purchases

(3) Santa Ynez River Water Conservation District, ID No. 1 receives its Project allocation through a State Water Project exchange agreement.

(4) Starting with Water Year 2014-15 (Oct-Sep), the annual Cachuma Project water allocation was reduced to 45% due to ongoing drought conditions and low lake level. Subsequent annual allocations were as follows: WY 2015-16 (0%), WY 2016-17 (40%), WY2017-18 (40%), WY 2018-19 thru WY 2020-21 (100%), WY 2021-22 (70%), WY 2022-23 thru WY 2023-24 (100%).

Source: Cachuma Monthly Water Reports

**Schedule 13**

**COMB Member Agency: Goleta Water District**  
Operating and Financial Statistics



**Historic Water Connections and Sales Revenue**

Fiscal Year	Connections	Water Sales	Water Deliveries (Acre Feet)
2013-14	16,542	24,005,806	14,884
2014-15	16,441	19,988,107	11,883
2015-16	16,474	29,771,141	10,773
2016-17	16,561	28,532,348	9,659
2017-18	16,578	33,222,142	10,799
2018-19	16,725	29,319,499	9,631
2019-20	16,570	22,205,407	10,432
2020-21	16,757	28,117,046	11,549
2021-22	16,767	30,671,738	11,216
2022-23	16,707	29,780,962	9,900

**Top Ten Largest Customers**  
**Fiscal Year 2022-23**

Customer	Water Usage (Acre Feet)	Annual Payments
Public institution	844	\$ 3,423,701
Public institution	118	617,431
Private business	120	504,843
Private grower	411	473,015
Public institution	317	466,513
Private business	164	440,921
Private business	238	436,900
Public institution	70	436,074
Private business	85	410,477
Public institution	82	388,166
Total	2,450	\$ 7,598,042

Source: Goleta Water District's Annual Disclosure Report

**Operating Income by Year**

Fiscal Year	Operating Revenue	Operating Expenses	Depreciation and Amortization	Operating Income	COMB Operating Assessment	
					Amount Assessed	% of Operating Revenue
2013-14	33,868,570	26,209,042	4,387,462	3,272,066	1,701,748	5.0%
2014-15	29,884,003	25,897,182	4,154,508	(167,687)	1,415,063	4.7%
2015-16	38,876,872	29,820,487	4,384,529	4,671,856	2,363,419	6.1%
2016-17	37,807,585	33,407,576	4,834,866	(434,857)	1,672,907	4.4%
2017-18	43,161,166	27,750,020	5,335,807	10,075,339	1,181,845	2.7%
2018-19	39,853,124	38,045,673	5,354,910	(3,547,459)	1,850,921	4.6%
2019-20	33,050,742	36,082,209	5,517,320	(8,548,787)	1,919,558	5.8%
2020-21	41,523,586	34,131,260	5,606,851	1,785,475	1,650,523	4.0%
2021-22	45,211,400	32,372,344	5,466,107	7,372,949	1,798,637	4.0%
2022-23	45,331,400	28,629,270	5,950,162	10,751,968	1,965,907	4.3%

Source: Goleta Water District's Annual Comprehensive Financial Report

**Schedule 14**

**COMB Member Agency: City of Santa Barbara (Water Agency)  
Operating and Financial Statistics**



**Historic Water Connections and Sales Revenues**

Fiscal Year	Connections	Water Sales	Water Deliveries (Acre Feet)
2013-14	26,919	33,296,287	14,218
2014-15	26,921	31,512,114	10,775
2015-16	26,988	41,433,002	9,935
2016-17	27,111	46,187,721	9,009
2017-18	27,191	52,356,068	9,918
2018-19	27,280	48,959,080	9,201
2019-20	27,405	52,851,343	9,449
2020-21	27,421	58,438,052	10,468
2021-22	27,450	62,300,367	10,288
2022-23	27,591	62,040,166	9,275

