



**CACHUMA CONSERVATION RELEASE BOARD
BOARD OF DIRECTORS**

REGULAR MEETING AGENDA

BY VIDEOCONFERENCE
(PARTICIPATION DETAILS BELOW)

City of Santa Barbara

Goleta Water District

Montecito Water District

December 2, 2021

2: 00 PM

PUBLIC ACCESS TO VIRTUAL MEETING IN LIGHT OF COVID-19

Members of the Cachuma Conservation Release Board (CCRB) Board of Directors (Board) and members of the public will participate in this meeting remotely by videoconference pursuant to the requirements of AB-361. The electronic access information for this meeting is as follows:

Join videoconference:

<https://us02web.zoom.us/j/86202585565?pwd=N3hZaEMxRXFEY0pBbGpQNnU2eWF3dz09>

Join teleconference:

Call-in Number: 1.669.900.6833

Meeting ID: 862 0258 5565#

Passcode: 959432#

CALL TO ORDER AND ROLL CALL OF BOARD MEMBERS

SPECIAL AGENDA TOPIC – HEALTH AND SAFETY

SA-1) Pursuant to AB-361, consider Approving a Motion Finding that Meeting in Person Would Present Imminent Risks to the Health and Safety of Attendees and Authorizing Virtual Meetings.

Pursuant to new Assembly Bill 361 and its requirements, consider and approve a motion finding that a state of emergency regarding COVID-19 was declared on March 4, 2020 by the governor of California and that such emergency currently exists; and that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of its attendees.

PUBLIC COMMENT PERIOD

Any member of the public may address the Board on any subject within the jurisdiction of the Board. The President of the Board will determine the total time for public comments. If you wish to address the Board, it is recommended, but not required, that you email pcantle@ccrb-board.org, with subject line of “Request to Speak” and include a description of the subject you wish to address. During this period of working to reduce the potential for COVID-19 transmission, CCRB will use best efforts to swiftly resolve requests for reasonable

modifications or accommodations for individuals with disabilities, consistent with the Americans with Disabilities Act, and will resolve any doubt whatsoever in favor of accessibility.

CONSENT AGENDA

Matters listed here comprise a consent agenda that 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' November 4, 2021 meeting.

CA-2) Unaudited Interim Financial Report for the Period Ending October 31, 2021

Receive and file an unaudited interim financial report for the period ending October 31, 2021.

REGULAR AGENDA

RA-1) Audit Services for FY2021-2022

Consider an engagement letter proposal from Nasif, Hicks, Harris & Co., LLP to perform auditing services for FY2021-2022 and authorize the Executive Director to engage the firm for a not-to-exceed-without-prior-approval amount of \$12,000. (Est. time: 5 min.)

RA-2) State Water Board Order and Federal Consultation Process Update

Consider and discuss the status regarding State Water Resources Control Board Water Rights Order 2019-0148 and the Consultation process underway with the U.S. Bureau of Reclamation and National Marine Fisheries Service. (Est. time: 10 min.)

CLOSED SESSION AGENDA

CS-1) Conference with Legal Counsel – Anticipated Litigation

Initiation of litigation pursuant to Government Code section 54956.9(d)(4) (two potential cases)

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

REGULAR AGENDA (CONT.)

RA-3) Identify Agenda Items for Future Board Meetings

RA-4) Set Special Meeting in mid-December to Consider Extension of 30-Day Virtual Meeting Window Pursuant to AB 361; Set the Next Regular CCRB Meeting for 2 PM Thursday, January 13, 2021 to be Held by Videoconference; 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 (pcantle@ccrb-board.org) at least 48 hours prior to the meeting to enable the Board to make reasonable arrangements.

[This Agenda was posted to the CCRB website and delivered in accordance with Sections 54954.1 and 54956 of the Government Code.]



Cachuma Conservation
Release Board

Board of Directors

City of Santa Barbara

Goleta Water District

Montecito Water District

For Agenda Of: December 2, 2021

Estimated Time: 5 minutes

Continued Item: No

If Yes, date from:

TO: Board Members

FROM: Peter Cante, Executive Director

SUBJECT: Item SA-1: Health & Safety – AB 361 Motion Approving Virtual Meetings Through January 1, 2021

Legal Concurrence:

As to form.

