



CACHUMA CONSERVATION RELEASE BOARD

REGULAR MEETING AGENDA

**Montecito Water District
Board Conference Room
583 San Ysidro Road
Montecito, CA 93108**

City of Santa Barbara
Goleta Water District
Montecito Water District

**August 2, 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 may be acted upon by a single roll call vote of the Board.

CA-1) MEETING MINUTES

Approval of minutes of the Board of Directors’ June 19 and July 12, 2018 meetings.

CA-2) UNAUDITED INTERIM FINANCIAL STATEMENT – PERIOD ENDING JUNE 30, 2018 and CONSTRUCTIVE RETURN TO MEMBER AGENCIES

Receive and file the Unaudited Interim Financial Statement – Period Ending June 30, 2018; consider approving Executive Director’s recommendation to issue constructive returns to Member Agencies.

Closed Session Agenda

CS-1) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

Regular Agenda

RA-1) REPORT ON PUBLIC RECORDS ACT REQUEST AND CCRB RESPONSE

Receive an oral report on a recently-received Public Records Act request and CCRB's response.

RA-2) REPORT ON CCRB MOVE TO NEW BANKING SERVICES PROVIDER

Receive an oral status report on moving CCRB banking operations to Community West Bank.

RA-3) SET NEXT MEETING (Time, Date, Location) AND ADJOURN.

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 Montecito Water District, 583 San Ysidro Road, Montecito, CA and delivered in accordance with §54954.1 and .2 of the Government Code.]

**MINUTES OF A SPECIAL MEETING
of the
CACHUMA CONSERVATION RELEASE BOARD**

**held at the
City of Santa Barbara City Hall
735 Anacapa Street
Santa Barbara, CA 93101
Conference Room 15**

Tuesday, June 19, 2018, 10:00 am

CALL TO ORDER, ROLL CALL

The meeting was called to order at 10:02 AM by Board President and Chair Lauren Hanson.

Those in attendance were:

Directors Present:

Lauren Hanson	Goleta Water District
Kristen Sneddon	City of Santa Barbara

Also Present:

Kelley Dyer
Ryan Drake
Dan Hentschke
Peter Cantle

Present by Phone:

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

PUBLIC COMMENT

No one from the general public attended; there was no public comment.

CLOSED SESSION

The Board went into closed session at 10:02 AM to discuss matters regarding existing and potential litigation. The Board came out of closed session and reconvened the public meeting at 10:46 AM. There was no reportable action from closed session.

CCRB ADJOURNMENT

President Hanson adjourned the meeting at 10:50 AM. The next regularly scheduled CCRB Board meeting is July 12, 2018, location to be determined.

Respectfully submitted,

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

Secretary to the Board

MINUTES OF A REGULAR MEETING
of the
CACHUMA CONSERVATION RELEASE BOARD
held at the
Goleta Water District
Conference Room
4699 Hollister Ave.
Goleta, CA 93110

Thursday, July 12, 2018, 10:00 am

CALL TO ORDER, ROLL CALL

The meeting was called to order at 10:06 a.m. by board President Lauren Hanson. Those in attendance were:

Directors Present:

Lauren Hanson	Goleta Water District
Doug Morgan	Montecito Water District
Eric Friedman (Alternate)	City of Santa Barbara

Also Present:

John McInnes
Nick Turner
Joel Mulder (Closed Session)
Nina Pisani (Regular Agenda)
Peter Cante

Present by Phone:

Kevin O'Brien
Sam Bivins
Ted Harris (Closed Session)
Enrique Lopezcalva (Closed Session)
Warren Greco (Closed Session)

PUBLIC COMMENT

No one from the general public was present; there was no public comment.

