



**SPECIAL MEETING
OF THE
CACHUMA OPERATION AND MAINTENANCE BOARD**

**Thursday, May 12, 2022
10:00 A.M.**

BY TELECONFERENCE

NOTICE: Pursuant to California Government Code sections 54953(b)(1), (b)(2), (e)(1) and (e)(3) (AB 361), members of the Cachuma Operation & Maintenance Board (COMB) Board of Directors, staff, and members of the public will participate in this meeting electronically by video and/or teleconference, as described below.

HOW TO OBSERVE THE MEETING

Members of the public may observe the meeting as set forth below.

Join via Video Conference

<https://us02web.zoom.us/j/83091985373?pwd=ZDJHcksrWm1nT1lpOGhEMTEzYVFoZz09>

Passcode: 820092

Join via Teleconference

US: +1 669 900 6833 Webinar ID: 830 9198 5373 Passcode: 820092

HOW TO MAKE A PUBLIC COMMENT

Any member of the public may address the Board on any subject within the jurisdiction of the Board of Directors. The total time for this item will be limited by the President of the Board. The Board is not responsible for the content or accuracy of statements made by members of the public. No action will be taken by the Board on any Public Comment item.

By Video: Those observing the meeting by video may make comments during designated public comment periods using the “raise hand” feature. Commenters will be required to unmute their respective microphone when providing comments.

By Telephone: Those observing the meeting by telephone may make comments during the designated public comment periods by pressing *9 on the key pad to indicate such interest. Commenters will be prompted to press *6 to unmute their respective telephone when called upon to speak.

AMERICANS WITH DISABILITIES ACT

In compliance with the Americans with Disabilities Act, if you need special assistance to review agenda materials or participate in this meeting, please contact the Cachuma Operation and Maintenance Board office at (805) 687-4011 at least 48 hours prior to the meeting to enable the Board to make reasonable arrangements.

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**SPECIAL MEETING
OF THE
CACHUMA OPERATION AND MAINTENANCE BOARD**

Thursday, May 12, 2022

10:00 A.M.

AGENDA

NOTICE: This Meeting shall be conducted through remote access as authorized and in accordance with Government Code section 54953 and the California Governor's Executive Order's N-08-21, N-15-21 and as amended by AB 361.

1. **CALL TO ORDER, ROLL CALL**
2. **PUBLIC COMMENT** *(In accordance with Government Code Section 54954.3, every notice for a special meeting shall provide an opportunity for members of the public to directly address the legislative body concerning any item that has been described in the notice for the meeting before or during consideration of that item.)*
3. **[DRAFT PROPOSED 3RD AMENDMENT TO THE 2021-2025 INFRASTRUCTURE IMPROVEMENT PLAN \(IIP\)](#)**
Action: Receive information on the draft proposed 3rd Amendment to the IIP
4. **[DRAFT FISCAL YEAR 2022-23 COMB OPERATING BUDGET](#)**
Action: Receive a presentation on the Draft Fiscal Year 2022-23 COMB Operating Budget
5. **DIRECTORS' REQUESTS FOR AGENDA ITEMS FOR FUTURE MEETING**
6. **[CLOSED SESSION]: CONFERENCE WITH LEGAL COUNSEL: POTENTIAL LITIGATION**
 - a. [Government Code Section 54956.9(d)(1)]
Name of matter: *Kimball-Griffith L.P. v. Brenda Wren Burman, et al.*, Case No. 2:20-cv-10647
– Request for Declaratory and Injunctive Relief
 - b. Potential Litigation: Conference with Legal Counsel
7. **RECONVENE INTO OPEN SESSION**

[Government Code Section 54957.7]
Disclosure of actions taken in closed session, as applicable
[Government Code Section 54957.1]

 - 6a. Name of matter: *Kimball-Griffith L.P. v. Brenda Wren Burman, et al.*, Case No. 2:20-cv-10647
– Request for Declaratory and Injunctive Relief
 - 6b. Potential Litigation: Conference with Legal Counsel

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8. **MEETING SCHEDULE**

- **May 23, 2022 Regular Board Meeting at 1:00 P.M**
- **Board Packages Available on COMB website www.cachuma-board.org**

9. **COMB ADJOURNMENT**

NOTICE TO PUBLIC

Posting of Agenda: This agenda was posted at COMB's offices, located at 3301 Laurel Canyon Road, Santa Barbara, California, 93105 and on COMB's website, in accordance with Government Code Section 54954.2. The agenda contains a brief general description of each item to be considered by the Governing Board. The Board reserves the right to modify the order in which agenda items are heard. Copies of staff reports or other written documents relating to each item of business are on file at the COMB offices and are available for public inspection during normal business hours. A person with a question concerning any of the agenda items may call COMB's General Manager at (805) 687-4011.

Written materials: In accordance with Government Code Section 54957.5, written materials relating to an item on this agenda which are distributed to the Governing Board less than 72 hours (for a regular meeting) or 24 hours (for a special meeting) will be made available for public inspection at the COMB offices during normal business hours. The written materials may also be posted on COMB's website subject to staff's ability to post the documents before the scheduled meeting.

Public Comment: Any member of the public may address the Board on any subject within the jurisdiction of the Board that is not scheduled for as an agenda item before the Board. The total time for this item will be limited by the President of the Board. The Board is not responsible for the content or accuracy of statements made by members of the public. No action will be taken by the Board on any Public Comment item.

Americans with Disabilities Act: in compliance with the Americans with Disabilities Act, if you need special assistance to review agenda materials or participate in this meeting, please contact the Cachuma Operation and Maintenance Board office at (805) 687-4011 at least 48 hours prior to the meeting to enable the Board to make reasonable arrangements.

Note: If you challenge in court any of the Board's decisions related to the listed agenda items you may be limited to raising only those issues you or someone else raised at any public hearing described in this notice or in written correspondence to the Governing Board prior to the public hearing.

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CACHUMA OPERATION & MAINTENANCE BOARD

BOARD MEMORANDUM

Date:	May 12, 2022
Submitted by:	Joel Degner / Elijah Papen
Approved by:	Janet Gingras

SUBJECT: Draft Proposed 3rd Amendment to the 2021-2025 Infrastructure Improvement Plan (IIP)

RECOMMENDATION:

The Board of Directors receive information on the draft proposed 3rd amendment to the COMB 2021-2025 Five-Year Infrastructure Improvement Plan which informs and supports the Draft Fiscal Year 2022-23 COMB Operating Budget.

SUMMARY:

Staff, in coordination with COMB Member Agency technical staff, developed a Five-Year Infrastructure Improvement Plan (IIP) for purposes of planning and forecasting essential capital improvements within the South Coast Conduit system. The 1st Amendment to the Plan was approved by the Board of Directors in April 2021 (Resolution No. 724) and shifted projects to later years in preparation for extended drought conditions. In addition, construction costs for the Lake Cachuma Emergency Pumping Facility Secured Pipeline Project (Project) had incrementally increased from original estimates based on completed engineering designs and bid solicitation. A shift in schedule for completion of rehabilitation projects had also impacted the matrix due to limitations for COMB to perform a shutdown to address previously planned rehabilitation work in the lower reach of the system.

In November 2021, information from Carpinteria Valley Water District (CVWD) on their intent to offset COMB costs (through a cooperative agreement) associated with the lower reach lateral project (alternative project) resulted in revising the IIP a second time. The 2nd amended COMB 2021-2025 Five-Year IIP budget matrix was amended and approved by the Board of Directors through Resolution No. 736 in November 2021.

The proposed 3rd amendment to the IIP budget matrix is being requested primarily due to additional cost increases (solicited through a formal bid process) associated with the construction of the Lake Cachuma Emergency Pumping Facility Secured Pipeline Project. Previously, the projected costs outlined in the IIP were estimated based on best known information prior to full design and bid solicitation. Further, as is now realized within the current business environment, cost of materials and services have escalated dramatically due to inflation, supply chain issues, manufacturing lead times, and labor shortages. However, also included in the 3rd amendment budget matrix is the funding award for the Secured Pipeline Project received from the Department of Water Resources (DWR) Urban and Multibenefit Drought Relief Grant Program in the amount of \$2,250,000. The overall costs for the five-year planning horizon have increased by \$5,000. Potentially, the planning matrix may decrease by \$2,057,000 due to the incorporation of possible funding offsets including an infrastructure loan applied for through Reclamation and grant funding applied for through the IRWM program.

The following two tables display the estimated costs associated with the 2nd amendment to the 2021-2025 IIP planning matrix and the proposed 3rd amendment to the 2021-2025 IIP planning matrix.

2nd Amendment IIP (2021 - 2025)									
Board Approved November 2021									
	Project ID	Project Name	2020-21	2021-22	2022-23	2023-24	2024-25	5-yr Total	
Priority	1	2012-1-A	SCC AVAR Valve Replacement/Relocation	\$ 90,000	\$ 190,000	\$ -	\$ -	\$ 40,000	\$ 320,000
	2	2004-2-I	SCC Blow-Off Nozzle/Valve Replacement	\$ 90,000	\$ 200,000	\$ -	\$ -	\$ 120,000	\$ 410,000
		2004-2-B	Rehabilitate Lateral Structures (LIVR)	\$ 85,000	\$ 450,000	\$ 550,000	\$ -	\$ -	\$ 1,085,000
		2014-C-61	SCADA Upgrades	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 300,000
		2019-C-1	Lake Cachuma EPF Pump Station (if required)	\$ -	\$ -	\$ 1,600,000	\$ 1,475,000	\$ -	\$ 3,075,000
	3	2018-C-1	Lake Cachuma EPF Secured Pipeline Project	\$ 152,000	\$ 352,000	\$ 2,400,000	\$ -	\$ -	\$ 2,904,000
		2019-C-2	Modular Office Building Replacement	\$ 175,000	\$ 216,000	\$ -	\$ -	\$ -	\$ 391,000
		2018-C-2	SCC In-Line Isolation Valves	\$ -	\$ 400,000	\$ 500,000	\$ -	\$ -	\$ 900,000
		2019-C-3	Lake Cachuma Water Quality and Evaporation Buoy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		2013-C-1	North Portal Jet Flow Control Valve Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		2019-C-4	Critical Control Valve Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	4	2013-C-1	Meter Replacement Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		2007-2-B	Sheffield Tunnel Evaluation and Repair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2013-2-C		Lauro Reservoir Intake Assessment and Repair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2016-C-1		North Portal Intake Tower Seismic Assessment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1999-2-A	Tecolote Tunnel Concrete Deterioration Investigation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal			\$ 742,000	\$ 1,958,000	\$ 5,050,000	\$ 1,475,000	\$ 160,000	\$ 9,385,000	
Grant Funding					\$ (750,000)			\$ (750,000)	
Actual / Proposed CVWD Funding			\$ (40,000)	\$ (450,000)	\$ (550,000)			\$ (1,040,000)	
Total			\$ 702,000	\$ 1,508,000	\$ 3,750,000	\$ 1,475,000	\$ 160,000	\$ 7,595,000	

Proposed 3rd Amendment IIP (2021 - 2025)										
	Project ID	Project Name	2020-21	2021-22	2022-23	2023-24	2024-25	5-yr Total	Variances	
Priority	1	2012-1-A	SCC AVAR Valve Replacement/Relocation	\$ 90,000	\$ -	\$ 220,000	\$ -	\$ -	\$ 310,000	\$ (10,000)
	2	2004-2-I	SCC Blow-Off Nozzle/Valve Replacement	\$ 90,000	\$ -	\$ 220,000	\$ -	\$ -	\$ 310,000	\$ (100,000)
			Ortega Emergency Repair		\$ 264,751				\$ 264,751	\$ 264,751
			Carp Resv. / Toro Cyn rehab / Emergency repairs		\$ 125,249				\$ 125,249	\$ 125,249
		2004-2-B	Rehabilitate Lateral Structures (LIVR)	\$ 85,000	\$ 450,000	\$ 550,000	\$ -	\$ -	\$ 1,085,000	\$ -
	2014-C-61	SCADA Upgrades	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 300,000	\$ -	
	2019-C-1	Lake Cachuma EPF Pump Station (if required)	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 1,250,000	\$ 3,250,000	\$ 175,000	
	3	2018-C-1	Lake Cachuma EPF Secured Pipeline Project	\$ 152,000	\$ 152,000	\$ 4,400,000	\$ -	\$ -	\$ 4,704,000	\$ 1,800,000
		2019-C-2	Modular Office Building Replacement	\$ 175,000	\$ 216,000	\$ -	\$ -	\$ -	\$ 391,000	\$ -
		2018-C-2	SCC In-Line Isolation Valves	\$ -	\$ 400,000	\$ 500,000	\$ -	\$ -	\$ 900,000	\$ -
		2019-C-3	Lake Cachuma Water Quality and Evaporation Buoy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		2013-C-1	North Portal Jet Flow Control Valve Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		2019-C-4	Critical Control Valve Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	2013-C-1	Meter Replacement Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	2007-2-B	Sheffield Tunnel Evaluation and Repair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	2013-2-C	Lauro Reservoir Intake Assessment and Repair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	2016-C-1	North Portal Intake Tower Seismic Assessment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	1999-2-A	Tecolote Tunnel Concrete Deterioration Investigation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal			\$ 742,000	\$ 1,758,000	\$ 5,890,000	\$ 2,000,000	\$ 1,250,000	\$ 11,640,000	\$ 2,255,000	
DWR Urban and Multi-benefit Grant Funding					\$ (2,250,000)			\$ (2,250,000)	\$ (2,250,000)	
USBR Grant Funding					\$ (750,000)			\$ (750,000)	\$ -	
Actual / Proposed CVWD Funding			\$ (40,000)	\$ (450,000)	\$ (550,000)			\$ (1,040,000)	\$ -	
Operating Budget Total			\$ 702,000	\$ 1,308,000	\$ 2,340,000	\$ 2,000,000	\$ 1,250,000	\$ 7,600,000	\$ 5,000	
Potential Offsets										
Projected USBR Aging Infrastructure Loan					\$ (1,400,000)			\$ (1,400,000)	\$ (1,400,000)	
Possible IRWMP Grant Funding						\$ (1,037,000)		\$ (1,037,000)	\$ (1,037,000)	
Projected USBR Aging Infrastructure Loan Payment					\$ 125,000	\$ 125,000	\$ 125,000	\$ 375,000	\$ 375,000	
Totals with Potential Offsets			\$ 702,000	\$ 1,308,000	\$ 1,065,000	\$ 1,088,000	\$ 1,375,000	\$ 5,538,000	\$ (2,057,000)	

The proposed revised matrix is presented with notable changes including:

Project	Explanation	Change
SCC AVAR/BO Rehab Project	An overall decrease in 5 year planning costs due to a slight increase in projected costs coupled with the delay of projected maintenance costs.	(\$110,000)
Ortega Emergency Repair / Carp Reservoir / Summerland rehab	Unexpected costs to repair the Ortega Reservoir outflow pipeline, Carpinteria Reservoir replacement valves and stem guide replacements / Summerland County yard rehabilitation and emergency leak repair.	\$390,000
Lake Cachuma EPF Pump Station	An increase in cost estimates due to inflationary factors.	\$175,000
Lake Cachuma EPF Secured Pipeline Project	An increase in cost estimates due to inflationary factors.	\$1,800,000
Funding Offsets	Awarded Grant Funding from DWR for Secured Pipeline Project	(\$2,250,000)
	Overall 5-Year Gross Increase	\$5,000
Potential Funding Offsets	USBR Infrastructure Loan and payment / IRWMP grant funding	(\$2,062,000)
	5-Year Net Change	(\$2,057,000)

The proposed third amendment to the IIP does not constitute approval for any project not previously approved and authorized by the Board. All projects will be submitted to the appropriate Committee and Board of Directors for approval prior to design and construction.

Project descriptions have not changed since the 2nd amendment to the IIP was approved by the Board of Directors. However, costs have been updated on applicable projects as shown in the attached (Exhibit 1) project description excerpts.

FISCAL IMPACTS:

The 2021-2025 2nd amendment to the IIP adopted by the Board in November 2021 included a net cost of \$7,595,000 over the five-year planning horizon. The proposed revised cost matrix for the 3rd amendment has increased by \$5,000 for the five-year planning horizon as explained in the table above. If potential funding offsets are realized, the revised cost matrix for the five-year planning horizon will decrease by \$2,057,000.

ENVIRONMENTAL COMPLIANCE:

All environmental compliance measures required for each project contained within the IIP will be satisfied prior to project implementation.

COMMITTEE STATUS:

On May 12, 2022, the Operations Committee received information on the draft proposed 3rd amendment to the COMB 2021-2025 Five-Year Infrastructure Improvement Plan which informs and supports the Draft Fiscal Year 2022-23 COMB Operating Budget.

LIST OF EXHIBITS:

- 1) COMB 2021-2025 Infrastructure Improvement Plan Project Description Excerpts

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APPENDIX A: IIP PROJECT DESCRIPTIONS
Updated May 2022



Background

Combination air vacuum air release valves (AVARs) are located at high points along the pipeline and act to automatically expel air and relieve vacuum accumulation in pipes. If air is not adequately expelled, air pockets can constrict flows. If the vacuum is not relieved, serious damage or collapse of the pipeline can occur. If AVAR vaults become flooded or if a negative pressure is experienced within the pipeline, the AVAR valves could allow contaminated water to enter the pipeline. It is now required to install these valves above grade, where flooding is less likely. COMB has been upgrading the AVAR valves in the system such that all are above grade. The AVAR valve structures consist of a manhole cover, riser pipe, valve, and AVAR valve. Over time, the original valves, riser, and manhole covers have also been corroded and pose an operational risk.

Need

There are twenty-six AVARs on the Lower Reach of the SCC. Most AVAR structures were rehabilitated from 2018 to 2021. There are two remaining AVAR valve structures in Highway 192 that need rehabilitation as they pose an operational risk and/or do not meet Section 64576 of Titles 17 and 22 California Code of Regulations, which requires “each new air-release, air vacuum, or combination valve, and any such valve installed to replace an existing valve shall be: (a) installed such that its vent opening is above grade.” In addition, three air vents were partially rehabilitated and require replacement of the valve and riser pipe when a coordinated shutdown can occur. The consequence of not completing this project may be major facility failure in multiple locations and potential water contamination.

Description

Replace and relocate to above ground AVARs, and replace riser pipes in the Lower Reach. Consistent with other AVAR replacements, manhole covers, valves, risers, laterals would be replaced at the same time. The project would require coordination with impacted Member Agencies during the required shutdown of the SCC. For efficiency and to minimize cost, phases of this project will be performed concurrently with similar phases of the South Coast Conduit Blow-Off Nozzle/Valve Replacement. Project implementation will occur over time and during low water demand months to reduce the impact of system shutdown.

PRIORITY CATEGORY

1. Regulatory or Legal Requirement

ESTIMATED COST

\$310,000

Fiscal Year	Phase	Cost
2020-21	Toro Cyn to Carp HS	\$90,000
2022-23	Toro Cyn to Carp HS	\$220,000

This project has been identified by the USBR as a Category 1 recommendation.

Background

Blow-off structures exist on all low points of a water distribution system. The components included in these structures include access-hole covers, blow-off nozzles, a gate valve and blow-off piping. There are a total of sixty-five blow-off structures in South Coast Conduit system.

Need

The existing blow-off components are in need or rehabilitation due to extensive corrosion. The dependability of these components is necessary to allow the system to be dewatered for maintenance and response to an emergency break in the pipe. Blow-off valves and piping have been replaced in the Upper Reach and 21 blow-off nozzles/valves have been replaced in the Lower Reach. Five blow-off nozzles in the Montecito and Carpinteria areas are in need of replacement. The original nozzles and valves are in need of replacement because of corrosion. The consequence of not completing this project could result in a major facility failure in multiple locations and potential risk of water contamination.

Description

The project consists of replacing the man hole covers, blow-off nozzles, gate valves, upper spools, and discharge piping within the Lower Reaches of the SCC. The project would be completed in conjunction with the AVAR valve replacement and relocation project and coordinated with the affected Member Agencies during the required system shutdown. The design for this project is complete. Six scheduled shutdowns remain to be completed to replace 15 remaining blow-off nozzles and valves.



PRIORITY CATEGORY

2. Required to Maintain Level of Service

ESTIMATED COST

\$310,000

Fiscal Year	Phase	Cost
2020-21	Toro Cyn to Carp HS	\$90,000
2022-23	Toro Cyn to Carp HS	\$220,000

This project has been identified by the USBR as a Category 2 recommendation.

Background

The proposed Pump Station Project would be required to be installed when the lake levels are projected to fall below the intake gates. The pumping facility provides a lifeline delivery of Cachuma Project water and imported State Water Project (SWP) water to 200,000 residents on the South Coast of Santa Barbara County during times of drought.

Need

A pump-system has been installed three times in Lake Cachuma in 1957, 1990-91, and 2015-2017. In 1990-91 and 2015-17, the pumps were installed on a floating barge. Key components of the pumping barge from 2015-2017 EPF are currently being stored at a storage facility in Paso Robles. A land-based pump system was installed at Site 1 in 1957.

Description

The floating pump station that is currently in storage consists of seven electrical pumps with fixed drum fish screens set on Flexifloat and Quadrafloat system. The pump station is powered by electricity through a temporary power line connected to PG&E system. A backup generator would be available on shore in case there was a power outage.

These costs are based on the installation and operation of the floating pump system that is currently in storage, under contract.



PRIORITY CATEGORY

2. Required to Maintain Level of Service

ESTIMATED COST

\$3,250,000* (If required)

Fiscal Year	Phase	Cost
2023-24	Mobilize/Install/Ops	\$2,000,000
2024-25	Mobilize/Install/Ops	\$1,250,000

*If required, the actual schedule for the Lake Cachuma EPF Pump Station (2019-C-1) may shift depending on drought severity and lake levels

Permits are in the process of being renewed for future redeployment of the EPF (if required) with a secured pipeline to site 1.

Background

The Secured Pipeline Project - Gate 5 Extension is currently in the design phase. The North Portal Intake Tower is normally operated as a gravity flow system. However, when the lake level recedes below the lowest gates, water is unable to be transported to the South Coast. Under these conditions, water must be pumped from deeper parts of the lake to the Intake Tower.

Need

Sedimentation has buried the lowest gate (Gate 5) on the North Portal Intake Tower. A pumping system is needed when lake levels recede below the Gate 4 elevation (678'). Without a pipeline and pumping system, Cachuma Project and State Water Project (SWP) water cannot be transported to the South Coast, causing a widespread immediate threat to public health during drought. This project would consist of a pipeline secured to the lake bottom with a connection at Gate 5, and a gravity intake with fish screen at an alternate drafting location (Site 1). Should water quality become poor at the Intake Tower (temp, algae, turbidity, TOC, etc.), the alternative Site 1 intake could also be utilized.

Water quality data collected by COMB over the last 2 years demonstrates that water temp, TOC, boron, and sulfate are consistently lower at depth. Lower water temperatures are associated with decreased THM formation during treatment and lower boron/sulfate levels will help Member Agencies meet aquifer storage and recovery (ASR) injection requirements.

Description

The project would consist of installation of a 36-inch, 3,600' DR-17 HDPE pipeline secured to the lake bottom with concrete pipe weights. A fish screen installed at the drafting end would allow water deliveries from deeper portions of the lake for better management of delivered water quality. In times of drought, the pipeline would be connected to a pumping system to allow deliveries of water to the Tecolote Tunnel. The preferred elevation to install the pipeline is at 710' or less. The project could be installed during the next drought when the appropriate lake level is reached for construction (Makai Ocean Engineering, Inc. 2019).



PRIORITY CATEGORY

3. Addresses Critical Deficiency

ESTIMATED COST

\$4,704,000

Fiscal Year	Phase	Cost
2020-21	Env/Eng	\$152,000
2021-22	Env/Eng	\$152,000
2022-23	Construction	\$4,400,000

*USBR Drought Resiliency Grant awarded to COMB in the amount of \$750,000 for this project – DWR Multibenefit Drought Relief Program awarded COMB \$2,250,000 for the project.

Environmental review has been completed and permits are in the process of being renewed or applied for the secured pipeline project.

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CACHUMA OPERATION & MAINTENANCE BOARD

BOARD MEMORANDUM

Date:	May 12, 2022
Submitted by:	Edward Lyons
Approved by:	Janet Gingras

SUBJECT: COMB Proposed Draft FY 2022-23 Operating Budget

RECOMMENDATION:

The Board of Directors receive a presentation on the COMB Proposed Draft Fiscal Year 2021-22 Operating Budget and provide direction to staff as appropriate

BACKGROUND:

Each year, the Board of Directors approves the COMB Annual Operating Budget (Budget) for the following fiscal year, which runs from July 1 through June 30. The Budget provides a framework for effecting policy directives, executing operational plans, and implementing infrastructure improvement projects necessary to operate and maintain the Cachuma Project Transferred Project Works. In addition, the Budget establishes the direction for the near term and, to the extent decisions have continuing implications, it establishes a long-term course as well. The Budget also supports the work associated with implementation of the Fish Management Plan and the 2000 Cachuma Project Biological Opinion.

At the beginning of the annual budget planning cycle, COMB staff prepares estimated budget projections and presents a draft Operating Budget to the General Managers and technical staff of the COMB Member Agencies. Staff then incorporates any comments received into the proposed operating budget prior to submission to the COMB Administrative Committee.

Following review by the Administrative Committee, COMB staff then conducts a budget workshop with the COMB Board, at a public meeting, to review the draft operating budget, the proposed upcoming infrastructure and habitat improvement projects, and any revenue and expenditure assumptions and projections contained therein.

Depending on the quantity or nature of comments received during the budget workshop, the draft budget may be sent back to committee for further consideration or brought back to the Board at its next meeting, as revised, for adoption.

SUMMARY:

Presented for review and discussion is the COMB Proposed Draft Fiscal Year (FY) 2022-23 Operating Budget. The draft budget reflects projected operating expenses for the Operations Division, the Fisheries Division as well as the General and Administrative expenses. These projected expenditures have been refined through development of divisional annual work plans, the Board adopted Five-Year (2021-2025) Infrastructure Improvement Plan, and required implementation activities associated with the 2000 Biological Opinion.

As reflected in Table 1, the COMB Gross Operating Budget for FY 2022-23, excluding offsetting revenues, is \$10.0M as compared to the FY 2021-22 Operating Budget of \$5.3M, which reflects an increase of \$4.7M (89.3%).

Table 1: COMB Operating Budget

COMB OPERATING BUDGET				
SALARIES & BENEFITS	FY 2021-22	FY 2022-23	Change (\$)	Change (%)
Operations Division	\$ 1,023,887	\$ 1,090,526	\$ 66,639	6.5%
Fisheries Division	755,458	785,564	\$ 30,106	4.0%
Administration	878,561	905,927	\$ 27,365	3.1%
TOTAL	\$ 2,657,906	\$ 2,782,016	\$ 124,110	4.7%
OPERATIONS & MAINTENANCE EXPENSES				
Operations Division	\$ 378,300	\$ 470,800	\$ 92,500	24.5%
Fisheries Division	112,100	148,600	\$ 36,500	32.6%
TOTAL	\$ 490,400	\$ 619,400	\$ 129,000	26.3%
GENERAL & ADMINISTRATIVE EXPENSES				
Operation Division	\$ 242,452	\$ 258,702	\$ 16,250	6.7%
Fisheries Division	116,426	123,426	\$ 7,000	6.0%
TOTAL	\$ 358,878	\$ 382,128	\$ 23,250	6.5%
Total Operating Budget	\$ 3,507,184	\$ 3,783,544	\$ 276,360	7.9%
INFRASTRUCTURE IMPROVEMENT, HABITAT IMPROVEMENT & SPECIAL PROJECTS				
Operations Division				
Infrastructure Improvement Projects	\$ 1,508,000	\$ 5,890,000	\$ 4,382,000	290.6%
Special Projects	92,050	160,000	\$ 67,950	73.8%
TOTAL	1,600,050	6,050,000	\$ 4,449,950	278.1%
Fisheries Division				
Habitat Improvement Projects	\$ 35,000	\$ 28,000	\$ (7,000)	-20.0%
Program Support Services	\$ 150,000	\$ 157,000	\$ 7,000	4.7%
TOTAL	185,000	185,000	\$ -	0.0%
TOTAL GROSS OPERATING BUDGET	\$ 5,292,234	\$ 10,018,544	\$ 4,726,310	89.3%
Projected Offsetting Revenues	\$ (353,261)	\$ (3,914,016)		
TOTAL NET OPERATING BUDGET	\$ 4,938,973	\$ 6,104,528	\$ 1,165,555	23.6%
Memo: Potential Offsetting Revenue				
Reclamation Aging Infrastructure Loan		(1,400,000)		
Reclamation Aging Infrastructure Loan - Estimated Annual Loan Payme		125,000		
Total COMB Net Operating Budget with Potential Offsetting Revenue		4,829,528	(109,445)	-2.2%

The following items describe the net change from the previous fiscal year:

Table 2: Change from Previous Year

Amount	Description
\$124.1K	<u>Salaries and Benefits</u> - An increase of \$124K (4.7%) which includes staffing of fifteen fulltime and two fulltime equivalent (FTE) seasonal employees, a 5.17% COLA adjustment and an increase in the CalPERS Unfunded Liability obligation. This increase is partially offset by a decrease in premium cost for retiree health insurance.
\$129.0K	<u>Operations and Maintenance Expenses</u> - An increase of 129K (26.3%) which is attributed to the replacement of two fleet vehicles for the Operations and Fisheries Divisions.
\$23.3K	<u>General and Administrative Expenses (excluding administrative salaries)</u> - An increase of \$23K (6.5%) which is attributed to computer consulting and network service costs as well as a slight increase in communication expense, membership dues and admin fixed assets.
\$4.4M	<u>Infrastructure Improvement Projects and Special Projects</u> - An increase of \$4.4M (278.1%) which is attributed to the installation of the Lake Cachuma Secured Pipeline Project.
\$4.7M	Net Change

The COMB Net Operating Budget, including offsetting revenues for FY 2022-23, is \$6.1M and is compared to FY 2021-22 of \$4.9M, which is an increase of \$1.2M (23.6%).

As noted at the bottom of Table 1, COMB is pursuing a reimbursable funding opportunity through the United States Bureau of Reclamation Bipartisan Infrastructure Law – Aging Infrastructure program to finance a portion of the Secured Pipeline Project. Awards for this funding opportunity will be announced in May 2022.

COMB Managed Revenues

In addition to the annual Operating Budget, COMB collects and manages various other assessments considered as pass-through revenues and charges. COMB has the authority, granted by various agreements, for administering the provisions, collection and payment of these revenues including the USBR Entitlement Obligation (USBR Water Rates), the Bradbury and Lauro Safety of Dams (SOD) Repayment Obligations, and the State Water Resource Control Board Water Rights Fee. COMB is also responsible for managing various federal, state and local grant revenues, as well as, various restricted trust fund accounts.

For FY 2022-23, the total projected obligation for the Cachuma Project is \$8.9M and is compared to the FY 2021-22 total projected obligation of \$8.0M as shown in Table 3.

Table 3: Projected Obligation by Cachuma Project Member Unit

CATEGORY	Projected Obligation by Cachuma Project Member Unit - FY 2022-23						FY 2021-22
	GWD	City of SB	CVWD	MWD	SYRWCD ID No. 1	Totals	
COMB Gross Operating Budget	\$4,049,194	\$3,595,684	\$1,222,019	\$1,151,647	\$0	\$10,018,544	\$5,292,234
USBR Water Rates	797,500	708,180	240,680	226,820	226,820	2,200,000 ⁽¹⁾	2,200,000
USBR Deficits - FY 2015-2017	38,549	0	0	0	20,902	59,451 ⁽²⁾	207,534
Bradbury SOD Act	94,847	84,224	28,624	26,976	26,976	261,647 ⁽³⁾	261,647
Cachuma Project Renewal Fund	62,939	55,889	18,994	17,901	0	155,723	220,175
Lauro SOD Act	19,159	17,013	5,782	5,449	0	47,404 ⁽⁴⁾	47,404
SWRCB Water Rights Fee	25,840	22,950	7,800	7,350	6,780	70,720 ⁽⁵⁾	66,000
Total Gross Obligation	\$5,088,028	\$4,483,941	\$1,523,900	\$1,436,142	\$281,478	\$12,813,489	\$8,333,614
Less Offsetting Revenues:							
DWR Multibenefit Drought Relief Grant	(909,382)	(807,531)	(274,445)	(258,641)	0	(2,250,000)	0
USBR WaterSmart Grant	(303,127)	(269,177)	(91,482)	(86,214)	0	(750,000)	0
CVWD Cooperative Agreement Funding	(222,293)	(197,397)	(67,087)	(63,223)	0	(550,000)	0
Warren Act Trust Fund	(47,810)	(42,456)	(14,429)	(13,598)	0	(118,293)	(43,086)
Renewal Fund	(62,939)	(55,889)	(18,994)	(17,901)	0	(155,723)	(220,175)
County Betterment Fund	(36,375)	(32,301)	(10,978)	(10,346)	0	(90,000)	(90,000)
Total Offsetting Revenue	(\$1,581,928)	(\$1,404,752)	(\$477,415)	(\$449,922)	\$0	(\$3,914,016)	(\$353,261)
Sub Total Projected Net Obligation	\$3,506,100	\$3,079,190	\$1,046,485	\$986,220	\$281,478	\$8,899,473	\$7,980,353
Non-Member Agency Obligation	(24,250)	(21,534)	(7,319)	(6,897)	60,000	0 ⁽⁶⁾	0
Total Projected Net Obligation	\$3,481,850	\$3,057,655	\$1,039,166	\$979,323	\$341,478	\$8,899,473	\$7,980,353

Memo:

FY 2021-22	\$3,171,094	\$2,652,615	\$901,510	\$858,177	\$396,957	\$7,980,353
Increase/Decrease (\$)	\$310,756	\$405,041	\$137,656	\$121,146	(\$55,480)	\$919,120
Increase/Decrease (%)	9.8%	15.3%	15.3%	14.1%	(14.0%)	11.5%

COMMITTEE STATUS:

The Administrative Committee reviewed the COMB Proposed Draft FY 2022-23 Operating Budget and forwards to the Board for presentation and consideration.

LIST OF EXHIBITS:

- 1) Draft Resolution No. 7XX
- 2) Draft Operating Budget Presentation
- 3) FY 2022-23 Draft COMB Operating Budget

RESOLUTION NO. 7XX

**RESOLUTION OF THE GOVERNING BOARD OF THE
CACHUMA OPERATION & MAINTENANCE BOARD ADOPTING THE
ANNUAL OPERATING BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2023**

WHEREAS, the Cachuma Operation & Maintenance Board (“COMB”) is a joint powers authority and public entity, organized and existing in the County of Santa Barbara 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 to Operate and Maintain the Cachuma Project - Cachuma Operation And Maintenance Board, 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 as amended by the Second Amendment to the 1996 Amended and Restated Agreement made effective November 20, 2018 (collectively the “Joint Powers Agreement”); and

WHEREAS, the Member Agencies of COMB are the Goleta Water District, the City of Santa Barbara, the Montecito Water District, and Carpinteria Valley Water District; and

WHEREAS, COMB operates and maintains Cachuma Project facilities pursuant to a Transfer of Operation and Maintenance Contract with the United States Bureau of Reclamation, including the South Coast Conduit (“SCC”) and appurtenances. The SCC is a critical piece of infrastructure that provides for the conveyance of Cachuma Project water and State Project water to 250,000 residents on the South Coast of Santa Barbara County; and

WHEREAS, COMB staff developed the Fiscal Year (“FY”) 2022-23 Annual Operating Budget using zero-based budgeting methodology, which unlike traditional incremental budgeting, employs a detailed examination of expenditures wherein only the necessary budget amount for each line item is presented for discussion; and

WHEREAS, COMB staff presented the COMB FY 2022-23 Draft Operating Budget to the General Managers and staff of the Member Agencies for review and incorporated comments and suggestions prior to being presented to the Administrative Committee for its review; and

WHEREAS, on May 3, 2022, the COMB Administrative Committee reviewed the FY 2022-23 Draft Operating Budget and, after providing comments, forwarded it to the COMB Governing Board for review and consideration; and

WHEREAS, on May 12, 2022, the Governing Board was provided an overview of the FY 2022-23 Draft Operating Budget, with assurances that it was based on Board priorities, demonstrates fiscal accountability, and ensures future financial sustainability; and

WHEREAS, on May 23, 2022, the COMB Governing Board was presented the Final FY 2022-23 Annual Operating Budget, with Board incorporated comments, for approval and adoption; and

WHEREAS, it is in the best interest of COMB to approve and adopt the COMB FY 2022-23 Annual Operating Budget for sound financial operation of COMB.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF COMB AS FOLLOWS:

1. The Governing Board finds and determines that the facts set forth in the above recitals and in the documents referenced herein are true and correct.
2. The Governing Board approves and adopts, with consideration of any modifications made at the time of adoption, the COMB FY 2022-23 Annual Operating Budget ending June 30, 2023.
3. This Resolution shall take effect immediately.