**Top Ten Largest Customers  
Fiscal Year 2022-23**

Customer	Water Usage (Acre Feet)	Annual Payments
Santa Barbara Unified School	144	\$ 690,469
Santa Barbara Cottage Hospital	143	600,947
City of Santa Barbara - Parks	127	471,710
Montecito Country Club	177	457,541
Santa Barbara Housing Authority	66	384,219
City of Santa Barbara - Golf	137	340,810
Dario Pini	50	302,176
Santa Barbara Community College	47	241,242
La Cumbre Mutual Water Co	74	230,939
Santa Barbara Hotel Lessee LLC	60	225,975
Total	1,026	\$ 3,946,028

Source: City of Santa Barbara's Annual Disclosure Report

**Operating Income by Year**

Fiscal Year	Operating Revenue	Operating Expenses	Depreciation and Amortization	Operating Income	COMB Operating Assessment	
					Amount Assessed	% of Operating Revenue
2013-14	36,485,258	27,674,540	6,147,740	2,662,978	1,511,073	4.1%
2014-15	34,904,018	31,823,469	6,212,153	(3,131,604)	3,025,216	8.7%
2015-16	45,268,312	27,096,809	6,922,670	11,248,833	1,801,784	4.0%
2016-17	52,079,204	28,869,221	6,834,563	16,375,420	1,192,299	2.3%
2017-18	57,233,749	34,798,396	8,137,922	14,297,431	729,668	1.3%
2018-19	55,383,611	40,004,358	9,309,100	6,070,153	1,323,609	2.4%
2019-20	79,432,239	38,065,658	9,437,475	31,929,106	1,384,576	1.7%
2020-21	65,632,719	37,982,970	9,675,448	17,974,301	1,162,537	1.8%
2021-22	69,057,629	39,102,229	9,902,849	20,052,551	1,570,593	2.3%
2022-23	67,334,484	45,088,761	10,122,972	12,122,751	1,745,887	2.6%

Source: City of Santa Barbara's Annual Comprehensive Financial Report - Water Agency Only

**Schedule 15**

**COMB Member Agency: Carpinteria Valley Water District  
Operating and Financial Statistics**



**Historic Water Connections and Sales Revenues**

Fiscal Year	Connections	Water Sales	Water Deliveries (Acre Feet)
2013-14	4,444	11,229,175	4,551
2014-15	4,485	11,031,043	3,728
2015-16	4,501	12,023,205	3,604
2016-17	4,503	12,457,730	3,395
2017-18	4,506	12,776,055	3,870
2018-19	4,506	12,744,079	3,413
2019-20	4,519	13,331,513	3,788
2020-21	4,541	14,299,873	4,368
2021-22	4,588	14,361,164	4,315
2022-23	4,584	13,580,763	3,321

**Top Ten Largest Customers**

**Fiscal Year 2022-23**

Customer	Water Usage (Acre Feet)	Annual Payments
Reiter Brothers Inc	93	\$ 117,847
Cate School	71	194,580
Circle G.	56	84,236
Tom Ota	53	62,715
City of Carpinteria	53	185,142
Carpinteria School District	45	196,773
Casitas Village Home Assn	42	250,745
Terrence Flannery	42	57,507
Victor Schaff	40	49,182
Westland Floral Co Inc	38	53,209
Total	535	\$ 1,251,936

Source: Carpinteria Valley Water District's Annual Disclosure Report

**Operating Income by Year**

Fiscal Year	Operating Revenue	Operating Expenses	Depreciation and Amortization	Operating Income	COMB Operating Assessment	
					Amount Assessed	% of Operating Revenue
2013-14	12,135,216	8,721,459	1,814,851	1,598,906	515,719	4.2%
2014-15	11,208,421	8,552,192	2,014,314	641,915	430,371	3.8%
2015-16	12,418,906	9,673,251	2,040,171	705,484	716,135	5.8%
2016-17	12,651,107	8,746,861	2,076,141	1,828,105	903,824	7.1%
2017-18	13,162,286	9,635,300	2,226,888	1,300,098	250,699	1.9%
2018-19	14,043,938	10,679,194	2,422,099	942,645	452,646	3.2%
2019-20	13,985,813	10,641,704	2,481,806	862,303	470,513	3.4%
2020-21	15,433,377	10,479,991	2,519,695	2,433,691	390,076	2.5%
2021-22	15,612,800	10,321,830	2,470,162	2,820,808	533,741	3.4%
2022-23	14,334,196	12,699,139	2,502,830	(867,773)	593,280	4.1%