Recommended Actions

Consider and adopt the following motion:

The Board finds that, in light of the ongoing governor-declared state of emergency due to the COVID-19 pandemic, meeting in person would present imminent risks to the health and safety of attendees; the Board hereby authorizes virtual meetings for the next 30 days, pursuant to AB 361.

Discussion

On March 4, 2020, Governor Gavin Newsom proclaimed a state of emergency to exist due to the COVID-19 pandemic and its impact on human health and safety. The state of emergency remains in place. In March 2020, Governor Newsom also issued Executive Order N-29-20 allowing local agencies to meet virtually while still complying with state open meeting laws (e.g., Brown Act), using videoconferencing technology to decrease meeting attendees' potential exposure to COVID-19. CCRB has met virtually in compliance with the Brown Act since April 2020 using a commercial videoconferencing platform.

Beginning October 1, Assembly Bill 361 (*Open meetings: state and local agencies: teleconferences*) became applicable to local agencies desiring to meet virtually to reduce potential COVID-19 exposure. The salient requirements of the law that allow the board to meet virtually are that: a) a governor-declared state of emergency is in effect; and b) a majority of the board must vote that, as a result of the emergency, meeting in person would present imminent risk to the health or safety of attendees.

A board-approved decision to meet virtually under AB 361 is good for 30 days and must be renewed for future virtual meetings. For anticipated meetings that exceed the 30-day window identified in AB 361, the board will need to either: a) hold a special meeting to reauthorize virtual meetings pursuant to AB 361 before the 30-day

window lapses; or, b) if a special meeting cannot be held before the 30-day window lapses, conduct an in-person meeting to authorize virtual meetings based on the findings required by AB 361 for a new 30-day period.

To extend the existing virtual meeting window that is currently in place until December 4, 2021, I recommend the board consider and adopt the motion outlined above in **Recommended Actions**. Adoption of the motion will create a new 30-day virtual meeting window that extends to January 1, 2021. Going forward, CCRB staff and legal counsel will continue to keep the board compliant with AB 361 and Brown Act requirements while facilitating virtual meetings during the declared emergency.

Fiscal Analysis

CCRB's approved FY21-22 budget provides for staff and legal administrative support. Costs to comply with AB 361 requirements are currently not expected to be substantial. The commercial videoconferencing platform is a subscription service costing \$150 annually. Additional costs for legal analysis and document preparation are covered by CCRB's administrative budget.

Attachments

None

Report authored by:

Peter Cantle, Executive Director

MINUTES OF A MEETING
of the
CACHUMA CONSERVATION RELEASE BOARD
held by Videoconference

November 4, 2021, 2:00 pm

CALL TO ORDER, ROLL CALL

The videoconference meeting was called to order at 2:00 pm by Board President Lauren Hanson. Those attending the meeting were:

Directors Present:

Lauren Hanson	Goleta Water District
Kristen Sneddon	City of Santa Barbara
Tobe Plough	Montecito Water District

Also Present:

Ryan Drake	Ted Harris
Cathy Taylor	Joel Mulder
Nick Turner	Warren Greco
Peter Cattle	Alejandro Robles (Nasif, Hicks & Harris, LLP)
Sam Bivins	

PUBLIC COMMENT

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

SPECIAL AGENDA – HEALTH AND SAFETY

SA-1, Approve a Motion Authorizing Virtual Meetings, Pursuant to AB 361. Director Plough made a motion, seconded by Director Sneddon, that meeting in person would present imminent risks to the health and safety of attendees and authorizing virtual meetings pursuant to AB 361, thus creating a 30-day virtual meeting window extending to December 4, 2021. The motion passed 3-0 on a roll call vote.

CONSENT AGENDA

Director Plough moved and Director Sneddon seconded approval of the Consent Agenda. The motion passed on a 3-0 roll call vote.