PASSED, APPROVED AND ADOPTED by the Governing Board of the Cachuma Operation and Maintenance Board, this 23rd day of May 2022, by the following roll call vote:

Ayes:
Nays:
Abstain:
Absent:

APPROVED:

President of the Governing Board

ATTEST:

Secretary of the Governing Board

Cachuma Operation & Maintenance Board

Draft Operating Budget
Fiscal Year 2022-23



FY 2022-23 Budget Overview

The COMB Operating Budget acts as a financial plan for both the upcoming fiscal year and long term.

The Budget provides a framework for:

1. Effecting policy directives
2. Executing operational plans
3. Implementing infrastructure improvement projects necessary to operate and maintain the Cachuma Project Transferred Project Works
4. Implementing the Fish Management Plan and 2000 Cachuma Project Biological Opinion

FY 2022-23 Budget Process

Budget Timeline

January – February, 2022

- Staff met internally and prepared updates to:
 - Infrastructure Improvement Projects
 - Habitat Improvement Projects
 - Projected COMB Managed Revenues
 - Projected Operating Expenditures
 - Projected General & Administrative Expenditures

Feb – March, 2022

- Staff developed draft budget document

FY 2022-23 Budget Process

Budget Timeline

Proposed Draft Budget presented to:

- 04/15/2022 – Member Agency General Managers and Technical Staff
- 05/03/2022 – Administrative Committee
- 05/12/2022 – Board Budget Workshop

Final Budget to be presented:

- 05/23/2022 – Public Board Meeting

GFOA BUDGET AWARD - FY 2021-22



FY 2022-23 Budget Overview

Projected Revenues Managed by COMB

COMB Net Operating Budget	\$	6,104,528
Grant Funding		3,000,000
USBR Water Rates		2,200,000
CVWD Cooperative Agreement Funding		550,000
Bradbury SOD Act		261,647
Renewal Fund		155,723
Warren Act Trust Fund		118,293
USBR Deficit Repayment (2015-2017)		59,451
Betterment Fund - SB County Contribution		90,000
Water Rights Fee		70,720
Lauro SOD Act		47,404
Total	\$	12,657,766

FY 2022-23 Budget Overview

Consolidated Summary

Category	Approved Budget FY 2021-22	Draft Budget FY 2022-23	Variance Analysis (*)	
			\$ Higher / (Lower)	% Higher / (Lower)
Personnel Costs	\$ 2,657,906	\$ 2,782,016	\$ 124,110	4.7%
Operations and Maintenance	490,400	619,400	129,000	26.3%
General and Administrative	358,878	382,128	23,250	6.5%
Sub Total Operations Budget	\$ 3,507,184	\$ 3,783,544	\$ 276,360	7.9%
Infrastructure Improvement Projects	\$ 1,600,050	\$ 6,050,000	\$ 4,449,950	278.1%
Habitat Improvement Projects	\$ 185,000	\$ 185,000	\$ -	0.0%
Total Gross Budget	\$ 5,292,234	\$ 10,018,544	\$ 4,726,310	89.3%

(*) Excluding Offsetting Revenue

FY 2022-23 Net Change

Amount	Description
\$124.1K	<u>Salaries and Benefits</u> - An increase of \$124K (4.7%) which includes staffing of fifteen fulltime and two fulltime equivalent (FTE) seasonal employees, a 5.17% COLA adjustment and an increase in the CalPERS Unfunded Liability obligation. This increase is partially offset by a decrease in premium cost for retiree health insurance.
\$129.0K	<u>Operations and Maintenance Expenses</u> - An increase of 129K (26.3%) which is attributed to the replacement of two fleet vehicles for the Operations and Fisheries Divisions.
\$23.3K	<u>General and Administrative Expenses (excluding administrative salaries)</u> - An increase of \$23K (6.5%) which is attributed to computer consulting and network service costs as well as a slight increase in communication expense, membership dues and admin fixed assets.
\$4.4M	<u>Infrastructure Improvement Projects and Special Projects</u> - An increase of \$4.4M (278.1%) which is attributed to the installation of the Lake Cachuma Secured Pipeline Project.
\$4.7M	Net Change

FY 2022-23 Budget Overview

Consolidated Summary

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Infrastructure Improvement Projects	\$ 1,600,050	\$ 6,050,000	\$ 4,449,950	278.1%
Habitat Improvement Projects	\$ 185,000	\$ 185,000	\$ -	0.0%
Total Gross Budget	\$ 5,292,234	\$ 10,018,544	\$ 4,726,310	89.3%
Projected Offsetting Revenues	\$ (353,261)	\$ (3,914,016)		
Total Net Budget	\$ 4,938,973	\$ 6,104,528	\$ 1,165,555	23.6%

FY 2022-23 Budget Overview

Personnel Costs (*)

Category	Approved Budget FY 2021-22	Draft Budget FY 2022-23	Variance Analysis (*)	
			\$ Higher / (Lower)	% Higher / (Lower)
Labor	\$ 1,610,340	\$ 1,701,466	\$ 91,126	5.7%
CalPERS	294,770	325,754	30,984	10.5%
Health Ins / Workers Comp	629,606	624,634	(4,971)	-0.8%
FICA / Medicare	123,191	130,162	6,971	5.7%
Total	\$ 2,657,906	\$ 2,782,016	\$ 124,110	4.7%

(*) All Divisions

FY 2022-23 Budget Overview

Operations and Maintenance (*)

Category	Approved Budget FY 2021-22	Draft Budget FY 2022-23	Variance Analysis (*)	
			\$ Higher / (Lower)	% Higher / (Lower)
Vehicles & Equipment	\$ 197,500	\$ 327,500	\$ 130,000	65.8%
Contract Labor	149,100	144,100	(5,000)	-3.4%
Materials and Supplies	92,000	92,000	0	0.0%
Other Expenses	51,800	55,800	4,000	7.7%
Total	\$ 490,400	\$ 619,400	\$ 129,000	26.3%

(*) Combined Operations and Fisheries

FY 2022-23 Budget Overview

General and Administrative Costs

Category	Approved Budget FY 2021-22	Draft Budget FY 2022-23	Variance Analysis (*)	
			\$ Higher / (Lower)	% Higher / (Lower)
Director Fees	\$ 20,000	\$ 20,000	\$ -	0.0%
Audit	35,000	35,000	0	0.0%
Legal	100,000	100,000	0	0.0%
Unemployment Insurance	5,000	5,000	0	0.0%
General Liability Insurance	51,071	51,071	0	0.0%
Postage/Office Supplies	10,000	10,000	0	0.0%
Office Equip/Leases	21,972	21,972	0	0.0%
Misc Admin Expense	21,500	21,500	0	0.0%
Communications	10,955	13,955	3,000	27.4%
Utilities	14,980	14,980	0	0.0%
Membership Dues	15,900	18,650	2,750	17.3%
Admin Fixed Assets	8,000	11,000	3,000	37.5%
Computer Consultant	25,500	40,000	14,500	56.9%
Employee Education	4,500	4,500	0	0.0%
Travel	4,500	4,500	0	0.0%
Public Info	5,000	5,000	0	0.0%
IRWM	5,000	5,000	0	0.0%
Total	\$ 358,878	\$ 382,128	\$ 23,250	6.5%

Infrastructure Improvement and Special Projects

Infrastructure Improvement Projects	FY 2022-23
Secured Pipeline Project	\$ 4,400,000
SCC Lower Reach - Lateral Structures	550,000
SCC Lower Reach - Isolation Valve	500,000
SCC Structure Rehabilitation	440,000
Total	\$ 5,890,000

Special Projects	FY 2022-23
Water Quality and Sediment Management - Phase 2	\$ 50,000
COMB Building / Grounds Repair	45,000
SCADA	35,000
ROW Identification Program	20,000
GIS and Mapping	10,000
Total	\$ 160,000

Habitat Improvement and Projects

Habitat Improvement Projects	FY 2022-23
Cachuma Lake Oak Tree Restoration Program	\$ 18,000
Tributary Improvement Projects	10,000
Total	\$ 28,000

Program Support Services	FY 2022-23
BO / FMP Implementation	\$ 42,000
GIS and Mapping	10,000
USGS Stream Gauge Program	105,000
Total	\$ 157,000

FY 2022-23 Budget Overview

Projected Obligation by Cachuma Project Member Unit

CATEGORY	Projected Obligation by Cachuma Project Member Unit - FY 2022-23						FY 2021-22
	GWD	City of SB	CVWD	MWD	SYRWCD ID No. 1	Totals	
COMB Gross Operating Budget	\$4,049,194	\$3,595,684	\$1,222,019	\$1,151,647	\$0	\$10,018,544	\$5,292,234
USBR Water Rates	797,500	708,180	240,680	226,820	226,820	2,200,000	2,200,000
USBR Deficits - FY 2015-2017	38,549	0	0	0	20,902	59,451	207,534
Bradbury SOD Act	94,847	84,224	28,624	26,976	26,976	261,647	261,647
Cachuma Project Renewal Fund	62,939	55,889	18,994	17,901	0	155,723	220,175
Lauro SOD Act	19,159	17,013	5,782	5,449	0	47,404	47,404
SWRCB Water Rights Fee	25,840	22,950	7,800	7,350	6,780	70,720	66,000
Total Gross Obligation	\$5,088,028	\$4,483,941	\$1,523,900	\$1,436,142	\$281,478	\$12,813,489	\$8,333,614
Less Offsetting Revenues:							
DWR Multibenefit Drought Relief Grant	(909,382)	(807,531)	(274,445)	(258,641)	0	(2,250,000)	0
USBR WaterSmart Grant	(303,127)	(269,177)	(91,482)	(86,214)	0	(750,000)	0
CVWD Cooperative Agreement Funding	(222,293)	(197,397)	(67,087)	(63,223)	0	(550,000)	0
Warren Act Trust Fund	(47,810)	(42,456)	(14,429)	(13,598)	0	(118,293)	(43,086)
Renewal Fund	(62,939)	(55,889)	(18,994)	(17,901)	0	(155,723)	(220,175)
County Betterment Fund	(36,375)	(32,301)	(10,978)	(10,346)	0	(90,000)	(90,000)
Total Offsetting Revenue	(\$1,581,928)	(\$1,404,752)	(\$477,415)	(\$449,922)	\$0	(\$3,914,016)	(\$353,261)
Sub Total Projected Net Obligation	\$3,506,100	\$3,079,190	\$1,046,485	\$986,220	\$281,478	\$8,899,473	\$7,980,353
Non-Member Agency Obligation	(24,250)	(21,534)	(7,319)	(6,897)	60,000	0	0
Total Projected Net Obligation	\$3,481,850	\$3,057,655	\$1,039,166	\$979,323	\$341,478	\$8,899,473	\$7,980,353

Memo:

FY 2021-22	\$3,171,094	\$2,652,615	\$901,510	\$858,177	\$396,957	\$7,980,353
Increase/Decrease (\$)	\$310,756	\$405,041	\$137,656	\$121,146	(\$55,480)	\$919,120
Increase/Decrease (%)	9.8%	15.3%	15.3%	14.1%	(14.0%)	11.5%

(* Estimated and subject to change)

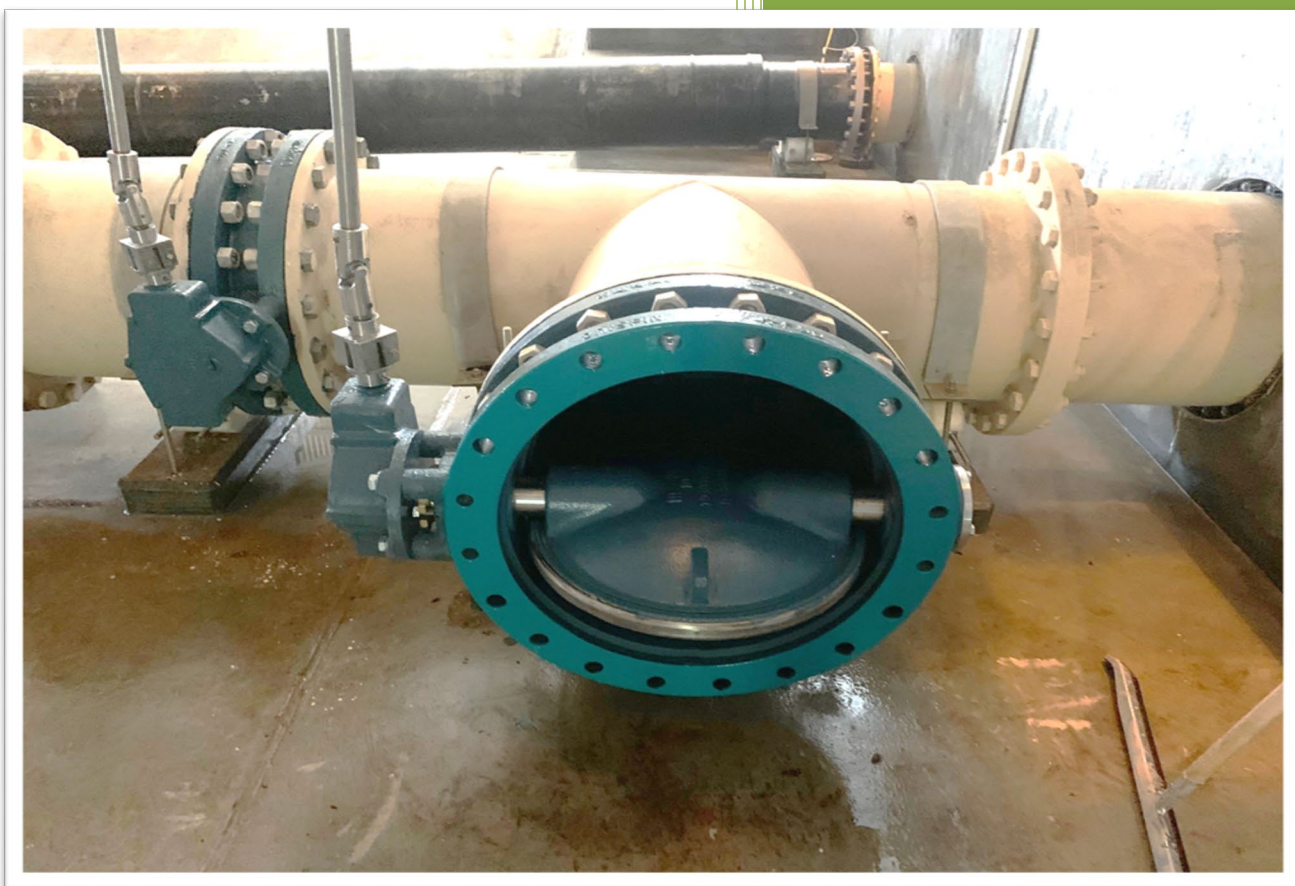
Questions?



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**CACHUMA OPERATION &
MAINTENANCE BOARD**

Fiscal Year 2022-23 Draft Operating Budget



Adopted: _____



A California Joint Powers Authority

Item #4
Exhibit #3
Page 1

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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 and
Maintenance Board**

Board of Directors

Name	Title	Member Agency
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

Staff Contributors

Edward Lyons, Administrative Manager, CFO

Joel Degner, Engineer / Operations Division Manager

Tim Robinson, Fisheries Division Manager

Elijah Papen, Program Analyst II

Dorothy Turner, Administrative Assistant II

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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)	192,978
Lake Cachuma spillway elevation (feet)	753
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

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

CACHUMA PROJECT WATER ENTITLEMENT

Cachuma Project Member Unit	Entitlement (%)	Entitlement (AFY)
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
Total	100.00%	25,714

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General Manager's Message

The COMB Fiscal Year (FY) 2022-23 Operating Budget (Budget) provides the foundation for implementing critical infrastructure improvement projects necessary to operate and maintain the Cachuma Transferred Project Works. In addition, the Budget supports the work associated with implementation of the Lower Santa Ynez River Fish Management Plan and the 2000 Cachuma Project Biological Opinion. The Budget document provides detailed information about the Cachuma Operation & Maintenance Board (COMB) revenue and expenditure forecast in the coming year and addresses the main points and major decisions made in compiling the Budget. The Budget provides the financial plan required to implement our mission and will enable staff to utilize the resources needed to achieve our goals.

Adoption of the Budget is one of the most important actions taken by the Board of Directors. The Budget is COMB's financial work plan, translated in expenditures and supported by revenues. It establishes the direction for the near term, and to the extent the decisions have continuing implications, it establishes a long-term course as well. The Budget is a projection of revenues and expenditures needed for operation, maintenance, administration, infrastructure, and habitat improvements associated with providing an essential water supply to our Member Agencies.

Year in Review

The COMB Operating Budget funded the highest priority projects and activities necessary to achieve our goals while keeping expenditures as low as possible. Some of the notable highlights over the last year are:

- Commenced Schedule F of the South Coast Conduit Air Vacuum Air Release/Blow Off (AVAR/BO) Rehabilitation project in the Carpinteria area. External contractor rehabilitated four out of twelve structures with construction management performed by COMB staff. The remaining eight structures in the Carpinteria reach will require coordinated shutdowns in future years.
- Completion of the La Mirada Isolation Valve project. The installation of the isolation valve will provide COMB with the operational flexibility to perform a shutdown of the South Coast Conduit (SCC) to rehabilitate three air valves and two blowoff structures including the two remaining subgrade air valves on the South Coast Conduit.
- Performed an emergency leak repair to the Ortega outlet pipeline located at Ortega Reservoir. The last emergency repair for a leak on the South Coast Conduit system was in 2008. COMB was able to coordinate operations and the shutdown with its Member Agencies so that there were no customer outages during the repair. COMB was also able to complete four U.S. Bureau of Reclamation recommendations during the shutdown.

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- Awarded a grant from the Department of Water Resources Urban and Multi Benefit Drought Relief Program for \$2,250,000. Funds from this opportunity will be applied towards the Lake Cachuma Secured Pipeline Project.
- Negotiated a Cooperative Agreement with Carpinteria Valley Water District (CVWD) to repair and rehabilitate aging infrastructure in the lower reach section of the South Coast Conduit and the CVWD distribution system.
- Planted 384 mitigation oak trees near Lake Cachuma as part of the surcharge operation at the Dam. COMB has planted approximately 5,734 oak trees under this program since its inception in 2005.

A complete list of accomplishments can be found on pages 14-20 of this document.

Short Term Factors Influencing Budget Decisions

The objective of the Budget is to preserve the current level of service to our Member Agencies, the community, and our external stakeholders. Conservative but realistic projection of revenues and expenditures helps ensure availability of resources to meet budgeted obligations. Significant fiscal and operational challenges continue to face our Member Agencies who fund COMB in FY 2022-23.

- On July 8, 2021, amid intensifying drought and record-breaking temperatures across the Western United States, the Governor of California added nine counties including Santa Barbara County to the regional drought state of emergency proclamation. The Governor also called on Californians to voluntarily reduce their water use by fifteen percent with simple measures to protect water reserves if drought conditions continue, and to help maintain critical flows for fish and wildlife wherever possible. Further details are provided on page 11.
- The COVID-19 pandemic still persists and the declared state of emergency remains in place. National, regional and local economies are slowly recovering from actions taken around the world to help mitigate the spread of the coronavirus including restrictions on travel, quarantines in certain areas, and forced closures of public spaces and businesses. Further details are provided on page 12.
- For the twelve months ending March 2022, the current annual inflation was 8.5%, the highest level since the end of 1981. High gas prices accounted for half the March inflation spike. Rising costs for essential materials and supplies have placed additional pressure on COMB and our Members Agencies' budgets. The financial impact from the recent military action in Europe is slowing the economic recovery from the pandemic and making financial projections more difficult than normal. Further details are provided on pages 12-13.
- The California State Water Resources Control Board (State Water Board) approved Water Rights Order 2019-0148 for the Cachuma Project (the Order) on September 17, 2019. The Order requires Reclamation, as permit holder, to abide by specific terms as

outlined in the Order. The implementation of these terms, in addition to the potential issuance of a new Biological Opinion, may result in future budgetary impacts to the COMB Member Agencies as they comply with the terms of the Order and the new Biological Opinion.

From the beginning of this budget process, we scrutinized our budget planning assumptions, established prudent financial targets, and set priorities with careful consideration. Staff has worked aggressively to maintain costs in all areas of the budget by improving operating efficiencies and effectively utilizing internal resources to achieve our objectives.

Staff evaluated and selected current year infrastructure improvements and special projects based on the following criteria as outlined in the Board approved 5-year Infrastructure Improvement Plan: water supply reliability, risk, critical need, safety, and service disruption. Projects may vary by year depending on external and uncontrolled factors such as ongoing drought conditions, lake elevation and natural disasters. Further details are provided on pages 84-91.

In alignment with Board adopted policies, staff shares a commitment to continued diligence in everyday work production and performance and recognizes the important obligation charged to COMB in support of our Member Agencies and external stakeholders.

The Overall Budget Summary and Assumptions

As reflected on Table 1, the COMB Gross Operating Budget for FY 2022-23, excluding offsetting revenues, is \$10.0M as compared to the FY 2021-22 Operating Budget of \$5.3M, which reflects an increase of \$4.7M (89.3%).

Table 1

Category	Budget FY 2021-22	Budget FY 2022-23	Change (\$)	Change (%)
Salaries and Benefits	\$2,657,906	\$2,782,016	\$124,110	4.7%
Operation & Maintenance Expenses	490,400	619,400	129,000	26.3%
General & Administrative Expenses	358,878	382,128	23,250	6.5%
Sub Total	\$3,507,184	\$3,783,544	\$276,360	7.9%
Infrastructure Improvements Projects	\$1,600,050	\$6,050,000	\$4,449,950	278.1%
Habitat Improvement Projects	185,000	185,000	-	0.0%
Sub Total	\$1,785,050	\$6,235,000	\$4,449,950	249.3%
Total Gross Operating Budget	\$5,292,234	\$10,018,544	\$4,726,310	89.3%

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The net change from the previous fiscal year is described in Table 2 below.

Table 2

Amount	Description
\$124.1K	<u>Salaries and Benefits</u> - An increase of \$124K (4.7%) which includes staffing of fifteen fulltime and two fulltime equivalent (FTE) seasonal employees, a 5.17% COLA adjustment and an increase in the CalPERS Unfunded Liability obligation. This increase is partially offset by a decrease in premium cost for retiree health insurance.
\$129.0K	<u>Operations and Maintenance Expenses</u> - An increase of 129K (26.3%) which is attributed to the replacement of two fleet vehicles for the Operations and Fisheries Divisions.
\$23.3K	<u>General and Administrative Expenses (excluding administrative salaries)</u> - An increase of \$23K (6.5%) which is attributed to computer consulting and network service costs as well as a slight increase in communication expense, membership dues and admin fixed assets.
\$4.4M	<u>Infrastructure Improvement Projects and Special Projects</u> - An increase of \$4.4M (278.1%) which is attributed to the installation of the Lake Cachuma Secured Pipeline Project. See page 84-85 for further detail.
\$4.7M	Net Change

The COMB Net Operating Budget, including offsetting revenues for FY 2022-23, is \$6.1M and is compared to FY 2021-22 of \$4.9M, which is an increase of \$1.2M (23.6%). COMB was awarded \$3M in grant funding which be applied to the Secured Pipeline project during FY 2022-23.

Table 3

Category	Budget FY 2021-22	Budget FY 2022-23	Change (\$)	Change (%)
Total Gross Operating Budget	\$5,292,234	\$10,018,544	\$4,726,310	89.3%
Less: Projected Offsetting Revenues	353,261	3,914,016	3,560,755	1008.0%
Total Net Operating Budget	\$4,938,973	\$6,104,528	\$1,165,555	23.6%

In this dynamic financial environment, monitoring the budget and responding to changes or unanticipated events is a continuing process. COMB will continue to report financial activity in a timely and transparent manner to the Board and Member Agencies. Cost management will remain a key objective in consideration of ongoing pressures on water rates and financial reserves at the Member Agency level. Staff is committed to sustaining a sound financial position that ensures the ability to identify and resolve future challenges.

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Projected Obligation by Cachuma Project Member Unit

The COMB Operating Budget and pass-through revenues and charges are funded by assessments from the Cachuma Project Member Units. Amounts are allocated based on various contractual agreements or approved methodologies. The projected obligation for FY 2022-23 is reflected in Table 4

Table 4

CATEGORY	Projected Obligation by Cachuma Project Member Unit - FY 2022-23						FY 2021-22
	GWD	City of SB	CVWD	MWD	SYRWCD ID No. 1	Totals	
COMB Gross Operating Budget	\$4,049,194	\$3,595,684	\$1,222,019	\$1,151,647	\$0	\$10,018,544	\$5,292,234
USBR Water Rates	797,500	708,180	240,680	226,820	226,820	2,200,000 ⁽¹⁾	2,200,000
USBR Deficits - FY 2015-2017	38,549	0	0	0	20,902	59,451 ⁽²⁾	207,534
Bradbury SOD Act	94,847	84,224	28,624	26,976	26,976	261,647 ⁽³⁾	261,647
Cachuma Project Renewal Fund	62,939	55,889	18,994	17,901	0	155,723	220,175
Lauro SOD Act	19,159	17,013	5,782	5,449	0	47,404 ⁽⁴⁾	47,404
SWRCB Water Rights Fee	25,840	22,950	7,800	7,350	6,780	70,720 ⁽⁵⁾	66,000
Total Gross Obligation	\$5,088,028	\$4,483,941	\$1,523,900	\$1,436,142	\$281,478	\$12,813,489	\$8,333,614
Less Offsetting Revenues:							
DWR Multibenefit Drought Relief Grant	(909,382)	(807,531)	(274,445)	(258,641)	0	(2,250,000)	0
USBR WaterSmart Grant	(303,127)	(269,177)	(91,482)	(86,214)	0	(750,000)	0
CVWD Cooperative Agreement Funding	(222,293)	(197,397)	(67,087)	(63,223)	0	(550,000)	0
Warren Act Trust Fund	(47,810)	(42,456)	(14,429)	(13,598)	0	(118,293)	(43,086)
Renewal Fund	(62,939)	(55,889)	(18,994)	(17,901)	0	(155,723)	(220,175)
County Betterment Fund	(36,375)	(32,301)	(10,978)	(10,346)	0	(90,000)	(90,000)
Total Offsetting Revenue	(\$1,581,928)	(\$1,404,752)	(\$477,415)	(\$449,922)	\$0	(\$3,914,016)	(\$353,261)
Sub Total Projected Net Obligation	\$3,506,100	\$3,079,190	\$1,046,485	\$986,220	\$281,478	\$8,899,473	\$7,980,353
Non-Member Agency Obligation	(24,250)	(21,534)	(7,319)	(6,897)	60,000	0 ⁽⁶⁾	0
Total Projected Net Obligation	\$3,481,850	\$3,057,655	\$1,039,166	\$979,323	\$341,478	\$8,899,473	\$7,980,353

Memo:

FY 2021-22	\$3,171,094	\$2,652,615	\$901,510	\$858,177	\$396,957	\$7,980,353
Increase/Decrease (\$)	\$310,756	\$405,041	\$137,656	\$121,146	(\$55,480)	\$919,120
Increase/Decrease (%)	9.8%	15.3%	15.3%	14.1%	(14.0%)	11.5%

Notes:

- Based on preliminary estimate received from USBR.
- GWD and SYRWCD ID No. 1, only - Includes USBR deficit amounts FY 2015-17 amortized over 5 years. City of SB, CVWD and MWD have paid their obligation in-full.
- USBR pass-through costs - projection reflects no change from previous year.
- USBR pass-through costs - projection reflects no change from previous year.
- State Board of Equalization pass-through cost – based on actual amount paid during FY 2021-22.
- Pursuant to the terms and conditions of the Separation Agreement, ID No. 1 was deemed no longer a Member Agency of COMB and had departed from the COMB JPA Agreement as of May 27, 2016. 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. Payments received from ID No. 1 for certain COMB BiOp and Oak Tree related expenditures, vary by year, and will be returned to the COMB Member Agencies upon collection.

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Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to COMB for its Annual Budget for the fiscal year beginning July 1, 2021. This was the second year that COMB applied for and achieved this prestigious recognition. To receive this award, a governmental unit must publish a document that meets program criteria as a policy document, a financial plan, an operations guide, and as a communications device. This award is valid for a period of one year only. We believe our current budget document continues to conform to the program requirements and we are submitting it to the GFOA to determine its eligibility for another award.

Closing

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

Respectfully submitted,



Janet Gingras

General Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Cachuma Operation and Maintenance Board
California**

For the Fiscal Year Beginning

July 01, 2021

Christopher P. Morill

Executive Director

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SECTION I – COMB OVERVIEW

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HISTORY OF COMB

The Cachuma Project was constructed in the early 1950s by the United States Department of the Interior, Bureau of Reclamation (Reclamation or USBR) under contract with the Santa Barbara County Water Agency on behalf of the Cachuma Project Member Units.



Construction of Bradbury Dam

The Cachuma Project Member Units (Member Units) are the Carpinteria Valley Water District, Goleta Water District, Montecito Water District, City of Santa Barbara, and the Santa Ynez River Water Conservation District, Improvement District No. 1. The Member Units entered into contracts with the Santa Barbara County Water Agency for the purpose of receiving water from the Cachuma Project for the use and benefit of the Member Units. Over the past sixty years, the Project has been the principal water supply for the Upper Santa Ynez Valley and the South Coast communities, delivering an average of approximately 25,000 acre-feet per year.

On January 1, 1957, the Cachuma Operation & Maintenance Board (COMB) was formed as a Joint Powers Authority (JPA) through an agreement organized by the Cachuma Project Member Units pursuant to the provisions of Articles 1, 2, and 4 of Chapter 5, Division 7, Title 1 of the California Government Code. The resulting JPA agreement was entered into by the Member Units, who, in doing so, became Member Agencies of COMB, in order to provide for the joint exercise of powers by those Member Agencies for the rights to, the facilities of, and the operation, maintenance and use of the Reclamation’s project known as the “Cachuma Project.” These rights and powers included the storage, treatment, transport and appurtenant facilities, and all necessary tangible and intangible property and rights. Under the JPA Agreement, COMB also has the authority for the financing of costs for the capture, development, treatment, storage, transport and delivery of water.

COMB’s organizational structure originally consisted of the six (6) Cachuma Project beneficiaries: the Carpinteria County Water District, Goleta Water District, Montecito Water District, the City of Santa Barbara, Summerland Water District, and Santa Ynez River Water Conservation District (Parent District).

In 1993, the Parent District assigned its rights and obligations under Contract No. 175r-1802 (Water Repayment Contract between USBR and Santa Barbara County) to Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1). In 1995, the Summerland Water District and Montecito Water District combined, with Montecito Water District as successor in interest.

HISTORY OF COMB (CONTINUED)

In 2016, the 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. Pursuant to the terms and conditions of the Separation Agreement, ID No. 1 was deemed no longer a Member Agency of COMB and had departed from the COMB JPA Agreement as of May 27, 2016. 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.

Today, the organization is comprised of four Cachuma Project Member Units, known collectively as COMB’s Member Agencies: the Carpinteria Valley Water District, the Goleta Water District, the Montecito Water District, and the City of Santa Barbara.

The Governing Board is composed of one publicly elected representative member from each of the governing bodies and is appointed by appropriate action of each governing board to serve on the COMB Board. The appointed Board members are authorized to carry out the provisions of the JPA agreement and any other agreement entered into by the Governing Board. The Board of Directors is responsible for setting policy on matters such as fiscal management and financial planning, Board administration, infrastructure improvements, and long-range planning documents.

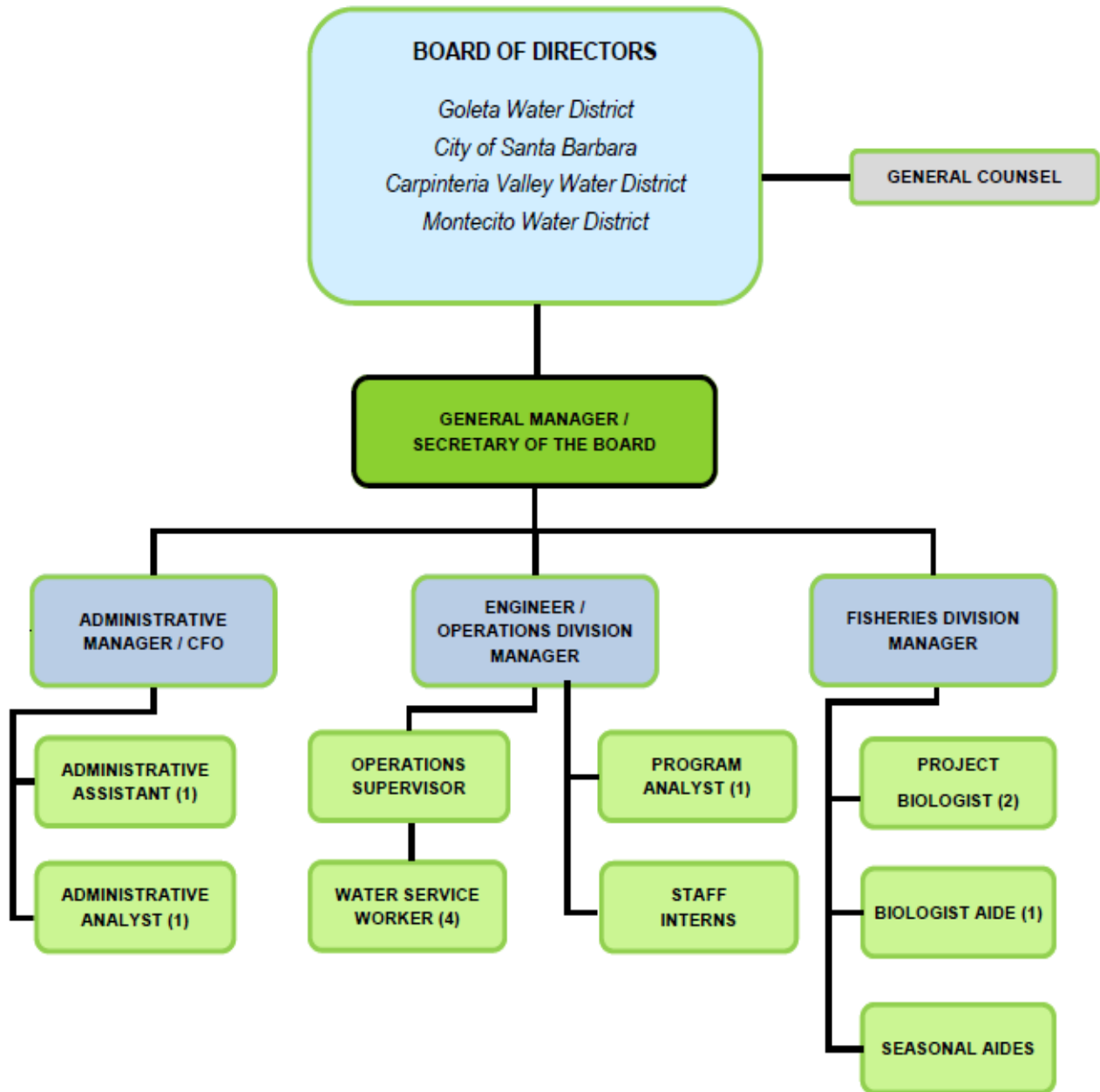
Day-to-day operations are executed by the General Manager who serves at the pleasure of the Board. The General Manager oversees a staff of fifteen full-time employees including division managers, certified distribution operators, senior biology staff, a program analyst, and administrative personnel. Figure 1.1 on the following page provides an overview of the COMB Organizational Structure.