Source: Carpinteria Valley Water District's Audited Financial Report



Schedule 16

**COMB Member Agency: Montecito Water District  
Operating and Financial Statistics**



Historic Water Connections and Sales Revenues

Fiscal Year	Connections	Water Sales	Water Deliveries (Acre Feet)
2013-14	4597	11,260,539	5,775
2014-15	4593	6,752,280	3,331
2015-16	4601	7,652,442	3,440
2016-17	4602	7,470,909	3,127
2017-18	4604	8,925,156	3,783
2018-19	4619	8,380,077	3,424
2019-20	4605	9,376,305	3,821
2020-21	4665	19,065,915	3,821
2021-22	5079	18,540,162	5,197
2022-23	4667	15,171,678	3,635

Top Ten Largest Customers  
Fiscal Year 2022-23

Customer	Water Usage (Acre Feet)	Annual Payments
Golf Club	176	\$ 362,701
Ranch	85	108,018
Resort	72	216,689
Golf Club	69	191,241
College	63	199,423
Ranch	63	144,214
Ranch	52	77,320
Resort	51	122,946
Ranch	41	21,681
Ranch	39	50,864
Total	711	\$ 1,495,097

Source: Montecito Water District's Annual Disclosure Report

Operating Income by Year

Fiscal Year	Operating Revenue	Operating Expenses	Depreciation and Amortization	Operating Income	COMB Operating Assessment	
					Amount Assessed	% of Operating Revenue
2013-14	16,557,720	13,892,389	1,230,954	1,434,377	486,273	2.9%
2014-15	14,992,036	14,264,988	1,202,407	(475,359)	403,030	2.7%
2015-16	20,063,580	14,786,806	1,187,824	4,088,950	675,334	3.4%
2016-17	18,583,907	13,251,900	1,227,523	4,104,484	479,177	2.6%
2017-18	18,541,652	14,537,109	1,246,226	2,758,317	339,518	1.8%
2018-19	17,943,599	15,553,982	1,183,710	1,205,907	529,872	3.0%
2019-20	19,482,097	15,633,053	1,198,312	2,650,732	546,386	2.8%
2021-22	24,192,488	15,721,945	1,088,741	7,381,802	471,524	1.9%
2021-22	23,887,949	20,371,185	1,214,748	2,302,016	511,573	2.1%
2022-23	20,551,118	19,946,878	1,335,844	(731,604)	559,082	2.7%

Source: Montecito Water District's Annual Audited Financial Report

Schedule 17

**Non-Member Agency: Santa Ynez River Conservation  
Water District, Improvement District No. 1  
Operating and Financial Statistics**



Historic Water Connections and Sales Revenues

Fiscal Year	Connections	Water Sales	Water Deliveries (Acre Feet)
2012-13	2598	\$ 5,531,585	5,371
2013-14	2624	6,889,450	5,358
2014-15	2618	6,157,964	4,341
2015-16	2664	5,868,155	3,712
2016-17	2672	6,367,009	3,511
2017-18	2692	7,798,410	3,817
2018-19	2709	7,972,394	3,323
2019-20	2695	8,365,130	3,514
2020-21	2713	9,288,125	3,861
2021-22	2713	9,308,543	3,634
2022-23	2713	8,600,191	3,103

Top Ten Largest Customers  
Fiscal Year 2022-23

Customer	Water Usage (Acre Feet)	Annual Payments
Private Agriculture	96	\$ 84,687
Private Agriculture	84	72,044
Private Agriculture	73	74,221
Private Agriculture	49	42,892
Private Agriculture	45	41,107
Private Agriculture	38	33,207
Private Agriculture	38	35,878
Private Agriculture	36	31,867
Private Agriculture	30	44,405
Private Agriculture	27	25,213
<b>Total</b>	<b>517</b>	<b>\$ 485,521</b>

