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

April 1, 2021
2: 00 PM

MODIFIED BROWN ACT COMPLIANCE IN LIGHT OF COVID-19

Pursuant to State of California Executive Orders N-25-20 and N-29-20, members of the Cachuma Conservation Release Board (CCRB) Board of Directors (Board) and members of the public will participate in this meeting electronically by video- and/or teleconference, as described below. The access information for the Board and members of the public for this board meeting is as follows:

Join videoconference:

https://us02web.zoom.us/j/87598300891?pwd=K0h0MHpFNjNhQ2g1STR6eGJXbWZsQT09

Join teleconference:

Call-in Number: 1.669.900.6833

Meeting ID: 875 9830 0891#

Passcode: 221091#

The Board may utilize different call-in information for any Closed Session items.

Any member of the public on the telephone may speak during the **Public Comment Period** or may email public comments to *pcantle@ccrb-board.org* and all comments will be read aloud during the meeting. During this period of modified Brown Act compliance, 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.

ROLL CALL

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, please email *pcantle@ccrb-board.org*, with subject line of "Request to Speak" and include a description of the subject you wish to address.

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' March 4, 2021 meeting.

CA-2) Unaudited Interim Financial Report for the Period Ending February 28, 2021
Receive and file an unaudited interim financial report for the period ending February 28, 2021.

REGULAR AGENDA

RA-1) Authorize Engagement with Nasif, Hicks, Harris & Co., LLP for Auditing Services
Authorize the Executive Director to engage with Nasif, Hicks, Harris & Co., LLP to provide auditing services for the fiscal year that ended June 30, 2020 (Est. time: 5 minutes).

RA-2) Fiscal Year 2021/2022 (FY22) Draft Budget
Consider a draft FY22 budget for CCRB. Provide direction to the Executive Director for modifications and circulation of a revised draft to Member Agencies for approval. (Est. time: 40 minutes)

RA-3) State Water Board Order and Federal Consultation Process Update
Consider status updates 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) (one potential case)

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

REGULAR AGENDA (CONT.)

RA-4) Identify Agenda Items for Future Board Meetings.

RA-5) Set Next Regular Meeting for 2 PM Thursday, May 6, 2021, 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.]

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

March 4, 2021, 2:00 pm

CALL TO ORDER, ROLL CALL

The teleconference meeting was called to order at 2:04 pm by Board President Lauren Hanson. Those attending the teleconference were:

Directors Present:

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

Also Present:

Ryan Drake	Kevin O'Brien
Cathy Taylor	Sam Bivins
Dan Hentschke	Joel Mulder
Nick Turner	Ted Harris
Peter Cantle	Warren Greco
Ali Taghavi	

PUBLIC COMMENT

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

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, State Water Board Order and Federal Consultation Process Update. Executive Director Cantle advised the board that the National Marine Fisheries Service issued the Bureau of Reclamation a February 8, 2021 insufficiency letter identifying areas of Reclamation's 2020 Biological Assessment that require additional information to initiate formal consultation. The letter requires substantive response within 45 days. Reclamation has requested CCRB's assistance in responding, which CCRB staff is providing. Reclamation expects to respond by mid-March.

CLOSED SESSION

CS-1) Conference with Legal Counsel – Anticipated Litigation. The Board went into closed session at 2:11 pm to discuss matters regarding potential litigation. The Board came out of closed session at 3:51 pm with no reportable actions.

REGULAR AGENDA- CONT.

RA-2, Identify Agenda Items for Future Board Meetings. Executive Director Cantle noted that a first draft budget for FY21/22 will be presented for the board's consideration in the April 2021 meeting.

RA-3, Confirm Next Meeting. The next regular meeting of the Cachuma Conservation Release Board is scheduled for 2:00 pm April 1, 2021 by videoconference. President Hanson adjourned the meeting at 3:52 pm.

Respectfully submitted,

Secretary to the Board

Cachuma Conservation
Release Board

Board of Directors

City of Santa Barbara

Goleta Water District

Montecito Water District

For Agenda Of:	April 1, 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 February 28, 2021

Legal Concurrence

As to form: N/A

Recommended Actions

Receive and file an Unaudited Interim Financial Report for the period ending February 28, 2021.

Discussion

The Board of Directors approves the CCRB budget each fiscal year. It is subsequently approved by each Member Agency's governing body and becomes CCRB's annual operating budget. During the fiscal year, monthly unaudited financial reports are provided to the Board to compare fiscal performance against the adopted budget. This report addresses the period ending February 28, 2021.