Bradbury Dam

COMB ORGANIZATIONAL STRUCTURE

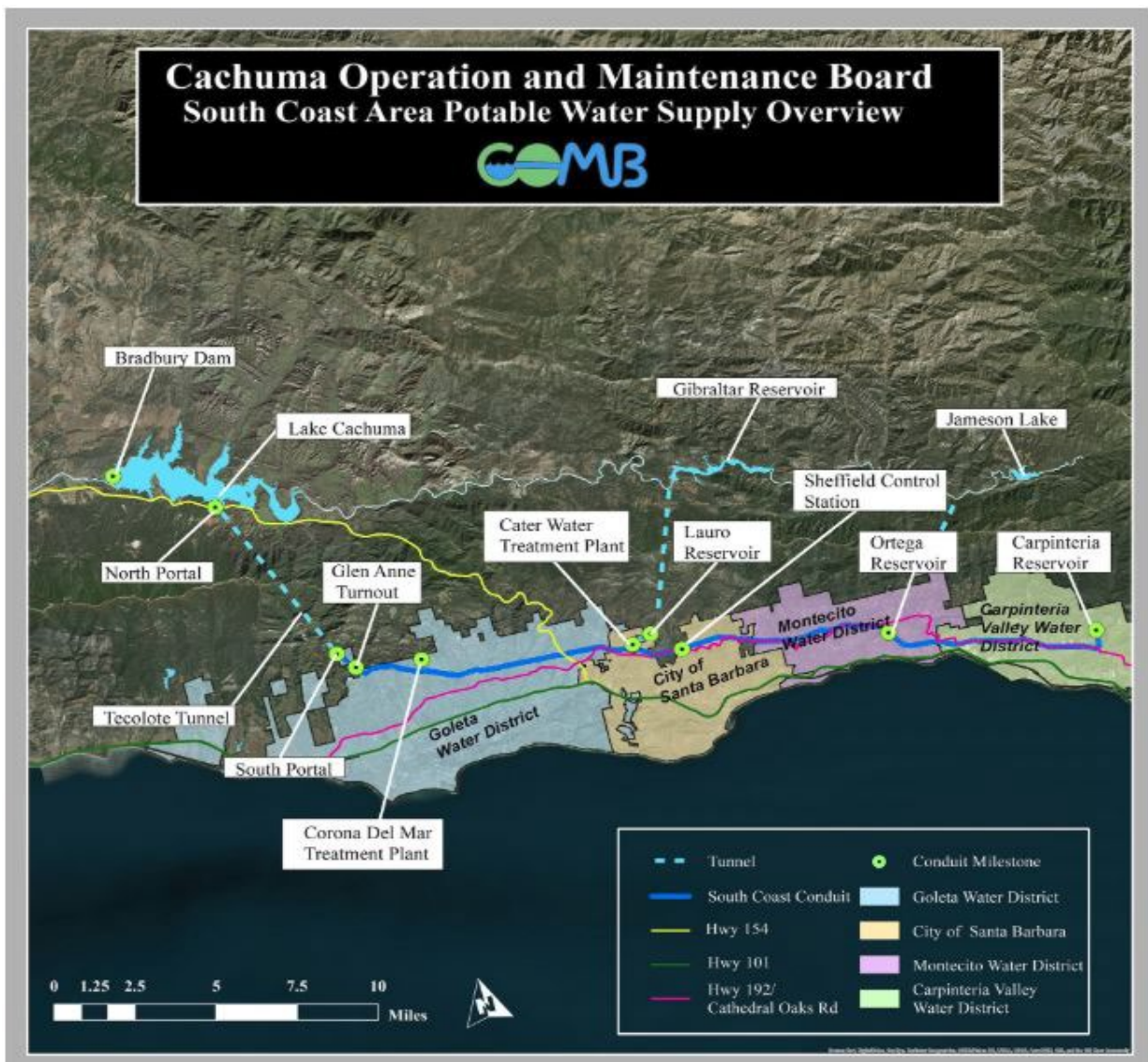
Figure 1.1 –COMB Organizational Structure



CACHUMA PROJECT FACILITIES MAP

Lake Cachuma and Bradbury Dam are located on the Santa Ynez River approximately 25 miles northwest of Santa Barbara. Water from Lake Cachuma is conveyed to the COMB Member Agencies 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 headworks of the South Coast Conduit. The South Coast Conduit system is a high-pressure concrete pipeline that extends over 26 miles from the Tecolote Tunnel outlet to the Carpinteria area and includes four regulating reservoirs and various appurtenant structures. Figure 1.2 below provides an overview of the Cachuma Project Facilities Map.

Figure 1.2 – Cachuma Project Facilities Map



TRANSFERRED PROJECT WORKS CONTRACT

On February 24, 1956, Reclamation, the original Member Units, and the Agency entered a contract, which 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 a new contract with the Cachuma Operation and Maintenance Board 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. On September 28, 2020, Reclamation and COMB executed a three-year amendatory contract to allow for the completion of a long-term agreement.

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, accounts for Project water deliveries monthly and performs repairs and preventative 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.



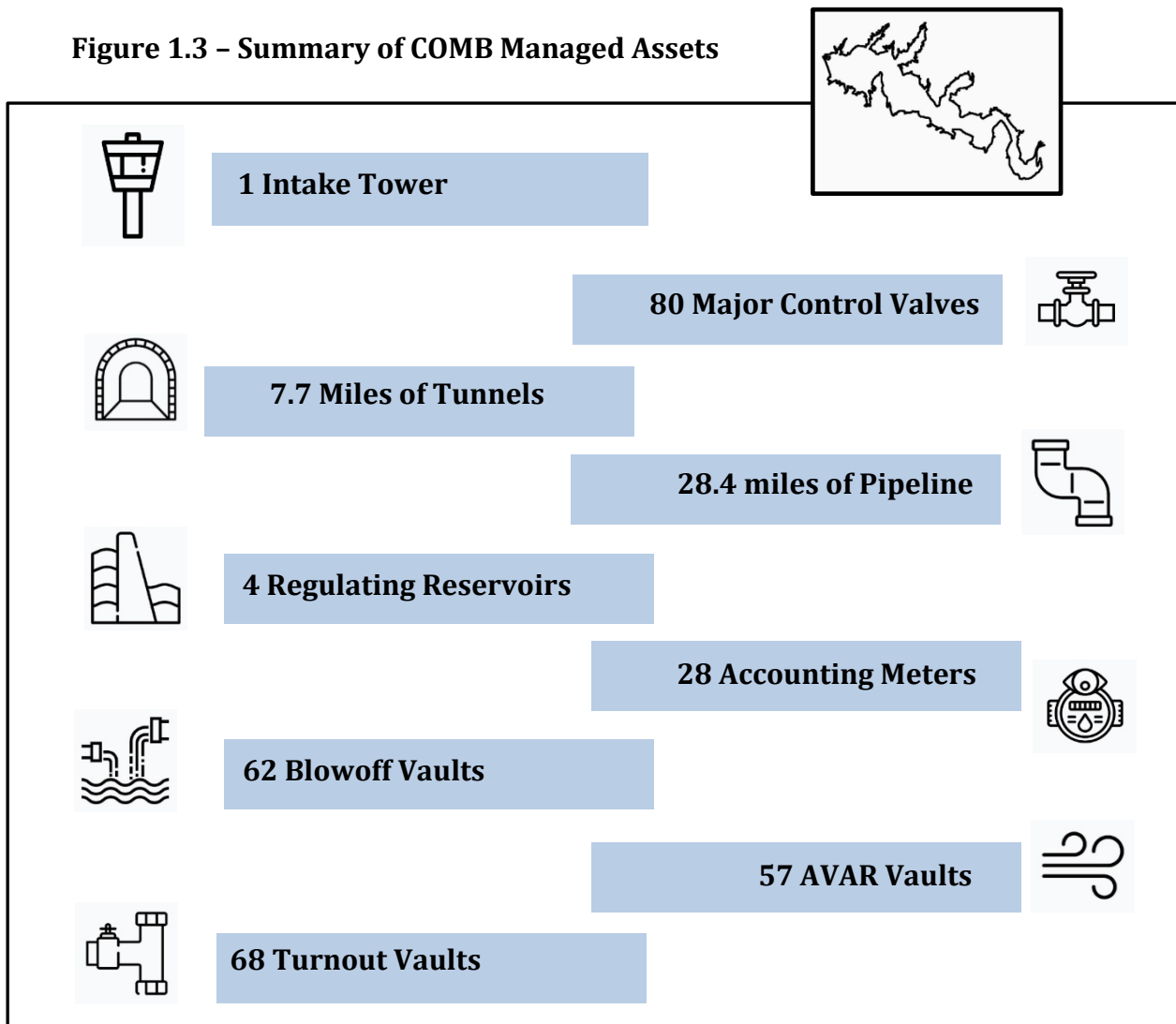
Tecolote Tunnel Construction

COMB MANAGED ASSETS

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

A comprehensive inventory was assembled for COMB assets using the Gutteridge, Haskins & Davey (GHD) asset management tool available through the EPA website. The GHD method allows for organizing a hierarchy of assets, which can be characterized by asset class, original cost, replacement cost, effective life, probability of failure, and renewal strategy (abandon, maintain, repair, replace), among other inputs. It is useful for viewing assets and their current conditions in a single location, while identifying assets or categories of assets that will need near or long-term work. Figure 1.3 provides a summary of COMB Managed Assets.

Figure 1.3 – Summary of COMB Managed Assets



COMB MANAGED ASSETS (CONTINUED)

Intake Tower

COMB operates and maintains the North Portal Intake Tower, which diverts water from Lake Cachuma into the Tecolote Tunnel and through the South Coast Conduit (SCC) for delivery to COMB Member Agencies. The vertical intake tower was built by the U. S. Bureau of Reclamation during construction of the Cachuma Project and stands 120 feet tall. The intake tower is located approximately mid-reservoir and contains five slide gates, each at varying levels on the pentagonal-shaped tower. The slide gates are used to manage the conveyance of water from the lake at various elevations depending on lake conditions.



Valves

COMB operates and maintains over 80 large control valves and slide gates located within gate chambers, control stations, and dam inlet-outlet works. Most of the large control valves measure 30 inches or more in diameter. The large control valves are located throughout the system and allow distribution or service area isolation when maintenance on the system is required. COMB performs annual maintenance to ensure their operability.



Tunnels

COMB maintains four separate tunnels covering over 7.7 miles throughout the Cachuma Project system. The tunnels vary in length, with the most significant being the 6.4-mile Tecolote Tunnel, which provides water conveyance from Lake Cachuma through the Santa Ynez Mountains to the South Coast Conduit where it is delivered to the water districts. The horseshoe shaped, concrete walled tunnels were built by Reclamation during the creation and installation of the Cachuma Project.



COMB MANAGED ASSETS (CONTINUED)

Pipeline

COMB operates and maintains over 28.4 miles of concrete conveyance pipeline throughout the system. The primary pipeline is referred to as the South Coast Conduit (SCC) and is composed of over 9.5 miles of 48-inch diameter reinforced concrete cylinder pipe in the upper reach of the system, and 17.0 miles of 27 to 36-inch bar-wrapped concrete cylinder pipe within the lower reach.



The SCC is original except for 330 feet installed as part of a Highway 154 realignment project in 1970, 2,900 feet of welded steel pipe installed in 1980, and approximately 2,000 feet of welded steel pipe installed in the upper reach as part of the Modified Upper Reach Reliability Project (MURRP) in 2012.

Reservoirs



COMB operates and maintains four regulating reservoirs, which balance conveyance operations within the south coast area of the Cachuma Project system.

Two of the reservoirs are zoned earth-filled embankment dams originally designed and installed by the Bureau of Reclamation. Lauro Dam has a structural height of 137 feet, a crest length of 540 feet, and a storage capacity of 518 acre-feet. Seismic safety modifications were completed in 2006, which brought the facility into seismic compliance. Glen Anne Dam located in the upper reach is currently non-operational. The two reservoirs located in the lower reach of the system are Ortega Reservoir and Carpinteria Reservoir. They are homogenous earth-filled structures and provide for over 100 acre-feet of storage capacity combined. Both Ortega and Carpinteria Reservoirs have two separate bays divided by a center wall and were covered with aluminum roofs in 2007 and 2005, respectively.

COMB MANAGED ASSETS (CONTINUED)

Meters

COMB reads and maintains 28 accounting meters throughout the system. Of the 28 meters, 11 are integrated with SCADA to allow remote tracking and historical logging of flow measurements. COMB also tracks pressure and water quality parameters such as turbidity, specific conductance, pH, and temperature, using sensors located at the North Portal.



Structures

COMB operates and maintains approximately 200 SCC structures throughout the system. This includes 62 blow-off vaults, 57 air-vacuum air-release (AVAR) vaults, and 68 turnouts through the peaks and valleys of SCC system. The purpose of these appurtenant structures is to allow staff access to system components, in order to release/admit air for pipeline protection, release water for maintenance purposes or emergencies, and to service internal assembly and/or valves.



INFRASTRUCTURE IMPROVEMENT PLAN - FY 2021-2025

In February 2020, the COMB Board adopted the COMB Infrastructure Improvement Plan (IIP). 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.

Projects outlined in the IIP have been identified based on U.S. Bureau of Reclamation inspection recommendations, COMB asset inventory analysis, and other staff observations and recommendations. The identification of a project within the five-year plan does not guarantee construction. The initiation of any project requires Board approval for a project to advance to design and ultimately construction. Additionally, the Board of Directors has the ongoing ability to review and revise projects based upon unforeseen conditions, priorities, and financial resources.

Further details are provided on pages 43-46.

**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 for 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. 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 in order 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.

On July 8, 2021, amid intensifying drought and record-breaking temperatures across the Western United States, the Governor of California added nine counties including Santa Barbara County to the regional drought state of emergency proclamation. The emergency proclamation will enable state agencies to more quickly and effectively support drought response through actions such as expediting purchasing and contracting to complete projects that are imperative to water supplies. The Governor also called on Californians to voluntarily reduce their water use by fifteen percent with simple measures to protect water reserves if drought conditions continue, and to help maintain critical flows for fish and wildlife wherever possible. The State Water Resources Control Board and the Department of Water Resources will monitor progress on voluntary conservation, reservoir storage, soil moisture and other metrics in the coming months to determine whether additional drought response actions are needed.

As of March 31, 2022, the elevation in Lake Cachuma was 710 feet, which equates to 89,684 acre-feet of water (or 46.5% capacity). State Water Project deliveries for 2022 are currently set at 5%. COMB staff has developed a lake elevation projection model for forecasting lake elevations and has implemented a regime to request Member Agencies' projected imports and exports on a periodic basis as part of its ongoing planning process. If drought conditions persist, the level of the lake is projected to fall below the elevation needed for water to flow unassisted into the Tecolote Tunnel and the South Coast distribution system by the summer of 2023 resulting in the re-establishment of the Emergency Pumping Facility Project (EPFP).

The budget for FY 2022-23 includes the installation of a secured pipeline at Lake Cachuma. The secured pipeline is a 3600-ft long HDPE pipeline that will connect to the EPFP in times of drought to ensure continued water deliveries. Further details of the Lake Cachuma Emergency Pumping Facility Secured Pipeline Project are provided on pages 84-85.

CORONAVIRUS (COVID-19)

On January 30, 2020, the World Health Organization declared the novel coronavirus outbreak, COVID-19, a "Public Health Emergency of International Concern" and on March 10, 2020, declared it a pandemic. On March 4, 2020, Governor Gavin Newsom declared a state of emergency to exist due to the COVID-19 pandemic and its impact on human health and safety.

Immediately following the declaration, COMB and its Member Agencies increased their regional coordination and communication to ensure safe and secure water service to the region. 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.

In response to the COVID-19 local emergency and global pandemic, staff established operational protocols and implemented business continuity practices to ensure the safety of our employees and the community. These protocols and procedures communicated the serious nature of this pandemic and outlined specific preventative and proactive measures for staff to follow such as heightened hygiene routines and workplace / social distancing practices. In addition, critical essential functions and designation of key personnel were defined with necessary situational actions for continuity of operations.

As of March 31, 2022, the pandemic still persists and the declared state of emergency remains in place. 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 a crisis. 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, agriculture, and manufacturing.

LOCAL ECONOMY (CONTINUED)

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 451,840.

At the beginning of calendar year 2020, the actions taken around the world to help mitigate the spread of the coronavirus included restrictions on travel, and quarantines in certain areas, and forced closures of certain types of public places and businesses. Through much of calendar year 2020 and into 2021, the coronavirus and actions taken to mitigate it had an adverse impact on national and regional economies and the financial markets. The County’s average unemployment rate during fiscal year 2020-21 increased from 5.9% to 7.0%. During that period, the County’s unemployment rate reached a high of 15.6% in May 2020.



Santa Barbara Mission

In the spring of 2021, certain sectors began to show recovery as vaccinations became available and restrictions were loosened. Countywide estimated retail sales increased 13% to 8.43 billion for fiscal year 2020-21. In the Leisure and Hospitality sector, countywide estimated room sales increased by 7.4% to \$453 million. Countywide estimated Transient Occupancy Tax (TOT) revenue increased by 6.9% to \$53.3 million and Southern Santa Barbara County hotel demand and room rates increased by 2.1% and 19.3% from the previous year, respectively with a hotel occupancy rate of 60.2%. By the end of the calendar year, the December 2021 County unemployment rate of 4.0% was below the State rate of 5.8% and slightly higher than the national unemployment rate of 3.9%.

In the spring of 2022, the United States experienced a slowdown in recovery due to the military action in Europe (Ukraine invasion) as well as a spike in national inflation. For the twelve months ending March 2022, the current annual inflation was 8.5%, the highest level since the end of 1981. High gas prices accounted for half the March inflation spike. Locally, rising costs for essential materials, and supplies have placed additional pressure on COMB and our Members Agencies’ budgets. Additionally, the financial impact from these factors make financial projections more difficult than normal. Staff has worked aggressively to maintain costs in all areas of the budget by improving operating efficiencies and effectively utilizing internal resources when possible to achieve our objectives.

ACCOMPLISHMENTS

During 2021-22, COMB continued to focus 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 year.

Operations and Engineering Division

- Received 100% designs for the Secured Pipeline Project from external consultant and updated project description.
- Submitted 100% designs, final design specifications, final design report, and project description to Reclamation’s Environmental Compliance Branch Chief to incorporate the materials into their environmental review.
- Performed an emergency leak repair to the Ortega outlet pipeline located at Ortega Reservoir. The last emergency repair for a leak on the South Coast Conduit system was in 2008. COMB was able to coordinate operations and the shutdown with its Member Agencies so that there were no customer outages during the repair. COMB was also able to complete four U.S. Bureau of Reclamation recommendations during the shutdown.
- Performed emergency repairs to the Goleta West Conduit with the assistance of an external contractor. The repair involved removing the damaged mortar coating on the pipeline, cleaning the pipeline to bare metal, and coating the pipeline with an epoxy resin reinforced with a silicon steel alloy for corrosion protection.
- Performed emergency repairs to locate six buried valve cans that were near the Schedule F AVAR/BO work at the request of the California Department of Transportation (Caltrans) as part of their upcoming paving project on Highway 192.
- Upgraded and calibrated the water quality sonde to take profiles including chlorophyll a and phycocyanin concentrations. Performed supplemental water quality sampling at Lake Cachuma.
- Incorporated water quality profiling at the Lake Cachuma North Portal Intake Tower and provided data to the South Coast water treatment plants’ technical staff as part of a monthly sampling program.
- Completed the Supervisory Control and Data Acquisition (SCADA) upgrade project. External consultant replaced nine Programmable Logic Controllers (PLCs) and upgraded system hardware and software as part of the COMB SCADA Master Plan.

ACCOMPLISHMENTS (CONTINUED)**Operations and Engineering Division (Continued)**

- Commenced Schedule F of the South Coast Conduit Air Vacuum Air Release/Blow Off (AVAR/BO) Rehabilitation project in the Carpinteria area. External contractor rehabilitated four out of twelve structures with construction management performed by COMB staff. The remaining eight structures in the Carpinteria reach will require coordinated shutdowns in future years.
- Completed the La Mirada Isolation Valve project. The installation of the isolation valve will provide COMB with the operational flexibility to perform a shutdown of the South Coast Conduit (SCC) to rehabilitate three air valves and two blowoff structures including the two remaining subgrade air valves on the South Coast Conduit.
- Replaced the Toro canyon meter with a more advanced ultrasonic meter that has the capability to register a lower range of water flow.
- Replaced three aging mobile office buildings (circa 1974-1993) with newly manufactured and energy efficient mobile offices that will provide an environmentally friendly, sustainable office setting to conduct business.
- Applied for and obtained a California Division of Drinking Water D3 Domestic Water Supply permit from the State Water Resources Control Board.
- Updated the COMB Infrastructure Improvement Plan for FY 2021-2025.
- Awarded a grant from the Department of Water Resources Urban and Multi Benefit Drought Relief Program for \$2,250,000. Funds from this opportunity will be applied towards the Lake Cachuma Secured Pipeline Project.
- Executed a Cooperative Agreement with Carpinteria Valley Water District (CVWD) to repair and rehabilitate aging infrastructure in the lower reach section of the South Coast Conduit and the CVWD distribution system.
- Operated and maintained the South Coast Conduit, which consists of 26.5 mile of pipeline with a combined 124 blow off and air vent structures, 43 turnout structures, 20 meters and 4 regulating reservoirs.
- Participated in the Annual Site inspections with US Bureau of Reclamation Engineering staff.
- Received and reviewed 1053 Underground Service Alerts (Dig Alerts) tickets and took appropriate action, as necessary.

ACCOMPLISHMENTS (CONTINUED)**Operations and Engineering Division (Continued)**

- Monitored numerous construction projects adjacent to and within the United States Bureau of Reclamation right-of-way to ensure the protection of the South Coast Conduit.
- Installed a new pump for the Lauro reservoir debris basin. Staff cleared the debris basin in preparation for the upcoming rain season.
- Drained and cleaned the Carpinteria Reservoir in coordination with the COMB Member Agencies technical staff.
- 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 and South reach structure maintenance as part of the annual Operating Division work plan.
- Updated the Geographic Information Systems (GIS) mapping of the South Coast Conduit and incorporated elevations based on drawings to allow evaluation of depth of cover at key locations (slopes/creek crossings).
- Revised South Coast Conduit alignment based on potholing conducted within the easement of the South Coast Conduit. Potholed the conduit in seven locations and incorporated data into GIS system.
- Continued advancement of COMB's internal water accounting model to automate and improve monthly water accounting reports.
- Enhanced the Lake Cachuma elevation projection model for water supply and conveyance planning purposes.
- Participated in the County of Santa Barbara Office of Emergency Management 2022 update to the Multi-Jurisdictional Hazard Mitigation Plan (MJHMP). COMB as a member of the Mitigation Advisory committee provided input on local hazard management activities and reviewed draft MJHMP components as part of a regional effort to update the MJHMP and annexes. The adoption of the Plan is targeted for September 2022.

ACCOMPLISHMENTS (CONTINUED)

Operations and Engineering Division (Continued)

- Two staff members completed course work for the Water Service Worker Distribution Operator II (D2) certification program and passed the D2 certification exam. COMB now has four (4) D2 certified operators and one (1) D3 certified operator on staff.
- Hired and trained a Water Service Worker.
- Gave a presentation at the ESRI International Users Conference titled “Analysis of Lake Stratification Dynamics using ArcGIS Pro”.
- Attended US Bureau of Reclamation dam tender training.
- Conducted safety-training meetings.

Fisheries Division

- Conducted all 2000 BiOp compliance monitoring in the Lower Santa Ynez River (LYSR) basin and its tributaries including Lake Cachuma water quality monitoring.
- Conducted all monitoring, analyses and reporting as requested by US Bureau of Reclamation in compliance with the State Water Board Order WR 2019-0148.
- Completed the Water Year (WY) 2021 Annual Monitoring Report (AMR) and Annual Monitoring Summary (AMS).
- Transferred all field monitoring data to Reclamation as requested and completed a QA/QC process of the entire dataset with Reclamation staff.
- Worked closely with the United States Bureau of Reclamation on all requested testing, modifications or operations of the Bradbury Dam, Hilton Creek Watering System and Hilton Creek Emergency Backup System to safeguard the fishery downstream of the dam.
- Worked closely and collaboratively with California Department of Fish and Wildlife on fish rescue in the LSYR mainstem in two different areas over several weeks due to dry conditions.
- Authored the Reasonable and Prudent Measure (RPM) 6 Compliance Report for the WR 89-18 release that occurred in 2021.
- Produced Hilton Creek Emergency Backup System Activation on Gravity Event Report.

ACCOMPLISHMENTS (CONTINUED)**Fisheries Division (Continued)**

- Completed End of Project Compliance Report, South Side Erosion Control and Reforestation Project at Quiota Creek Crossing 8.
- Developed RPM 6 Ramp-Down Stranding Event Report.
- Monitored and authored the report of the WY 2020 Passage Supplementation events.
- Completed fish scale mounting, photographing, reading, and reporting for calendar years 2020 and 2021.
- Worked with the COMB Operations Division on monitoring algae and nutrients in Lake Cachuma throughout the year.
- Planted 384 mitigation oak trees near Lake Cachuma as part of the surcharge operation at the Dam. COMB has planted approximately 5,734 oak trees under this program since its inception in 2005.
- Completed the 2020 Annual Oak Tree Survey and reported the status of the Lake Cachuma Oak Tree Restoration Program to the Oak Tree Committee and COMB Board.
- Maintained a rigorous watering effort of the mitigation trees in the Lake Cachuma Oak Tree Restoration Program throughout a very dry season that has shown positive results in sustaining those trees in multiple areas around the lake and below the dam.
- 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.

Administrative Division

- Fiscal Year 2020-21 Audited Financial Statements received an unmodified (“clean”) opinion.
- Awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the Fiscal Year 2020-21 Annual Comprehensive Financial Report.

ACCOMPLISHMENTS (CONTINUED)**Administrative Division (Continued)**

- Awarded the Distinguished Budget Presentation Award from the GFOA for the FY 2021-22 COMB Operating Budget document.
- Completed the annual ACWA/JPIA Worker’s Compensation, Liability, and Property Risk Assessment. ACWA/JPIA reviewed COMB’s Employment Practices, 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 or Worker’s Compensation programs.
- Received a Retrospective Premium Adjustment (RPA) refund of \$19.9k from ACWA/JPIA Liability, Property and Worker’s Compensation program resulting from a low claims history.
- Conducted the annual Information Technology (IT) review with COMB’s outsourced IT consultant. The purpose of the meeting was to review COMB’s server and network systems, identify updates to system requirements, assess current IT protocols, review data disaster recovery practices, as well as, identify potential new risks against cybersecurity threats.
- Developed an Electronic Signature policy for Board approval to establish procedures when electronic signature technology may replace handwritten signature; and therefore, allow the use of paperless, electronic documents whenever appropriate and allowed by law.
- Upgraded COMB’s telephone system to a hosted telephone solution. With the installation of the new service and equipment, COMB was able to cancel several ancillary services and long distance charges.
- Upgraded COMB’s security alarm system in anticipation of the COMB Building Replacement project.
- Updated COVID-19 Preparedness and Response Plan in response to Cal/OSHA mandatory controls and procedures.
- Updated COMB’s Personnel Policy and Employee Handbook for labor law updates and changes.
- Advancement of Infrastructure and Habitat Improvement Project Tracking activities and costs.

ACCOMPLISHMENTS (CONTINUED)**Administrative Division (Continued)**

- Advancement of COMB's grant tracking matrix.
- Implemented virtual platform capabilities and protocols for all COMB Board and Committee meetings in response to COVID-19 restrictions and safety protocols.
- COMB staff participated in required Sexual Harassment Prevention training sponsored by ACWA/JPIA in compliance with California AB 1825, AB 2053, and AB 1661.

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SECTION II – FISCAL OVERSIGHT

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COMB GOVERNANCE

As set forth in Section 1.3 of the COMB JPA, COMB is governed by a Board of Directors (Board), which has the authority to conduct the business and policy-making affairs of COMB. All powers of COMB are exercised through the Board. Members of the Board are obligated to uphold both the Constitution of the United States and the Constitution of the State of California. Board members are also required to comply with all applicable laws regulating their conduct, including conflict of interest, financial disclosure and open government laws. (California Government Code Section 1360; and Article 20, Section 3 of the California Constitution.)



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, typically during the first month of the fiscal year or as necessary. The committees meet with staff on an as-needed basis, and review and recommend proposed actions to the Board concerning, among other things, capital improvements, finance, and other matters. On occasion, COMB utilizes ad-hoc committees that are temporary in nature.

COMB’s General Manager is responsible for overall management of the day-to-day and long-term operations and activities of COMB.

FINANCIAL, ADMINISTRATIVE AND OPERATING POLICIES

The COMB Board establishes policies and resolutions to comply with federal and state law, government code, various Cachuma Project operating and JPA agreements, applicable administrative policies and generally-accepted accounting principles. These policies include:

Board Governance Policy

COMB Board Resolution No. 676, adopted November 26, 2018.

The Board Governance policy sets forth the basic professional and ethical standards to be followed by the COMB Board. The objectives of this Policy are to (1) outline the function, role and responsibility of the Board; (2) provide guidance for dealing with ethical issues; (3) heighten awareness of these ethical issues and values as critical elements in Board members’ conduct and governing practices; and (4) support effective and timely decision-making.

FINANCIAL, ADMINISTRATIVE AND OPERATING POLICIES (CONTINUED)

Board Governance Policy (Continued)

This policy was adopted pursuant to Section 1.7 of the 1996 Amended and Restated Joint Powers Agreement (COMB JPA) for the Establishment of a Board of Control to exercise the powers of the Agreement.

Annual Statement of Investment Policy

COMB Board Resolution No. 689, adopted July 22, 2019.

This policy sets forth guidelines by which surplus funds may be invested. The policy requires that the investment of surplus money of COMB shall be made in securities in accordance with Section 53601 of the Government Code. Investments are made taking into consideration the following factors: the probable income as well as the probable safety of said funds, exercising the judgment and care under the circumstances prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of said funds.

This policy further requires the Board Secretary submit a month report to the Board in accordance with Section 53646(b) of the Government Code.

Fiscal Policy

COMB Board Resolution No. 674, adopted November 26, 2018.

The purpose of this policy is to identify and outline fiscal policies and guidelines pursuant to federal and state law, government code, various Cachuma Project operating and JPA agreements, applicable administrative policies and generally-accepted accounting principles.

This policy sets forth the basic framework for the overall fiscal management of COMB and provides guidelines for evaluating both current activities and proposals for future programs. This policy further provides a guideline to the administrative and finance staff in planning and directing the day-to-day financial affairs, and in developing financial recommendations to the COMB Board.

The objective of this policy is to achieve long-term stability and a positive financial condition. An important aspect of the policy is the application of budget and fiscal policies in the context of a long-term financial approach.

The scope of this policy includes accounting, auditing, financial reporting, internal control, operating and capital budgeting, revenue management, cash and investment management, expenditure control, asset management, strategic plans and debt management.

FINANCIAL, ADMINISTRATIVE AND OPERATING POLICIES (CONTINUED)

Procurement Policy

Adopted by the COMB Board August 27, 2017

The procurement policy sets forth uniform procedures for the procurement of equipment, non-professional and professional services, supplies, and formal bidding and contracting for COMB.

The objective of a procurement policy is to ensure timely, efficient, and cost-effective procurement within the guidelines of good business practices and transparent public policy. Unless stated otherwise, the policy applies to all purchasing actions regardless of funding source and payment method. All procurements shall be reasonable and necessary.

This policy applies to the procurement of equipment, services, and supplies using funds authorized for expenditure by the adopted annual budget.

Capital Improvement Planning

Five-Year Infrastructure and Habitat Improvement Plans are developed by COMB staff and used as an internal guideline for forecasting, budgeting, and long-term financial planning. 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 Plan and COMB priorities, and whose operating and maintenance costs have been included in future operating budget forecasts.

Section 1.3 of Article I of the COMB JPA outlines unanimous consent required for the Cachuma Operation and Maintenance Board to act on certain matters. Section 1.3. (i). states: A decision of the Cachuma Operation and Maintenance Board authorizing a capital expenditure in excess of one million dollars or incurring an indebtedness or obligation in excess of one million dollars shall not be effective unless it has been ratified by a resolution approved by all of the parties.”

COMB staff, with the assistance of external consultants, will conduct a reliability study of its critical infrastructure on a periodic basis, to evaluate its current condition, remaining useful life, and future replacement costs. The Bureau of Reclamation technical engineering team also conducts periodic and comprehensive facility reviews every 3 and 6 years, respectively, to assess and document recommendations on the system operating facilities.

Reserve Policy

A reserve account provides resources to ensure sufficient funding is available to meet operating, capital and debt service obligations, comply with legally mandated requirements, and have the ability to respond to unforeseen events or emergencies.

FINANCIAL, ADMINISTRATIVE AND OPERATING POLICIES (CONTINUED)

Reserve Policy (Continued)

COMB has traditionally operated without a formalized reserve fund and has utilized COMB quarterly assessments for operational expenditures. In addition, special assessments have been authorized by the Board during extraordinary or unforeseen events.

Debt Policy

COMB is authorized pursuant to Section 6588(C) of the Government Code of the State of California and the COMB 1996 Amended and Restated JPA agreement to issue bonds, notes, letters of credit, or other forms of indebtedness. COMB does not use long-term debt to pay for on-going operations. The use of bonds or other forms of indebtedness is only considered for significant capital and infrastructure improvements.

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by COMB as a Joint Powers Authority. However, indebtedness or obligation in excess of one million dollars shall not be effective unless it has been ratified by a resolution approved by unanimous consent of the COMB Board pursuant to Section 1.3. (h). of Article I of the COMB JPA.

New debt issues, and refinancing of existing debt, must be analyzed for compatibility within COMB’s overall financial planning. The review includes, but is not limited to, cash flow analysis and the maintenance of COMB’s bond rating. Annual debt service shall not produce an adverse impact upon future operations.

Annual Audit

An annual audit is performed by an independent public accounting firm with an audit opinion to be included with COMB’s published Comprehensive Annual Financial Report. The external auditor presents the COMB Board, on an annual basis, with audited financial statements in accordance with Government Auditing Standards issued by the Comptroller General of the United States and the State Controller’s Minimum Audit Requirements for California Special Districts. The external auditor expresses an opinion about whether the financial statements fairly represent the financial position of COMB. The external auditor also evaluates the adequacy of COMB’s internal control system, the electronic data processing and, where weaknesses are noted, makes appropriate recommendations for improvements.

The external auditor will further submit a written management letter, which communicates suggested improvements in the District’s financial operations, and any deficiencies in internal controls that need to be addressed by COMB.