Source: Santa Ynez River Water Conservation District, ID No. 1

Operating Income by Year

Fiscal Year	Operating Revenue	Operating Expenses	Depreciation and Amortization	Operating Income	COMB Operating Assessment	
					Amount Assessed	% of Operating Revenue
2013-14	10,415,420	9,405,397	654,274	355,749	110,802	1.1%
2014-15	9,461,859	9,386,204	691,805	(616,150)	115,951	1.2%
2015-16	9,607,115	8,609,041	696,014	302,060	92,588	1.0%
2016-17	8,942,010	8,191,509	691,373	59,128	151,424	1.7%
2017-18	10,556,856	8,434,789	702,161	1,419,906	85,484	0.8%
2018-19	11,045,677	8,617,702	725,535	1,702,440	40,017	0.4%
2019-20	11,617,737	9,321,177	737,953	1,558,607	55,170	0.5%
2020-21	12,198,411	9,298,392	748,589	2,151,430	39,040	0.3%
2021-22	12,553,827	9,246,399	843,266	2,464,162	41,442	0.3%
2022-23	10,882,579	8,209,677	919,648	1,753,254	43,945	0.4%

Source: Santa Ynez River Water Conservation District, ID No. 1 Audited Financial Report

1) On May 27, 2016, Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1) notified the COMB Board of its stated intent to unilaterally withdraw from the JPA Agreement. A Separation Agreement was entered into by ID No. 1, COMB and the COMB Member Agencies and approved by all parties effective August 28, 2018. ID No. 1 continues to be a member of the Cachuma Project which carries certain benefits and obligations associated with the Project as outlined in various agreements.

Schedule 18**Schedule of Insurance <sup>(1)</sup>****Valued at June 30, 2024**

Company	Policy Period	Insurance Type	Pooled Coverage Limits	Coverages
ACWA Joint Powers Authority	10/01/23 - 10/01/24	General, E&O and Auto Liability	\$ 5,000,000	Liability JPIA pooled layer
Safety National Casualty Corporations	10/01/23 - 10/01/24	General, E&O and Auto Liability	\$ 5,000,000	Liability Umbrella Policy
California Water Insurance Fund	10/01/23 - 10/01/24	General, E&O and Auto Liability	\$ 10,000,000	Liability Umbrella Policy
Everest Reinsurance Company / Continental Indemnity	10/01/23 - 10/01/24	General, E&O and Auto Liability	\$ 10,000,000	Liability Umbrella Policy
Midvale Indemnity Company	10/01/23 - 10/01/24	General, E&O and Auto Liability	\$ 5,000,000	Liability Umbrella Policy
Allied World National Insurance Company	10/01/23 - 10/01/24	General, E&O and Auto Liability	\$ 10,000,000	Liability Umbrella Policy
StarStone Specialty Insurance Company	10/01/23 - 10/01/24	General, E&O and Auto Liability	\$ 5,000,000	Liability Umbrella Policy
General Security Indemnity Co of Arizona	10/01/23 - 10/01/24	General, E&O and Auto Liability	\$ 5,000,000	Liability Umbrella Policy
ACWA Joint Powers Authority	07/01/23 - 07/01/24	Property Insurance <sup>(2)</sup>	\$ 100,000	Liability JPIA pooled layer
Alliant Property Insurance Program	07/01/23 - 07/01/24	Property Insurance <sup>(2)</sup>	\$ 500,000,000	Liability Umbrella Policy
ACWA Joint Powers Authority	07/01/23 - 07/01/24	Excess Crime Coverage	\$ 100,000	Liability JPIA pooled layer
Fidelity and Deposit Company of Maryland	07/01/23 - 07/01/24	Excess Crime Coverage	\$ 1,000,000	Liability Umbrella Policy
ACWA Joint Powers Authority	07/01/23 - 07/01/24	Workers' Compensation	\$ 2,000,000	Liability JPIA pooled layer
Safety National	07/01/23 - 07/01/24	Workers' Compensation	\$2,000,000 to statutory	Liability Umbrella Policy
Coalition Insurance Solutions, Inc.	07/01/23 - 07/01/24	Cyber Liability	\$3,000,000 mem / \$5,000,000 agg	Liability Umbrella Policy