REGULAR AGENDA

RA-1, Fiscal Year 2020-2021 Audit Report; Authorization of Auditing Services for FY 2021-2022. The Board received a presentation from Nasif, Hicks, Harris & Co., LLP regarding its audit of CCRB's finances for FY2020-2021. The audit resulted in an unmodified opinion and identified no issues of concern. Director Sneddon moved, and Director Plough seconded, receipt and filing of the audit report. The motion passed on a 3-0 roll call vote. The Board requested that Executive Director Cante secure a proposal from the firm for FY2021-2022 auditing services in an amount not to exceed \$12,000.

RA-2, State Water Board and Federal Consultation Process Update. Executive Director Cante advised the Board that the US Bureau of Reclamation (Reclamation) continues to meet with National Marine Fisheries Service personnel to discuss Reclamation's revised Biological Assessment (BA) and proposed action prior to initiating formal consultation under the Endangered Species Act. The Board discussed the assistance CCRB is providing to Reclamation to update project descriptions within the revised BA and analyze temperature of November water releases to the river. Cante noted that Reclamation continues to have limited exchange with Water Board staff because of the board's current focus on addressing the statewide drought.

RA-3, Agenda Items for Future Board Meetings. Executive Director Cante identified an auditing services proposal for FY2021-2022 as a future meeting topic.

RA-4, Confirm Next Meeting(s) and Adjourn. The next regular meeting of the CCRB Board is scheduled for 2:00 pm December 2, 2021 by videoconference. A special meeting will be required in mid-December should the Board wish to consider extending the virtual meeting window authorized under AB 361 into January 2022. President Hanson adjourned the meeting at 3:06 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Pete Cante", written over a horizontal line.

Secretary to the Board



Cachuma Conservation
Release Board

Board of Directors

City of Santa Barbara
Goleta Water District
Montecito Water District

For Agenda Of: December 2, 2021
Estimated Time: (Consent)
Continued Item: No
If Yes, date from:

TO: Board Members
FROM: Peter Cantle, Executive Director
SUBJECT: CA-2: Unaudited Interim Financial Report for Period Ending October 31, 2021

Legal Concurrence

As to form: N/A

Recommended Actions

Receive and file an Unaudited Interim Financial Report for the period ending October 31, 2021.

Discussion

The Board of Directors approves the CCRB budget each fiscal year. Upon subsequent approval by each Member Agency's governing body, it becomes CCRB's operating budget for the fiscal year beginning July 1. Through the fiscal year, the Board receives monthly unaudited financial reports to compare fiscal performance against the adopted budget. This report addresses the period ending October 31, 2021.

Fiscal Analysis

Total income through October 31, 2021 was \$515,250.20, reflecting receipt of second-quarter billings from two of the three Member Agencies. Total expenses of \$166,628.52 through October 31 reflect costs incurred for legal, technical, regulatory advisory, management and administrative services. Expenditures to date remain under budget.

Attachments

Attachment 1: Unaudited Interim Financial Report for the period ending October 31, 2021

Authored by

Peter Cantle, Executive Director

ATTACHMENT 1

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE
PERIOD ENDING OCTOBER 31, 2021**

Cachuma Conservation Release Board
Statement of Revenue and Expense- Budget vs. Actual
July through October 2021