BASIS OF ACCOUNTING

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. Total net position (i.e., fund equity) is segregated into amounts 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.

COMB's accounting policies and procedures are consistent with:

- Generally Accepted Accounting Principles (GAAP)
- Governmental Accounting Standards Board (GASB)
- Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations" related to federal assistance and federal grant programs.

FUND STRUCTURE

To provide for accountability of public monies in accordance with applicable federal and state law and regulations, various Cachuma Project and JPA agreements and Board policies, the following funds have been established in the Treasury of COMB. COMB operates under one fund for financial statement and budgetary purposes. Because COMB is a pass-through agency, all revenues are equal to the expenditures included in the budget. As such, the overall fund balance is expected to be zero. Unexpended funds are identified through the audit process and returned to the Member Agencies on an annual basis.

General Fund

Receipts from COMB O&M assessments, Cachuma Project pass-through revenues, federal and state grant reimbursements, the Cachuma Project Betterment Fund, and miscellaneous income are deposited into the General Fund. Payments from the General Fund are made in accordance with COMB Fiscal Policy (adopted November 26, 2018) and COMB Procurement Policy (adopted August 27, 2017) and include the following items:

- Infrastructure and Habitat Improvement Projects
- Operation and Maintenance Costs
- Administrative Costs
- Loans and Obligations
- Cachuma Project Pass-through Charges
- Transfers to the Revolving Fund

FUND STRUCTURE (CONTINUED)

Revolving Fund

The Revolving Fund is used to pay employee compensation and payroll related federal, state, and local taxes. The fund is replenished through transfers from the General Fund.

Investment Fund

The COMB Board of Directors established a General Fund from which monies may be expended for specific and general operating purposes. From time to time, COMB has on hand in the General Fund monies, which are surplus to COMB’s immediate operating needs. The COMB Board determined it to be in the public interest to invest such surplus funds in a manner which ensures a maximum return consistent with safety on such investments while maintaining the integrity of such surplus funds.

Cash and investment programs are maintained in accordance with California Government Code Section 53600 et seq. to ensure that proper controls and safeguards are maintained. Pursuant to State law, the COMB Board adopts a detailed investment policy through a Board resolution on an annual basis. Reports on COMB’s investment portfolio and cash position are presented to the COMB Board monthly at a regularly scheduled public meeting, in conformity with Section 53646(a) of the California Government Code.

Warren Act Trust Fund

The Warren Act Trust Fund is a requirement of the Cachuma Project Warren Act Contract that the Central Coast Water Authority (CCWA) negotiated with the US Bureau of Reclamation for delivery and transport of State Water Project (SWP) water through the Cachuma Project facilities. A 1995 memorandum of understanding executed between CCWA, Reclamation and the Cachuma Project Authority (CPA) in conjunction with the Warren Act Contract established a charge of \$43 per acre-foot (AF) (\$58 initially with a \$15 service charge by Reclamation), which is not indexed. Payments are required upon delivery of SWP water to Cachuma Reservoir. CCWA makes quarterly payments to COMB (successor agency to CPA) on the prior quarter’s water deliveries to the lake. Article 3.a. of the MOU provides that funds be deposited into the Warren Act Trust Fund.

Expenditures of the Warren Act Trust Fund revenues, as further detailed in the MOU, are considered restricted and are limited to:

- Environmental Restoration
- Wastewater Reclamation
- Water Conservation
- Innovative Water Management Techniques
- Cachuma Project Betterment

The current Warren Act contract expires in June 2022. Renewal discussions are currently underway between CCWA and the U.S. Bureau of Reclamation. Both parties anticipate that a long-term contract will be issued prior to the expiration date.

FUND STRUCTURE (CONTINUED)**Renewal Fund**

The Renewal Fund is a requirement of the 1995 Renewal Master Contract (executed in 1996 between Reclamation and the Santa Barbara County Water Agency) entered into for water conveyance from the Cachuma Project to the five Cachuma Project Member Units.

The Renewal Master Contract requires the payment of \$10 per AF of water made available by the Cachuma Project during the water year, which runs from October 1 to September 30. The Renewal Fund itself is capped at \$257,100, which is related to the current annual operational yield of 25,714 AF.

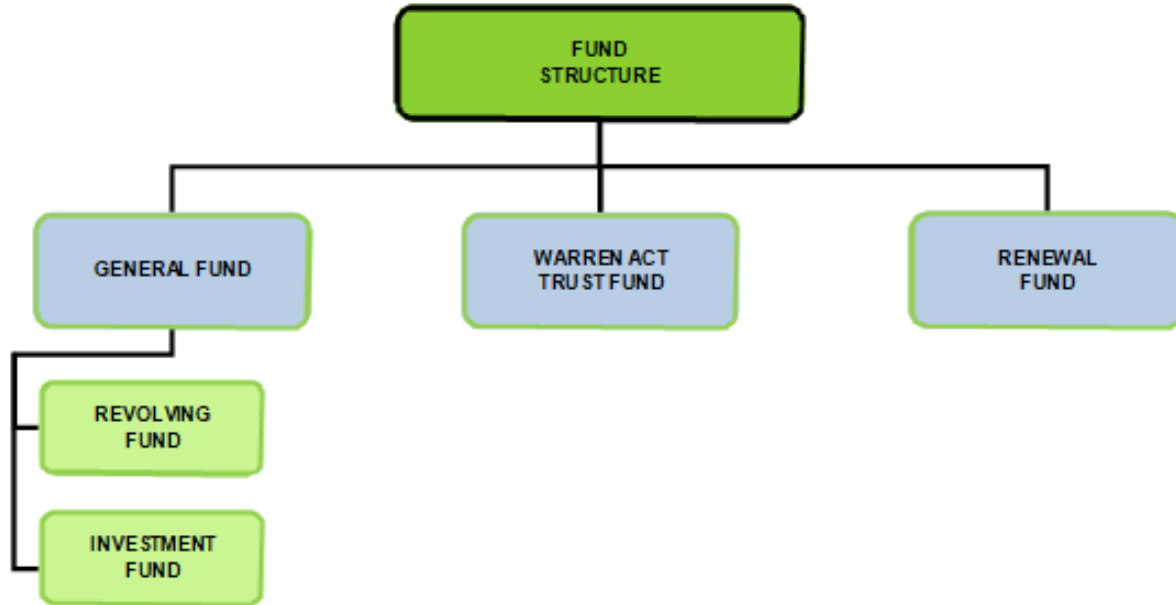
Article 27(a) of the Cachuma Project Renewal Master Contract (MCA 27) established the Renewal Fund into which monies are deposited and from which monies are expended. As provided in this Article, the purpose of Renewal Fund is to finance the following activities:

- Mitigation activities associated with the selected alternative identified in the final Cachuma Project Renewal EIS/EIR.
- Activities that may be required of the Contracting Officer by SWRCB orders affecting the Project Water Rights.
- Studies described in sub-article 7 (b) which are specific to conducting and preparing studies and reports that are required to be submitted by Reclamation to the SWRCB pursuant to Board WR94-5 paragraph 3, including fisheries studies and other related studies under the continuing jurisdiction of the SWRCB.
- Studies relating to modifications in the Cachuma Project operations pursuant to sub-article 9 (g), including to protect the environment and groundwater quality downstream of Bradbury Dam, conserve Project Water, and promote efficient water management.
- Restoration of riparian or other habitat of the Santa Ynez River and its watershed, which has been adversely affected by the Project.
- Activities of Reclamation pursuant to sub-article 27 (i) that are required by law to be the Contractor, those shall be included in the Long-Term Plan and Annual Work Plan and reimbursed by the Renewal Fund.

The 1995 Renewal Master Contract was to expire September 30, 2020. The Santa Barbara County Water Agency (SBCWA) initiated a contract renewal process with Reclamation during fiscal year 2019-20. On September 22, 2020, Reclamation and SBCWA executed a three-year amendatory contract to allow for the development and completion of a long-term agreement.

FUND STRUCTURE (CONTINUED)

Figure 2.1 – COMB Fund Structure



COMB operates under one fund for financial statement and budgetary purposes. Because COMB is a pass-through agency, all revenues are equal to the expenditures included in the budget. As such, the overall fund balance is expected to be zero. Unexpended funds are identified through the audit process and returned to the Member Agencies on an annual basis.

A summary of funds by fund type can be found on page 105.

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SECTION III – BUDGET OVERVIEW

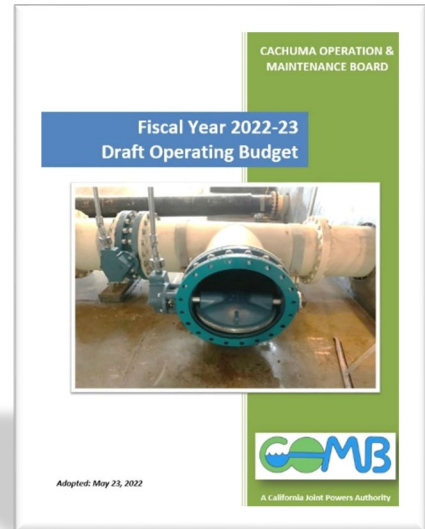
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COMB ANNUAL OPERATING BUDGET

Each year, the Board of Directors approves the COMB Operating Budget for the following fiscal year that runs from July 1 through June 30.

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 Operating Budget for FY 2022-23 is further detailed in Section V – COMB Operating Budget (see page 59).

BUDGET DEVELOPMENT

Basis of Budgeting

For budgetary reporting purposes, COMB uses the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means the amount of the transaction can be collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred. Non-cash expense items such as depreciation expense for fixed assets and accrued paid time off are excluded from the budget.

COMB operates under one fund for budgetary purposes. However, the Agency’s various divisions and budget preparation are segregated as follows:

- Operations / Engineering Division
- Fisheries Division

The Administrative Division is included with General and Administrative Expenditures, which are generally allocated between the Operations (65%) and Fisheries Division (35%).

BUDGET DEVELOPMENT

Budget Development

Development of the budget is based on a zero-based budgeting methodology. This methodology employs a detailed examination of expenditures wherein only the necessary budget amount for each line item is presented for discussion. This approach addresses fundamental and prioritized service needs and represents the minimum level of funding needed for effective operations.

At the beginning of the annual budget planning cycle, COMB staff prepares estimated budget projections and presents a draft Operating Budget to the General Managers and technical staff of the COMB Member Agencies. Staff then incorporates any comments received into the proposed operating budget prior to submission to the COMB Administrative Committee. Following review by the Administrative Committee, COMB staff then conducts a budget workshop with the COMB Board, at a public meeting, to review the draft operating budget, the proposed upcoming infrastructure and habitat improvement projects, and any revenue and expenditure assumptions and projections contained therein.



Depending on the quantity or nature of comments received during the budget workshop, the draft budget may be sent back to committee for further consideration or brought back to the Board at its next meeting, as revised, for adoption.

Budget Calendar

Table 3.2 on the following page provides the budget process schedule for FY 2022-23.

BUDGET DEVELOPMENT (CONTINUED)

Table 3.1 – FY 2022-23 Budget Process Schedule

Deliverables	Jan	Feb	Mar	Apr	May	Jun
Updates to: - Infrastructure Improvement Projects - Habitat Improvement Projects - Projected COMB Managed Revenues - Projected General and Administrative Expenditures - Projected Operating Expenditures	X	X				
Draft Budget Document Developed		X				
Draft Budget Internal Review Process			X			
Member Agency Review Process				X		
Administrative Committee Draft Budget Review				X		
Board Reviews Draft Budget					X	
Update Draft Budget – Prepare Final Budget					X	
Board Adopts Final Operating Budget					X	

BUDGET POLICIES

Budget Approval

The final COMB Operating Budget is approved and adopted by the Board of Directors through a resolution during a scheduled public meeting. Once adopted by the Board, management continues to closely monitor and report on revenues and expenditures throughout the fiscal year to ensure compliance with the budget, as well as the integrity, transparency and quality of operations.

Balanced Budget

The primary budget objective is to provide the highest possible level of service to COMB’s stakeholders and members of the public without impairing COMB’s financial condition. COMB will make every effort to keep current expenditures less than current assessments and revenues. Current expenditures are defined as operating expenses, debt payment and infrastructure and habitat improvement projects. COMB will endeavor to operate within the approved budgetary amounts to avoid subsequent assessments to its Member Agencies.

BUDGET POLICIES (CONTINUED)**Outside Funding Sources**

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 grant agreements be considered at Committee and be reviewed and approved by the Board prior to acceptance.

Pass-Through Revenues and Charges

In addition to the annual Operating Budget, COMB collects and manages various other assessments, which are considered pass-through revenues and charges. COMB has been granted the authority, by various agreements, for administering the provision, collection and payment of these revenues including the USBR Entitlement Obligation (USBR Water Rates), the Bradbury and Lauro Safety of Dams (SOD) Repayment Obligations, and the State Water Resources Control Board Water Rights Fee. Since these payments are considered pass-through revenues and charges, they are not recorded as revenue on COMB's financial statements.

COMB endeavors to provide sufficient information to its Member Agencies regarding the USBR and other pass-through charges to enable them to gain a full understanding of the charges.

Budgeted Expenditures

As stated in COMB's Procurement Policy, the General Manager has the authority to approve expenditures made for official COMB business up to a maximum of \$25,000, provided such expenditures are within the budget, as adopted by the COMB Board. Purchases of equipment, services, or supplies exceeding \$25,000 are submitted, through the appropriate Committee, to the Board of Directors for review and approval. This expenditure authority limitation does not apply to routine, recurring operational expenses already approved within the annual operating budget, such as salaries, benefits, insurance, legal and IT services.

Emergency expenditures, as defined in COMB's Procurement policy, are subject to approval by the General Manager or designee, who in turn notifies the Board President of actions taken and brings notification to the full Board within 30 days of the expenditure being made. In such an event, a determination is made and considered by the Board if a special assessment is warranted to cover non-budgeted emergency expenditures.

Any capital expenditure or form of indebtedness in excess of one million dollars requires unanimous consent by the COMB Board through a board resolution.

BUDGET POLICIES (CONTINUED)**Allocation of General and Administrative Expenses**

General and Administrative expenses include costs for support of all administrative functions of COMB such as: Director fees, legal expenditures, general liability and property insurance, audit fees, temporary/contract labor, utilities, IT and communications, postage and office supplies, training, education and subscriptions and miscellaneous expenses. General and Administrative expenses are generally allocated between Operations Division (65%) and Fisheries Division (35%).

Budget Adjustments / Augmentations

The budget may be adjusted or augmented throughout the year by Board action to accommodate an expenditure that was either unanticipated or indeterminable at the time the annual budget was adopted. This process involves a recommendation by staff to the appropriate Board committee prior to submission to the Board of Directors for consideration. A budget adjustment is defined as the process of reallocating budgeted funds to an alternate account and does not change the overall approved budget amount. A budget augmentation is defined as an increase to the approved budget and the need for additional assessments.

The Board considers the recommendation at a public meeting and approves or rejects such requests by motion and majority vote of the Board. Any budget adjustment or augmentation that increases the cost of a capital expenditure or form of indebtedness in excess of one million dollars requires unanimous consent by the COMB Board through a board resolution.

Member Agency Payment of 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. Operating assessments are calculated each year through the Budget process. Member Agencies are billed at the start of each quarter for their allocable amount.

Section 4.2 of Article IV of the COMB JPA outlines the division of Cachuma Project Costs among the Member Agencies. Section 4.2 states: "Parties shall divide and pay the administrative costs, the storage operation and maintenance costs, and the conveyance and operations and maintenance costs, including the payment of any loans or obligations incurred by the Cachuma Operation and Maintenance Board pursuant to the provisions of Article I, Section 1.3(h) (iv) and Section 1.3 (i), according to their use of the facilities and their participation in the benefit of the annual yield of the Cachuma Project. Such costs shall be assessed to the parties upon a schedule approved by the Cachuma Operation and Maintenance Board."

BUDGET POLICIES (CONTINUED)**Non-Member Agency Payment Obligations**

Pursuant to the Separation Agreement between COMB and Santa Ynez River Conservation District, ID No. 1 (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. In addition, COMB collects payments from ID No. 1 for continuing pass-through obligations pursuant to the terms of the Separation Agreement, dated August 31, 2018.

Unexpended Funds

Unexpended funds occur when assessments (revenues) collected from the Member Agencies through the budget process exceed actual expenditures. Unexpended funds are identified through the audit process and returned to the Member Agencies using one of four methods. These methods include: 1) the issuance of checks made payable to each Member Agency; 2) constructively returning the unexpended funds by reducing future quarterly assessments; 3) carrying forward unexpended funds for work in process; and/or 4) reducing the projected operating budget for the following fiscal year.

The Board of Directors shall take action annually to approve the methodology for return once unexpended funds are identified.

Financial Statement Reporting

Division financial statements are provided to each division manager monthly. Expenditures are reviewed to ensure that actual costs to-date do not exceed the adopted budget.

Unaudited financial statements, including a statement of paid claims and an investment report, are received and filed by the Board monthly at a regularly scheduled public meeting.

On a quarterly basis, the Administrative Manager / Chief Financial Officer (CFO) provides a fiscal year-to-date financial review of the unaudited interim financial reports to the Board of Directors, comparing actual expenditures to the budget. Additionally, the General Manager provides a quarterly report of contracts executed pursuant to COMB's Procurement policy.

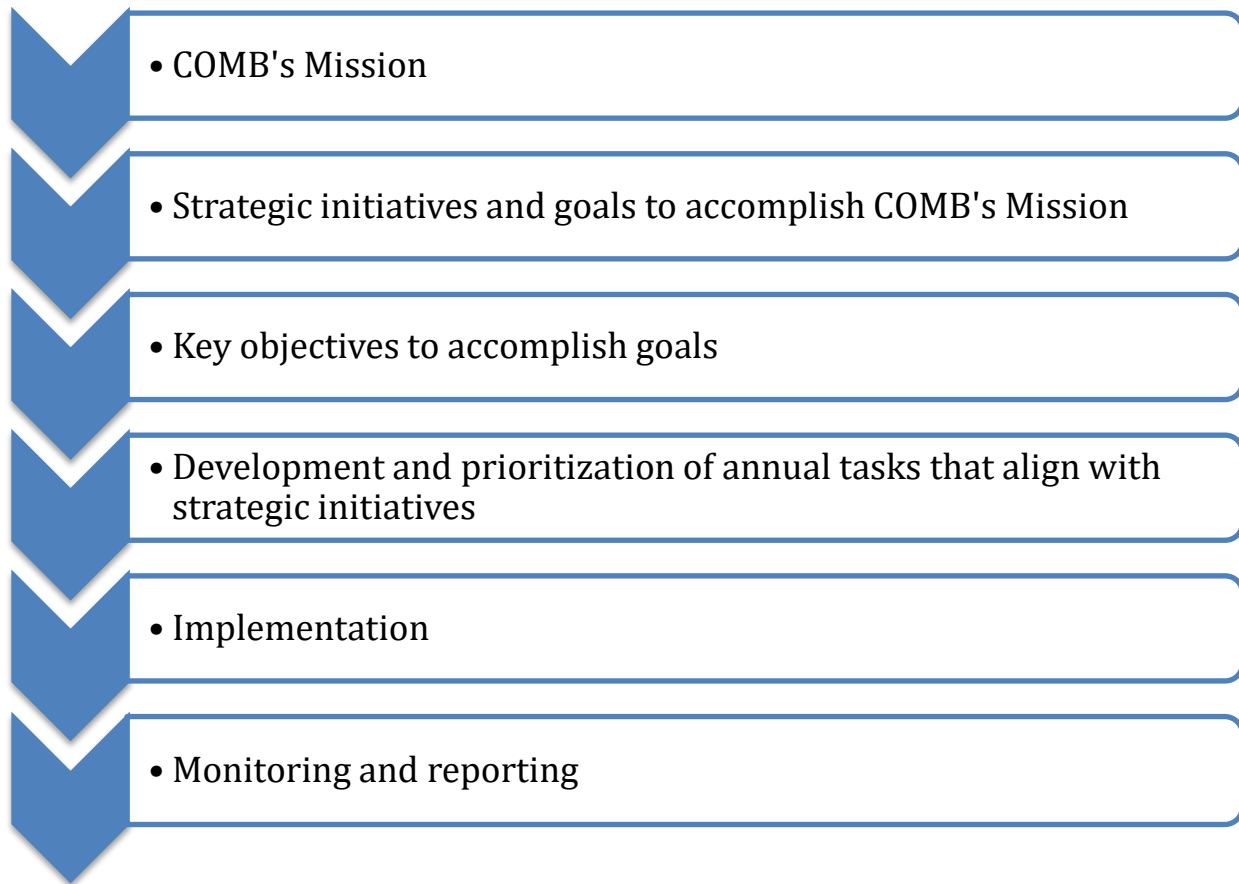
In compliance with Government Code section 53891(a), COMB submits its annual Financial Transaction Report and annual Government Compensation in California to the State Controller's office for posting on its public website.

STRATEGIC PLANNING

The Planning Process

Strategic planning is a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organizations’ mission and achieve consensus on strategies and objectives for achieving that mission. The planning process warrants considerable time and includes thoughtful consideration on components such as identifying critical issues and establishing strategic initiatives, developing broad goals to achieve those initiatives, creating measurable objectives, and ultimately implementing the plan.

At the end of 2019, COMB staff developed six internal strategic initiatives as part of the annual budget and long term financial planning process. Staff took into consideration the following elements in its planning efforts:



STRATEGIC PLANNING (CONTINUED)

Our Policy Statement and Mission

COMB is committed to providing its core services while maintaining a balanced approach to human and environmental needs. Our actions are guided by the COMB 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.”

Strategic Initiatives

As COMB moves into the next fiscal year, staff is committed to upholding the core values that have shaped its standard of excellence. These six initiatives seek to coordinate with existing COMB plans, policies, programs and action in order to carry out our mission.



- Initiative 1 - Water Supply Reliability
- Initiative 2 - Distribution Facilities Improvement
- Initiative 3 - Environmental Stewardship and Public Trust Resources
- Initiative 4 - Cost Effectiveness and Value
- Initiative 5 - Organizational Policies and Financial Responsibilities
- Initiative 6 - Foster Leadership and Workforce Capabilities

STRATEGIC PLANNING (CONTINUED)

Initiative 1 Water Supply Reliability

Goal: Sustain a safe, reliable water supply for our Member Agencies by:

Objectives:

- Protecting and maintaining the water conveyance system.
- Analyzing watershed conditions - watershed stewardship.
- Implementing drought response and resiliency measures.
- Storing and conveying state water imports.
- Monitoring / defending against natural and human-made disasters.

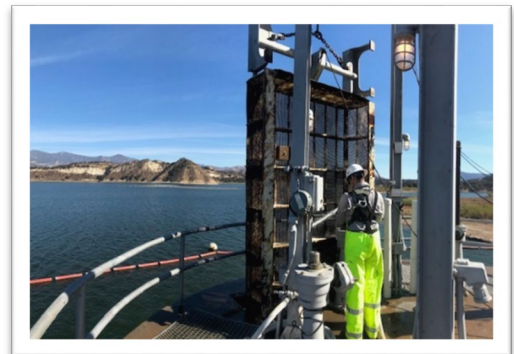


Initiative 2 Distribution Facilities Improvements

Goal: Identify, prioritize and implement projects necessary to protect, improve, and sustain the Cachuma Project conveyance system and appurtenant structures by:

Objectives:

- Continuing infrastructure improvement planning.
- Developing and updating asset management plan.
- Updating the risk and resiliency plan.
- Improving facilities security and emergency preparedness plans.
- Continuing technology improvements toward operation and maintenance activities.



STRATEGIC PLANNING (CONTINUED)

Initiative 3 Environmental Stewardship and Public Trust Resources

Goal: Continue to monitor and mitigate for changing climate conditions, develop and implement strategies to increase sustainability of the steelhead trout population and improve fish passages along the Santa Ynez River by:

Objectives:

- Implementing the provisions of the 2000 BiOp and Water Rights (WR) Order 2019-0148.
- Protecting and enhancing steelhead habitats in accordance with the FMP.
- Adhering to environmental regulatory requirements.
- Improving watershed protection.
- Working to mitigate climate crisis effects of COMB operations.

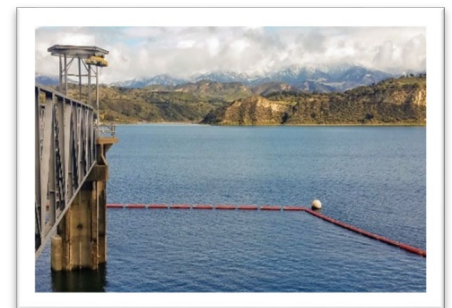


Initiative 4 Cost-Effectiveness and Value

Goal: Maintain and improve the cost effectiveness and value of COMB services to our Member Agencies by:

Objectives:

- Managing and maintaining infrastructure efficiently.
- Continuing to review and prioritize IIP.
- Investing in system improvements and sustainably efficient equipment for better, more economical results and climate change resiliency.
- Enhancing asset management program.
- Leveraging technology to improve system.



STRATEGIC PLANNING (CONTINUED)

Initiative 5 **Organizational Policies and Financial Responsibility**

Goal: Operate within approved policies in a productive, transparent and efficient manner to ensure sound financial stability by:

Objectives:

- Advancing the development of policies and procedures in an ever changing legal and regulatory environment.
- Enhancing the annual financial audit practices and budget document formulation.
- Developing short and long term financial plans.
- Adhering to risk transfer practices.
- Leveraging advances in technology.



Initiative 6 **Foster Leadership and Strengthen Workforce Capabilities**

Goal: Continue to promote a safe and positive work environment and provide equal opportunities for employees to use their diverse talents to grow professionally and prepare for challenges of the future by:

Objectives:

- Promoting a safe and socially equitable working environment.
- Providing training and continuing education.
- Advancing licensing and certification for staff members.
- Investing in professional growth opportunities.
- Reinforcing employee retention through workplace / leadership practices.



FY 2022-23 GOALS AND PRIORITIES

In December of each year, COMB Division Managers prepare a list of priorities by division and general area of responsibility. The list is reviewed by the General Manager and refined as appropriate. The goals are then presented to the Board of Directors at regularly scheduled public meeting. Outlined below are highlights of priorities, sorted by strategic initiative, to be initiated during fiscal year 2022-23.

Strategic Initiative 1 – Water Supply Reliability

Goal: Sustain a safe, reliable water supply for our Member Agencies.

- Completion of the Lake Cachuma Secured Pipeline project.
- Installation of the Emergency Pumping Facility (EPF) Pump Station, if needed.
- Implement Phase 2 actions for the Lake Cachuma Water Quality and Sediment Management Study related to phosphorous and total organic carbon sources.
- Operate Lake Cachuma Evaporation and Water Quality Buoy.
- Perform bi-weekly water quality samples at Lake Cachuma.
- Continue enhancement of Lake Projection model.

Strategic Initiative 2 – Distribution Facilities Improvements

Goal: Identify, prioritize and implement projects necessary to protect, improve, and sustain the Cachuma Project conveyance system and appurtenant structures.

- Continue structure rehabilitation on the lower reach of the South Coast Conduit and raise all subgrade South Coast conduit subgrade air vents.
- Make improvements to the South Coast Conduit in collaboration with Carpinteria Valley Water District to allow for improved future maintenance of the South Coast Conduit in that area.
- Continued repair and maintenance of COMB facilities and infrastructure.
- Continue to improve system records for maintenance and right-of-way program.
- Perform a comprehensive update of the GIS information in COMB's Field Mapplet system with updated aerial photo imagery and GIS information. Locate and digitize lateral piping off of the South Coast Conduit.
- Continue to organize and digitize historical records with focus on historical photos of the construction of the South Coast Conduit.

FY 2022-23 GOALS AND PRIORITIES (CONTINUED)**Strategic Initiative 3 – Environmental Stewardship and Public Trust Resources**

Goal: Continue to monitor and mitigate for changing climate conditions, develop and implement strategies to increase sustainability of the steelhead trout population and improve fish passages along the Santa Ynez River.

- Continue implementation of the monitoring and survey program per the 2000 Biological Opinion.
- Continue collaboration with Reclamation on best management practices for Hilton Creek.
- Continue collaboration with Reclamation on any monitoring or reporting tasks that they request regarding compliance with any of the State Water Orders (specifically WR 89-18 and WR 2019-0148).
- Continue annual development and implementation of a Migrant Trapping Plan in collaboration with Reclamation.
- Collaborate with Reclamation on the implementation and reporting of the Passage Supplementation Program.
- Maintain the LSYR *O. mykiss* scale inventory and conduct analyses on data.
- Initiate the PIT (Passive Integrated Transponders) Tag monitoring effort within the LSYR basin.
- Continue working with the US Geological Survey on stream gauge program.
- Continue to maintain and develop landowner relationships in the LSYR basin.
- Continue education and collaboration with other *O. mykiss* monitoring programs within the Southern California Steelhead DPS to improve collective knowledge.

Strategic Initiative 4 – Cost-Effectiveness and Value

Goal: Maintain and improve the cost effectiveness and value of COMB services to our Member Agencies

- Identify and prioritize infrastructure improvement projects through the COMB Five-Year Infrastructure Improvement Plan (IIP)
- Perform COMB Operations Annual Work Plan activities.
- Continue to seek grant funding for upcoming projects, especially for projects listed within the Infrastructure Improvement Plan and Habitat Improvement Plan.
- Investigate and implement new technologies to advance operational efficiencies and reduce impacts of climate change.
- Explore alternative sources of renewable energy.
- Develop a Green Fleet Policy.

FY 2022-23 GOALS AND PRIORITIES (CONTINUED)**Strategic Initiative 5 – Organizational Policies and Financial Responsibility**

Goal: Operate within approved policies in a productive, transparent and efficient manner to ensure sound financial stability.

- Continue discussion with Reclamation to execute a long-term Cachuma Transferred Project Works Contract.
- Continue to work with the Santa Barbara County Office of Emergency Services MAC group to update the 2017 Hazard Mitigation Plan (HMP) and COMB Annex.
- Enhance financial audit/budget documents.
- Operate within approved financial resources
- Participate in the ACWA JPIA Commitment to Excellence Program
- Advancement of IT network and infrastructure and security protocols.
- Advancement of Board Policies and Internal Procedures.

Strategic Initiative 6 – Foster Leadership and Strengthen Workforce Capabilities

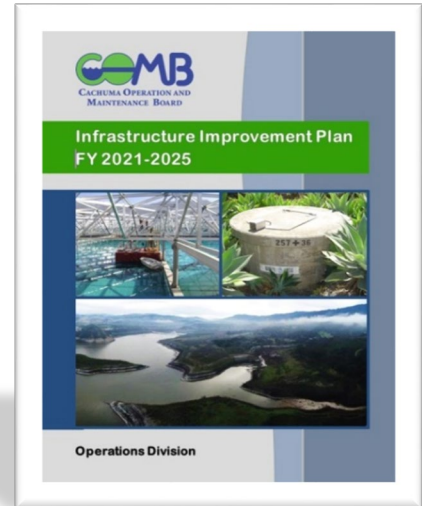
Goal: Continue to promote a safe and positive work environment and provide equal opportunities for employees to use their diverse talents to grow professionally and prepare for challenges of the future.

- Continue to encourage staff development and certification as water system distribution operators, qualified applicators, and appropriate safety training.
- Enroll management in Leadership program through ACWA JPIA
- Develop Employee Retention plan to promote longevity.
- Participate in the ACWA JPIA Vector Solutions Online Training Program.
- Develop an Employee Health and Wellness plan.

LONG TERM CAPITAL AND FINANCIAL PLANNING

COMB operates under an annual operating budget, which is adopted by the Board of Directors in accordance with established short and long-term financial plans. Through the Transferred Project Works contact (O&M Contract), COMB is responsible for operating and maintaining the facilities of the U.S. Bureau of Reclamation. COMB does not have title to the assets of the Cachuma Project. Capital improvements are recorded as expenditures in the COMB Operating Budget and funded on a current basis from the COMB Member Agencies.

The FY 2022-23 Budget includes \$6,050,000 for capital (infrastructure) improvement and non-capital (special) projects as compared to the FY 2021-22 Budget of \$1,600,050. See pages 84-91 for information on current year projects.



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 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.

The IIP identifies the improvements needed in the Cachuma Project System and sets forth review criteria to enable the prioritization of projects for scheduling improvements during the five-year period. The IIP is intended to serve many purposes including:

- **Long Range Planning Document**

As a long-range planning document, the IIP describes the key infrastructure improvements needed for a five-year horizon and identifies additional projects that should be evaluated on a regular basis for potential future inclusion. The goal of the five-year plan is to identify the critical needs projects for near-term implementation.

- **Cachuma Project Cost Analysis**

The IIP provides an outline of costs associated with rehabilitation of the Cachuma Project that serves to provide guidance for long-term rate analysis efforts performed by our Member Agencies.

LONG TERM CAPITAL AND FINANCIAL PLANNING (CONTINUED)

- **Budget Development**

The annual COMB Operating Budget outlines discrete projects and affiliated costs to communicate needed investment for the forthcoming fiscal cycle. The IIP provides detailed guidance on priority projects to be included in the annual operating budget.

- **Communication to Stakeholders**

The IIP communicates to COMB's stakeholders the array of infrastructure improvements necessary to maintain a reliable supply of water. Communicating the condition of assets and the challenges associated with competing financial resources provides a basis for our Member Agencies to consider COMB projects and their own priorities.

Prior to drafting the IIP, COMB conducted a critical needs assessment, which included an internal inventory of assets, a conditions assessment, an estimate of replacement costs, and a projection by which assets require immediate or near-term replacement for major infrastructure and appurtenances. This assessment was supplemented with the U.S. Bureau of Reclamation site inspection recommendations (periodic and comprehensive reviews) of selected Cachuma Project facilities and components.

In developing the IIP, COMB staff, with input from the Member Agencies' technical staff, developed the following list of goals to serve as the guiding principles of the plan.

IIP Established Goals

- Carryout COMB's mission of providing a reliable source of water to our Member Agencies.
- Identify infrastructure vulnerabilities and operational deficiencies (Risk Management).
- Provide for a systematic selection of critical projects.
- Maintain current level of service while allocating infrastructure improvement costs over time.
- Identify funding requirements for long term capital planning.
- Serve as a basis for annual budget development.
- Create a framework for ensuring reliable and sustainable operations.
- Serve as a planning document for the Board of Directors.

LONG TERM CAPITAL AND FINANCIAL PLANNING (CONTINUED)

COMB staff incorporated elements of COMB internal analysis and Reclamation site inspections to produce a list of projects for further consideration. The projects included in the IIP represent the minimal level of investment necessary to continue to meet regulatory requirements, critical needs, and sustain vital infrastructure.

IIP Project Ranking

To evaluate projects systematically, COMB created project priorities, as shown on the following page, and ranked the projects in order of criticality. The purpose of utilizing this methodology was to accurately separate the projects into categories from high to low priority. The ranking informs the Board of Directors when reviewing, approving, and budgeting for implementation of important infrastructure improvement projects.

COMB staff prioritized a comprehensive list of proposed projects using the following six priority categories:

Priority 1 Regulatory or Legal Requirement

Projects that are subject to the requirements of federal, state, or local regulatory agencies, with noncompliance resulting in fines or other adverse actions.

Priority 2 Required to Maintain Current Level of Service

Projects that maintain the current level of service to COMB’s Member Agencies. These projects reduce potential disruptions, water loss, property damage that could occur without replacement. In general, these projects include the replacement or rehabilitation of valves and infrastructure that are inoperable, or whose failure would result in an unplanned shutdown of deliveries or disruption in the transmission of critical operations data.