Fiscal Analysis

Total income shown through February 28, 2021 was $733,199.80, reflecting first, second and third quarter billings to the three Member Agencies. (As per Board direction, quarterly billings are being adjusted to reflect anticipated quarterly expenditures; significantly reduced fourth quarter billings to each Member Agency are anticipated in April.) Total expenses booked through February 28 equal $281,402.92, reflecting the late-October resumption of CCRB's technical support and engagement with Bureau of Reclamation in the State Water Board Order and Consultation regulatory processes, support and engagement which was paused at the start of the fiscal year.

Attachments

Attachment 1: Unaudited Interim Financial Report for the period ending February 28, 2021

Authored by

Peter Cantle, Executive Director

ATTACHMENT 1

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDING FEBRUARY 28, 2021

Cachuma Conservation Release Board
Statement of Revenue and Expense- Budget vs. Actual
July 2020 through February 2021

	Jul '20 - Feb 21	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4200 · Income	733,199.80	1,222,000.00	-488,800.20	60.0%
Total Income	733,199.80	1,222,000.00	-488,800.20	60.0%
Expense				
5050 · Office Lease	2,240.00	5,000.00	-2,760.00	44.8%
5100 · Audit	2,788.50	10,000.00	-7,211.50	27.9%
5200 · Liability Insurance	2,978.63	7,000.00	-4,021.37	42.6%
5301 · Managers Salary				
5301.01 · Managers Gross Wages	104,615.45	0.00	104,615.45	100.0%
5301.02 · Employer Tax Expense	6,525.93			
5301 · Managers Salary - Other	0.00	179,000.00	-179,000.00	0.0%
Total 5301 · Managers Salary	111,141.38	179,000.00	-67,858.62	62.1%
5304 · Administrative Support	3,479.35	16,000.00	-12,520.65	21.7%
5312 · Misc Admin Expense	1,718.13	4,000.00	-2,281.87	43.0%
5313 · Communications/Computer	3,465.61	8,000.00	-4,534.39	43.3%
5316 · Admin Fixed Assets	0.00	4,000.00	-4,000.00	0.0%
5318 · Fraud	0.00			
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%
6500 · Contingency	0.00	103,000.00	-103,000.00	0.0%
7000 · Legal	91,545.68	146,000.00	-54,454.32	62.7%
7001 · BO Reconsultation Legal Support	61,755.64	406,000.00	-344,244.36	15.2%
7002 · SWRCB Water Rights	180.00	80,000.00	-79,820.00	0.2%
7100 · SWRCB Support				
7200 · SWRCB Proceedings Support	110.00	185,000.00	-184,890.00	0.1%
Total 7100 · SWRCB Support	110.00	185,000.00	-184,890.00	0.1%
7500 · Hydrologic Technical Support	0.00	40,000.00	-40,000.00	0.0%
Total Expense	281,402.92	1,222,000.00	-940,597.08	23.0%
Net Ordinary Income	451,796.88	0.00	451,796.88	100.0%
Net Income	**451,796.88**	**0.00**	**451,796.88**	**100.0%**

Cachuma Conservation Release Board
Reconciliation Summary
1020 · CWB - Chkg #7204, Period Ending 02/28/2021

		Feb 28, 21
Beginning Balance		397,689.97
Cleared Transactions		
Checks and Payments - 13 items	-32,741.87	
Deposits and Credits - 1 item	99,910.72	
Total Cleared Transactions	67,168.85	
Cleared Balance		**464,858.82**
Uncleared Transactions		
Checks and Payments - 6 items	-15,359.48	
Total Uncleared Transactions	-15,359.48	
Register Balance as of 02/28/2021		**449,499.34**
Ending Balance		449,499.34

OK
3-2-2021

Cachuma Conservation Release Board
Reconciliation Detail
1020 · CWB - Chkg #7204, Period Ending 02/28/2021