CONSENT AGENDA

Items on the Consent Agenda were considered and addressed as follows:

- Approval was moved and seconded (Morgan/Hanson) for minutes from CCRB meetings held June 7 and June 14, 2018, and passed by a vote of 2-0-1 (Friedman abstaining).
- Approval of minutes from the CCRB meeting of June 19, 2018 was deferred due to lack of sufficient voting directors (Directors Morgan and Friedman not having attended June 19).
- It was moved and seconded (Morgan/Friedman) and passed by a vote of 3-0 to receive and file the Unaudited Interim Financial Status Statement for the Period Ending May 31, 2018.

CLOSED SESSION

The Board went into closed session at 10:08 a.m. to discuss matters regarding existing and potential litigation. The Board came out of closed session and reconvened the public meeting at 11:11 a.m. There was no reportable action from closed session.

REGULAR AGENDA

RA-1, Audit for Fiscal Year Ending June 30, 2017. Ms. Nina Pisani of auditing firm Bartlett Pringle & Wolf presented the findings of a financial audit for CCRB's fiscal year ending June 30, 2017. Ms. Pisani noted that her firm is issuing a "clean opinion" (the desired result) regarding CCRB's financial status through FY 2017. She stated that cash was down somewhat from the previous fiscal year due to constructive returns issued to member agencies, and that revenue for the fiscal year was down due to a lower approved budget. Board president Hanson suggested minor edits to the audit report, which Ms. Pisani accepted and will incorporate into the final report.

Ms. Pisani also discussed two letters issued in conjunction with the audit report. The *Letter of Internal Control* identified no new comments for FY2017; Ms. Pisani noted that the control items identified in previous reports have been addressed by the Executive Director or are in process. As an additional check on the Executive Director's authority to order, pay for and receive goods in CCRB's name, Ms. Pisani suggested that material orders larger than \$1,000.00 could be routed to Accountability Plus for delivery rather than to the Executive Director. ED Cante noted that CCRB cannot issue checks without two signatures, which in itself provides significant control over CCRB's expenditures. Ms. Pisani then stated that the *Letter of Required Communications*, which states her firm's responsibilities with regard to the audit, identified nothing significant. President Hanson suggested a minor edit, which Ms. Pisani will incorporate in the final version of the letter.

It was moved and seconded (Morgan/Friedman) to approve the 2017 audit and associated letters as modified, to return for receipt and filing with the August 2018 CCRB Board meeting. The motion passed on a 3-0 roll call vote.

RA-2, Performance of FY2018 Audit. ED Cante recommended that Bartlett, Pringle and Wolf be engaged to undertake a financial audit for CCRB's fiscal year ending June 30, 2018. He noted that the recently ratified CCRB FY2019 budget includes \$8,000.00 for the FY2018 audit and that this amount may not fully cover the cost of the audit, as the firm's rates have increased. However, improved efficiency in working with the auditor and savings in other cost accounts are expected to make up the difference. It was moved and seconded (Morgan/Friedman) to engage Bartlett, Pringle and Wolf for CCRB's FY2018 audit. The motion passed with a 3-0 roll call vote.

RA-3, Fiscal Year 2019 Elections and Appointments. Current board president Hanson was nominated and seconded (Morgan/Friedman) to serve as CCRB president for FY2019. The motion passed 3-0. Current board vice-president Morgan was nominated and seconded (Hanson/Friedman) to serve as vice-president for FY2019. Director Morgan noted that his appointment to CCRB from the Montecito Water District will end December 31, 2018 as he is not standing for re-election, and thus his term as vice-president would be for half the fiscal year. The motion passed 3-0. It was moved and seconded (Morgan/Friedman) to reappoint Downey Brand's Kevin O'Brien as CCRB general and special counsel for FY2019, and to reappoint ED Cattle as CCRB treasurer, secretary and auditor-controller for FY2019. The motion passed 3-0.

CCRB ADJOURNMENT

President Hanson adjourned the meeting at 11:46 p.m., with the next meeting set for 10:00 a.m. Thursday, August 2, 2108 at the Montecito Water District, 583 San Ysidro Road, Montecito, CA 93108.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Peter Cattle", written over a horizontal line.

