



CACHUMA CONSERVATION RELEASE BOARD

REGULAR MEETING AGENDA

City of Santa Barbara
David Gebhard Conference Room
630 Garden Street
Santa Barbara, CA 93101

City of Santa Barbara
Goleta Water District
Montecito Water District

March 1, 2018
10:00 AM

Roll Call

Public Comment Period

Any member of the public may address the Board of Directors (Board) on any subject within the jurisdiction of the Board that is not scheduled for a public hearing before the Board. The President of the Board will determine the total time for public comments. If you wish to address the Board, please complete and deliver to the Secretary of the Board, before the meeting is convened, a “Request to Speak” form including a description of the subject you wish to address.

Consent Agenda

All matters listed hereunder constitute a consent agenda, and will be acted upon by a single roll call vote of the Board.

CA-1) MEETING MINUTES

Approval of minutes of the Board of Directors’ February 2 and February 23, 2018 meetings.

CA-2) UNAUDITED INTERIM FINANCIAL STATEMENT – PERIOD ENDING JANUARY 31, 2018

Receive and file the Unaudited Interim Financial Statement – Period Ending January 31, 2018.

Closed Session Agenda

CS-1) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

a. Government Code section 54956.9(d) (One potential case)

CS-2) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Government Code section 54956.9(d)(1) (One case: State Water Resources Control Board adjudicatory proceeding regarding Cachuma Project water rights)

Reconvene into open session and report on actions taken in closed session pursuant to Government Code Section 54957.1

Departmental Agenda

1. DIRECTOR'S REPORT

The Board may take action to provide direction to the Executive Director regarding Fiscal Year 2018-2019 budget development and associated timelines.

2. SET NEXT MEETING (Time, Date, Location)

3. ADJOURN TO THURSDAY, APRIL 5, 2018 at 10:00 a.m.

NOTICE TO PUBLIC

Americans with Disabilities Act: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Cachuma Conservation Release Board representative at (805) 879-4627 at least 48 hours prior to the meeting to enable the Board to make reasonable arrangements.

[This Agenda was posted at the City of Santa Barbara, 630 Garden St., Santa Barbara, CA 93101 And Delivered in Accordance with Section 54954.1 and .2 of the Government Code.]

MINUTES OF A SPECIAL MEETING
of the
CACHUMA CONSERVATION RELEASE BOARD
held at the
Goleta Water District
Conference Room
4699 Hollister Ave.
Goleta, CA 93110
Friday, February 2, 2018, 10:00 am

CALL TO ORDER, ROLL CALL

The meeting was called to order at 10 a.m. by board President and Chair Lauren Hanson, who introduced and welcomed new board member Kristen Sneddon as the City of Santa Barbara's representative to CCRB. Those in attendance were:

Directors Present:

Lauren Hanson	Goleta Water District
Doug Morgan	Montecito Water District
Kristen Sneddon	City of Santa Barbara

Also Present:

John McInnes
Ryan Drake
Kelley Dyer
Nina Pisani
Joel Mulder
Peter Cantle

Present by Phone:

Kevin O'Brien
Sam Bivins
Jean Baldrige
Enrique Lopezcalva
Warren Greco
Ted Harris

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

The board determined to consider the two consent items separately.

- a. Item C1, approve meeting minutes from January 4, 2018 and January 5, 2018. Moved and seconded (Morgan/Hanson). Vote: 2/0/1 (Sneddon).
- b. Item C2, receive and file unaudited interim financial statement for period ending December 31, 2017. Moved and seconded (Morgan/Hanson). Vote: 3/0/0.

DEPARTMENTAL AGENDA

Contract for CCRB General Manager.

- a. Consider and approve contract with Cantle Environmental Services, LLC to serve as CCRB General Manager; and,
- b. Direct board president to execute contract.

Deliberation: Director Morgan asked if a contract between CCRB and an LLC would affect CCRB's recourse in the case of, for example, a bad check. Mr. O'Brien stated the LLC would offer Mr. Cantle personal insulation from a damages claim but that on balance Mr. O'Brien viewed this as low-likelihood occurrence. President Hanson confirmed that Mr. Cantle has liability insurance in place. President Hanson and Director Sneddon both noted that the LLC structure supported CCRB's intent to fill the position with an independent contractor rather than an employee.

Motion: Moved and seconded (Morgan/Sneddon) to approve the contract and direct the board President execute it. Vote: 3/0/0. President Hanson then executed the contract with Mr. Cantle.