Priority 3 Addressing Critical Deficiency

A critical deficiency has the potential to jeopardize COMB’s ability to serve its Member Agencies in a significant manner. These deficiencies have been identified by Bureau of Reclamation, COMB staff, or outside experts. Projects under this category address known critical conditions that could result in major infrastructure failure, deteriorated water quality, limited water production, or unsafe working conditions.

Priority 4 Evaluates Critical / Significant Deficiency

Potential critical / significant deficiencies have been identified which require further engineering investigation and design. These projects would evaluate the criticality of the deficiency and potential solutions to mitigate the deficiency.

LONG TERM CAPITAL AND FINANCIAL PLANNING (CONTINUED)**Priority 5****Proactive Aging / Deficient Infrastructure Replacement**

These projects provide funding for the proactive replacement, upgrade, or improvement of a facility that is near or at the end of its useful service life. Although an asset may be at its assumed end of useful life, it may remain functional for many years; therefore, the replacement is considered proactive until the asset becomes inoperable.

Priority 6**System Reliability and Resilience Improvements**

These projects consist of system improvements, which improve system reliability or provide backup systems to maintain service levels during and after emergency events (i.e. wildfires, earthquakes, floods).

Updates to IIP

The IIP is updated on an annual basis and submitted to the Operations Committee for review and comment. Following Committee review and recommendations, the IIP and its annual amendments are presented to the Board of Directors for final approval

The COMB IIP, including five year cost projections, can be found on the COMB website at www.cachuma-board.org/infrastructure-improvement-program.

Five Year Financial Plan

The Five Year Financial Plan (Plan) is prepared to provide the Cachuma Project Member Units (Member Units) pro forma projections of the COMB's operating expenditures and pass-through charges. The Plan is prepared only as an informational tool and is not formally adopted by the COMB Board of Directors. This information is used by the Member Units for their budget and long-term planning purposes. Additionally, these projections are used by the Member Units to assist in establishing water rates for their local agencies and ensuring their water system revenues are sufficient to meet their operating expenses and debt coverage covenants.

COMB's operating expenditures and general and administrative expenses are projected with a 3% inflation factor. Infrastructure improvement projects are based on the approved COMB IIP for FY 2021-2025. Historically, IIP projects have averaged \$1.5M per year. Board policy requires that all projects be approved thru Committee and by the Board prior to commencement. The Plan also includes "pass-through" charges from the U.S. Bureau of Reclamation and the State Water Resources Control Board. While these expenditures are not considered expenses for COMB, the charges are collected by COMB and paid to the respective agencies; therefore, they are included in the projection. Costs are allocated based on contractual agreements or approved methodologies and vary by contract.

LONG TERM CAPITAL AND FINANCIAL PLANNING (CONTINUED)

Table 3.2 – Five Year Financial Plan ⁽¹⁾

	2022-23	2023-24	2024-25	2025-26	2026-27	Note
COMB Gross Operating Budget	\$ 10,018,544	\$ 6,252,400	\$ 5,629,972	\$ 6,011,371	\$ 6,146,713	(2), (3)
USBR O&M Costs	2,200,000	2,266,000	2,333,980	2,403,999	2,476,119	(4)
Bradbury SOD Act	261,648	261,648	261,648	261,648	261,648	(5)
Cachuma Project Renewal Fund	155,723	155,000	155,000	155,000	155,000	(6)
Lauro SOD Act	47,404	47,404	47,404	47,404	47,404	(5)
SWRCB Water Rights Fee	70,720	72,134	73,577	75,049	76,550	(7)
USBR O&M Deficits	59,451	-	-	-	-	(8)
Non-Member Agency Obligation	60,000	60,000	60,000	60,000	60,000	(9)
Total Gross Obligation	12,873,490	9,114,586	8,561,581	9,014,471	9,223,433	
Less Offsetting Revenues:						
- Grant Funding	\$ (3,000,000)	\$ -	\$ -	\$ -	\$ -	
- Other Funding	(550,000)					
- Warren Act Trust Fund/Renewal Fund	(274,016)	(300,000)	(300,000)	(300,000)	(300,000)	
- County Betterment Fund	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	
- Non-Member Agency Constructive Return	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	
Total Offsetting Revenues	(3,974,016)	(450,000)	(450,000)	(450,000)	(450,000)	
Total Net Obligation	\$ 8,899,474	\$ 8,664,586	\$ 8,111,581	\$ 8,564,471	\$ 8,773,433	
Projected Obligation by Member Unit:						
Goleta Water District	\$ 3,481,850	\$ 3,369,382	\$ 3,142,981	\$ 3,323,047	\$ 3,404,435	
City of Santa Barbara	\$ 3,057,655	\$ 2,992,011	\$ 2,790,967	\$ 2,950,866	\$ 3,023,139	
Carpinteria Valley Water District	\$ 1,039,166	\$ 1,016,856	\$ 948,530	\$ 1,002,873	\$ 1,027,435	
Montecito Water District	\$ 979,323	\$ 958,299	\$ 893,907	\$ 945,120	\$ 968,268	
Santa Ynez Water Conservation District ID No 1	\$ 341,478	\$ 328,038	\$ 335,195	\$ 342,566	\$ 350,156	
Total Net Obligation by Member Unit	\$ 8,899,473	\$ 8,664,586	\$ 8,111,581	\$ 8,564,471	\$ 8,773,433	

Notes:

1. Projected amounts are for information only and have not been approved by the COMB Board of Directors. Amounts are subject to change.
2. COMB’s operating expenditures and general and administrative expenses are projected with a 3% inflation factor.
3. COMB’s infrastructure improvement projects are based upon the approved COMB IIP for FY 2021-2025. Historically, IIP projects have averaged \$1.5M per year. Board policy requires that all projects be approved thru Committee and by the Board prior to commencement.
4. USBR O&M costs are projected with a 3% inflation factor.
5. Pursuant to US Bureau of Reclamation Safety of Dams Act Repayment Agreement.
6. Based on FY 2022-23. Amounts are variable in nature and are directly tied to the annual amount of State Water Project Water delivered into the lake.
7. State Water Resources Control Board pass-through cost projected with a 3% inflation factor.
8. GWD and SYRWCD ID No. 1, only - Includes USBR deficit amounts FY 2015-17 amortized over 5 years.
9. Pursuant to the terms and conditions of the Separation Agreement, ID No. 1 was deemed no longer a Member Agency of COMB and had departed from the COMB JPA Agreement as of May 27, 2016. 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. Payments received from the ID No. 1 will be returned to the COMB Member Agencies through a constructive return.

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SECTION IV - COMB MANAGED REVENUES

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COMB MANAGED REVENUES AND EXPENDITURES

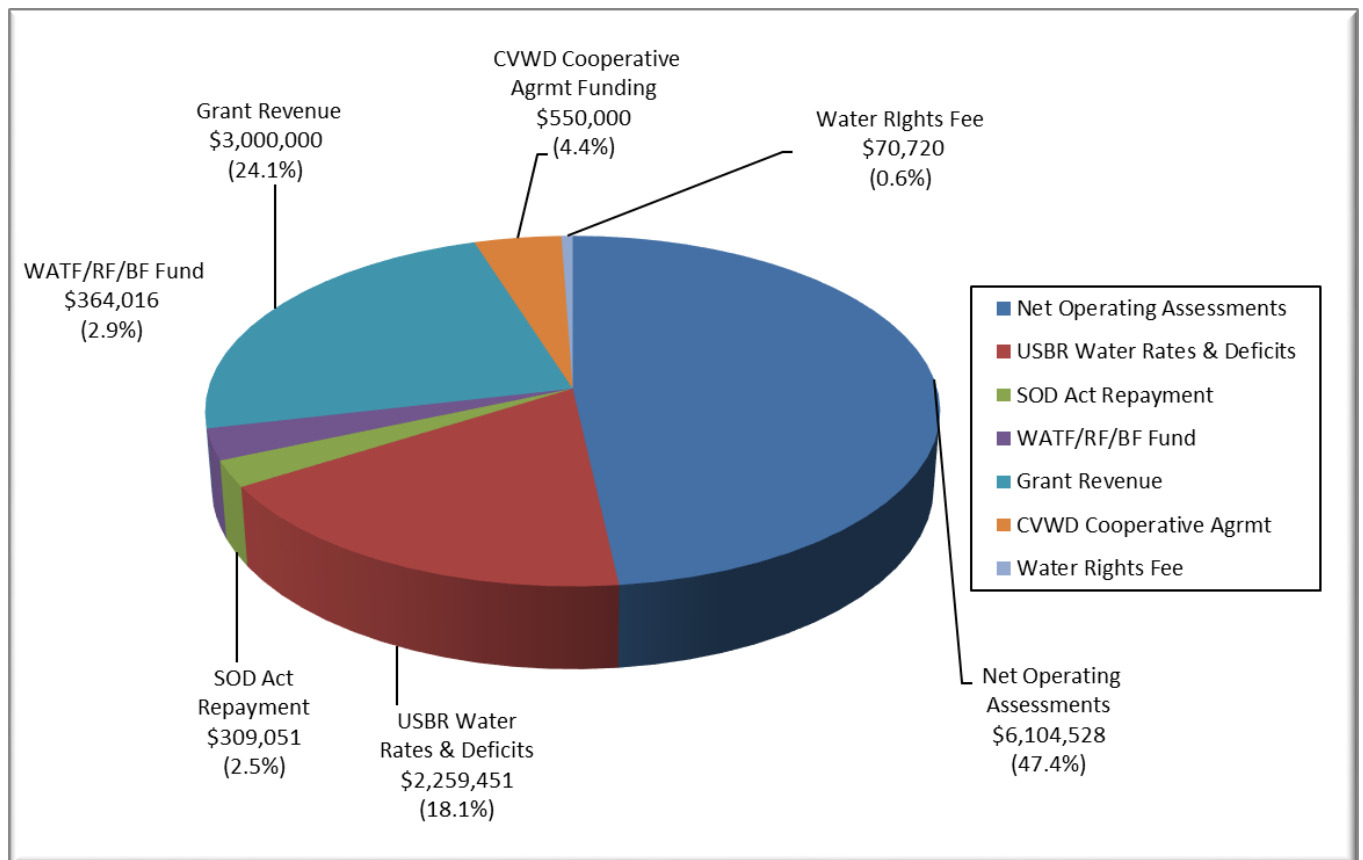
In addition to the annual Operating Budget, COMB collects and manages various other assessments, which are considered pass-through revenues and charges. COMB has been granted the authority, by various agreements, for administering the provisions, collection and payment of these revenues including the following:

- USBR Entitlement Obligation (USBR Water Rates)
- Bradbury Safety of Dams (SOD) Repayment Obligations
- Lauro Safety of Dams (SOD) Repayment Obligations
- State Water Resource Control Board Water Rights Fee

COMB is also responsible for managing various federal, state and local grant revenues, as well as various restricted trust fund accounts to be used for the betterment of the Cachuma Project.

For FY 2022-23, COMB’s projected managed revenues are \$12,657,766 as shown in Figure 4.1, and Tables 4.1. The previous ten fiscal years’ COMB Managed Revenues are shown in Table 4.2.

Figure 4.1 – FY 2022-23 COMB Managed Revenue by Source



COMB MANAGED REVENUES AND EXPENDITURES (CONTINUED)

Table 4.1 – FY 2022-23 COMB Managed Revenues and Expenditures (1)

Category	FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Est. Actuals	FY 2022-23 Budget
Revenues:				
COMB Net Operating Budget (2)	\$ 4,808,442	\$ 4,938,973	\$ 4,938,973	\$ 6,104,528
USBR Water Rates/Deficits	1,788,246	2,407,534	1,770,763	2,259,451
Grant Funding	0	0	0	3,000,000
CVWD Cooperative Agreement Funding	0	0	0	550,000
Warren Act Trust Fund	62,780	43,086	43,086	118,293
Bradbury SOD Act	261,647	261,647	261,647	261,647
SB County Contribution	90,000	90,000	90,000	90,000
Water Rights Fee	64,623	66,000	70,715	70,720
Lauro SOD Act	47,404	47,404	47,404	47,404
Renewal Fund	203,298	220,175	220,175	155,723
Total Managed Revenues:	\$ 7,970,644	\$ 8,113,440	\$ 7,481,384	\$ 12,657,766
Expenditures:				
Contracts/Agreements				
U.S. Bureau of Reclamation	\$ 1,788,246	\$ 2,407,534	\$ 1,770,763	\$ 2,259,451
Bradbury SOD Act Repayment	261,647	261,647	261,647	261,647
Lauro SOD Act Repayment	47,404	47,404	47,404	47,404
Water Rights Fee	64,423	66,000	70,715	70,720
Subtotal:	\$ 2,161,720	\$ 2,782,585	\$ 2,150,529	\$ 2,639,222
Personnel				
Operations Division	\$ 800,763	\$ 1,023,887	\$ 866,660	\$ 1,090,526
Fisheries Division	704,004	755,458	697,264	785,564
Administrative Division	784,173	878,561	837,393	905,927
Subtotal:	\$ 2,288,940	\$ 2,657,906	\$ 2,401,318	\$ 2,782,016
Operation and Maintenance				
Operations Division	\$ 247,978	\$ 378,300	\$ 380,141	\$ 470,800
Fisheries Division	41,806	112,100	85,861	148,600
Subtotal:	\$ 289,783	\$ 490,400	\$ 466,002	\$ 619,400
General and Administrative				
Operations Division	\$ 207,900	\$ 242,452	\$ 194,976	\$ 258,702
Fisheries Division	77,334	116,426	83,556	123,426
Subtotal:	\$ 285,234	\$ 358,878	\$ 278,532	\$ 382,128
Infrastructure and Improvement Projects				
Infrastructure Improvement Projects	\$ 751,465	\$ 1,508,000	\$ 1,287,952	\$ 5,890,000
Special Projects	59,870	92,050	44,414	160,000
Habitat Improvement Projects	50,463	35,000	25,751	28,000
Program Support Services	132,021	150,000	114,315	157,000
Subtotal:	\$ 993,819	\$ 1,785,050	\$ 1,472,431	\$ 6,235,000
Total Expenditures before Debt:	\$ 6,019,497	\$ 8,074,819	\$ 6,768,812	\$ 12,657,766
Debt Service - American Riviera Bank	463,450	38,621	38,621	0
Total Expenditures:	\$ 6,482,947	\$ 8,113,440	\$ 6,807,433	\$ 12,657,766

Footnotes

- (1) Consolidated schedule including COMB annual Operating Budget and Contractual Obligations managed by COMB.
- (2) COMB Board adopts the annual Operating Budget.

COMB MANAGED REVENUES AND EXPENDITURES (CONTINUED)

Table 4.2 – Previous Ten Fiscal Years’ COMB Managed Revenues (1)

Fiscal Year	Net Operating Assessments ⁽¹⁰⁾	USBR Water Rates & Deficits	SOD Act Repayment	Grant Revenue	WATF/RF/BF Fund ⁽²⁾	CVWD Cooperative Agrmt Funding	Loan Payments EPFP	Water Rights Fee	Total Managed Revenues
2013-14	\$ 4,325,615	\$ 2,346,421	\$ 196,958	\$ 689,076	\$ 349,467	\$ -	\$ -	\$ 37,804	\$ 7,945,341
2014-15 ^{(3),(4)}	\$ 5,389,631	\$ 2,272,353	\$ 196,958	\$ 3,637,828	\$ 363,321	\$ -	\$ -	\$ 41,300	\$ 11,901,392
2015-16	\$ 5,556,673	\$ 977,048	\$ 196,958	\$ 705,205	\$ 661,728	\$ -	\$ -	\$ 41,300	\$ 8,138,913
2016-17	\$ 4,415,707	\$ 1,129,078	\$ 309,051	\$ 1,542,476	\$ 381,178	\$ -	\$ 406,011	\$ 46,897	\$ 8,230,397
2017-18	\$ 2,587,215	\$ 1,728,642	\$ 309,051	\$ -	\$ 710,361	\$ -	\$ 463,450	\$ 48,991	\$ 5,847,710
2018-19 ⁽⁵⁾	\$ 4,197,066	\$ 3,189,982	\$ 309,051	\$ 1,886,408	\$ 629,521	\$ -	\$ 463,450	\$ 52,162	\$ 10,727,640
2019-20 ^{(6),(7)}	\$ 4,624,002	\$ 2,312,529	\$ 309,051	\$ 1,461,452	\$ 681,523	\$ -	\$ 463,450	\$ 60,900	\$ 9,912,907
2020-21	\$ 4,808,442	\$ 1,788,246	\$ 309,051	\$ 180,754	\$ 356,078	\$ -	\$ 463,450	\$ 64,423	\$ 7,970,444
2021-22	\$ 4,938,973	\$ 1,770,763	\$ 309,051	\$ -	\$ 353,265	\$ -	\$ 38,621	\$ 70,715	\$ 7,481,387
2022-23 ^{(8),(9)}	\$ 6,104,528	\$ 2,259,451	\$ 309,051	\$ 3,000,000	\$ 364,016	\$ 550,000	\$ -	\$ 70,720	\$ 12,657,766

Notes:

(1) COMB has been granted the authority, by various agreements, for administering the provisions, collection and payment of certain pass-thru revenues including the USBR Entitlement Obligation (USBR Water Rates), the Bradbury and Lauro Safety of Dams (SOD) Repayment Obligations, and the State Water Resource Control Board Water Rights Fee. These pass-thru revenues are not reflected in COMB’s audited financial statements.

(2) WATF/RF/BF = Warrant Act Trust Fund / Renewal Fund / Betterment Fund.

(3) FY 2014-15 Operating Assessments includes \$1.8M paid by the City of Santa Barbara to fund its proportionate share of the Emergency Pumping Facilities Project. The remaining South Coast Member Agencies elected to finance their obligation through two notes payable agreements with American Riviera Bank.

(4) FY 2014-15 Grant Revenue includes funding related to Emergency Pumping Facilities Project from various sources: IRWMP, DWR, SWRCB and USBR.

(5) FY 2018-19 USBR Water Rates include (1) an installment payment for Extraordinary O&M Costs (\$420K) related to the replacement of the 30" cone valves on Bradbury Dam (Total Cost - \$1.2M) amortized over a 3-year period, and (2) approximately \$860k of the FY 2015-17 USBR Deficits paid in-full by three Cachuma Project Member Units. The remaining Member Units elected to pay their obligation over a 5-year period.

(6) FY 2019-20 USBR Water Rates include (1) 2nd installment payment for Extraordinary O&M Costs (\$420K) - see Footnote 6, and (2) approximately \$200k of the FY 2015-17 USBR Deficits due from two Cachuma Project Member Units which elected to pay their obligation over a 5-year period.

(7) FY 2019-20 Grant Revenue includes funding related to Sycamore Canyon Slope Stabilization FEMA Assistance (\$450k) and California Department of Fish and Wildlife grant funds affiliated with Quiota Creek Project (\$1.01M).

(8) FY 2022-23 Grant Revenue includes funding from the Department of Water Resources Urban and Multi Benefit Drought Relief Program (\$2.25M) and US Bureau of Reclamation WaterSMART Drought Response Program (\$750k). Both grants will be applied to the Lake Cachuma Secured Pipeline project.

(9) COMB entered into a Cooperative Funding Agreement (\$550,000) with Carpinteria Valley Water District (CVWD) to repair and rehabilitate aging infrastructure in the lower reach section of the South Coast Conduit and the CVWD distribution system.

(10) Pursuant to the terms and conditions of the Separation Agreement, ID No. 1 was deemed no longer a Member Agency of COMB and had departed from the COMB JPA Agreement as of May 27, 2016. 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. Payments received from ID No. 1 for certain COMB BiOp and Oak Tree related expenditures vary by year and will be returned to the COMB Member Agencies upon collection.

COMB OPERATING BUDGET

COMB operates under an annual operating budget, which is adopted by the Board of Directors in accordance with established short and long-term financial plans. The COMB Operating budget reflects projected operating expenses for the COMB Operations Division, the Fisheries Division and General and Administrative expenses.

The budget may be amended throughout the year by Board action. The Board considers the request of staff at a public meeting and approves or rejects such requests by motion and majority vote of the Board.

Annual budget revenues are funded by quarterly assessments of COMB Member Agencies and are based on the Member Agencies’ proportionate Cachuma Project entitlement percentages. Included in the budget is the cost of personnel and administration, operation and maintenance, fisheries related work and infrastructure improvement projects related to the Cachuma Project storage and conveyance facilities. These facilities include the Tecolote Tunnel, the South Coast Conduit (SCC), and four regulating dams and reservoirs (Glen Annie, Lauro, Ortega and Carpinteria). During the fiscal year 2021-22, COMB conducted and/or completed several 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.

**Table 4.3
COMB Operating Budget Allocation Percentages**

Member Unit	COMB Operating Budget Allocation %
Goleta Water District	40.42 %
City of Santa Barbara	35.89 %
Carpinteria Valley WD	12.20 %
Montecito Water District	11.50 %
Total	100.00%

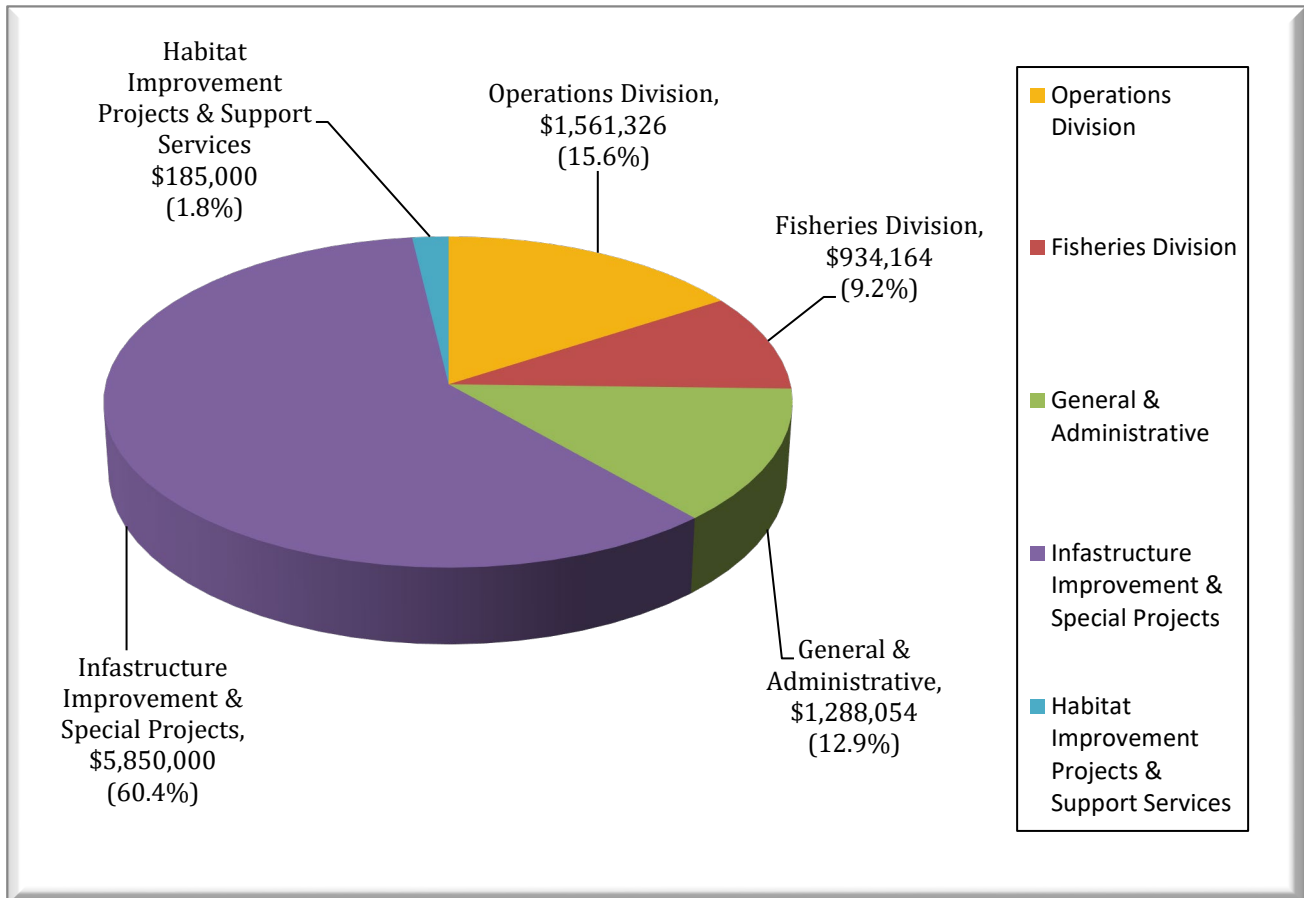
In 2016, the Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1) notified the COMB Board of its stated intent to withdraw from the COMB Joint Powers Agreement. A Separation Agreement was entered into by ID No. 1, COMB, and the remaining COMB Member Agencies and was approved by all parties effective August 28, 2018.

Pursuant to the terms and conditions of the Separation Agreement, ID No. 1 is no longer a Member Agency of COMB and has departed from the COMB JPA Agreement as of May 27, 2016. ID No. 1 continues to be a member of the Cachuma Project, which carries certain benefits and obligations associated with the Project and specific COMB activities as outlined in the Separation Agreement. Payments received from ID No. 1 for certain COMB BiOp and Oak Tree related expenditures, previously assessed to the current COMB Member Agencies, are returned to the COMB Member Agencies upon collection.

COMB OPERATING BUDGET (CONTINUED)

The COMB Gross Operating Budget, not including pass-thru expenditures, for FY 2022-23 is \$10,018,544 and is further broken down by major category as depicted in Figure 4.1.

Figure 4.2 – FY 2022-23 Operating Budget by Division



The primary budgetary objective is to provide the highest possible level of service to the Cachuma Project Members. Continual efforts are made to improve productivity, lower costs, and enhance services. COMB staff evaluates and selects current year infrastructure improvements and special projects based on the following criteria: water supply reliability, risk, critical need, safety, and service disruption. Projects may vary by year depending on external and uncontrolled factors such as ongoing drought conditions, lake elevation and natural disasters (i.e., fire, significant rain events, debris flow, etc.).

The COMB gross budget history for the previous ten fiscal years is outlined in Table 4.4 on the following page.

Table 4.4 – Previous Ten Fiscal Years’ Gross Operating Budget History

Fiscal Year	Operations Division O&M	Fisheries Division O&M	General and Admin	Infrastructure Improvement & Special Projects	Habitat Improvement Projects & Support	Total
2012-13	\$1,033,944	\$501,193	\$1,103,289	\$3,349,500	\$1,167,000	\$7,154,926
2013-14	\$1,032,947	\$635,559	\$1,205,754	\$481,270	\$1,088,000	\$4,443,530
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	\$1,196,679	\$1,842,983	\$2,349,996	\$7,254,814
2019-20	\$1,227,664	\$800,751	\$1,227,664	\$2,045,327	\$1,390,000	\$6,766,977
2020-21	\$1,339,141	\$810,413	\$1,199,967	\$1,630,000	\$185,000	\$5,164,520
2021-22	\$1,402,187	\$867,558	\$1,237,439	\$1,600,050	\$8185,000	\$5,292,234

Unexpended funds are identified through the audit process and returned to the Member Agencies using one of four methods. These methods include: 1) the issuance of checks made payable to each Member Agency; 2) constructively returning the unexpended funds by reducing the Member Agency’s quarterly assessments; 3) carrying forward unexpended funds for work in process; and/or 4) reducing the projected operating budget for the following fiscal year. The Board of Directors shall take action annually to approve the methodology for return once unexpended funds are identified.

USBR WATER RATES

Through Resolution No. 224 and the Water Rates Agreement, COMB is responsible for administering provisions of the Water Rates Agreement for the Cachuma Project. This includes calculating and distributing bills and assessments for water, administering payments from the Cachuma Member Units to the United States pursuant to the provisions of the Master Contract, the Cachuma Member Unit water supply contracts with Santa Barbara County Water Agency and the water rates agreement. COMB is required to make payment directly to the United States to satisfy those agreements.



The water rates are developed annually by the rate-setting branch of Reclamation (Regional Office) located in Sacramento and are based on projected Operating and Maintenance (O&M) costs for the upcoming water year. The South-Central California (Fresno) Area Office is responsible for providing the Regional Office estimated budgets and projected O&M costs pertaining to the Cachuma Project for formulation of the water rates. The total projected amount for FY 2022-23 is \$2.2M.

USBR WATER RATE DEFICITS

USBR Water Rate Deficits occur due to a deficiency in revenues (USBR projected budget) compared to actual operational and any extraordinary costs for a particular fiscal year.

Reclamation reported a deficit total of \$426,864 for FY 2015, a deficit total of \$1,003,523 for FY 2016, and a deficit total of \$302,053 for FY 2017. Three Cachuma Project Member Units elected to pay their deficit obligation in full during FY 2018-19. The remaining two Cachuma Project Member Units elected to pay their obligation over a five-year period.

Reclamation reported a surplus for FY 2020 of \$607,600, which was comprised of a surplus in regular O&M expenses of \$224,881 and a surplus in extraordinary O&M expenses of \$382,719. Reclamation applied this surplus against any deficit repayment balance that was outstanding at the end of Water Year 2020 in accordance with Reclamation policy. For those Cachuma Project Member Units that paid their prior year deficit balances in full, their respective pro-rata adjustment was applied to the Water Year 2021-22 Water Rate calculations.

The FY 2021 surplus/deficit, when finalized, will be reported with the WY 2022-23 Water Rate calculations.

GRANT FUNDING / FINANCIAL ASSISTANCE

COMB has developed a grant program by utilizing a team of staff members to write proposals, administer grants and carry out grant contracts.

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 addition, COMB was recently awarded a grant from the Department of Water Resources Urban and Multi Benefit Drought Relief Program for \$2,250,000. Funds from both of these grants will be applied towards the Lake Cachuma Secured Pipeline Project. The installation of the pipeline is scheduled to be completed 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 FY 2022-23 with the construction of the second in-line isolation value (Lillingston) for \$500,000.

WARREN ACT TRUST FUND / RENEWAL FUND

The Warren Act Trust Fund is a requirement of the Cachuma Project Warren Act Contract negotiated between the Central Coast Water Authority (CCWA) and the Bureau of Reclamation for delivery and transport of State Water Project water through the Cachuma Project facilities. A 1995 memorandum of understanding executed in conjunction with the Warren Act Contract established a charge of \$43 per acre-foot (AF) (\$58 initially with a \$15 service charge by Reclamation), which is not indexed. Payments are required upon delivery of State Water Project (SWP) water to Cachuma Reservoir. CCWA makes quarterly payments to COMB based on the prior quarter’s water deliveries to the lake.

The Renewal Fund is a requirement of the 1995 Renewal Master Contract (Contract No. I75r-1802R between the United States and Santa Barbara County Water Agency) entered into for water conveyance from the Cachuma Project to the five Cachuma Project Member Units. The Member Units are the Carpinteria Valley Water District, the Goleta Water District, the Montecito Water District, the City of Santa Barbara, and the Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1). Subject to the limitations of sub article 27(e), the Cachuma Project Member Units shall deposit into the Renewal Fund an amount which, when added to any monies already in the Renewal Fund, are sufficient to pay for activities which are to be undertaken pursuant to the Annual Work Plan for the that Water Year.

The Renewal Master Contract requires the payment of \$10 per acre-foot of water made available by the Cachuma Project. The Renewal Fund itself is capped at \$257,100, which is related to the current annual operational yield of 25,714 AF. The aggregate amount to be deposited in the Renewal Fund at the start of each Water year by the Cachuma Member Units is not to exceed an amount that bears a ratio to \$257,100, which is inverse to the ratio that the aggregate amount paid into the Warrant Act Trust Fund during the immediately preceding Calendar Year bears to \$300,000.

For calendar year 2021, total SWP deliveries into the lake were 2,751 AF, which converts to \$118,293 of Warren Act Trust Fund revenue available for FY 2022-23. Therefore, the preliminary amount to be deposited into the Renewal Fund by the Cachuma Member Units, subject to sub article 27 (e), is projected to be \$155,723 based on based on the following calculation:

Given:	WATF = \$118,293
	AOY = Annual Operation Yield of 25,714 x \$10 = \$257,100
	RFC = Renewal Fund Calculation = $[1 - (WATF / \$300,000)] \times AOY$
Then:	RFC = $[1 - (\$118,293 / \$300,000)] \times \$257,100$
	RFC = \$155,723

WARREN ACT TRUST FUND / RENEWAL FUND (CONTINUED)

Warren Act Trust Fund / Renewal Fund Annual Meeting

The annual meeting of the Cachuma Project Warren Act Trust Fund / Renewal Fund (Funds Committee) occurs in the spring of each year. At the annual meeting, the Funds Committee reviews the Annual and Long-Term Plan prepared as outlined in the Master Renewal Contract document. The participating Committee members discuss and subsequently vote how to apply the Warren Act Trust Fund / Renewal Fund monies for program expenditures and activities in the upcoming fiscal year.

BRADBURY DAM / LAURO DAM SAFETY OF DAMS (SOD) ACT 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 and Lauro Dam.



Bradbury Dam

Bradbury Dam: The fifteen percent obligation under the Bradbury SOD contract is \$7,605,739 and is to be repaid by annual payments over a 50-year period. COMB’s payment obligation for FY 2022-23 is \$261,647 with assessments collected from the Cachuma Project Member Units in accordance with each Member’s Cachuma Project entitlement percentages.



Lauro Dam

Lauro Dam: The fifteen percent obligation under the Lauro SOD contract is \$1,009,737 and is to be repaid by annual payments over a 50-year period. COMB’s payment obligation for FY 2022-23 is \$47,404 and assessments are collected from the COMB Member Agencies in accordance with each Member Agency’s pro-rata Cachuma Project entitlement percentages.

BETTERMENT FUND

Article 8 (b) of the Cachuma Project Member Unit contracts with Santa Barbara County Water Agency requires the County Water Agency to provide \$100,000 annually for beneficial purposes consistent with the Water Agency Act and within the Santa Ynez River watershed or the Cachuma Project service area. All decisions relating to the expenditure of such funds must be agreed to by both the County Water Agency and the Cachuma Member Agency Representative, acting by unanimous vote. Consistent with past years,

COMB will receive \$90,000 to be used for the Santa Ynez River stream gauge program. The use of funds for FY 2022-23 is reflected in Table 4.3 below.

Table 4.5 – Betterment Fund Expenditures – FY 2022-23

Program	Amount
USGS Stream Gauging Program (COMB Fisheries Division)	\$ 90,000
USGS Stream Gauging Program (County of SB)	\$ 10,000
Total	\$ 100,000

WATER RIGHTS FEE

Effective January 1, 2004, the Water Code was amended to authorize and require the State Water Board to adopt emergency regulations establishing and revising water rights and water quality certification fees, which are to be deposited in the Water Rights Fund in the State Treasury. Since then, the State Water Board has charged annual water rights fees. The Water Code authorizes the State Water Board to revise the fee schedule each fiscal year as necessary to conform to the revenue levels set forth in the annual Budget Act.

COMB is responsible for the assessment and payment of the water rights fee on behalf of the Cachuma Project Members. Assessments are made according to the Cachuma Project entitlement percentages with all five Member Units being responsible for the Santa Ynez River Permit fees and the four South Coast Member Units being responsible for the Lauro Creek and W. Glen Anne Creek fees. The projected cost for FY 2022-23 is \$70,720.

POTENTIAL REVENUE OPPORTUNITIES

Integrated Regional Water Management Program (IRWMP)



Beginning in September 2006, the Santa Barbara County Water Agency has worked with a County-wide group of approximately 29 cooperating partners including cities, special districts, water companies, joint powers authorities, and Non-Governmental Organizations (NGOs) to develop the first Integrated Regional Water Management (“IRWM”) Plan (completed in May 2007). The plan was recently updated in 2019 in response to DWR’s 2016 IRWM Guidelines.