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: August 2, 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 June 30, 2018 and Potential Constructive Return to Member Agencies**

Legal Concurrence:

As to form: N/A

Recommended Actions:

Receive and file the Unaudited Interim Financial Statement – Period Ending June 30, 2018. Consider and approve Executive Director’s recommendation to issue constructive returns to CCRB Member Agencies.

Discussion:

The Board of Directors approves the CCRB budget each fiscal year, which is subsequently ratified by each Member Agency’s governing body. Following budget approval, unaudited interim financial results are provided each month to the Board to compare fiscal performance against the adopted budget. This report addresses the period ending June 30, 2018.

Fiscal Analysis:

Total income through June 30 was \$792,310.92, reflecting full payment of billings by all three Member Agencies as well as minor amounts of interest and other income.

Through June 30, the close of Fiscal Year 2018, total expenditures against CCRB’s \$791,841.00 approved budget were \$787,658.39, representing approximately 99.5% of budget expended. A total of \$4,652.53 remains unexpended through the end of the fiscal year. This represents the amount that could be considered for a constructive return to CCRB’s Member Agencies, based on the calculated pro rata share of costs found in the approved budget. On this basis, the constructive return for each agency would be:

Agency	% Contribution	Constructive Return FY2018
Goleta Water District	0.4603%	\$2141.56
City of Santa Barbara	0.4088	1901.95
Montecito Water District	0.1309	609.02

I recommend the issuance of constructive returns to each respective agency based on these figures. If the Board concurs, I will work with Accountability Plus, CCRB's bookkeeping and accounting vendor, to issue checks accordingly.

Regarding the current year budget, billings to Member Agencies for the first quarter of FY2019 have been issued. At this writing, the Montecito Water District has paid, while City of Santa Barbara and Goleta Water District payments have not been received. After having paid the most recent spate of vendor bills (primarily but not exclusively for CCRB vendors' expenditures incurred in June 2018), current cash on hand stands at approximately \$9800 while we await the outstanding payments.

Attachments:

Attachment 1: Unaudited Interim Financial Statement for the period ending June 30, 2018

Authored by:

Peter Cantle, Executive Director

ATTACHMENT 1

**UNAUDITED INTERIM FINANCIAL STATEMENT – PERIOD ENDING
JUNE 30, 2018**

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

	Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4200 · Income	791,840.00	791,841.00	-1.00	100.0%
4250 · Income - Other	438.29			
4300 · Interest Income	32.63			
Total Income	792,310.92	791,841.00	469.92	100.1%
Expense				
5050 · Office Lease	3,152.00	9,000.00	-5,848.00	35.0%
5100 · Audit	25,525.96	8,000.00	17,525.96	319.1%
5200 · Liability Insurance	4,879.85	4,200.00	679.85	116.2%
5301 · Managers Salary	103,000.00	162,000.00	-59,000.00	63.6%
5304 · Administrative Support	7,109.21	7,800.00	-690.79	91.1%
5312 · Misc Admin Expense	3,337.95	4,000.00	-662.05	83.4%
5313 · Communications/Computer	2,515.00	6,000.00	-3,485.00	41.9%
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	1,332.69	20,000.00	-18,667.31	6.7%
5332 · Transportation	0.00	1,000.00	-1,000.00	0.0%
6001 · BO Reconsultation Activities	159,407.68	81,642.00	77,765.68	195.3%
6500 · Contingency	0.00	9,287.00	-9,287.00	0.0%
7000 · Legal	28,899.09	10,000.00	18,899.09	289.0%
7001 · BO Reconsultation Legal Support	174,873.41	60,000.00	114,873.41	291.5%
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	120,000.00	175,000.00	-55,000.00	68.6%
7500 · Hydrologic Technical Support	146,285.57	82,123.00	64,162.57	178.1%
Total Expense	787,658.39	791,841.00	-4,182.61	99.5%
Net Ordinary Income	4,652.53	0.00	4,652.53	100.0%
Net Income	4,652.53	0.00	4,652.53	100.0%