Audits for Fiscal Years 2014/2015 and 2015/2016.

- a. Receive a presentation on FY 2014/2015 and FY 2015/2016 from audit firm Bartlett, Pringle and Wolf, LLP; and
- b. Receive and file audits for FY 2014/2015 and FY 2015/2016.

Deliberation: The board received a report from Bartlett, Pringle and Wolf's Nina Pisani, who presented the results of the firm's audits. Ms. Pisani noted that the audits fairly presented CCRB's financial position, and no significant or unusual transactions were identified. The firm issued a separate Internal Control letter recommending that CCRB implement policies to ensure checks are deposited more timely to CCRB's bank account and that expense reimbursements be more closely reviewed by the board and supported by receipts. Director Morgan noted that these recommended fixes could be implemented by the new General Manager.

Motion: Moved and seconded (Morgan/Sneddon) to receive and file the two audit reports. Vote: 3/0/0.

State Controller Report – 2017

- a. Receive and file CCRB's 2017 Special Districts Financial Transactions Report submitted to State Controller.

Deliberation: Ryan Drake advised the board that Bartlett, Pringle and Wolf, LLP had assisted in completing the form and that he'd submitted it on CCRB's behalf to the State Controller.

Motion: Moved and seconded (Morgan/Sneddon) to receive and file the report. Vote: 3/0/0.

CLOSED SESSION

The Board went into closed session at 10:30 a.m. to discuss matters regarding existing and potential litigation. The Board came out of closed session and reconvened the public meeting at 11:59 a.m. There was no reportable action from closed session.

CCRB ADJOURNMENT

President Hanson again welcomed Director Sneddon to the Board and noted her appreciation to Ryan Drake, the consultant team and staff. The meeting was adjourned at 12:05 p.m., with the next scheduled meeting set for March 1, 2018, at 10 a.m. at the City of Santa Barbara.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Anna Cava", is written over a light blue rectangular background. The signature is fluid and cursive.

Secretary to the Board

MINUTES OF A SPECIAL MEETING
of the
CACHUMA CONSERVATION RELEASE BOARD
held at the
Goleta Water District
Conference Room
4699 Hollister Ave.
Goleta, CA 93110
Friday, February 23, 2018, 10:00 am

CALL TO ORDER, ROLL CALL

The meeting was called to order at 10:03 AM by board President and Chair Lauren Hanson.
Those in attendance were:

Directors Present:

Lauren Hanson	Goleta Water District
Doug Morgan	Montecito Water District
Kristen Sneddon	City of Santa Barbara

Also Present:

John McInnes
Ryan Drake
Nick Turner
Joel Mulder
Peter Cantle

Present by Phone:

Kelley Dyer
Kevin O'Brien
Sam Bivins
Jean Baldrige
Enrique Lopezcalva
Warren Greco
Ted Harris

PUBLIC COMMENT

There was no public comment.

CLOSED SESSION

The Board went into closed session at 10:06 AM to discuss matters regarding existing and potential litigation. The Board came out of closed session and reconvened the public meeting at 11:58 AM. There was no reportable action from closed session.

CCRB ADJOURNMENT

President Hanson adjourned at 12:05 PM, to a Special Meeting set for Monday, February 26, 2018 at 4:00 PM, at the Cachuma Operation and Maintenance Board offices, 3301 Laurel Canyon Road, Santa Barbara, CA 93105.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Peter Carver", is written over a light blue rectangular background. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Secretary to the Board



Cachuma Conservation
Release Board
Agenda Letter

Board of Directors

City of Santa Barbara

Goleta Water District

Montecito Water District

For Agenda Of: March 1, 2018
Estimated Time : (Consent)
Continued Item: No
If Yes, date from:

TO: Board Members

FROM: Peter Cante, Executive Director

SUBJECT: Unaudited Interim Financial Statement - Period Ending January 31, 2018

Legal Concurrence:

As to form: N/A

Recommended Actions:

Receive and file the Unaudited Interim Financial Statement – Period ending January 31, 2018.

Discussion:

The Board of Directors approves the Cachuma Conservation Release Board (CCRB) Budget each fiscal year, which is subsequently ratified by each member agency's governing body. On a monthly basis, unaudited interim financial results are provided to the Board of Directors, which compare fiscal performance to the Budget. This report contains pertinent financial information for the period ending January 31, 2018.