	Jul - Oct 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4200 · Income	515,250.20	1,145,000.00	-629,749.80	45.0%
Total Income	515,250.20	1,145,000.00	-629,749.80	45.0%
Expense				
5050 · Office Lease	1,160.00	5,000.00	-3,840.00	23.2%
5100 · Audit	10,000.00	12,000.00	-2,000.00	83.3%
5200 · Liability Insurance	1,556.00	7,000.00	-5,444.00	22.2%
5301 · Managers Salary				
5301.01 · Managers Gross Wages	51,784.64			
5301.02 · Employer Tax Expense	4,726.53			
5301 · Managers Salary - Other	0.00	185,000.00	-185,000.00	0.0%
Total 5301 · Managers Salary	56,511.17	185,000.00	-128,488.83	30.5%
5304 · Administrative Support	2,499.85	16,000.00	-13,500.15	15.6%
5312 · Misc Admin Expense	970.10	4,000.00	-3,029.90	24.3%
5313 · Communications/Computer	879.06	8,000.00	-7,120.94	11.0%
5316 · Admin Fixed Assets	0.00	4,000.00	-4,000.00	0.0%
5330 · Admin Travel Expense	0.00	4,000.00	-4,000.00	0.0%
5331 · Travel Federal & State Meetings	0.00	14,000.00	-14,000.00	0.0%
5332 · Transportation	0.00	1,000.00	-1,000.00	0.0%
6500 · Contingency	0.00	95,000.00	-95,000.00	0.0%
7000 · Legal	38,493.80	151,000.00	-112,506.20	25.5%
7001 · BO Reconsultation Legal Support	54,558.54	416,000.00	-361,441.46	13.1%
7002 · SWRCB Water Rights	0.00	40,000.00	-40,000.00	0.0%
7100 · SWRCB Support				
7200 · SWRCB Proceedings Support	0.00	165,000.00	-165,000.00	0.0%
Total 7100 · SWRCB Support	0.00	165,000.00	-165,000.00	0.0%
7500 · Hydrologic Technical Support	0.00	18,000.00	-18,000.00	0.0%
Total Expense	166,628.52	1,145,000.00	-978,371.48	14.6%
Net Ordinary Income	348,621.68	0.00	348,621.68	100.0%
Net Income	348,621.68	0.00	348,621.68	100.0%

1:55 PM

11/01/21

Cachuma Conservation Release Board
Reconciliation Summary
1020 · CWB - Chkg #7204, Period Ending 10/31/2021

	<u>Oct 31, 21</u>
Beginning Balance	219,850.65
Cleared Transactions	
Checks and Payments - 13 items	-41,917.24
Deposits and Credits - 1 item	29,976.20
Total Cleared Transactions	<u>-11,941.04</u>
Cleared Balance	<u>207,909.61</u>
Uncleared Transactions	
Checks and Payments - 7 items	-60,609.47
Total Uncleared Transactions	<u>-60,609.47</u>
Register Balance as of 10/31/2021	<u>147,300.14</u>
Ending Balance	147,300.14



OK

Nov 19, 2021

Cachuma Conservation Release Board
Reconciliation Detail
1020 · CWB - Chkg #7204, Period Ending 10/31/2021

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						219,850.65
Cleared Transactions						
Checks and Payments - 13 items						
Bill Pmt -Check	08/24/2021		Nasif, Hicks, Harris ...	X	-10,000.00	-10,000.00
Bill Pmt -Check	09/24/2021		Downey Brand Attor...	X	-8,640.00	-18,640.00
Bill Pmt -Check	09/24/2021		California Strategies...	X	-8,000.00	-26,640.00
Bill Pmt -Check	09/24/2021		AccountabilityPlus, Inc	X	-646.24	-27,286.24
Bill Pmt -Check	09/24/2021		Patterson Self-Stora...	X	-290.00	-27,576.24
Bill Pmt -Check	09/24/2021		Peter Cantle	X	-209.20	-27,785.44
Bill Pmt -Check	09/24/2021		CIO Solutions, LP	X	-63.26	-27,848.70
Check	10/06/2021		Payroll Tax	X	-3,900.11	-31,748.81
General Journal	10/06/2021		Peter Cantle	X	-3,068.16	-34,816.97
Check	10/06/2021		Payroll Vault	X	-66.00	-34,882.97
Check	10/20/2021		Payroll Tax	X	-3,900.11	-38,783.08
General Journal	10/20/2021		Peter Cantle	X	-3,068.16	-41,851.24
Check	10/20/2021		Payroll Vault	X	-66.00	-41,917.24
Total Checks and Payments					-41,917.24	-41,917.24
Deposits and Credits - 1 item						
Payment	10/26/2021		Montecito Water Dis...	X	29,976.20	29,976.20
Total Deposits and Credits					29,976.20	29,976.20
Total Cleared Transactions					-11,941.04	-11,941.04
Cleared Balance					-11,941.04	207,909.61
Uncleared Transactions						
Checks and Payments - 7 items						
Bill Pmt -Check	10/25/2021		Downey Brand Attor...		-49,950.54	-49,950.54
Bill Pmt -Check	10/25/2021		California Strategies...		-8,000.00	-57,950.54
Bill Pmt -Check	10/25/2021		California Special Di...		-1,556.00	-59,506.54
Bill Pmt -Check	10/25/2021		AccountabilityPlus, Inc		-389.26	-59,895.80
Bill Pmt -Check	10/25/2021		Peter Cantle		-360.41	-60,256.21
Bill Pmt -Check	10/25/2021		Patterson Self-Stora...		-290.00	-60,546.21
Bill Pmt -Check	10/25/2021		CIO Solutions, LP		-63.26	-60,609.47
Total Checks and Payments					-60,609.47	-60,609.47
Total Uncleared Transactions					-60,609.47	-60,609.47
Register Balance as of 10/31/2021					-72,550.51	147,300.14
Ending Balance					-72,550.51	147,300.14