The Water Agency acts as the single eligible grant recipient responsible for administration of the IRWM Grants. In accordance with the Memorandum of Understanding (MOU) and sub-grant agreements between the Water Agency and project proponents, the Water Agency functions as a pass-through agency between the State and proponents. The Water Agency is responsible for organizing and forwarding the required project reporting information and claims to the State on behalf of each project proponent. Project proponents are then reimbursed once funding is received from the State.

On November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. The Proposition 1 Integrated Regional Water Management Grant Program, administered by Department of Water Resources (“DWR”), provides funding for projects that:

- Help water infrastructure systems adapt to climate change,
- Provide regional water self-reliance and water supply reliability, and
- Provide incentives for collaboration to manage water resources and set regional priorities for water infrastructure.

Proposition 1 authorized the statewide appropriation of \$510 million in IRWM funding for Implementation, Planning, and Disadvantaged Community Involvement efforts. Six (6) regions within the Central Coast Funding Area (“CCFA”) have been allocated a total of \$43 million over the expected appropriation rounds, including Santa Barbara County. The Santa Barbara IRWM Region expects to receive approximately \$6.3 million in Proposition 1 Project Implementation funding. In December 2019, the cooperating partners submitted three regional projects totaling \$3.1M for Round 1 funding. The Round 2 application process is expected to occur in 2022 for the balance of available funds.

Other Revenue Sources

COMB staff is actively engaged to identify other sources of funding opportunities to lessen the financial burden on COMB’s Member Agencies. Other revenue sources include grant funding and low interest debt financing.

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SECTION V – COMB OPERATING BUDGET

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COMB OPERATING BUDGET HIGHLIGHTS

The Operating Budget reflects projected operating expenses for the COMB Operations Division, the Fisheries Division as well as the General and Administrative expenses for FY 2022-23. These projected expenditures have been refined through development of divisional annual work plans. The Board adopted a Five Year (2021-2025) Infrastructure Improvement Plan and required implementation activities associated with the 2000 Biological Opinion.

Development of the budget was based on a zero-based budgeting methodology. Unlike traditional incremental budgeting, this methodology employs a detailed examination of expenditures wherein only the necessary budget amount for each line item is presented for discussion. This approach addresses the most fundamental and prioritized service needs and represents the minimum level of funding needed for effective operations.

As reflected in Table 6.1, the COMB Gross Operating Budget for FY 2022-23, excluding offsetting revenues, is \$10.0M as compared to the FY 2021-22 Operating Budget of \$5.3M, which reflects an increase of \$4.7M (89.3%).

The net change from the previous fiscal year is described by the following items:

- An increase in total Salaries and Benefits of \$124K (4.7%) which includes staffing of fifteen fulltime and two fulltime equivalent (FTE) seasonal employees, a 5.17% COLA adjustment and an increase in the CalPERS Unfunded Liability obligation. This increase is partially offset by a decrease in premium cost for retiree health insurance.
- An increase in total Operations and Maintenance expenses of 129K (26.3%) which is attributed to the replacement of two fleet vehicles for the Operations and Fisheries Divisions.
- An increase in General and Administrative Expenses, excluding administrative salaries, of \$23K (6.5%) which is attributed to computer consulting and network service costs as well as a slight increase in communication expense, membership dues and admin fixed assets.
- An increase in the Operations Division Infrastructure Improvement Projects and Special Projects of \$4.4M (278.1%) which is attributed to the installation of the Lake Cachuma Secured Pipeline Project. See pages 84-85 for further detail.

The COMB Net Operating Budget, including offsetting revenues for FY 2022-23, is \$6.1M and is compared to FY 2021-22 of \$4.9M, which is an increase of \$1.2M (23.6%).

As noted at the bottom of Table 5.1, COMB is pursuing a reimbursable funding opportunity through the United States Bureau of Reclamation Bipartisan Infrastructure Law – Aging Infrastructure program to finance a portion of the Secured Pipeline Project. Awards for this funding opportunity are expected in May 2022.

COMB OPERATING BUDGET HIGHLIGHTS (CONTINUED)

Table 5.1- COMB Operating Budget: Consolidated Overview

COMB OPERATING BUDGET				
SALARIES & BENEFITS	FY 2021-22	FY 2022-23	Change (\$)	Change (%)
Operations Division	\$ 1,023,887	\$ 1,090,526	\$ 66,639	6.5%
Fisheries Division	755,458	785,564	\$ 30,106	4.0%
Administration	878,561	905,927	\$ 27,365	3.1%
TOTAL	\$ 2,657,906	\$ 2,782,016	\$ 124,110	4.7%
OPERATIONS & MAINTENANCE EXPENSES				
Operations Division	\$ 378,300	\$ 470,800	\$ 92,500	24.5%
Fisheries Division	112,100	148,600	\$ 36,500	32.6%
TOTAL	\$ 490,400	\$ 619,400	\$ 129,000	26.3%
GENERAL & ADMINISTRATIVE EXPENSES				
Operation Division	\$ 242,452	\$ 258,702	\$ 16,250	6.7%
Fisheries Division	116,426	123,426	\$ 7,000	6.0%
TOTAL	\$ 358,878	\$ 382,128	\$ 23,250	6.5%
Total Operating Budget	\$ 3,507,184	\$ 3,783,544	\$ 276,360	7.9%
INFRASTRUCTURE IMPROVEMENT, HABITAT IMPROVEMENT & SPECIAL PROJECTS				
Operations Division				
Infrastructure Improvement Projects	\$ 1,508,000	\$ 5,890,000	\$ 4,382,000	290.6%
Special Projects	92,050	160,000	\$ 67,950	73.8%
TOTAL	1,600,050	6,050,000	\$ 4,449,950	278.1%
Fisheries Division				
Habitat Improvement Projects	\$ 35,000	\$ 28,000	\$ (7,000)	-20.0%
Program Support Services	\$ 150,000	\$ 157,000	\$ 7,000	4.7%
TOTAL	185,000	185,000	\$ -	0.0%
TOTAL GROSS OPERATING BUDGET	\$ 5,292,234	\$ 10,018,544	\$ 4,726,310	89.3%
Projected Offsetting Revenues	\$ (353,261)	\$ (3,914,016)		
TOTAL NET OPERATING BUDGET	\$ 4,938,973	\$ 6,104,528	\$ 1,165,555	23.6%
Memo: Potential Offsetting Revenue				
Reclamation Aging Infrastructure Loan		(1,400,000)		
Reclamation Aging Infrastructure Loan - Estimated Annual Loan Payme		125,000		
Total COMB Net Operating Budget with Potential Offsetting Revenue		4,829,528	(109,445)	-2.2%

COMB OPERATING BUDGET HIGHLIGHTS (CONTINUED)

COMB expenditures are comprised of costs associated with personnel, operations and maintenance, general and administrative, and infrastructure and habitat improvement projects.

Staff assignments and project implementation are reviewed by the General Manager and the Division Managers to control costs and to provide the highest possible level of service to the COMB Member Agencies. Projects may vary by year depending on financial and operational constraints. Additionally, external and uncontrolled factors such as ongoing drought conditions, lake elevation and natural disasters (i.e., fire, significant rain events, debris flow, etc.) can have an impact on project implementation.

PERSONNEL

Recruitment, professional development, and employee retention are considered key factors by COMB to achieve its short and long-term goals and objectives. The General Manager is responsible for hiring and overseeing a staff of fifteen full time employees including three division managers, certified distribution operators, senior biology staff, program analyst and administrative personnel, as outlined in Table 5.2 – Personnel Count Summary.

Table 5.2 – Personnel Count Summary

Position	FTE Count FY 2020-21	FTE Count FY 2021-22	FTE Count FY 2022-23	Change Over FY 2020-21	Change Over FY 2021-22
General Manager	1	1	1	0	0
Administrative Mgr./CFO	1	1	1	0	0
Operations Division Manager	1	1	1	0	0
Water Resources Engineer	1	-1	0	-1	0
Operations Supervisor	0	1	1	1	0
Water Service Worker	4	4	4	0	0
Fisheries Division Manager	1	1	1	0	0
Senior Biologist	2	2	2	0	0
Biologist Aide	1	1	1	0	0
Program Analyst	1	1	1	0	0
Administrative Assistant	2	2	2	0	0
Total	15	15	15	0	0

There are no projected staffing changes for FY 2022-23.

COMB OPERATING BUDGET HIGHLIGHTS (CONTINUED)**Salaries and Benefits**

As reflected in Table 5.3, total projected salaries and benefits for FY 2022-23 is \$2.8M, which reflects an increase of \$124.1K (4.7%) as compared to FY 2021-22. The budget reflects current salaries and benefits package for all employees including the General Manager's position.

The budget includes a 5.17% COLA increase for all employees, excluding the General Manager, per the historical annual calculation that is based on the February Consumer Price Index (CPI) data each year. The calculation is obtained by averaging the prior thirteen months indexes for all urban consumers and comparing that average to the previous year averaged data. The U.S. City and the Los Angeles-Riverside data is averaged together to obtain the percentage COLA for the period.

Health insurance costs for active employees are projected to increase between 2-6% in January 2023 based on preliminary projections from ACWA/JPIA. COMB recognized a decrease in retiree health insurance costs due to a change in insurance carrier.

COMB participates in the California Public Employees' Retirement System. On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. PEPRA limited pension benefits offered to new employees and increased the cost sharing between new employees and public employers. All employees hired after January 2013 who are not classified as "classic" members contribute 6.75% of the CalPERS retirement premium.

Starting July 1, 2017, all employees hired before July 1, 2017 (and who are "Classic" employees as defined by CalPERS) began contributing toward their employee member contribution under a five-year phased-in method. For fiscal year 2022-23, the classic member contribution rate is set at 7.0%. Additionally, the CALPERS line item reflects an increase in the annual Unfunded Liability obligation as factored under the CALPERS 30-year amortization policy and pursuant to the Public Employee Pension Reform Act of 2013. A copy of the most recent CalPERS valuation report can be found at <https://www.calpers.ca.gov/page/employers/actuarial-resources/public-agency-actuarial-valuation-reports>.

Table 5.3 provides a breakdown of the individual components of the projected Personnel costs for FY 2022-23 as compared to FY 2021-22 and FY 2020-21.

COMB OPERATING BUDGET HIGHLIGHTS (CONTINUED)

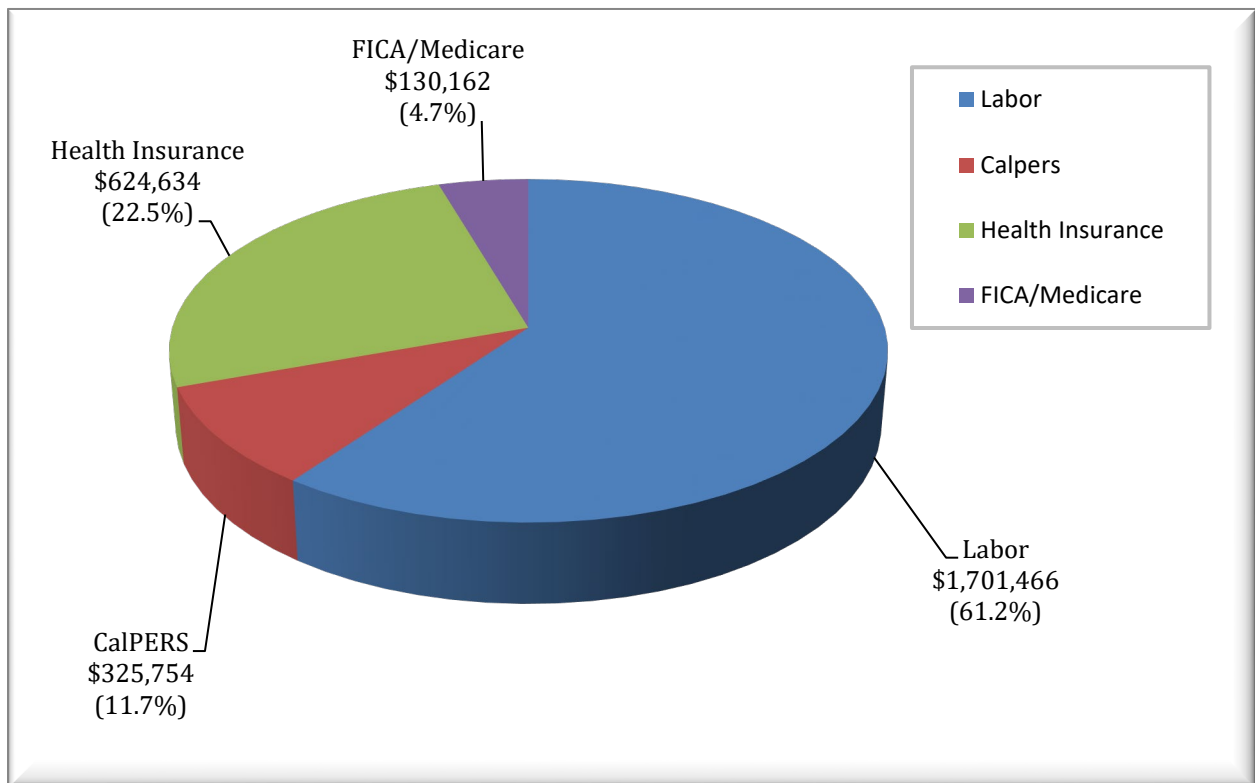
Table 5.3 – FY 2022-23 Budgeted Personnel Costs

Category	Actual FY 2020-21	Budget FY 2021-22	Estimated Actual FY 2021-22	Budget FY 2022-23	Variance Analysis (*)	
					\$ Higher / (Lower)	% Higher / (Lower)
Labor	\$1,471,811	\$1,610,340	\$1,476,514	\$1,701,466	\$91,126	5.7%
CalPERS	265,680	294,770	278,844	325,754	30,984	10.5%
Health Ins / WC	439,482	629,606	536,256	624,634	(4,971)	-0.8%
FICA/Medicare	111,968	123,191	109,704	130,162	6,971	5.7%
Total	\$2,288,940	\$2,657,906	\$2,401,318	\$2,782,016	\$124,110	4.7%

(*) Compares FY 2022-23 Budget to FY 2021-22 Budget.

Figure 5.1 provides a breakdown of the individual components of the projected Personnel costs for FY 2022-23.

Figure 5.1 – FY 2022-23 Personnel Costs by Category



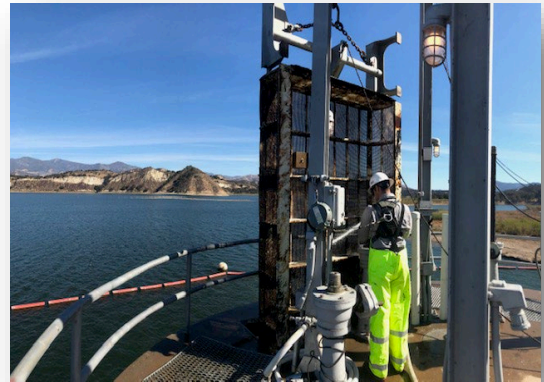
COMB OPERATING BUDGET HIGHLIGHTS (CONTINUED)

Operations and Maintenance Expenses

COMB Operations are comprised of two divisions: Operations and Fisheries.

Operations Division

COMB's Operations Division is responsible for diversion of water from Lake Cachuma located in the Santa Ynez Valley to the South Coast of Santa Barbara County through the Tecolote Tunnel. In addition, the Operations Division responsibilities include operation and maintenance of the 26-mile South Coast Conduit conveyance pipeline, flow control valves, meters, instrumentation at control stations, turnouts and appurtenant structures along the South Coast Conduit and at four regulating reservoirs.



COMB coordinates closely with the Bureau of Reclamation and Member Agency staff to ensure that water supplies meet daily demands.

Fisheries Division

COMB's Fisheries Division is responsible for implementation of the 2000 Biological Opinion and Fish Management Plan related to the Cachuma Project on the Santa Ynez River in Santa Barbara, California. 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. The National Marine Fisheries Services (NMFS) is the agency that oversees protection of Southern California steelhead (*Oncorhynchus mykiss*).



Operation and Maintenance expenditures required to support the divisions include Vehicles and Equipment, Contract Labor, Materials and Supplies and Other Expenses. Projects and staff assignments are reviewed by the General Manager to control costs in this category. Table 5.4 includes a brief description of expenditures for each O&M category.

OPERATIONS AND MAINTENANCE (CONTINUED)

Table 5.4 – Operation and Maintenance Expenditures Descriptions

Category	Operations	Fisheries
Vehicles and Equipment	Includes funds for the purchase of fixed capital, equipment rental, vehicle and equipment maintenance, and fuel costs.	Includes funds for the purchase of fixed capital, equipment rental, vehicle and equipment maintenance, and fuel costs.
Contract Labor	Contains funds for outside services and labor that cannot be supported by COMB staff, which may include water quality sampling, elevator repair, tree trimming and removal services, heavy equipment and operators' labor costs for various small projects including meter calibration and meter repair.	Contains funds for outside services/labor to support equipment calibration on flow meters, and funds for technical assistance corresponding to the operation, maintenance and performance review of completed fish passage projects.
Materials and Supplies	Covers costs related to the operation and maintenance of the conduit, reservoirs, and outlying buildings and roads.	Includes costs for the purchase of items needed for the Fisheries Monitoring Program specifically monitoring for migration, spawning and over-summering such as constructing and repairing fish migration traps and the equipment necessary to conduct snorkel and redds surveys.
Other Expenses	Includes utilities, uniforms, hazardous waste disposal, communications (phones at facilities, and cell phones for operations and maintenance), Underground Service Alerts, and employee training and certifications.	Includes funds to pay for uniforms and personal protective gear for the fisheries division employees.

OPERATIONS AND MAINTENANCE (CONTINUED)

Operation and Maintenance expenditures in FY 2022-23 are projected to total \$619K, a 26.3% increase as compared to FY 2021-22.

Table 5.5 – FY 2022-23 Operation and Maintenance Costs - Consolidated

Category	Actual FY 2020-21	Budget FY 2021-22	Estimated Actual FY 2021-22	Budget FY 2022-23	Variance Analysis (*)	
					\$ Higher / (Lower)	% Higher / (Lower)
Vehicles & Equip	\$67,980	\$197,500	\$181,790	\$327,500	\$130,000	65.8%
Contract Labor	97,081	149,100	149,680	144,100	(5,000)	-3.4%
Materials & Supplies	78,333	92,000	88,781	92,000	0	0.0%
Other Expenses	46,389	51,800	45,750	55,800	4,000	7.7%
Total	\$289,783	\$490,400	\$466,002	\$619,400	\$129,000	26.3%

(*) Compares FY 2022-23 Budget to FY 2021-22 Budget.

(**) Includes both Operations and Fisheries Division.

GENERAL AND ADMINISTRATIVE

General and Administrative expenses include costs for support of all administrative functions of COMB such as: Director fees, legal expenditures, general liability and property insurance, audit fees, utilities, IT and communications, postage and office supplies, training, education and subscriptions and miscellaneous expenses.



Costs are generally allocated between Operations and Maintenance (65%) and Fisheries Division (35%).

General and Administrative expenditures, excluding administrative labor and benefits, in FY 2022-23 are projected to total \$382.1K, a 6.5% increase as compared to FY 2021-22.

The budget reflects an increase in expenses of \$14.5K related to computer consulting and network service expenses as well as a slight increase in communications, membership dues, and administrative fixed assets.

Table 5.6 provides a breakdown of the individual components of the projected General and Administrative costs for FY 2022-23 as compared to FY 2021-22 and FY 2020-21.

GENERAL AND ADMINISTRATIVE (CONTINUED)

Table 5.6 – FY 2022-23 General and Administrative Costs ()**

Category	Actual FY 2020-21	Budget FY 2021-22	Estimated Actual FY 2021-22	Budget FY 2022-23	Variance Analysis (*)	
					\$ Higher / (Lower)	% Higher / (Lower)
Director Fees	\$11,038	\$20,000	\$12,297	\$20,000	\$0	0.0%
Audit	34,753	35,000	21,904	35,000	0	0.0%
Legal	78,284	100,000	51,198	100,000	0	0.0%
Unemployment Insurance	0	5,000	0	5,000	0	0.0%
General Liability Insurance	28,069	51,071	48,895	51,071	0	0.0%
Postage/Office Supplies	10,642	10,000	8,781	10,000	0	0.0%
Office Equip/Leases	12,176	21,972	11,741	21,972	0	0.0%
Misc. Admin Expense	17,373	21,500	20,399	21,500	0	0.0%
Communications	12,233	10,955	15,351	13,955	3,000	27.4%
Utilities	14,326	14,980	13,273	14,980	0	0.0%
Membership Dues	16,385	15,900	17,538	18,650	2,750	17.3%
Admin Fixed Assets	4,593	8,000	8,261	11,000	3,000	37.5%
Computer Consultant	34,491	25,500	39,559	40,000	14,500	56.9%
Employee Education	1,830	4,500	622	4,500	0	0.0%
Travel	9	4,500	0	4,500	0	0.0%
Public Info	4,471	5,000	3,714	5,000	0	0.0%
IRWM	4,560	5,000	5,000	5,000	0	0.0%
Total	\$285,234	\$358,878	\$278,532	\$382,128	\$23,250	6.5%

(*) Compares FY 2022-23 Budget to FY 2021-22 Budget.

(**) Excludes labor



Cachuma Operation and Maintenance Board Meeting Room

INFRASTRUCTURE IMPROVEMENT PROJECTS

Infrastructure planning and investment is critical to the ongoing reliability of the Cachuma Project, its facilities and its distribution system. COMB staff evaluates and selects current year infrastructure improvements and special projects based on the following criteria: water supply reliability, risk, critical need, safety, service disruption and the betterment of the Cachuma Project. Tables 5.7 and 5.8 below are the projects identified for implementation during fiscal year 2022-23. Detailed descriptions of each project can be found in the Appendix starting on page 84.

Table 5.7 – FY 2022-23 Infrastructure Improvement Projects

Project Name	Fiscal Year 2022-23
Secured Pipeline Project	\$4,400,000
SCC Lower Reach Lateral Structures	\$550,000
SCC Isolation Valve - Lower Reach	\$500,000
SCC Structure Rehabilitation	\$440,000

Table 5.8 – FY 2022-23 Operations Division Special Projects

Project Name	Fiscal Year 2022-23
Water Quality and Sediment Management – Phase 2	\$50,000
COMB Building Improvements and Maintenance	\$45,000
SCADA Improvements and Support	\$35,000
ROW Identification Program	\$20,000
GIS and Mapping	\$10,000

HABITAT IMPROVEMENT PROJECTS

The Fisheries Division is tasked, through Reclamation’s operation of the Cachuma Project, with carrying out the fisheries monitoring, data analysis and tributary enhancement projects as described in the National Marine Fisheries Service’s (NMFS) 2000 Biological Opinion. A consensus based, long-term fisheries program has been developed that provides protection for steelhead/rainbow trout (*Oncorhynchus mykiss*, *O. mykiss*) downstream of Bradbury Dam. This is done through a combination of long-term monitoring, water releases from Bradbury Dam through the Hilton Creek Watering System, Hilton Creek Emergency Backup System and Outlet Works, passage flows to assist migrating steelhead, improved riparian habitat, and the removal or modification of numerous fish passage barriers to steelhead on tributaries of the Lower Santa Ynez River. In Table 5.9 below are the projects identified for implementation during fiscal year 2022-23.

Table 5.9 – FY 2022-23 Habitat Improvement Projects

Project Name	Fiscal Year 2021-22
Cachuma Lake Oak Tree Restoration Program	\$18,000
Tributary Project Improvements	\$10,000

In summary, the COMB Gross Operating Budget for FY 2022-23 is \$10,018,544. COMB staff is actively engaged in identifying other sources of funding opportunities in an effort to lessen the financial burden on COMB’s Member Agencies. With projected offsetting revenues of \$3,914,016, the COMB Net Operating Budget for FY 2022-23 totals \$6,104,528.

Table 5.10- COMB Operating Budget Summary

Category	Budget FY 2021-22	Budget FY 2022-23	Variance Analysis (*)	
			\$ Higher / (Lower)	% Higher / (Lower)
Gross Operating Budget	\$5,292,234	\$10,018,544	\$4,726,310	89.3%
Less: Offsetting Revenue	(\$353,261)	(\$3,914,016)	(\$3,560,755)	N/M
Net Operating Budget	\$4,938,973	\$6,104,528	\$1,165,555	23.6%

N/M – Not Meaningful

LIST OF SUPPORTING TABLES:

- 1) Table 5.11 - FY 2022-23 COMB Operating Budget by Division
- 2) Table 5.12 - FY 2022-23 COMB Operating Budget Allocation by Quarter

Table 5.11- COMB Operating Budget: By Division



OPERATIONS DIVISION



Account Number	Account Name	FY 2020-21 Actual	FY 2021-22 Budget	Estimated FY 2021-22 Actual	FY 2022-23 Budget	Variance Analysis (*)	
						\$ Higher / (Lower)	% Change
OPERATION & MAINTENANCE EXPENSES							
SALARIES & BENEFITS							
3100	Labor Operations Staff	\$ 542,382	\$ 643,559	\$ 561,967	\$ 686,058	\$ 42,499	
3155	CalPERS	93,135	106,068	96,167	117,989	11,921	
3150	Health Insurance	104,753	192,851	143,637	199,692	6,842	
3150	Workers Compensation	19,247	32,178	21,219	34,303	2,125	
3160	FICA	41,246	49,232	43,670	52,483	3,251	
TOTAL		\$ 800,763	\$ 1,023,887	\$ 866,660	\$ 1,090,526	\$ 66,639	6.5%
VEHICLES & EQUIPMENT							
3201	Vehicle/Equip Maintenance	\$ 31,988	\$ 35,000	\$ 38,609	\$ 40,000	\$ 5,000	
3202	Fixed Capital	7,148	65,000	66,762	150,000	85,000	
3203	Equipment Rental	1,056	5,000	1,000	5,000	-	
3204	Miscellaneous	4,703	10,000	4,400	10,000	-	
TOTAL		\$ 44,895	\$ 115,000	\$ 110,771	\$ 205,000	\$ 90,000	78.3%
CONTRACT LABOR							
3301	Conduit, Meter, Valves	\$ 14,501	\$ 20,000	\$ 10,210	\$ 20,000	\$ -	
3302	Buildings & Roads	31,716	20,000	38,203	20,000	-	
3303	Reservoirs	27,544	60,000	50,792	60,000	-	
3304	Engineering, Misc Services	13,708	30,000	44,400	30,000	-	
TOTAL		\$ 87,468	\$ 130,000	\$ 143,605	\$ 130,000	\$ -	0.0%
MATERIALS & SUPPLIES							
3401	Conduit, Meter, Valves	\$ 59,716	\$ 65,000	\$ 67,069	\$ 65,000	\$ -	
3402	Buildings & Roads	9,091	15,000	14,352	15,000	-	
3403	Reservoirs	3,752	5,000	3,078	5,000	-	
TOTAL		\$ 72,559	\$ 85,000	\$ 84,500	\$ 85,000	\$ -	0.0%
OTHER EXPENSES							
3501	Utilities	\$ 6,676	\$ 7,000	\$ 6,940	\$ 7,000	\$ -	
3502	Uniforms	5,029	5,750	3,665	5,750	-	
3503	Communications	13,045	15,800	14,176	15,800	-	
3504	USA & Other Services	3,381	4,750	5,182	7,250	2,500	
3505	Miscellaneous	14,174	12,000	11,213	12,000	-	
3506	Training	750	3,000	90	3,000	-	
TOTAL		\$ 43,056	\$ 48,300	\$ 41,265	\$ 50,800	\$ 2,500	5.2%
TOTAL O & M EXPENSE		\$ 1,048,741	\$ 1,402,187	\$ 1,246,801	\$ 1,561,326	\$ 159,139	11.3%

(*) Compares FY 2022-23 Budget to FY 2021-22 Budget

Table 5.11 COMB Operating Budget: By Division (Continued)



OPERATIONS DIVISION (CONTINUED)



Account Number	Account Name	FY 2020-21 Actual	Adopted FY 2021-22 Budget	Estimated FY 2021-22 Actual	FY 2022-23 Budget	Variance Analysis (*)	
						\$ Higher / (Lower)	% Change
GENERAL AND ADMINISTRATIVE EXPENSES							
5000	Directors Fees	\$ 7,181	\$ 13,000	\$ 7,993	\$ 13,000	\$ -	
5101	Audit	22,589	22,750	14,238	22,750	-	
5100	Legal	70,918	75,000	45,178	75,000	-	
5150	Unemployment Tax	0	5,000	-	5,000	-	
5200	Liability & Property Insurance	18,245	33,326	31,782	33,326	-	
5201	Health and Workers' Compensation	176,509	218,235	211,087	203,216	(15,018)	
5250	CalPERS	61,844	70,472	68,906	78,776	8,305	
5339	FICA & Medicare	20,977	23,581	19,650	24,823	1,243	
5300-5307	Administrative Salaries	299,473	308,244	301,509	324,487	16,243	
5310	Office Expense & Postage	6,794	6,000	5,568	6,000	-	
5311	Office Equipment / Leases	7,853	13,440	7,632	13,440	-	
5312	Miscellaneous	12,396	14,000	14,754	14,000	-	
5313	Communications	7,952	6,500	9,978	9,500	3,000	
5314	Utilities	9,312	9,737	8,625	9,737	-	
5315	Membership Dues	10,252	9,700	10,844	11,450	1,750	
5316	Admin Fixed Assets	2,986	5,000	5,011	8,000	3,000	
5318	Computer Consultant	22,419	16,500	25,713	25,000	8,500	
5325	Employee Education / Training	1,607	2,000	247	2,000	-	
5330	Admin Travel & Conferences	0	2,000	-	2,000	-	
5331	Public Information	2,838	3,500	2,414	3,500	-	
TOTAL GENERAL & ADMINISTRATIVE		\$ 762,143	\$ 857,983	\$ 791,129	\$ 885,005	\$ 27,022	3.1%
SPECIAL G & A EXPENSES							
5510	Integrated Regional Water Mgmt Plan	\$ 4,560	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	
TOTAL SPECIAL G & A EXPENSES		\$ 4,560	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.0%
INFRASTRUCTURE IMPROVEMENT PROJECTS (IIP) ⁽¹⁾							
6062	SCADA Upgrade	\$ 126,910	\$ 150,000	\$ 113,510	\$ -	\$ (150,000)	
6090	COMB Bldg Replacement	242,479	216,000	215,480	-	(216,000)	
6096	SCC Structure Rehabilitation	258,133	390,000	383,611	440,000	50,000	
6120	Secured Pipeline Project	111,393	352,000	133,901	4,400,000	4,048,000	
6135	SCC San Jose Creek Pipe Stablization	1,736	-	-	-	-	
6136	SCC Isolation Valve Installation	-	400,000	441,450	500,000	100,000	
6137	SCC Lower Reach Lateral Structures	10,815	-	-	550,000	550,000	
TOTAL IIP		\$ 751,465	\$ 1,508,000	\$ 1,287,952	\$ 5,890,000	\$ 4,382,000	290.6%
SPECIAL PROJECTS							
6110	SCADA Improvements and Support	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000	
6115	COMB Bldg Improvements and Maint	-	-	-	45,000	45,000	
6097	GIS and Mapping	7,250	10,000	6,425	10,000	-	
6100	Watershed Sanitary Survey	36,231	12,050	16,830	0	(12,050)	
6105	ROW Identification Program	992	20,000	18,925	20,000	-	
6138	Water Quality and Sediment Mgmt	15,397	50,000	2,234	50,000	-	
TOTAL SPECIAL PROJECTS		\$ 59,870	\$ 92,050	\$ 44,414	\$ 160,000	\$ 67,950	73.8%
TOTAL IIP and SPECIAL PROJECTS		\$ 811,335	\$ 1,600,050	\$ 1,332,366	\$ 6,050,000	4,449,950	278.1%
TOTAL OPERATIONS DIVISION BUDGET		\$ 2,626,779	\$ 3,865,221	\$ 3,375,295	\$ 8,501,331	4,636,111	119.9%

(*) Compares FY 2022-23 Budget to FY 2021-22 Budget

Table 5.11 - COMB Operating Budget: By Division (Continued)



FISHERIES DIVISION



Account Number	Account Name	FY 2020-21 Actual	Adopted FY 2021-22 Budget	Estimated FY 2021-22 Actual	FY 2022-23 Budget	Variance Analysis (*)	
						\$ Higher / (Lower)	% Change
OPERATION & MAINTENANCE EXPENSES							
SALARIES & BENEFITS							
4100	Labor Fisheries Staff	\$ 415,689	\$ 424,559	\$ 421,332	\$ 448,196	\$ 23,637	
4114	Labor Seasonal Staff	53,013	68,000	29,355	68,000	-	
4151	CalPERS	77,400	80,284	76,667	86,571	6,287	
4150	Health Insurance	100,587	120,306	114,892	117,498	(2,808)	
4150	Workers Compensation	18,866	24,628	19,214	25,810	1,182	
4152	FICA	38,449	37,681	35,803	39,489	1,808	
TOTAL		\$ 704,004	\$ 755,458	\$ 697,264	\$ 785,564	\$ 30,106	4.0%
VEHICLES & EQUIPMENT							
4270	Vehicle/Equip Maintenance	\$ 20,764	\$ 30,000	\$ 19,304	\$ 30,000	\$ -	
4280	Fixed Capital	2,221	50,000	50,704	90,000	40,000	
4290	Miscellaneous	100	2,500	1,011	2,500	-	
TOTAL		\$ 23,085	\$ 82,500	\$ 71,019	\$ 122,500	\$ 40,000	48.5%
CONTRACT LABOR							
4221	Instrumentation	\$ 1,944	\$ 3,000	\$ -	\$ 3,000	\$ -	
4222	Project Maintenance	7,669	16,100	6,076	11,100	(5,000)	
TOTAL		\$ 9,613	\$ 19,100	\$ 6,076	\$ 14,100	\$ (5,000)	-26.2%
MATERIALS & SUPPLIES							
4390	Miscellaneous	\$ 5,774	\$ 7,000	\$ 4,281	\$ 7,000	\$ -	
TOTAL		\$ 5,774	\$ 7,000	\$ 4,281	\$ 7,000	\$ -	0.0%
OTHER EXPENSES							
4502	Uniforms	\$ 3,334	\$ 3,500	\$ 4,485	\$ 5,000	\$ 1,500	
TOTAL		\$ 3,334	\$ 3,500	\$ 4,485	\$ 5,000	\$ 1,500	42.9%
TOTAL O & M EXPENSE		\$ 745,810	\$ 867,558	\$ 783,125	\$ 934,164	\$ 66,606	7.7%
GENERAL AND ADMINISTRATIVE EXPENSES							
5426	Directors Fees	\$ 3,858	\$ 7,000	\$ 4,304	\$ 7,000	\$ -	
5407	Legal	7,366	25,000	6,020	25,000	-	
5441	Audit	12,163	12,250	7,666	12,250	-	
5443	Liability & Property Insurance	9,824	17,745	17,113	17,745	-	
5401	Health and Workers' Compensation	19,520	41,409	26,206	44,115	2,706	
5402	CalPERS	33,301	37,946	37,103	42,418	4,472	
5403	FICA/Medicare	11,295	12,697	10,581	13,366	669	
5404-09	Administrative Salaries	161,255	165,978	162,351	174,724	8,746	
5410	Office Expense & Postage	3,849	4,000	3,213	4,000	-	
5411	Office Equipment / Leases	4,323	8,533	4,109	8,533	-	
5412	Miscellaneous	4,978	7,500	5,645	7,500	-	
5413	Communications	4,282	4,455	5,373	4,455	-	
5414	Utilities	5,014	5,243	4,647	5,243	-	
5415	Membership Dues	6,133	6,200	6,694	7,200	1,000	
5416	Admin Fixed Assets	1,607	3,000	3,251	3,000	-	
5418	Computer Consultant	12,073	9,000	13,846	15,000	6,000	
5425	Employee Education / Training	223	2,500	375	2,500	-	
5430	Admin Travel & Conferences	9	2,500	-	2,500	-	
5431	Public Information	1,633	1,500	1,300	1,500	-	
TOTAL GENERAL & ADMINISTRATIVE		\$ 302,705	\$ 374,456	\$ 319,797	\$ 398,049	\$ 23,593	6.3%

(*) Compares FY 2022-23 Budget to FY 2021-22 Budget

Table 5.11- COMB Operating Budget: By Division (Continued)



FISHERIES DIVISION (CONTINUED)



Account Number	Account Name	FY 2020-21 Actual	Adopted FY 2021-22 Budget	Estimated FY 2021-22 Actual	FY 2022-23 Budget	Variance Analysis (*)	
						\$ Higher / (Lower)	% Change
PROGRAM SUPPORT SERVICES							
6201	BO/FMP Implementation	\$ 29,967	\$ 35,000	\$ 16,360	\$ 42,000	\$ 7,000	
6202	GIS and Mapping	4,520	10,000	8,350	10,000	-	
6205	USGS Stream Gauge Program	97,534	105,000	89,605	105,000	-	
TOTAL PROGRAM SUPPORT SERVICES		\$ 132,021	\$ 150,000	\$ 114,315	\$ 157,000	\$ 7,000	4.7%
HABITAT IMPROVEMENT PROJECTS (HIP) (1)							
6207	Oak Tree Restoration Program	\$ 13,685	\$ 25,000	\$ 23,251	\$ 18,000	\$ (7,000)	
6303	Tributary Project Improvements	138	10,000	2,500	10,000	-	
6315	Quiota Creek Crossing 8	36,640	0	-	-	-	
TOTAL HABITAT IMPROVEMENT PROJECTS		\$ 50,463	\$ 35,000	\$ 25,751	\$ 28,000	\$ (7,000)	-20.0%
TOTAL HIP AND PROGRAM SUPPORT SERVICES		\$ 182,484	\$ 185,000	\$ 140,065	\$ 185,000	\$ -	0.0%
TOTAL FISHERIES DIVISION BUDGET		\$ 1,230,998	\$ 1,427,013	\$ 1,242,988	\$ 1,517,212	\$ 90,199	6.3%
TOTAL COMB GROSS OPERATING BUDGET		\$ 3,857,777	\$ 5,292,234	\$ 4,618,283	\$ 10,018,544	\$ 4,726,310	89.3%
Projected Offsetting Revenues:							
	Warren Act Trust Fund*	\$ (77,780)	\$ (43,086)	\$ (43,086)	\$ (118,293)		
	Renewal Fund	(198,482)	(220,175)	(220,175)	(155,723)		
	Santa Barbara County Contribution	(90,000)	(90,000)	(90,000)	(90,000)		
	DWR Urban and Multibenefit Drought Relief Grant				(2,250,000)		
	USBR WaterSmart Grant				(750,000)		
	CVWD Cooperative Agreement Funding (*)				(550,000)		
	CDFW Grant Funding - QC Crossing 8	(43,280)	-	-	-		
	FEMA Assistance - Sycamore Canyon	(3,737)	-	-	-		
	Total Offsetting Revenues	\$ (413,279)	\$ (353,261)	\$ (353,261)	\$ (3,914,016)	\$ (3,560,755)	1008.0%
TOTAL COMB NET OPERATING BUDGET		\$ 3,444,498	\$ 4,938,973	\$ 4,265,022	\$ 6,104,528	\$ 1,165,555	23.6%

Memo: Potential Offsetting Revenue

Reclamation Aging Infrastructure Loan	\$ (1,400,000)
Reclamation Aging Infrastructure Loan - Estimated Annual Loan Payment	125,000
Total COMB Net Operating Budget with Potential Offsetting Revenue	\$ 4,829,528 \$ (109,445) -2%

Disclosures

- (1) Board policy requires all projects to be approved thru Committee and by the Board prior to commencement
- (2) General and Administrative labor costs are generally allocated at 65% Operations Division and 35% Fisheries Division
- (3) Labor costs contain 5.17% COLA increase per annual calculation
- (4) Warren Act Trust Fund and Renewal Fund are special purpose restricted funds

Table 5.12 - COMB Operating Budget Allocation by Quarter

For FY 2022-23, COMB adjusted the collection of the quarterly assessments based on estimated projected implementation and projected cash outflows.