Fiscal Analysis:

Total income received through January 31, 2018 was \$594,340.76, including \$117,036.51 in FY2017-18 assessments paid by Goleta Water District and Montecito Water District. An \$80,926.00 payment was also received from City of Santa Barbara after the January 31 close of the reporting period. This payment will be accounted in next month's report.

Total expenditures through the end of the period were \$225,773.90, mainly for consultant work authorized by the Board and billed through CCRB General Counsel in order to maintain the attorney work product privilege.

Attachments:

Attachment 1: Unaudited Interim Financial Statement for the period ending January 31, 2018

Authored by:

Peter Cante, Executive Director

ATTACHMENT 1

**UNAUDITED INTERIM FINANCIAL STATEMENT – PERIOD ENDING
JANUARY 31, 2018**

Cachuma Conservation Release Board
Statement of Revenue and Expense- Budget vs. Actual
July 2017 through January 2018

	Jul '17 - Jan 18	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4200 · Income	593,880.00	791,841.00	-197,961.00	75.0%
4250 · Income - Other	438.29			
4300 · Interest Income	22.47			
Total Income	594,340.76	791,841.00	-197,500.24	75.1%
Expense				
5050 · Office Lease	2,108.00	9,000.00	-6,892.00	23.4%
5100 · Audit	11,722.96	8,000.00	3,722.96	146.5%
5200 · Liability Insurance	3,580.85	4,200.00	-619.15	85.3%
5301 · Managers Salary	40,500.00	162,000.00	-121,500.00	25.0%
5304 · Administrative Support	3,531.58	7,800.00	-4,268.42	45.3%
5312 · Misc Admin Expense	1,916.80	4,000.00	-2,083.20	47.9%
5313 · Communications/Computer	1,109.33	6,000.00	-4,890.67	18.5%
5316 · Admin Fixed Assets	0.00	4,000.00	-4,000.00	0.0%
5330 · Admin Travel Expense	0.00	8,000.00	-8,000.00	0.0%
5331 · Travel Federal & State Meetings	0.00	20,000.00	-20,000.00	0.0%
5332 · Transportation	0.00	1,000.00	-1,000.00	0.0%
6001 · BO Reconsultation Activities	26,630.52	53,052.00	-26,421.48	50.2%
6500 · Contingency	0.00	40,000.00	-40,000.00	0.0%
7000 · Legal	19,092.43	10,000.00	9,092.43	190.9%
7001 · BO Reconsultation Legal Support	38,241.45	60,000.00	-21,758.55	63.7%
7002 · SWRCB Water Rights	5,643.48	100,000.00	-94,356.52	5.6%
7100 · SWRCB Support				
7200 · SWRCB Proceedings Support	1,696.50	39,789.00	-38,092.50	4.3%
Total 7100 · SWRCB Support	1,696.50	39,789.00	-38,092.50	4.3%
7400 · Legislative/Regulatory Analyst	70,000.00	175,000.00	-105,000.00	40.0%
7500 · Hydrologic Technical Support	0.00	80,000.00	-80,000.00	0.0%
Total Expense	225,773.90	791,841.00	-566,067.10	28.5%
Net Ordinary Income	368,566.86	0.00	368,566.86	100.0%
Net Income	368,566.86	0.00	368,566.86	100.0%

Cachuma Conservation Release Board
Reconciliation Detail
1010 · Union Bank Checking #4102, Period Ending 01/31/2018