OK

Nov 19, 2021



Cachuma Conservation
Release Board
Agenda Letter

Board of Directors

City of Santa Barbara
Goleta Water District
Montecito Water District

For Agenda Of: December 2, 2021
Estimated Time: 5 minutes
Continued Item: No
If Yes, date from:

TO: Board Members
FROM: Peter Cantle, Executive Director
SUBJECT: Item RA-1: Audit Services for FY2021-2022

Legal Concurrence

As to form: N/A

Recommended Actions

Consider an engagement letter proposal from Nasif, Hicks, Harris & Co., LLP (NHH) to perform auditing services for FY2021-2022 and authorize the Executive Director to engage the firm for a not-to-exceed-without-prior-approval amount of \$12,000.

Discussion

Nasif, Hicks, Harris & Co., LLP has submitted an engagement letter as its proposal to perform an audit of CCRB's FY2021-2022 finances (Attachment 1). The letter proposal is appropriately scoped for CCRB's needs and offered at a cost not to exceed \$12,000 without prior approval. I recommend the Board authorize engagement with NHH for FY2021-2022 auditing services.

Fiscal Analysis

The cost for auditing CCRB's FY2021-2022 finances will fall within next fiscal year's budget, i.e., FY2022-2023. The \$12,000 auditing cost proposed by NHH provides certainty for constructing that portion of the FY2022-2023 budget (which will be undertaken in April 2022). Engagement of NHH should also facilitate timely completion of the FY2021-2022 audit, which is desirable.

Attachments:

Att. 1: *Nasif, Hicks, Harris & Co., LLP Letter Dated November 12, 2021*

Authored by:

Peter Cantle, Executive Director

ATTACHMENT 1

NASIF, HICKS, HARRIS & Co., LLP

LETTER DATED NOVEMBER 12, 2021



Nasif, Hicks, Harris & Co., LLP
CERTIFIED PUBLIC ACCOUNTANTS

104 West Anapamu Street, Suite B | Santa Barbara, CA 93101
Main: (805) 966-1521 | Fax: (805) 963-1780 | www.nhhco.com

William J. Nasif	Lawrence W. Brown
Steven J. Hicks, Retired	Sarah E. Turner
Jeffery P. Harris	Thomas A. Olson
Jody Dolan Holehouse	Joseph G. Bishop
Thomas W. Burk	Rachelle O. Barnier
Robert Swayne Lyons	Elena Mund

November 12, 2021

VIA EMAIL: pcantle@ccrb-board.org
Mr. Peter Cantle, Executive Director
Cachuma Conservation Release Board

Dear Mr. Cantle:

The following represents our understanding of the services we will provide Cachuma Conservation Release Board (“CCRB”).

You have requested that we audit the statement of net position of CCRB as of June 30, 2022 and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended and the related notes to the financial statements, which collectively comprise CCRB’s basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on those basic financial statements.