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						397,689.97
Cleared Transactions						
Checks and Payments - 13 items						
Bill Pmt -Check	01/28/2021		Downey Brand Attor...	X	-10,478.25	-10,478.25
Bill Pmt -Check	01/28/2021		California Strategies...	X	-8,000.00	-18,478.25
Bill Pmt -Check	01/28/2021		Patterson Self-Stora...	X	-280.00	-18,758.25
Bill Pmt -Check	01/28/2021		AccountabilityPlus, Inc	X	-273.86	-19,032.11
Bill Pmt -Check	01/28/2021		Peter Cantle	X	-206.32	-19,238.43
Bill Pmt -Check	01/28/2021		CIO Solutions, LP	X	-63.26	-19,301.69
Check	02/01/2021		Payroll Vault	X	-58.95	-19,360.64
Check	02/10/2021		Payroll Tax	X	-3,815.84	-23,176.48
General Journal	02/10/2021		Peter Cantle	X	-2,808.78	-25,985.26
Check	02/10/2021		Payroll Vault	X	-66.00	-26,051.26
Check	02/24/2021		Payroll Tax	X	-3,815.82	-29,867.08
General Journal	02/24/2021		Peter Cantle	X	-2,808.79	-32,675.87
Check	02/24/2021		Payroll Vault	X	-66.00	-32,741.87
Total Checks and Payments					-32,741.87	-32,741.87
Deposits and Credits - 1 item						
Payment	02/10/2021		City of Santa Barbara	X	99,910.72	99,910.72
Total Deposits and Credits					99,910.72	99,910.72
Total Cleared Transactions					67,168.85	67,168.85
Cleared Balance					67,168.85	464,858.82
Uncleared Transactions						
Checks and Payments - 6 items						
Bill Pmt -Check	02/22/2021		California Strategies...		-8,000.00	-8,000.00
Bill Pmt -Check	02/22/2021		Downey Brand Attor...		-6,170.50	-14,170.50
Bill Pmt -Check	02/22/2021		AccountabilityPlus, Inc		-539.48	-14,709.98
Bill Pmt -Check	02/22/2021		Peter Cantle		-306.24	-15,016.22
Bill Pmt -Check	02/22/2021		Patterson Self-Stora...		-280.00	-15,296.22
Bill Pmt -Check	02/22/2021		CIO Solutions, LP		-63.26	-15,359.48
Total Checks and Payments					-15,359.48	-15,359.48
Total Uncleared Transactions					-15,359.48	-15,359.48
Register Balance as of 02/28/2021					51,809.37	449,499.34
Ending Balance					**51,809.37**	**449,499.34**

OK
3-2-2021

Cachuma Conservation
Release Board
Agenda Letter

Board of Directors

City of Santa Barbara

Goleta Water District

Montecito Water District

For Agenda Of:	April 1, 2021
Estimated Time :	5 minutes
Continued Item:	No
If Yes, date from:	

TO: Board Members

FROM: Peter Cantle, Executive Director

SUBJECT: Item RA-1: Authorize Engagement for Professional Auditing Services

Legal Concurrence:
As to form: Not applicable.

Recommended Actions:

Authorize the Executive Director to engage with Nasif, Hicks, Harris & Co., LLP (NHH) to provide auditing services for the fiscal year that ended June 30, 2020.

Discussion

Audits of CCRB's financial matters are performed annually by a qualified accounting firm to ensure that business is conducted according to generally accepted auditing principals and standards. The most recent financial audit was completed for the fiscal year ending June 30, 2019 and was unremarkable (a "clean audit").

In the interest of engaging a new firm to provide this important oversight service, I solicited a letter proposal from NHH, a locally based certified public accountancy (Attachment 1). I have reviewed the letter proposal and find it appropriately scoped and suitably responsive to CCRB's needs. Further, pursuant to CCRB's Procurement Policy (Attachment 2), the Executive Director may acquire "Professional Services" including accounting services (Procurement Policy, Sec. 2.1 Definitions) with a sole source bid up to an amount of $10,000 with the Board's "prior express authorization" (see Procurement Policy Sec. 6.b, Exemptions from the Purchasing Protocol). I therefore recommend that the Board authorize me to engage NHH for auditing services for the fiscal year ending June 30, 2020. Assuming suitably responsive audit performance, subsequent financial audits would be performed by the same firm without further Board authorization.

Fiscal Analysis:

The NHH letter proposes that the annual audit will be billed at $10,000. Further discussion with the NHH point of contact clarified that this amount is an "up to" quote, rather than a flat fee. Additional services, should they be required, would be billed on an hourly basis. As CCRB's business records are relatively simple and accessible, and its bookkeeping firm is highly responsive to audit-related requests, I anticipate that the FY2020 audit will be conducted at or below the quoted cost. The quoted cost of $10,000 aligns with the limit in CCRB's Procurement Policy and the amount approved in CCRB's current-year budget.