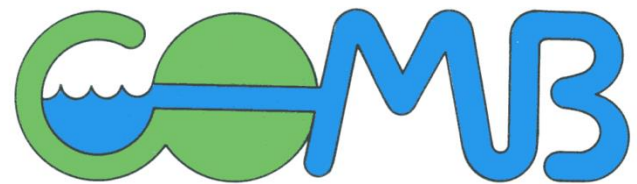
Note:

(1) COMB participates in the property and liability program organized by the Association of California Water Agencies / Joint Powers Insurance Authority (ACWA/JPIA). ACWA/JPIA provides liability, property and workers' compensation insurance for over 400 water agencies for losses in excess of the member agencies specified self-insurance retention levels. Individual claims (and aggregate public liability and property claims) in excess of specified levels are covered by excess insurance policies purchased from commercial carriers.

(2) Total Insurable Value - \$2,542,379

Source: ACWA Joint Powers Authority

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**LIST OF ACRONYMS  
AND ABBREVIATIONS**

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**LIST OF ACRONYMS AND ABBREVIATIONS**

AAL	Actuarial Accrued Liability
ACFR	Annual Comprehensive Annual Financial Report
ACWA	Association of California Water Agencies
AF	Acre Foot
AFY	Acre Feet per Year
ARC	Annual Required Contribution
BPW	Bartlett Pringle Wolf, LLP
BiOp	Biological Opinion
Cal OES	California Governor's Office of Emergency Services
CalPERS	California Public Employees' Retirement System
CCRB	Cachuma Conservation and Release Board
CCWA	Central Coast Water Authority
CDFW	California Department of Fish and Wildlife
City of SB	City of Santa Barbara
COMB	Cachuma Operation & Maintenance Board
COLA	Cost of Living Adjustment
CPA	Cachuma Project Authority
CVWD	Carpinteria Valley Water District
EPFP	Emergency Pumping Facilities Project
ESRI	Environmental Systems Research Institute
FEMA	Federal Emergency Management Agency
FMP	Fish Management Plan
FY	Fiscal Year
FYE	Fiscal Year End
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GWD	Goleta Water District
HIP	Habitat Improvement Plan

LIST OF ACRONYMS AND ABBREVIATIONS – CONT'D.

ID No. 1	Santa Ynez River Conservation Water District, ID No. 1
IIP	Infrastructure Improvement Plan
IRR	Irrigation
IRWM	Integrated Regional Water Management
IRWMP	Integrated Regional Water Management Program
JPA	Joint Power Agreement
JPIA	Joint Power Insurance Authority
LAIF	Local Agency Investment Fund
M&I	Municipal and Industrial
MDA	Management's Discussion and Analysis
MWD	Montecito Water District
MOU	Memorandum of Understanding
MURRP	Modified Upper Reach Reliability Project
NFWF	National Fish and Wildlife Foundation
NMFS	National Marine Fisheries Services
NP	North Portal
OPEB	Other Post-Employment Benefits
PERF	Public Employees Retirement Fund
PEPRA	Public Employees' Pension Reform Act
ROW	Right of Way
SCADA	Supervisory Control and Data Acquisition
SCC	South Coast Conduit
SFR	Single Family Residential
SOD	Safety of Dams
SWP	State Water Project
SWRCB	State Water Resources Control Board
SYR	Santa Ynez River
TOT	Transient Occupancy Tax
UAAL	Unfunded Actuarial Accrued Liability
USGS	United States Geological Survey



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**Cachuma Operation & Maintenance Board**

**3301 Laurel Canyon Road**

**Santa Barbara, CA 93105**

**[www.cachuma-board.org](http://www.cachuma-board.org)**