Accounting principles generally accepted in the United States of America (“U.S. GAAP”), as promulgated by the Governmental Accounting Standards Board (“GASB”) require that Management’s Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (“RSI”) in accordance with auditing standards generally accepted in the United States of America (“U.S. GAAS”). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management’s responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management’s Discussion and Analysis

Auditor Responsibilities

We will conduct our audit in accordance with U.S. GAAS and the State Controller’s Minimum Audit Requirements for California Special Districts (“SCMAR–CSP”). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and SCMAR–CSP.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we have identified during the audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of CCRB's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the basic financial statements in accordance with U.S. GAAP;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
3. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
4. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by the entity's auditor;
5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
6. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
7. For acceptance of non-attest services, including identifying the proper party, Mr. Peter Cantle, Executive Director, to oversee non-attest work;
8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
9. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
10. For the accuracy and completeness of all information provided.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

With respect to any non-attest services we perform,

- Prepare the financial statements of CCRB for the years ended June 30, 2022 and 2021, in conformity with U.S. GAAP, based on information provided by management.
- Prepare the Special District Financial Transactions Report with the California State Controller Local Government Financial Reporting System for the year ended June 30, 2022.

We will not assume management responsibilities on behalf of CCRB. However, we will provide advice and recommendations to assist management of CCRB in performing its responsibilities.

CCRB's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

1. We will perform the services in accordance with applicable professional standards.
2. This engagement is limited to the financial statements previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of CCRB's basic financial statements. Our report will be addressed to the governing body of CCRB. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

Engagement Administration, Fees and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Sarah E. Turner is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for this engagement will not exceed \$12,000 without prior approval from CCRB. Our fees for these services will be computed at our regular hourly rates for the individuals involved, plus direct out-of-pocket expenses. Current hourly rates for services provided by Nasif, Hicks, Harris & Co., LLP partners and staff range from \$100 - \$592 per hour and are subject to change annually. Requests for expanded scope of audit services will be billed at our standard hourly rates.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Payments for services are due when received and interim invoices may be submitted as work progresses and expenses occur. If we have not received payment within 45 days of our invoice, all work may be suspended until your account is brought current.

It is our policy to keep records related to this engagement for eight years. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the eight-year period Nasif, Hicks, Harris & Co., LLP shall be free to destroy our records related to this engagement.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association.

Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

If the above is in agreement with your needs, please sign and date and return to us.

We thank you for the opportunity to be of service to the Company and look forward to a long and mutually beneficial relationship.

Sincerely,

Nasif, Hicks, Harris & Co., LLP

By,



Sarah E. Turner

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ACKNOWLEDGMENT AND ACCEPTANCE:

The foregoing terms are in agreement with the needs of the Company and are hereby accepted.

Mr. Peter Cantle, Executive Director
Cachuma Conservation Release Board

Date



Cachuma Conservation
Release Board

Board of Directors

City of Santa Barbara

Goleta Water District

Montecito Water District

For Agenda Of: December 2, 2021

Estimated Time : 10 minutes

Continued Item: No

If Yes, date from:

TO: Board Members

FROM: Peter Cantle, Executive Director

SUBJECT: Item RA-2: State Water Board Order and Federal Consultation Process Update

Legal Concurrence:

As to form: N/A

Recommended Actions

Consider a status update regarding the State Water Resources Control Board (Water Board) Water Rights Order and the federal Endangered Species Act Sec. 7 Consultation process underway with the U.S. Bureau of Reclamation (Reclamation) and National Marine Fisheries Service (NMFS).

Discussion

No significant changes to the status of the two regulatory actions with which CCRB is involved have occurred since the Board's last briefing. CCRB continues to assist Reclamation in responding to NMFS input on the Biological Assessment. Below, previously provided contextual information has been updated to remain accurate and current.

State Water Resources Control Board Water Rights Order. The Water Board approved Water Rights Order 2019-0148 (the Order) on September 17, 2019. The Order requires Reclamation, as permit holder, to: a) release additional water from Cachuma Reservoir during wetter-than-normal years; and, b) develop plans and conduct studies to assess, among other things, the feasibility of steelhead passage around Bradbury Dam, the benefits of the increased flows, other opportunities for habitat enhancement, and reduction of predatory invasive species in the watershed.