OPERATIONS DIVISION		
Operations Division Budget		
Goleta Water District	40.42%	\$ 3,435,982
City of Santa Barbara	35.89%	\$ 3,051,152
Carpinteria Valley Water District	12.20%	\$ 1,036,956
Montecito Water District	11.50%	\$ 977,241
Total Operations Division Budget	100.00%	\$ 8,501,331
FISHERIES DIVISION		
Fisheries Division Budget		
Goleta Water District	40.42%	\$ 613,212
City of Santa Barbara	35.89%	\$ 544,532
Carpinteria Valley Water District	12.20%	\$ 185,063
Montecito Water District	11.50%	\$ 174,406
Total Fisheries Division Budget	100.00%	\$ 1,517,212
COMB GROSS OPERATING BUDGET		
Goleta Water District	40.42%	\$ 4,049,194
City of Santa Barbara	35.89%	\$ 3,595,684
Carpinteria Valley Water District	12.20%	\$ 1,222,019
Montecito Water District	11.50%	\$ 1,151,647
Total Gross COMB Operating Budget	100.00%	\$ 10,018,544
OFFSETTING REVENUES		
Goleta Water District	40.42%	\$ (1,581,928)
City of Santa Barbara	35.89%	\$ (1,404,752)
Carpinteria Valley Water District	12.20%	\$ (477,415)
Montecito Water District	11.50%	\$ (449,922)
TOTAL	100.00%	\$ (3,914,016)
Total Offsetting Revenues	100.00%	\$ (3,914,016)
TOTAL NET COMB OPERATING BUDGET	100.00%	\$ 6,104,528

Table 5.12 - COMB Operating Budget Allocation by Quarter (Continued)

COMB OPERATING BUDGET QUARTERLY ASSESSMENT		
COMB Operating Budget Quarterly Assessment (July - September, 2022)		
Goleta Water District	40.42%	\$ 974,242
City of Santa Barbara	35.89%	\$ 865,127
Carpinteria Valley Water District	12.20%	\$ 294,020
Montecito Water District	11.50%	\$ 277,088
Subtotal Assessment (July - September, 2022)	100.00%	\$ 2,410,476
COMB Operating Budget Quarterly Assessment (October - December, 2022)		
Goleta Water District	40.42%	\$ 278,469
City of Santa Barbara	35.89%	\$ 247,280
Carpinteria Valley Water District	12.20%	\$ 84,040
Montecito Water District	11.50%	\$ 79,200
Subtotal Assessment (October - December, 2022)	100.00%	\$ 688,990
COMB Operating Budget Quarterly Assessment (January - March, 2023)		
Goleta Water District	40.42%	\$ 775,766
City of Santa Barbara	35.89%	\$ 688,880
Carpinteria Valley Water District	12.20%	\$ 234,121
Montecito Water District	11.50%	\$ 220,639
Subtotal Assessment (January - March, 2023)	100.00%	\$ 1,919,406
COMB Operating Budget Quarterly Assessment (April - June, 2023)		
Goleta Water District	40.42%	\$ 438,789
City of Santa Barbara	35.89%	\$ 389,645
Carpinteria Valley Water District	12.20%	\$ 132,424
Montecito Water District	11.50%	\$ 124,798
Subtotal Assessment (April - June, 2023)	100.00%	\$ 1,085,656
TOTAL NET COMB OPERATING BUDGET		
Goleta Water District	40.42%	\$ 2,467,266
City of Santa Barbara	35.89%	\$ 2,190,933
Carpinteria Valley Water District	12.20%	\$ 744,604
Montecito Water District	11.50%	\$ 701,725
TOTAL NET COMB OPERATING BUDGET	100.00%	\$ 6,104,528

Notes:

- 1) General & Administrative Expenses are allocated at 65% Operations Division and 35% Fisheries Division with the exception of Legal Fees, Membership dues, Admin Fixed Assets, Education, Travel, Public Info
- 2) Pursuant to the terms and conditions of the Separation Agreement, ID No. 1 was deemed no longer a Member Agency of COMB and had departed from the COMB JPA Agreement as of May 27, 2016. 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. Payments received from the ID No. 1 for certain COMB BiOp and Oak Tree related expenditures will be returned to the COMB Member Agencies upon collection.

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APPENDIX

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**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: OPERATION AND MAINTENANCE EXPENSES**



COMB's Operations Division is responsible for diversion of water from Lake Cachuma located in the Santa Ynez Valley to the South Coast of Santa Barbara County through the Tecolote Tunnel. In addition, the Operations Division responsibilities include the operation and maintenance of the 26-mile South Coast Conduit conveyance pipeline, flow control valves, meters, instrumentation at control stations, turnouts and appurtenant structures along the South Coast Conduit and at four regulating reservoirs.

COMB coordinates closely with the Bureau of Reclamation and COMB Member Agency staff to ensure that water supplies meet daily demands.

Labor (Accounts: 3100 - 3165)	\$ 1,090,526
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Operation and Maintenance Labor is the cost for the total salaries and benefits for an Operations Division Manager / Engineer, an Operations Supervisor, a Program Analyst and a four-member field crew. The benefits include medical, dental and vision insurance coverage, a \$20,000 life insurance policy per employee, an employee assistance program (EAP), and the Cal-PERS retirement contribution.

Starting July 1, 2017, classic members began paying a portion of the Employer Paid Member Contribution (EPMC) cost. For fiscal year 2022-23, the classic members' contribution rate is set at 7.0%. All employees hired after January 2013 who are not classified as "classic" members will contribute 6.75% of the CalPERS retirement premium from their bi-weekly paycheck.

The health, vision, dental and life insurance programs are selected through ACWA/JPIA. The Workers' Compensation premiums are based on payroll calculated at various percentages depending on the category of each employee (clerical, outside sales and field operations). FICA is a mandatory employer expense. A multiple policy discount has been applied as additional savings to the employee benefits program.

The overall labor line item includes a 5.17% COLA per the annual calculation.

Totals by Account:

3100 Labor Operations	\$ 686,058
3155 CalPERS	\$ 117,989
3150 Health Insurance	\$ 199,692
3150 Workers Compensation	\$ 34,303
3160 FICA	\$ 52,483
Total	\$ 1,090,526

**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: OPERATION AND MAINTENANCE EXPENSES**



Vehicles and Equipment (Accounts: 3201 - 3204)	\$ 205,000
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The Vehicles and Equipment account is made up of four sub-accounts which include funds for the purchase of vehicles, fuel, parts, inspections and maintenance of vehicles, equipment, and rental of equipment.

Account 3201 includes supplies necessary to operate and maintain vehicles and equipment such as fuel, oil, tires, parts, inspections, and labor, etc. This account reflects amounts determined by historical expense data and projected operational needs. Account 3202 contains funds for the purchase of replacement vehicles, equipment or large tools as may be necessary in the fiscal year. Account 3203 includes all rental equipment charges necessary for operation. Account 3204 is utilized for the purchase of small tools, equipment, and supplies. These accounts are increased or decreased annually to reflect changes in the price, work plan and number of items to be purchased from these accounts.

Totals by Account:

3201 Vehicle/Equip Maintenance	\$ 40,000
3202 Fixed Capital	\$ 150,000
3203 Equipment Rental	\$ 5,000
3204 Misc.	\$ 10,000
Total	\$ 205,000

Contract Labor (Accounts: 3301 - 3304)	\$ 130,000
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The Contract Labor account contains funds for outside services/labor that cannot be supported by COMB staff which may include water quality sampling, elevator repair, tree trimming and removal services, heavy equipment and operators' labor costs for various small projects, meter calibration and meter repair, etc. The amounts have been distributed between accounts 3301, 3302 and 3303 to reflect the costs accurately. Account 3304 is used to hire consultants as necessary for extraordinary engineering, design, or study projects.

Totals by Account:

3301 Conduit, Meter, Valves	\$ 20,000
3302 Buildings and Roads	\$ 20,000
3303 Reservoirs	\$ 60,000
3304 Engineering Misc.	\$ 30,000
Total	\$ 130,000

**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: OPERATION AND MAINTENANCE EXPENSES**



Materials / Supplies (Accounts: 3401 - 3403)	\$ 85,000
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The Materials and Supplies account covers costs related to operation and maintenance of the conduit, reservoirs, and outlying buildings and roads. This account includes funding for gravel, fencing, charts, locks, paint, fire extinguishers, etc.

Totals by Account:

3401 Conduit, Meter, Valves	\$ 65,000
3402 Buildings and Roads	\$ 15,000
3403 Reservoirs	\$ 5,000
Total	\$ 85,000

Other Expenses (Accounts: 3501 - 3506)	\$ 50,800
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The Other Expenses account includes utilities, uniforms, hazardous waste disposal, communications (phones at facilities and cell phones for operations and maintenance), Underground Service Alerts (USA), employee training and certifications. Costs are based on historical actual charges for these services.

Totals by Account:

3501 Utilities	\$ 7,000
3502 Uniforms	\$ 5,750
3503 Communications	\$ 15,800
3504 USA and Other Svcs	\$ 7,250
3505 Misc.*	\$ 12,000
3506 Training and Certifications	\$ 3,000
Total	\$ 50,800

*Misc. detail: Operations Division non-fixed assets expenses, computer/software/ office supply needs, shipping, refuse/recycle/ waste/non-hazmat material disposal, portable toilets/roll off boxes, operations employment ads/background checks.

Non-fixed assets	\$ 1,000
Operations computer/ Software/office supply needs	\$ 500
Safety / First Aid Supplies	\$ 1,200
Refuse/recycle, etc.	\$ 3,800
Portable toilets/roll offs	\$ 5,500
Total	\$ 12,000

SUBTOTAL OPERATION AND MAINTENANCE EXPENSES	\$ 1,561,326
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**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES**



Program Description

The General and Administrative accounts reflect costs for support of all administrative functions of COMB. These include water supply and delivery reports, human resources and risk management, tax, audit, contractual and employment law, salary and benefits, accounting, communications with Federal, State and local agencies and the public on a variety of contractual and informational matters.

Administrative costs are generally allocated between the Operations Division (65%) and the Fisheries Division (35%).

Directors' Fees (Account: 5000)	\$ 13,000
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This account reflects Directors' fees at a rate of \$150.00 per meeting. The Directors will decide future increases by public meeting and change of ordinance. This cost is allocated between the Operations and Fisheries division.

Audit (Account: 5100)	\$ 22,750
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This account reflects costs for the annual COMB financial audit and any other audit service or valuation as required.

Legal (Account: 5101)	\$ 75,000
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This account reflects costs for the COMB general counsel and any litigation expenses.

Unemployment Tax (Account: 5150)	\$ 5,000
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COMB belongs to the California State Unemployment "self-insured" program. Under the program, COMB is not required to pay unemployment premiums. Instead, COMB is required to budget for and pay any unemployment claims that may arise. This account is an estimate.

**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES**



Liability and Property Insurance (Account: 5200)	\$ 33,326
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This account reflects insurance costs for coverage provided by ACWA/JPIA for all general liability, property insurance (buildings, personal property, fixed equipment, and catastrophic coverage), crime coverage, employee dishonesty, and replacement costs. The general liability premiums are based on a formula that includes annual payroll as well as a three-year loss history of claims. The property insurance premiums are based on value of property in which coverage is provided. The general liability and property insurance line item is an allocated cost between Operations and Fisheries Divisions.

Health and Workers' Compensation (Account: 5201)	\$ 203,216
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This account reflects costs for 65% of all administrative staff health premiums (medical, dental, vision and life), and employee assistance program (EAP), workers' compensation premiums as well as all retiree health premiums. The cost for health premiums is a set premium amount for each employee and their dependents, as well as eligible retirees, depending on qualifying criteria. The health, workers compensation and life insurance programs were negotiated through ACWA/JPIA. Although there have been substantial increases in the past, the premiums have remained competitive throughout the years. This line item includes a projected increase in health premiums that will occur in January 2023.

CalPERS (Account: 5250)	\$78,776
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This account reflects costs for the California Public Employees' Retirement System. The costs are based on 65% of salaries for all COMB administrative staff. The calculation of this account is payroll driven.

COMB pays the employer and a portion of the employee cost for classic members while new hires pay 50% of the normal cost contributions. Starting July 1, 2017, classic members began paying a portion of the employee cost (EPMC). For fiscal year 2022-23, the classic members' contribution rate is set at 7.0%. All employees hired after January 2013 who are not classified as "classic" members will contribute 6.75% of the CalPERS retirement premium from their bi-weekly paycheck.

FICA and Medicare (Account: 5339)	\$ 24,823
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This account reflects 65% of the matching share of social security and Medicare taxes for all administrative employees.

**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES**



Administrative Salaries (Account: 5300 - 5307)	\$ 324,487
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This account reflects salaries for the specified positions of General Manager, Administrative Manager/CFO, and two administrative staff at 65% apportionment. The salaries for all administrative staff (except the GM) contain a 5.17% cost of living increase. The COLA calculation is based on a melding of both the Los Angeles / Riverside index with the US City average index for a 13-month rolling period. The salary for the General Manager is set by the COMB Board.

Office Expense and Postage (Account 5310)	\$ 6,000
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The Office Expense and Postage account reflects the cost of all office supplies and postage for general and administrative tasks. General and Administrative expenses have been reduced to the lowest level of effective operation.

Office Equipment/Leases (Account: 5311)	\$ 13,440
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The Office Equipment/Leases account includes costs associated with leases and quarterly service agreements for postage machine, copier equipment, accounting/computer software licenses, and any maintenance fees.

Miscellaneous Expense (Account: 5312)	\$ 14,000
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This account contains funds necessary for office cleaning, board meeting supplies, outside payroll services, building alarm renewal, and miscellaneous expenses. General and Administrative expenses have been reduced to the lowest level of effective operation.

Office Cleaning	\$ 5,000
Paychex payroll costs	\$ 4,000
Misc. expenses	\$ 5,000
Total	\$14,000

Communications (Account: 5313)	\$ 9,500
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This account contains funds necessary for the telephone service, long distance service, cable internet service, conference call service and cell phone service. General and Administrative expenses have been reduced to the lowest level of effective operation.

**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES**



Utilities (Account: 5314)	\$ 9,737
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This account contains funds necessary to provide utilities to the administrative offices.

Membership Dues (Account: 5315)	\$ 11,450
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This account reflects membership dues for Association of California Water Agencies (ACWA), American Water Works Association (AWWA), California Special Districts Association (CSDA), Government Finance Officers Association (GFOA) and subscriptions for professional publications.

Administrative Fixed Assets (Account: 5316)	\$ 8,000
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This fiscal year's fixed assets include the replacement of computers and office furniture as needed.

Computer Consultant (Account: 5318)	\$ 25,000
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This account was established for an outside consulting company that provides monitoring and technical support for all of our information technology and computer related needs.

Employee Education / Training (Account: 5325)	\$ 2,000
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This account was established to provide employees with the ability to obtain professional training, required certifications and for management training purposes. This account also provides for human resources and employee related subscriptions.

Administrative Travel (Account: 5330)	\$ 2,000
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This account reflects actual travel costs for the COMB staff. This account is also used for attendance at conferences by the General Manager and/or staff.

**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES**



Public Information (Account: 5331)	\$ 3,500
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This account is available for public information bulletins or newsletters in order to communicate with the community in case of emergencies or environmental impacts on the COMB water distribution system or reservoirs. This account also includes costs to operate and maintain the COMB website.

SUBTOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ 885,005
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OPERATIONS DIVISION: SPECIAL GENERAL AND ADMINISTRATIVE EXPENSES

Integrated Regional Water Management Plan (Account: 5510)	\$ 5,000
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This account has been established for COMB to participate in the integrated regional water management plan for Santa Barbara County.

SUBTOTAL SPECIAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ 5,000
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North Portal Intake Tower

**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: INFRASTRUCTURE IMPROVEMENT PROJECTS**

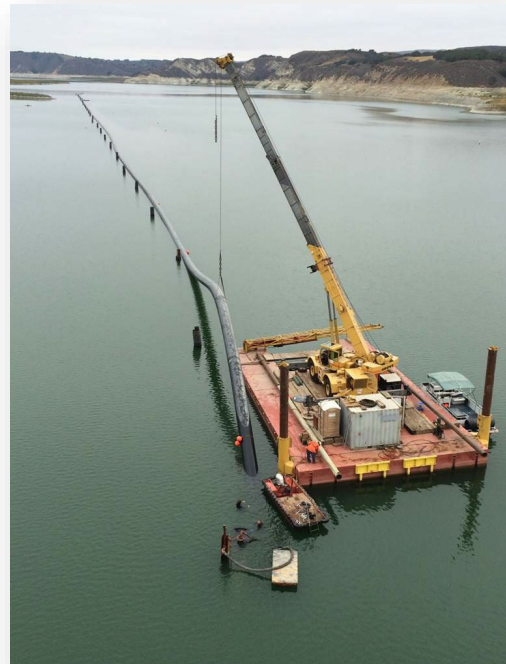


EPF Secured Pipeline (Account: 6120)	\$ 4,400,000
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The Cachuma Project was designed primarily as a gravity flow system; however, when the lake level recedes below the lowest gate on the Intake Tower during severe drought, Cachuma Project water and State Water Project (SWP) water cannot be transported to the South Coast by gravity. Under these conditions, water must be pumped from deeper parts of the lake to the Intake Tower. Without the drought-period operation of an emergency pump and pipeline, water service would be interrupted, causing a widespread immediate threat to public health and safety within Goleta, Santa Barbara, Montecito, Summerland and Carpinteria. In addition, Gate 5, the lowest operating gate, on the Intake Tower, is inoperable due to sedimentation under normal operating conditions.

The Lake Cachuma Emergency Pumping Facility (EPF) Secured Pipeline Project would re-establish the capability to draft from the original Gate 5 elevation (660') to allow higher quality water (lower temperature and organic carbon) to be diverted to the Tecolote Tunnel under normal operations. A 3,600 ft. pipeline connected to Gate 5 will be secured to the lake bottom with concrete anchors and an intake screen set at the 660' elevation would be installed above the lake bottom.

Even with the installation of the Secured Pipeline to re-establish the Gate 5 drafting elevation, flows under gravity will become limited as the lake elevation approaches the bottom sill of Gate 4 (678'). To maintain diversions during drought conditions, the Emergency Pumping Facility (pump station on a floating barge) would need to be installed at the end of the Secured Pipeline.



Emergency Pumping Facility

An Emergency Pumping Facility, including a barge and floating pipeline, was used during the 2014-2016 drought. However, due to anchor pile installation limitations for the floating pump station, this system had to be installed approximately one year before it was placed in operation and idled for a year at significant cost. In addition, in February 2017 the lake rose 23 feet in one day which made the removal the anchor piles and floating pipeline extremely difficult.

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: INFRASTRUCTURE IMPROVEMENT PROJECTS

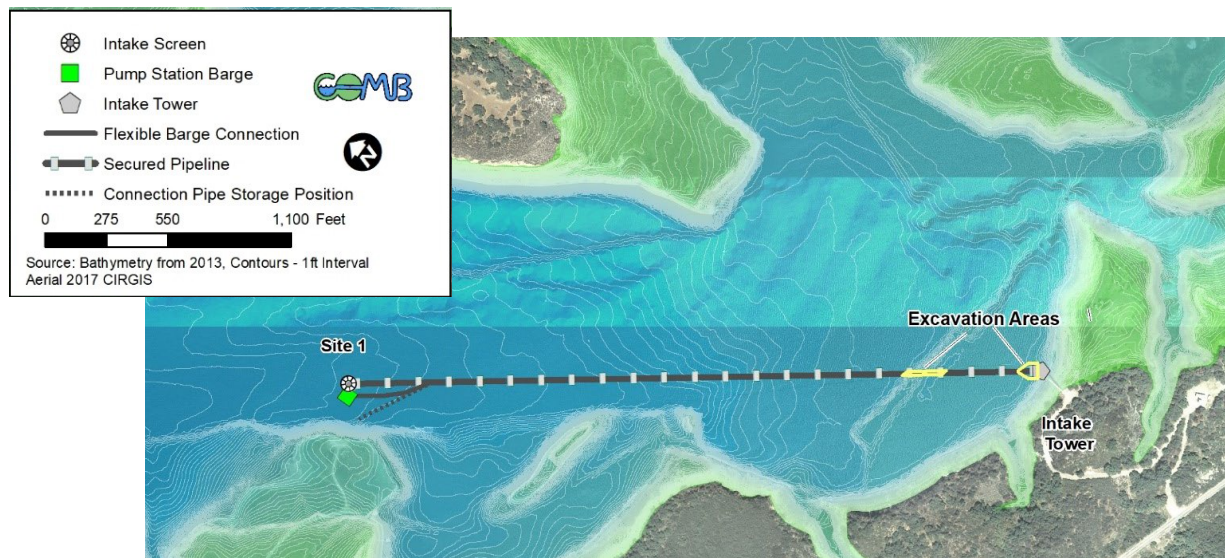


EPF Secured Pipeline (Account: 6120) - Continued

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. It will also reduce the cost of future EPF deployments and improve water quality of delivered water under normal operations.

In 2017, COMB hired a contractor to perform a Secured Pipeline Project Preliminary Engineering Report. Additionally, COMB hired a specialized submerged pipeline design contractor to analyze pipe suitability, weight design and deployment, a pump station connection, a ROM opinion of probable construction cost, and a gravity intake and alternative pump station location. COMB extended the agreement with the same contractor to complete final engineering design.

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 addition, COMB was recently awarded a grant from the Department of Water Resources Urban and Multi Benefit Drought Relief Program for \$2,250,000. Funds from both of these grants will be applied towards the secured pipeline project construction costs. The installation of the Secured Pipeline Project is projected to be completed during FY 2022-23. This will require acquisitions of appropriate permits and approval of the Board of Directors.



**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: INFRASTRUCTURE IMPROVEMENT PROJECTS**



SCC Isolation Valve – Lower Reach (Account: 6136)	\$ 500,000
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COMB staff has made significant progress on the rehabilitation of the South Coast Conduit (SCC) system and appurtenances starting in the late 1990s and early 2000s. The upper reach of the SCC system, which includes the area from the South Portal to Lauro Reservoir, was extensively rehabilitated during that time. COMB staff worked with the Bureau of Reclamation and consultant engineers to repair and replace important infrastructure components to achieve a reliable conveyance system in the upper reach.

Appurtenant structures in the lower reach of the system are over seventy years old and are considered to be at their maximum life span. The COMB Five-Year Infrastructure Improvement Plan (IIP) included a plan to rehabilitate over thirty aging lateral structures in this section. Each connection contains two gate valves, a meter and often an air vent component. During FY 2021-22, COMB entered into a Cooperative Agreement with Carpinteria Valley Water District (CVWD) to rehabilitate the system utilizing financial assistance from the District.

The cooperative agreement was divided into two phases. The first phase was to be completed in FY 2021-22 in the approximate cost of \$450,000 to each agency based on the costs for the installation of an in-line isolation valve near La Mirada Drive adjacent to Highway 192. The isolation valve allows a section of the South Coast Conduit, which currently serves eleven laterals, to be subdivided to two segments. The La Mirada in-line isolation valve also allows three air vents and two blow-off structures to be rehabilitated in the Carpinteria area. This would allow COMB to complete a Category 1 recommendation from the U.S. Bureau of Reclamation to rehabilitate subgrade air vent structures. CVWD in turn agreed rehabilitate lateral structures in Phase 1 equal to the \$450,000 costs of the La Mirada Isolation Valve. COMB completed construction of the La Mirada isolation valve in April 2022.



La Mirada Piping and Valve

**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: INFRASTRUCTURE IMPROVEMENT PROJECTS**



SCC Isolation Valve – Lower Reach (Account: 6136) - Continued

The Cooperative Agreement includes a Review of Progress of work after Phase 1 is complete. After the review, depending on the performance of work, the amount of funds expended, and the current funding available (which may be impacted by drought conditions) the COMB Board will have discretion on the continuation of Phase 2 and approval of the second in-line isolation valve (Lillingston) for construction in Fiscal Year 2022-2023. The Lillingston isolation valve was originally estimated to cost \$500,000 and would be reviewed and approved by the COMB Board in Fiscal Year 2022-2023 to initiate Phase 2 of the agreement.

SCC Lower Reach Lateral Structures (Account: 6137)

\$ 550,000

There are forty-four lateral connections housed in concrete cylinder structures on the lower reach of the South Coast Conduit. The function of these connections is to provide water to sections of the Montecito Water District and Carpinteria Valley Water District. Each connection contains a gate valve, a check valve and an air vent component. Thirty-five of the existing lateral appurtenances in the lower reach pose an operational risk due to age, corrosion, and unreliable valve operating conditions. The dependability of these valves is necessary to provide reliable water service to customers served in sections of the Montecito and Carpinteria Water District Boundary areas. The consequence of not completing this project could result in lateral failure/inoperability or complicating operations if leak-by or a major failure occurred.

This project would replace valves, air vents, and check valves on active lateral connections. The project will require shutdowns for the specified turnout distribution supply areas and would be coordinated with the impacted Member Agencies. The lateral valves need to be replaced prior to future planned shutdowns of the South Coast Conduit in the Carpinteria area. CVWD is scheduled to complete Phase 1 of Lower Reach Lateral Isolation Valve Replacement Project in 2022 for \$450,000. A portion of the work will need to be completed in the Fall/Winter of 2022 during a planned shutdown of the SCC.

Phase 2 of the Lower Reach Lateral Isolation Valve Replacement Project is scheduled to occur in Fiscal Year 2022-2023 for \$550,000 following the Review in Progress after Phase 1 of the Cooperative Agreement is complete.

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: INFRASTRUCTURE IMPROVEMENT PROJECTS



SCC Structure Rehab (AVAR/BO Valves) (Account: 6096)	\$ 440,000
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Air vacuum air release valves (AVAR) are float operated valves, which are common to water delivery systems. The AVAR’s function is to allow volumes of air to be exhausted from or admitted into the pipeline to protect the system from a loss of capacity and prevent the pipe from collapsing in the event of a break in the pipe. There are twenty-six AVARs on the Lower Reach of the SCC. Three air vents remain which require rehabilitation with two located in Highway 192. Replacement of the AVARs is a USBR Category 1 recommendation.

Blow-off structures exist on all low points of a water distribution system. The components included in these structures include manhole covers, lower riser sections, an upper spool section, a gate valve, and blow-off piping. There are sixty-five blow-off structures in the South Coast Conduit system. Sixty blow-off structures have been rehabilitated with five structures remaining. The project consists of replacing the manhole covers, lower risers, gate valves, upper spools, and discharge piping all within the Lower Reach of the SCC. The project would be completed in conjunction with the AVAR valve replacement and relocation project and coordinated with the affected Member Agencies during the required system shutdown.

SUBTOTAL INFRASTRUCTURE IMPROVEMENT PROJECTS	\$ 5,890,000
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**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: SPECIAL PROJECTS**



Water Quality and Sediment Management - 6138	\$ 50,000
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Lake Cachuma is the principal drinking water supply for the South Coast of Santa Barbara County providing surface water supply to the Goleta Water District, City of Santa Barbara, Montecito Water District, and Carpinteria Valley Water District. In addition, Lake Cachuma serves as the conduit for state water deliveries to the South Coast. Diversions from the lake are managed by COMB. Upstream of Lake Cachuma are Gibraltar Reservoir, owned by the City of Santa Barbara, and Jameson Reservoir, owned by Montecito Water District.

More than half of Lake Cachuma’s water shed has been burned by the 2016 Rey Fire and 2017 Whitter Fire and Thomas Fire. COMB recently completed a two-year study on behalf of, and in coordination with, the COMB Member Agencies for addressing raw surface water quality and sedimentation issues at Lake Cachuma. COMB engaged and provided assistance to two separate environmental and water resources engineering firms that were engaged to complete the study.

For Fiscal Year 2022-23, COMB plans on completing some of the Phase 2 recommended actions from the Lake Cachuma Water Quality and Sediment Management Study. Phase 2 includes expanded data gathering to increase understanding of lake dynamics related to phosphorous (P) loading and total organic carbon sources.

COMB plans on implementing specialized sediment core sampling to quantify internal phosphorus loading at Lake Cachuma. Laboratory incubations of sediment cores would be used to determine the relative importance of internal vs. external phosphorous loads. The results can be used to answer a variety of lake management questions, such as the effectiveness of an aluminum sulfate (alum) and other treatments for reducing sediment P release. In addition, specialized laboratory analyses would be conducted to determine whether the total organic carbon comes from either mostly algal or mostly terrestrial sources or both. This knowledge is needed to determine which types of projects would be most effective at reducing total organic carbon loading at the lake.



**COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: SPECIAL PROJECTS**



COMB Building Improvements and Maintenance (Account: 6062)	\$ 45,000
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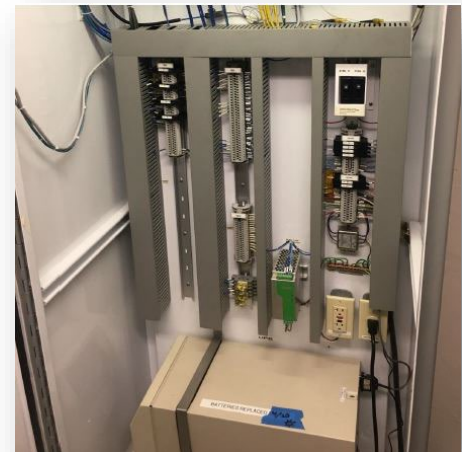
During FY 2021-22, COMB replaced three aging mobile office buildings with newly manufactured mobile offices. Funds in this account contains funds for outside services/labor that cannot be supported by COMB staff including landscaping, HVAC repair and general maintenance.



For FY 2022-23, COMB plans on repaving the asphalt parking lot in the main driveway and parking lot (\$35k).

SCADA Improvement and Support (Account: 6062)	\$ 35,000
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The “Supervisory Control and Data Acquisition” system (SCADA) collects and enables the retrieval of historical data. Information includes flows, reservoir elevations, alarms, communication, turbidity, pH, temperature, and valve positions. Additionally, SCADA provides alerts to COMB Operations staff to take corrective action 24/7.



During FY 2021-22, COMB replaced nine legacy programmable logic controllers (PLCs) in their existing control panels with new PLC processors, software, and I/O modules. As part of the upgrade, additional sensors were added to monitor the system for potential leaks or breaks. Several of these PLCs are in locations where data is shared with COMB’s Member Agencies. During this time, COMB also upgraded the SCADA server hardware and software to support the latest operating system and version of the SCADA software.

For fiscal year 2022-23, costs in this category include ongoing contractor support and any software subscription and licenses.

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: SPECIAL PROJECTS



Right of Way Identification Program (Account: 6105)	\$ 20,000
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The Right of Way Project (ROW) inventory will centralize information electronically to facilitate landowner communication regarding pending right-of-way work, provide communication with Santa Barbara permitting agencies, and enable COMB staff response to right-of-way disruptions and issues more efficiently by utilizing the GIS inventory. Specific tasks of the project include identifying, locating, and labeling the pipeline through field mapping in GIS and surveying. Sequentially, as data is developed, landowners will be notified of property easements and of COMB’s South Coast Conduit responsibilities.

GIS and Mapping (Account: 6097)	\$ 10,000
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This line item will support expenses for the licenses that are required to run the software affiliated with the Right-of-way program and other extraneous mapping needs.