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						271,483.75
Cleared Transactions						
Checks and Payments - 8 items						
Bill Pmt -Check	12/26/2017	3043	Downey Brand Attor...	X	-25,561.93	-25,561.93
Bill Pmt -Check	12/26/2017	3041	California Strategies...	X	-10,000.00	-35,561.93
Bill Pmt -Check	12/26/2017	3039	Alliance Resource C...	X	-7,000.00	-42,561.93
Bill Pmt -Check	12/26/2017	3040	Bartlett, Pringle & W...	X	-1,080.00	-43,641.93
Bill Pmt -Check	12/26/2017	3044	Patterson/101 Allstore	X	-542.00	-44,183.93
Bill Pmt -Check	12/26/2017	3038	AccountabilityPlus, Inc	X	-343.43	-44,527.36
Bill Pmt -Check	12/26/2017	3042	CIO Solutions, LP	X	-72.50	-44,599.86
Check	01/31/2018			X	-267.10	-44,866.96
Total Checks and Payments					-44,866.96	-44,866.96
Deposits and Credits - 3 items						
Payment	01/22/2018	66636	Goleta Water District	X	91,121.00	91,121.00
Payment	01/25/2018	63782	Montecito Water Dis...	X	25,913.00	117,034.00
Deposit	01/31/2018			X	2.51	117,036.51
Total Deposits and Credits					117,036.51	117,036.51
Total Cleared Transactions					72,169.55	72,169.55
Cleared Balance					72,169.55	343,653.30
Uncleared Transactions						
Checks and Payments - 6 items						
Bill Pmt -Check	01/30/2018	3049	Downey Brand Attor...		-27,922.00	-27,922.00
Bill Pmt -Check	01/30/2018	3047	California Strategies...		-20,000.00	-47,922.00
Bill Pmt -Check	01/30/2018	3046	Alliance Resource C...		-7,000.00	-54,922.00
Bill Pmt -Check	01/30/2018	3045	AccountabilityPlus, Inc		-295.48	-55,217.48
Bill Pmt -Check	01/30/2018	3050	Patterson/101 Allstore		-261.00	-55,478.48
Bill Pmt -Check	01/30/2018	3048	CIO Solutions, LP		-72.50	-55,550.98
Total Checks and Payments					-55,550.98	-55,550.98
Total Uncleared Transactions					-55,550.98	-55,550.98
Register Balance as of 01/31/2018					16,618.57	288,102.32
New Transactions						
Deposits and Credits - 1 item						
Payment	02/05/2018	678483	City of Santa Barbara		80,926.00	80,926.00
Total Deposits and Credits					80,926.00	80,926.00
Total New Transactions					80,926.00	80,926.00
Ending Balance					97,544.57	369,028.32

12:48 PM

02/06/18

Cachuma Conservation Release Board
Reconciliation Summary
1010 · Union Bank Checking #4102, Period Ending 01/31/2018

	Jan 31, 18	
Beginning Balance		271,483.75
Cleared Transactions		
Checks and Payments - 8 items	-44,866.96	
Deposits and Credits - 3 items	117,036.51	
Total Cleared Transactions	72,169.55	
Cleared Balance		<u>343,653.30</u>
Uncleared Transactions		
Checks and Payments - 6 items	-55,550.98	
Total Uncleared Transactions	-55,550.98	
Register Balance as of 01/31/2018		<u>288,102.32</u>
New Transactions		
Deposits and Credits - 1 item	80,926.00	
Total New Transactions	80,926.00	
Ending Balance		<u>369,028.32</u>



Cachuma Conservation
Release Board
Agenda Letter

Board of Directors

City of Santa Barbara

Goleta Water District

Montecito Water District

For Agenda Of: March 1, 2018

Estimated Time : 20 minutes

Continued Item: No

If Yes, date from:

TO: Board Members

FROM: Peter Cante, Executive Director

SUBJECT: Director's Report for March 1, 2018 Board Meeting

Legal Concurrence:

As to form: N/A

Recommended Actions:

Receive and discuss Director's Report; provide direction as appropriate re: Fiscal Year 2018-2019 budget development and timelines.

Discussion:

This month, I will initiate CCRB budget development for Fiscal Year 2018-2019, with the intent of bringing a draft budget to the Board for consideration at the Board's April 5, 2018 regular meeting. Presumably, this timing will allow a Board-approved draft budget to be circulated for consideration and approval by each CCRB member's respective decision-making body before coming back to the CCRB Board for final approval prior to July 1. As this is my first budget with CCRB, I wish to explain how I would propose to develop it and seek the Board's direction and input on the process.

The most significant line items in the current CCRB budget are legal, technical and strategic consulting costs associated with the State Water Resources Control Board and Biological Opinion processes (collectively "Regulatory Processes"). In developing this aspect of the 2018-2019 budget, I propose to work with each of the principal consultants to consider and shape their suggested scopes of work and associated cost proposals for the upcoming fiscal year. Upon settling on responsibly scoped proposals, I would build the budget line items upon these, while also providing some contingency amount (e.g., 10%) to account for unpredicted workload. Given the stage in which we are operating with the Regulatory Processes, this seems the most responsible approach to me.

The CCRB Procurement Policy allows for sole-source arrangements with vendors when justified. I would work with counsel to ensure any such contracts are well supported and withstand scrutiny.

I appreciate any guidance, direction or other input the Board wishes to provide as I move forward to develop the FY 2018-2019 budget for your consideration.

Fiscal Analysis:

No direct fiscal impacts; budget development is a task covered in the Executive Director's job description.

Attachments:

None.

Authored by:

Peter Cantle, Executive Director