Assistance with Plans Required by the Order. At Reclamation's request, CCRB is providing technical assistance in developing multiple plans required by the Order. This assistance is generally in the field of fisheries biology, with hydrology and legal regulatory input, as needed. While assistance efforts were paused from July to mid-October 2020, CCRB staff have since then continued to meet at regular intervals with Reclamation staff in furtherance of providing technical assistance.

To date, CCRB has worked with Reclamation primarily on plans required by Terms 20 and 24, which are closely linked within the Order. Term 20 requires Reclamation to develop a plan for conducting studies identified in Term 24 “and any other studies that may be necessary to determine the measures necessary to protect the public trust resources of the Santa Ynez River and keep the steelhead fishery in the Santa Ynez River in good condition at the individual, population and community level.” CCRB assisted Reclamation in drafting the Term 20 plan, which Reclamation submitted to the Water Board for review on March 17, 2020. Reclamation has yet to receive substantive input on its Term 20 plan submittal.

Term 24 of the Order requires of Reclamation, among other things, a study plan to evaluate water quality issues that may impact steelhead in the lower Santa Ynez River. Following CCRB board review, a draft water quality study plan for the lower river was transmitted in January 2021 to Reclamation for its consideration. (Additional plans with which CCRB staff provides assistance will be presented for CCRB board review before issuance to Reclamation.) Reclamation has not submitted the water quality study plan to date, as the agency is seeking to clarify the Water Board’s review and response process. Per Reclamation, exchange with the Water Board regarding Reclamation’s Order-related submittals and associated issues has been delayed.

Cachuma Project Section 7 Consultation Process. In November 2019, Reclamation submitted to NMFS a Biological Assessment (BA) of a proposed action that CCRB and the downstream interests helped develop. NMFS responded to this BA in February 2020 with a detailed insufficiency letter. When Reclamation didn’t respond timely with information requested by the letter, NMFS terminated consultation on the proposed action. On December 18, 2020, after working collaboratively with CCRB and the downstream interests, Reclamation submitted a revised BA to NMFS. This revised BA updates the November 2019 BA and uses the Water Rights Order 2019-0148 flow regime, with some key modifications, as its basis. The BA is also scoped to include other anticipated Reclamation actions, such as the long-term Master Service Contract and the COMB O&M contract. Reclamation tasked Stetson Engineering with producing hydrological modeling of specific scenarios in support of the revised BA. The modeling output was not ready by the submittal date; Reclamation thus submitted the BA to NMFS on December 18, 2020 without the hydrological modeling.

Beginning in early February and extending through late April, 2021, CCRB staff and the downstream interests met at intervals with Reclamation and Stetson to review and understand the inputs and assumptions Stetson used to produce the hydrological modeling in support of Reclamation’s revised BA.

On February 8, 2021, NMFS issued Reclamation an insufficiency letter identifying information NMFS needs to initiate formal consultation on the revised BA and its proposed action. NMFS required Reclamation to respond to the letter within 45 days. CCRB and the downstream interests assisted Reclamation in its March 18 response that addressed multiple issues identified in the letter. In addition to this March insufficiency letter response, Reclamation submitted to NMFS on April 30 an updated version of the BA addressing insufficiency issues and incorporating the hydrological modeling discussed above. CCRB staff assisted Reclamation with updating the BA prior to its submittal. Reclamation has since met multiple times with NMFS to discuss elements of the revised BA and the proposed action prior to entering Section 7 formal consultation. At this writing, CCRB continues to assist Reclamation in fine-tuning project descriptions contained within the BA for which NMFS has requested additional information and detail. At Reclamation’s request, CCRB is also helping to assess the current operational limiting factors for CCWA releases to the river in the first weeks of November.

Staff will continue to update the board with new information as it becomes available on these consultation and Water Rights Order matters.

Fiscal Analysis

CCRB's approved FY21-22 budget provides for staff and consulting support related to both the Water Board Order and the federal Consultation process. Costs incurred to date in the fiscal year beginning July 1 are within budget.

Attachments

None

Report authored by:

Peter Cantle, Executive Director