SUBTOTAL SPECIAL PROJECTS	\$ 160,000
SUBTOTAL INFRASTRUCTURE IMPROVEMENT & SPECIAL PROJECTS	\$ 6,050,000
TOTAL OPERATIONS DIVISION BUDGET	\$ 8,501,331

**COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: OPERATION AND MAINTENANCE EXPENSES**



Program Description

To maintain and support all associated costs of operation and maintenance as they relate to the implementation of the NMFS Biological Opinion and the Lower Santa Ynez River Fish Management Plan.

Labor (Accounts: 4100 - 4152)	\$ 785,564
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The Fisheries Division Labor line item reflects labor costs and benefits for a Senior Resource Scientist, a three-member field crew, and four part-time seasonal bio-aide positions. The benefits include medical, dental and vision insurance coverage, a \$20,000 life insurance policy per employee, deferred compensation, matching social security contributions, mandatory workers' compensation coverage, an employee assistance program (EAP), FICA/Medicare and a CalPERS retirement contribution (2% @ 55 formula) Starting July 1, 2017, classic members began paying a portion of the employee cost (EPMC). For FY 2022-23, the classic member's contribution rate is set at 7.0%. All employees hired after January 2013 and who are not classified as "classic" members will contribute 6.75% of the CalPERS retirement premium from their bi-weekly paycheck (2% @ 62 formula). This line item includes a 5.17% COLA per the annual calculation.

Totals by Account

4100 Labor Biology Crew	\$448,196
4114 Labor Seasonal Crew	\$ 68,000
4151 CalPERS	\$ 86,571
4150 Health Insurance	\$117,498
4150 Workers Compensation	\$ 25,810
4152 FICA	\$ 39,489
Total	\$785,564



**COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: OPERATION AND MAINTENANCE EXPENSES**



Vehicles and Equipment (Accounts: 4270 - 4290)	\$ 122,500
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The Vehicles and Equipment section is made up of three accounts which include funds for the purchase of vehicles, fuel, parts, inspections and maintenance of vehicles and equipment.

Account 4270 includes costs necessary to operate vehicles and equipment such as fuel, oil, tires, parts, inspections, and labor, etc. This account reflects amounts determined by historical expense data and projected operational needs. Account 4280 contains funds for the purchase or replacement of equipment or large tools as may be necessary in the fiscal year. Account 4290 includes funding for all miscellaneous items affiliated with vehicles or equipment.

These accounts are increased or decreased annually to reflect changes in the price.

Totals by Account:

4270 Vehicles	\$ 30,000
4280 Fixed Capital	\$ 90,000
4290 Miscellaneous	\$ 2,500
Total	\$122,500

Contract Labor (Accounts: 4220 - 4222)	\$ 14,100
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The Contract Labor account contains funds for outside services/labor to support equipment calibration on flow meters and sonde meters, and funds for technical assistance corresponding to the operation, maintenance, and performance review of completed fish passage projects.

Completed tributary projects at Rancho San Julian, Cross Creek Ranch, and Quiota Creek Crossings require annual performance evaluation; licensed fish passage engineers need to conduct the structural evaluation whereas the biological evaluation and report are done by COMB staff.

Totals by Account:

4221 Equip Calibration	\$ 3,000
4222 Project Maintenance	\$11,100
Total	\$14,100

**COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: OPERATION AND MAINTENANCE EXPENSES**



Materials and Supplies (Account: 4390)	\$ 7,000
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The Materials and Supplies account covers costs for the purchase of materials needed for the Fisheries Monitoring Program, specifically monitoring for migration, spawning and over-summering. This can include constructing and repairing fish migration traps (pvc, netting, plywood, locks, waders, etc.) and the equipment necessary to conduct snorkel (dry suit, masks, snorkels, hoods, gloves, etc.) and redd surveys (waders, clipboards, etc.).

Other Expenses (Account: 4502)	\$ 5,000
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The Other Operating Expenses account includes funds to pay for uniforms and gear for the fisheries employees. This account is based on actual charges for the aforementioned services and changes in amounts are made only as necessary.

SUBTOTAL OPERATION AND MAINTENANCE EXPENSES	\$ 934,164
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Quiota Creek Fish Passage Project

**COMB OPERATING NARRATIVE
FISHERIES DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES**



Program Description

The General and Administrative accounts reflect costs for support of all fisheries division administrative functions of COMB. The salaries and benefits are divided at a 65% - 35% basis between the Operations Division and the Fisheries Division based on payroll allocations. General and Administrative expenses have been reduced to the lowest level of effective operation for FY 2022-23

Directors Fees (Account: 5426)	\$ 7,000
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This account reflects Directors' fees at a rate of \$150.00 per meeting. The Directors will decide future increases by public meeting and change of ordinance. This cost is allocated between Operations and Fisheries divisions.

Legal (Account: 5407)	\$ 25,000
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This account reflects the costs for General Counsel affiliated with the Fisheries Division program of work, as well as, anticipated litigation.

Audit (Account: 5441)	\$ 12,250
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This account reflects costs for a portion of the annual COMB financial audit and any single audit requirements.

Liability and Property Insurance (Account: 5443)	\$ 17,745
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This account reflects a portion of insurance costs for coverage provided by ACWA/JPIA for all general liability and property i.e., buildings, structures, computers, modular furniture, copiers, postage meters, vehicles and replacement costs of all properties belonging to COMB.

Health and Workers Compensation (Account: 5401)	\$ 44,115
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This account reflects costs for 35% of all administrative staff health premiums (medical, dental, vision and life), and employee assistance program (EAP), deferred compensation and workers' compensation premiums. The cost for health premiums is a set premium amount for each employee and their dependents. This line item includes a projected increase in health premiums that will go into effect in January 2023.

**COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES**



CalPERS (Account: 5402)	\$ 42,418
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This account reflects 35% percent of costs for the California Public Employees’ Retirement System for administrative personnel charged to the fisheries division. COMB pays the employer and a portion of the employee cost for classic members and new hires pay 50% of the normal cost contributions. Starting July 1, 2017, classic members began paying a portion of the employee cost (EPMC). For FY 2022-23, the classic member’s contribution rate is set at 7.0%. All employees hired after January 2013, who are not classified as “classic” members, contribute 6.75% of the CalPERS retirement premium from their bi-weekly paycheck (2% @ 62 formula).

FICA and Medicare (Account: 5403)	\$ 13,366
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This account reflects 35% of the matching share of social security and Medicare taxes for all administrative employees.

Salaries (Accounts: 5404, 5405, 5408, 5409, 5419)	\$ 174,724
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This account reflects a 35% allocation of salaries for the General Manager, Administrative Manager, Administrative Assistant II and an Administrative Analyst.

Postage and Office Supplies (Account: 5410)	\$ 4,000
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The Office Expense and Postage account reflects the cost of all office supplies and postage for general and administrative tasks attribute to the fisheries division.

Office Equipment / Leases (Account: 5411)	\$ 8,533
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The Office Equipment / Leases account includes the fisheries division portion of leases and quarterly service agreements for postage machine, copier equipment and any maintenance fees.

Miscellaneous Administrative Expense (Account: 5412)	\$ 7,500
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This account contains funds necessary for office cleaning, Board meeting supplies, Paychex payroll costs, outside copy costs and other minor miscellaneous expenses.

**COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES**



Communications (Account: 5413)	\$ 4,455
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This account contains funds necessary for the telephone service, long distance service, cable internet service, and staff cell phones.

Utilities (Account: 5414)	\$ 5,243
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This account contains funds necessary to provide utilities to the administrative offices affiliated with the fisheries division program of work.

Membership Dues (Account: 5415)	\$ 6,200
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This account reflects costs for membership dues for the American Fisheries Society as well as a portion of ACWA dues as they pertain to the fisheries division employees. This account also covers subscriptions for professional publications.

Administrative Fixed Assets (Account: 5416)	\$ 7,200
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This fiscal year's fixed assets include the purchase of computers according to the replacement schedule and office equipment / furniture as needed.

Computer Consultant (Account: 5418)	\$ 15,000
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This account was established to fund needs for all computer and internal network systems support through outside computer consultant services. It also accommodates purchasing and updating of software licenses.

Employee Education / Subscriptions (Account: 5425)	\$ 2,500
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This account was established to provide employees with the ability to obtain professional training, required certifications and for management training purposes specifically for in field and office operations, and safety and regulatory compliance. This account also provides for employee related subscriptions to professional fisheries organizations.

**COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES**



Administrative Travel (Account: 5430)	\$ 2,500
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This account provides for actual travel costs for professional conferences, seminars, training, and strategy meetings that are attended by the General Manager and/or staff throughout the fiscal year.

Public Information (Account: 5431)	\$ 1,500
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This account is for miscellaneous costs that may arise out of public records act requests, newsletters, webpage support or other public information requirements.

SUBTOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$398,049
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**COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: PROGRAM SUPPORT SERVICES**



Biological Opinion / FMP Implementation (Account: 6201)	\$ 42,000
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This line item provides funding for outside consultant support on activities, which include participation in the NFMS Biological Opinion compliance preparation as well as review of technical reports, study plans, participation in coordination and review meetings and conference calls.

BO and WR Order 2019-0148 Compliance Tasks and Support

This task addresses ongoing Cachuma Project Biological Opinion (BO or BiOp) and WR Order 2019-0148 compliance efforts and implementation of the Lower Santa Ynez River Fisheries Monitoring Program (FMP). As needed, consultants will provide technical and analytical support and review of the fisheries monitoring program and any proposed study plans. This may require participation of an advisory group to obtain consensus on the recommendations. A fish passage engineer will review, evaluate, and develop technical elements of fisheries related monitoring, fish passage and restoration program elements. In addition, this item includes bio-statistician support and genetic tissue analysis (fish fin clips) conducted by a National Marine Fisheries Service certified geneticist. Activities may involve background research, concept development, content development and production schematics support for the ongoing BO, WR Order 2019-0148 and FMP activities.



AMC and CC Participation and Technical Support

Conference calls preparation and follow-up per call as well as participation in face-to-face meeting of the Adaptive Management Committee (AMC) and Consensus Committee (CC) if necessary. Technical support to COMB in preparing work products for the AMC and the CC as required.

Review of Fisheries Monitoring Reports

Review of any fisheries monitoring reports that are prepared by the Cachuma Project Biology Staff. These reports would be compliance measures for terms and conditions presented in the BO and WR Order 2019-0148 and would include the Annual Monitoring Report and technical memos prepared for Reclamation as well as the AMC, CC or COMB Board. This may include participation on the Science Advisory Committee to discuss comments on the reviewed reports.

**COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: PROGRAM SUPPORT SERVICES**



GIS and Mapping - 6202	\$ 10,000
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This account provides funds for the purchase and maintenance of the GIS and GPS system components, software (ESRI, AutoCAD, Field Mapper, MapLogic, and Photoshop), hardware, aerial imagery, and GIS/GPS technical support.

USGS Stream Gauge Program (Account: 6205)	\$ 105,000
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This line item is to fund the required stream discharge and water quality monitoring on the lower Santa Ynez River and its tributaries in compliance with the NMFS Biological Opinion.

SUBTOTAL PROGRAM SUPPORT SERVICES	\$ 157,000
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**COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: HABITAT IMPROVEMENT PROJECTS**



Oak Tree Restoration Program (Account: 6207)	\$ 18,000
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This line item is to fund the tenth year of oak tree planning efforts at several planting sites bordering Lake Cachuma and Bradbury Dam. This planting and maintenance program is intended to result in a 2:1 replacement of oak trees lost due to the higher water elevations during surcharge events.



Oak Tree Restoration Program

Tributary Project Improvements (Account: 6303)	\$ 10,000
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This line item is to fund technical assistance provided by a fish passage engineer for tasks anticipated to include refinement of monitoring methods and procedures, hydraulic review of fish passage within a stream network, troubleshooting of general operation and maintenance issues, and review of miscellaneous technical data and reporting.

SUBTOTAL HABITAT IMPROVEMENT PROJECTS	\$ 28,000
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SUBTOTAL PROG SUPPORT AND HABITAT IMPROVEMENT PROJECTS	\$ 185,000
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TOTAL FISHERIES DIVISION BUDGET	\$ 1,517,212
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RECAP – TOTAL COMB OPERATING BUDGET
FY 2022-23



COMB OPERATIONS DIVISION	\$8,501,331
COMB FISHERIES DIVISION	<u>\$1,517,212</u>
TOTAL COMB GROSS OPERATING BUDGET	\$10,018,544
LESS: OFFSETTING REVENUES	<u>(\$3,914,016)</u>
TOTAL COMB NET OPERATING BUDGET	<u>\$6,104,528</u>



Lake Cachuma County Park

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SUMMARY OF FUNDS
BY FUND TYPE

Summary of Funds by Fund Type - FY 2022-23 ⁽¹⁾

Category	General Fund	Warren Act Trust Fund	Renewal Fund	Total
Revenues:				
COMB Net Operating Budget ⁽²⁾	\$ 6,104,528	\$ -	\$ -	\$ 6,104,528
USBR Water Rates/Deficits	2,259,451	-	-	2,259,451
Grant Funding	3,000,000	-	-	3,000,000
CVWD Cooperative Agreement Funding	550,000	-	-	550,000
Warren Act Trust Fund	-	118,293	-	118,293
Bradbury SOD Act	261,647	-	-	261,647
SB County Contribution	90,000	-	-	90,000
Water Rights Fee	70,720	-	-	70,720
Lauro SOD Act	47,404	-	-	47,404
Renewal Fund	-	-	155,723	155,723
Total Managed Revenues:	\$ 12,383,750	\$ 118,293	\$ 155,723	\$ 12,657,766
Expenditures:				
Contracts/Agreements				
U.S. Bureau of Reclamation	\$ 2,259,451	\$ -	\$ -	\$ 2,259,451
Bradbury SOD Act Repayment	261,647	-	-	261,647
Lauro SOD Act Repayment	47,404	-	-	47,404
Water Rights Fee	70,720	-	-	70,720
Subtotal:	\$ 2,639,222	\$ -	\$ -	\$ 2,639,222
Personnel				
Operations Division	\$ 1,090,526	\$ -	\$ -	\$ 1,090,526
Fisheries Division	531,547.54	98,293	155,723	785,564
Administrative Division	905,927	-	-	905,927
Subtotal:	\$ 2,528,000	\$ 98,293	\$ 155,723	\$ 2,782,016
Operation and Maintenance				
Operations Division	\$ 470,800	\$ -	\$ -	\$ 470,800
Fisheries Division	138,600	10,000	-	148,600
Subtotal:	\$ 609,400	\$ 10,000	\$ -	\$ 619,400
General and Administrative				
Operations Division	\$ 258,702	\$ -	\$ -	\$ 258,702
Fisheries Division	123,426	-	-	123,426
Subtotal:	\$ 382,128	\$ -	\$ -	\$ 382,128
Infrastructure and Improvement Projects				
Infrastructure Improvement Projects	\$ 5,890,000	\$ -	\$ -	\$ 5,890,000
Special Projects	160,000	-	-	160,000
Habitat Improvement Projects	18,000	10,000	-	28,000
Program Support Services	157,000	-	-	157,000
Subtotal:	\$ 6,225,000	\$ 10,000	\$ -	\$ 6,235,000
Total Expenditures before Debt:	\$ 12,383,750	\$ 118,293	\$ 155,723	\$ 12,657,766
Debt Service - American Riviera Bank	-	-	-	-
Total Expenditures:	\$ 12,383,750	\$ 118,293	\$ 155,723	\$ 12,657,766
Net Increase (Decrease) in Fund Balances	\$ -	\$ -	\$ -	\$ -

(1) COMB operates under one fund for financial statement and budgetary purposes. Because COMB is a pass-through agency, all revenues are equal to the expenditures included in the budget. As such, the overall Fund Balance excluding the Warren Act Trust Fund and Renewal Fund is expected to be zero. Unexpended funds are identified through the audit process and returned to the Member Agencies on an annual basis.

DEBT SERVICE

SOD Act Assessments Receivable and Contract Payable

Bradbury Dam SOD

On July 1, 2002, COMB executed a repayment contract with U.S. Bureau of Reclamation under the Department of Interior of the United States. Under the terms of the agreement and in accordance with the United States Safety of Dams 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 substantially complete. The repayment contract, as executed, calls for a repayment of 15% of a total 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 or \$3,483,989 and forty eight and seven tenths percent (48.7%) to municipal and industrial uses or \$3,307,412. The Irrigation allocation bears no interest and repayment commenced in fiscal year ending 2017. Interest during construction of \$325,477 was added to the M&I Allocation. During construction, COMB made advances 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’s payment obligation for FY 2022-23 is \$261,648 and assesses the Cachuma Project Member Units in accordance with each Member’s Cachuma Project entitlement percentages. The annual payment requirements to retire the contract through October 1, 2051, including interest payments at 5.856%, are presented in the following table. This table does not include future adjustments that may be made by Reclamation to the Bradbury Dam repayment contract due to additional incurred costs.

Table 6.1 – Bradbury Dam SOD Obligation

FYE	M&I Allocation		Irrigation Allocation	Total
	Principal	Interest		
2023	\$124,041	\$40,829	\$96,778	\$261,648
2024	131,305	33,565	96,778	261,648
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 - 2032			483,890	483,890
2033 - 2037			483,890	483,890
2041 - 2042			483,890	483,890
2043 - 2047			483,890	483,890
2048 - 2052			483,890	483,890
Total	\$697,222	\$127,128	\$2,903,340	\$3,727,690

DEBT SERVICE (CONTINUED)

SOD Act Assessments Receivable and Contract Payable

Lauro Dam SOD

On March 21, 2007, COMB executed a repayment contract with U.S. Bureau of Reclamation under the Department of Interior of the United States. Under the terms of the agreement and in accordance with the United States Safety of Dams 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 cost of the Lauro Dam SOD Act project was to be re-evaluated and repayment agreement amended, as necessary. During 2017, Reclamation completed its final accounting for the project and issued a final repayment contract. The repayment obligation has been allocated fifty and seventy-two one-hundredths percent (50.72%) to irrigation uses or \$512,139, and forty-nine and twenty-eight hundredths percent (49.28%) to municipal and industrial uses or \$497,598. The Irrigation allocation bears no interest.

COMB’s payment obligation for FY 2022-23 is \$47,405 and assesses the COMB Member Agencies (only) in accordance with each Member Agencies’ pro-rata Cachuma Project entitlement percentages. The annual payment requirements to retire the contract through October 1, 2057, including interest payments at 4.556%, are presented in the following table. This table represents the final repayment contract amount issued during fiscal year 2017.

Table 6.2 - Lauro Dam SOD Obligation

FYE	M&I Allocation		Irrigation Allocation	Total
	Principal	Interest		
2023	\$21,549	\$13,629	\$12,227	47,405
2024	22,531	12,647	12,227	47,405
2025	23,558	11,620	12,227	47,405
2026	24,630	10,547	12,227	47,405
2027	25,753	9,425	12,227	47,405
2028 - 2032	147,469	28,418	61,136	237,023
2033 - 2037	33,645	1,533	61,136	96,313
2038 - 2042			61,136	61,136
2043 - 2047			61,136	61,136
2048 - 2052			61,136	61,136
2053 - 2057			61,136	61,136
2058			12,227	12,227
Total	\$299,134	\$87,819	\$440,179	\$827,131

DEBT SERVICE (CONTINUED)**Changes in Long Term Debt – FY 2023**

Projected changes in long-term debt for FY 2022-23 by obligation are reflected in the following table.

Table 6.3 – Changes in Long Term Debt FY 2022-23

Obligation	Beginning Balance July 1, 2022	Additions	Principal Payments	Adjustments	Ending Balance June 30, 2023
Bradbury SOD	\$3,600,543	\$ 0	\$220,819	\$0	\$3,379,724
Lauro SOD	739,313	0	33,776	0	705,537
Total	\$4,339,856	\$0	\$254,595	\$0	\$4,085,261

PERFORMANCE

MEASURES

PERFORMANCE MEASURES

In support of our mission to provide a reliable source of water to our Member Agencies in an efficient and cost effective manner, COMB has identified the following key performance measures to demonstrate our efforts in achieving our objective.

[TABLE TO BE INSERTED]

LIST OF ACRONYMS
AND ABBREVIATIONS

LIST OF ACRONYMS AND ABBREVIATIONS

ACWA	Association of California Water Agencies
AMC	Adaptive Management Committee
AWWA	American Water Works Association
AF	Acre Foot
AFY	Acre Feet per Year
AVAR/BO	Air Vacuum Air Release / Blow Off
BO or BiOp	Biological Opinion
CalPERS	California Public Employees' Retirement System
CC	Consensus Committee
CCFA	Central Coast Funding Area
CCRB	Cachuma Conservation Release Board
CCWA	Central Coast Water Authority
CDFW	California Department of Fish and Wildlife
City of SB	City of Santa Barbara
COMB	Cachuma Operation and Maintenance Board
COLA	Cost of Living Adjustment
CPI	Consumer Price Index
CSDA	California Special Districts Association
CVWD	Carpinteria Valley Water District
DWR	Department of Water Resources
EAP	Employee Assistance Program
EPF	Emergency Pumping Facility
EPFP	Emergency Pumping Facilities Project
EPMC	Employer Paid Member Contribution
ESRI	Environmental Systems Research Institute
FEMA	Federal Emergency Management Agency
FY	Fiscal Year
FYE	Fiscal Year End

LIST OF ACRONYMS AND ABBREVIATIONS

FMP	Fisheries Monitoring Program
FRGP	Fisheries Restoration Grant Program
G & A	General and Administrative
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GPS	Global Positioning System
GWD	Goleta Water District
HIP	Habitat Improvement Plan
IIP	Infrastructure Improvement Plan
IRWM	Integrated Regional Water Management
IRWMP	Integrated Regional Water Management Program
JPA	Joint Powers Authority
JPIA	Joint Power Insurance Authority
MWD	Montecito Water District
MOU	Memorandum of Understanding
NGO	Non-Governmental Organizations
NMFS	National Marine Fisheries Service
O&M	Operations and Maintenance
PEPRA	Public Employees' Pension Reform Act
ROW	Right of Way
SB	Santa Barbara
SCADA	Supervisory Control and Data Acquisition
SCC	South Coast Conduit
SOD	Safety of Dams
SWP	State Water Project
SWRCB	State Water Resources Control Board
SYR	Santa Ynez River
SYRCWD	Santa Ynez River Conservation Water District

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GLOSSARY OF TERMS

GLOSSARY OF TERMS

A

Account - A record used to sort, store and summarize a company's transactions.

Accounting System - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of a government entity.

Accrual Basis of Accounting - The method of recording financial transactions in the accounting period in which revenues are earned and expenses are incurred, rather than only after cash is received or paid.

Acre-Foot of Water - The volume of water that would cover one acre to a depth of one foot (approximately 325,900 gallons).

Amortization - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

Appropriation - The act of setting aside money for a specific purpose.

B

Biological Opinion - When a government agency determines, through a biological assessment or other review, that its action is likely to affect adversely a listed endangered species, the agency submits to the appropriate regulatory agency a request for formal consultation. Generally, U.S. Fish and Wildlife Services (USFWS) manages land and freshwater species, while the National Marine Fisheries Services (NMFS) is responsible for marine and anadromous species. During formal consultation, the appropriate regulatory agency and the requesting agency share information about the proposed project and the species or critical habitat likely to be affected. Once the formal consultation is completed, the appropriate regulatory agency will prepare a biological opinion. The conclusion of the biological opinion will state whether the requesting agency has insured that its action is not likely to jeopardize the continued existence of a listed species and/or result in the destruction or adverse modification of critical habitat.

Budget - A report of all anticipated expenditures and the sources of moneys to be used to meet such expenditures.

Budget Adjustment - The process of reallocating budgeted funds to an alternate account and does not change the overall approved budget amount.

Budget Augmentation - Represents an increase to the approved budget due to an unanticipated expenditure and the need for additional assessments.

GLOSSARY OF TERMS

C

Calendar Year – The period from January 1 through December 31.

California Department of Fish and Wildlife - Within the California Natural Resources Agency, the Department of Fish and Wildlife manages and protects the state's fish, wildlife, plant and native habitats. It is responsible for related recreational, commercial, scientific, and educational uses. <https://wildlife.ca.gov/>

California Department of Water Resources (DWR) – The state agency responsible for the State of California’s management and regulation of water usage. <https://water.ca.gov/>

California Public Employees’ Retirement System – An agency in the California executive branch that manages pensions and health benefits for more than 1.6 million California public employees, retirees, and their families. <https://www.calpers.ca.gov/>

Capital Expenditures – Amounts expended which result in the acquisition of, or addition to, fixed assets, including land, buildings, improvements, machinery and equipment.

Carry-Over - The term used to denote amounts, which are to be expended during one fiscal year on a contract or obligation but are not expended for various reasons. Amounts are “carried over” into the subsequent fiscal year.

COMB Member Agency - On January 1, 1957, the Cachuma Operation and Maintenance Board (COMB) was formed as a Joint Powers Authority (JPA) through an agreement organized by the Cachuma Project Member Units pursuant to the provisions of Articles 1, 2, and 4 of Chapter 5, Division 7, Title 1 of the California Government Code. The resulting JPA agreement was entered into by the Cachuma Project Member Units, who, in doing so, became Member Agencies of COMB, in order to provide for the joint exercise of powers by those Member Agencies for the rights to, the facilities of, and the operation, maintenance and use of the Reclamation’s project known as the “Cachuma Project.” The organization is comprised of four Cachuma Project Member Units, known collectively as COMB’s Member Agencies. They are the Carpinteria Valley Water District, the Goleta Water District, the Montecito Water District, and the City of Santa Barbara.

Cachuma Project Member Unit – The Cachuma Project Member Units are the Carpinteria Valley Water District, Goleta Water District, Montecito Water District, City of Santa Barbara, and the Santa Ynez River Water Conservation District, Improvement District No. 1. The Member Units entered into contracts with the Santa Barbara County Water Agency for the purpose of receiving water from the Cachuma Project for the use and benefit of the Member Units.

GLOSSARY OF TERMS

C

COMB Joint Powers Agreement -The original contract was executed on January 1, 1957 and subsequently amended and restated for the establishment of a Board of Control to operate and maintain the Cachuma Project and exercise the powers of the Agreement pursuant to the provisions of Articles 1, 2 and 4 of Chapter 5, Division 7, Title 1 of the California Government Code (§6500 et seq.)

Consumer Price Index (CPI) - CPI is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas.

<https://www.bls.gov/regions/west/cpi-summary/>

Conveyance — A conveyance system provides for the movement of water, either natural or manmade. Conveyance infrastructures include natural watercourses, such as streams, rivers, and groundwater aquifers; and constructed facilities, such as canals and pipelines, including control structures such as weirs. Conveyance facilities range in size from small, local, end-user distribution systems to large systems that deliver water to or drain areas as large as multiple hydrologic regions. Conveyance facilities also require associated infrastructure, such as pumping plants and power supply, diversion structures, fish ladders, and fish screens.

Comprehensive Annual Financial Report - The annual audited financial report of COMB, which includes financial statements, statistical information, and extensive narration, which goes beyond the minimum financial reporting requirements of an audited financial statement.

Coverage Ratio - The margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

D

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Deficiency - A general term indicating the amount by which anything falls short of some requirement of expectation.

Deficit - The excess of expenditures over revenues during an accounting period.

GLOSSARY OF TERMS

D

Depreciation - An element of cost resulting from the service of long-lived assets in an economic organization and represents the loss in asset value because of wear, deterioration, obsolesce or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

E

Endangered Species Act - An act of the federal government enacted in 1973 that provides for the conservation of species that are endangered or threatened and the conservation of the ecosystems on which they depend. A species is considered endangered if it is in danger of extinction throughout all or a significant portion of its range. A species is considered threatened if it is likely to become an endangered species within the foreseeable future.

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources, or funds paid or to be paid for an asset obtained, or goods and services obtained regardless of when the expense is actually paid.

F

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which, a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character that are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fund Balance - Also known as financial position, fund balance is the excess of fund assets over liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other financing uses. COMB operates under one fund for financial statement and budgetary purposes. Because COMB is a pass-through agency, all revenues are equal to the expenditures included in the budget. As such, overall Fund Balance excluding the Warren Act Trust Fund and Renewal Fund is expected to be zero.

GLOSSARY OF TERMS

G

GASB - The Government Accounting Standards Board is the source of generally accepted accounting principles (GAAP) used by state and local governments. As with most of the entities involved in creating GAAP in the United States, it is a private, nongovernmental organization. <https://www.gasb.org>

Generally Accepted Accounting Principles - The uniform accounting principles, standards, and procedures for the presentation of financial reports. For local governments, GAAP is set by the Government Accounting Standards Board (GASB).

Geographical Information System (GIS) - An information system that integrates maps with electronic data.

Groundwater — Water that occurs beneath the land surface and fills the pore spaces of the alluvium, soil, or rock formation in which it is situated.

Groundwater Basin — An alluvial aquifer or a stacked series of alluvial aquifers with reasonably well-defined boundaries in a lateral direction and having a definable bottom.

I

Infrastructure Improvement Project - A project that results in a new asset (e.g. a facility, betterment, replacement, equipment, etc.) that has a total cost of at least \$50,000 and a useful life of at least five years. The US Bureau of Reclamation has title to certain assets of the Cachuma Project. Improvements made to those assets are treated as expenditures on COMB’s financial statements.

Irrigation Water - Water made available from the Cachuma Project which is used primarily in the production of agricultural crops or livestock.

J

Joint Powers Agreement - An agreement entered into by two or more public agencies that allows them to jointly exercise any power common to the contracting parties. JPA is defined in California Government Code Title 1, Division 7, Chapter 5 (commencing with Section 6500).

Joint Powers Authority - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function that all parties to the agreement are empowered to perform and that will be of benefit to all parties.

GLOSSARY OF TERMS

L

Line Item - Expenditure classifications established to account for and budget the appropriations approved.

M

Maintenance - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Master Contract - *Contract Between the United States and Santa Barbara County Water Agency Providing for Water from the Project (Contract No. 175r-1802R)* is between the U.S. Bureau of Reclamation and the Santa Barbara County Water Agency and provides for the diversion, storage, carriage and distribution of waters from the Santa Ynez River and its tributaries for irrigation, municipal, domestic and industrial uses for the Cachuma Project Member Units.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred.

M

Municipal and Industrial Water (M&I Water) - Water made available from the Cachuma Project other than Irrigation Water, M&I water includes water used for municipal, industrial, and domestic purposes, and water used for purposes incidental to domestic uses such as the water of landscaping or pasture for animals (i.e. horses) which are kept for personal enjoyment.

N

National Marine Fisheries Services (NMFS) - The federal agency responsible for the stewardship of national marine resources. <https://www.fisheries.noaa.gov/>

O

Obligation - Amounts that a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Other Post-Employment Benefits (OPEB) - Benefits provided to retirees other than pension, such as retiree health insurance.

Operating Expenses- All costs associated with the day-to-day business of COMB that are not considered capital improvements or debt repayments.

GLOSSARY OF TERMS

P

Pass-Through Charges - Charges from the United States Bureau of Reclamation and other state agencies which are paid by the Cachuma Project Member Units. These charges are not expenses of COMB but are charged and paid by the agency.

Project Water - Water that is developed, diverted, stored, or delivered by the United States pursuant to the Project Water Rights, including accretions to the Tecolote Tunnel.

Projected - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

Proprietary Fund - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

R

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue - An inflow of assets, not necessarily in cash, in exchange for services rendered.

Right of Way (ROW) - The legal right, established by usage or grant, to pass along a specific route through grounds or property belonging to another.

S

Santa Ynez Exchange Agreement - An agreement between Central Coast Water Authority, Carpinteria Valley Water District, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District No. 1 (SYRWCD ID No.1), and the City of Santa Barbara. Among other things, this agreement provides for the exchange of SYRWCD ID No.1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

SCADA System - The Supervisory Control and Data Acquisition (SCADA) System is a computer system that collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

GLOSSARY OF TERMS

S

State Water Project (SWP) – SWP, under the supervision of the California Department of Water Resources, is a water storage and delivery system of reservoirs, aqueducts, power plants and pumping plants extending more than 700 miles and serves urban and agricultural agencies from the San Francisco Bay area to Southern California.

<https://water.ca.gov/Programs/State-Water-Project>

State Water Resources Control Board (SWRCB) – The SWRCB oversees the allocation of the state's water resources to various entities and for diverse uses, from agricultural irrigation to hydro electrical power generation to municipal water supplies, and for safeguarding the cleanliness and purity of Californians' water. The State Water Board also provides financial assistance to local governments and non-profit agencies to help build or rejuvenate wastewater treatment plants, and protect, restore and monitor water quality, wetlands, and estuaries. <https://www.waterboards.ca.gov/>

Surface Water - As defined under the California Surface Water Treatment Rule, California Code of Regulations Title 22, Section 64651.83, surface water means “all water open to the atmosphere and subject to surface runoff” and hence would include all lakes, rivers, streams, and other water bodies. Surface water includes all groundwater sources that are deemed to be under the influence of surface water (i.e., springs, shallow wells, wells close to rivers, etc.), which must comply with the same level of treatment as surface water.

T

Table A — Table A is an exhibit that corresponds to the contracts between the California Department of Water Resources and the 29 State Water Project (SWP) water contractors, in which are defined the terms and conditions governing the water delivery and cost repayment for the SWP. All water-supply-related costs of the SWP are paid by the contractors, and Table A serves as a basis for allocating some of the costs among the contractors. In addition, Table A plays a key role in the annual allocation of available supply among contractors. Table A is simply contractual language for apportioning available supply and cost obligations under the contract.

Table A Water — The maximum amount of State Water Project (SWP) water that the State agreed to make available to an SWP contractor for delivery during the year. Table A amounts determine the maximum water a contractor may request each year from the California Department of Water Resources. The State and SWP contractors also use Table A amounts to serve as a basis for allocation of some SWP costs among the contractors.

GLOSSARY OF TERMS

T

Transferred Project Works Contract - *Transfer Agreement for the Operation and Maintenance of the Cachuma Project Transferred Works – Cachuma Project, California (Contract No. 14-06-200-5222R)* - An agreement between the U.S. Bureau of Reclamation and the Cachuma Operation and Maintenance Board. The purpose of the agreement is to transfer the responsibility of operating and maintaining the Cachuma Project Works to the Cachuma Member Units.

U

U.S. Department of the Interior, Bureau of Reclamation (USBR) – USBR is a federal agency under the U.S. Department of the Interior, which oversees water resource management, specifically as it applies to the oversight and operation of the diversion, delivery, and storage projects that it has built throughout the western United States for irrigation, water supply, and attendant hydroelectric power generation.

<https://www.usbr.gov/>

W

Warren Act Contract (Contract No. 5-07-20-W1281) – A contract between the U.S. Bureau of Reclamation and the Central Coast Water Authority and provides for the delivery and storage of non-project State Water in the federal facility referred to as the Cachuma Project.

Warren Act MOU Trust Fund - A trust fund established under a memorandum of understanding by and between the U.S. Bureau of Reclamation and the Cachuma Project Authority for the purposes of defining the Warren Act Trust Fund and use of funds, affiliated committees and responsibilities of parties. COMB and the Cachuma Project Authority merged in 1996, with COMB as the successor agency.

Water Rights – The legal right of a user to use water from a water source (i.e., a lake, river, stream, creek, pond, or source of groundwater).

Water Year – A continuous 12-month period for which hydrologic records are compiled and summarized. Different agencies may use different calendar periods for their water years. For the California Department of Water Resources, a water year is October 1 through September 30.

Watershed — A land area from which water drains into a stream, river, or reservoir. The watershed for a major river may encompass a number of smaller watersheds that ultimately combine at a common point.

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