10:59 AM

07/05/18

Cachuma Conservation Release Board
Reconciliation Summary
1010 · Union Bank Checking #4102, Period Ending 06/30/2018

	Jun 30, 18	
Beginning Balance		229,416.43
Cleared Transactions		
Checks and Payments - 12 items	-179,443.62	
Deposits and Credits - 1 item	0.95	
Total Cleared Transactions	-179,442.67	
Cleared Balance		<u>49,973.76</u>
Uncleared Transactions		
Checks and Payments - 1 item	-261.88	
Total Uncleared Transactions	-261.88	
Register Balance as of 06/30/2018		<u>49,711.88</u>
New Transactions		
Checks and Payments - 2 items	-3,796.77	
Deposits and Credits - 1 item	34,765.00	
Total New Transactions	30,968.23	
Ending Balance		<u>80,680.11</u>


OK
7/23/2018

Cachuma Conservation Release Board
Reconciliation Detail
1010 · Union Bank Checking #4102, Period Ending 06/30/2018

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						229,416.43
Cleared Transactions						
Checks and Payments - 12 items						
Bill Pmt -Check	05/23/2018	3078	Downey Brand Attor...	X	-97,517.86	-97,517.86
Bill Pmt -Check	05/23/2018	3075	California Strategies...	X	-10,000.00	-107,517.86
Bill Pmt -Check	05/23/2018	3074	AccountabilityPlus, Inc	X	-657.99	-108,175.85
Bill Pmt -Check	05/23/2018	3079	Patterson/101 Allstore	X	-261.00	-108,436.85
Bill Pmt -Check	05/23/2018	3077	CIO Solutions, LP	X	-85.00	-108,521.85
Bill Pmt -Check	06/21/2018	3085	Downey Brand Attor...	X	-41,920.85	-150,442.70
Bill Pmt -Check	06/21/2018	3083	Cantle Environment...	X	-12,641.59	-163,084.29
Bill Pmt -Check	06/21/2018	3082	California Strategies...	X	-10,000.00	-173,084.29
Bill Pmt -Check	06/21/2018	3081	Bartlett, Pringle & W...	X	-5,578.00	-178,662.29
Bill Pmt -Check	06/21/2018	3080	AccountabilityPlus, Inc	X	-399.23	-179,061.52
Bill Pmt -Check	06/21/2018	3084	CIO Solutions, LP	X	-85.00	-179,146.52
Check	06/30/2018			X	-297.10	-179,443.62
Total Checks and Payments					-179,443.62	-179,443.62
Deposits and Credits - 1 item						
Deposit	06/30/2018			X	0.95	0.95
Total Deposits and Credits					0.95	0.95
Total Cleared Transactions					-179,442.67	-179,442.67
Cleared Balance					-179,442.67	49,973.76
Uncleared Transactions						
Checks and Payments - 1 item						
Bill Pmt -Check	06/21/2018	3086	Rauch Communicati...		-261.88	-261.88
Total Checks and Payments					-261.88	-261.88
Total Uncleared Transactions					-261.88	-261.88
Register Balance as of 06/30/2018					-179,704.55	49,711.88
New Transactions						
Checks and Payments - 2 items						
Bill Pmt -Check	07/02/2018	3088	SDRMA		-3,525.77	-3,525.77
Bill Pmt -Check	07/02/2018	3087	Patterson/101 Allstore		-271.00	-3,796.77
Total Checks and Payments					-3,796.77	-3,796.77
Deposits and Credits - 1 item						
Payment	07/02/2018	64625	Montecito Water Dis...		34,765.00	34,765.00
Total Deposits and Credits					34,765.00	34,765.00
Total New Transactions					30,968.23	30,968.23
Ending Balance					-148,736.32	80,680.11


 OK
 7/23/2018