Attachments:

Attachment 1. *Proposal to Serve as Auditors for Cachuma Conservation Release Board. Nasif, Hicks, Harris & Co., LLP (March 10, 2021)*

Attachment 2. *Adopted CCRB Procurement Policy (as revised and adopted April 2019)*

Authored by:

Peter Cantle, Executive Director

ATTACHMENT 1

PROPOSAL TO SERVE AS AUDITORS FOR
CACHUMA CONSERVATION RELEASE BOARD

NASIF, HICKS, HARRIS & CO., LLP. (MARCH 10, 2021)

PROPOSAL TO SERVE AS
AUDITORS FOR
CACHUMA CONSERVATION RELEASE BOARD

NASIF, HICKS, HARRIS & CO., LLP
104 WEST ANAPAMU STREET, SUITE B
SANTA BARBARA, CA 93101
(805) 966-1521
AUDIT PARTNER: SARAH E. TURNER

MARCH 10, 2021

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

March 10, 2021

VIA EMAIL: pcantle@ccrb-board.org

Mr. Peter Cantle, Executive Director
Cachuma Conservation Release Board

Dear Mr. Cantle:

Nasif, Hicks, Harris & Co., LLP enthusiastically responds to your Request for Proposal to serve as auditors for Cachuma Conservation Release Board ("CCRB"). We truly believe that we can provide quality audit services to CCRB and its management team in the most cost-effective and efficient fashion possible.

As the auditors of, Pacifica Graduate Institute, Laguna Blanca School, Associated Students for the University of California Santa Barbara, and various other not-for-profit and for-profit entities we have experience in the not-for-profit sector and for-profit sector that sets us apart from most firms. Nasif, Hicks, Harris & Co., LLP is a local Santa Barbara firm, and we believe that our experience will enable us to provide the best service, on a timely basis, to CCRB.

We are committed to provide CCRB with a superior level of professional service. With this in mind, we have assembled our engagement team from among our experienced not-for-profit sector personnel, auditors who already have a familiarity with not-for-profits.

Not only do we have experienced personnel to enable us to deliver our services in a very responsible fashion, but we are also backed by consulting and tax professionals who enable us to serve CCRB in many more ways than providing audit services. CCRB can be assured that all our professional resources will be brought to bear on the accounting and operational issues CCRB faces.

We use the words **commitment** and **assurance** throughout this proposal. These are not words that we take lightly. We believe that our continuing commitment to deliver superior client service through a stable, experienced engagement team functioning on a sustained basis, is the cornerstone to the continuation of a lasting professional relationship.

We are keenly aware of the scope of work to be undertaken and the deadlines for submission. We strive to consistently meet or exceed the expectations of our clients in all matters, including reporting, deadlines, and assistance in upgrading financial reporting practices. In our proposal are a number of suggestions regarding steps and procedures that we could implement to achieve our goal of continuing improvement in audit process efficiency.

Our response to your request for proposal is a firm and irrevocable offer good for a period of not less than sixty days from the date of this transmittal letter.

If we can be of further assistance or answer any questions you may have, please do not hesitate to call me at (805) 966-1521 extension 124.

Very truly yours,

Nasif, Hicks, Harris & Co., LLP

By,

Sarah Turner, CPA

I. PROFESSIONAL EXPERIENCE

A. Our Firm

Nasif, Hicks, Harris & Co., LLP is one of the largest local certified public accounting firms in Santa Barbara County. In its Santa Barbara office, the firm employs 68 staff persons, including 10 partners. Founded in 1976, Nasif, Hicks, Harris & Co., LLP has developed a solid reputation for responsiveness to client needs and for consistently rendering top-quality professional services to clients engaged in all segments of business activity.

Many of our professional staff have experience in performing audits of local private education institutions, other not-for-profit entities, employee benefit plans, and larger, non-publicly traded for-profit entities.

Nasif, Hicks, Harris & Co., LLP utilizes a systems-based, control-oriented audit technique that serves to document controls as we proceed with the audit process. This approach combines existing client documentation and our computer technology into an effective, efficient audit approach. The use of state-of-the-art auditing technology allows our auditors to obtain an overall understanding of CCRB and its operating environment, while at the same time considering how to utilize CCRB's accounting information system most efficiently.

B. Knowledge of Not-for-Profit Operations

Our engagement team brings approximately 30 audit person-years of specific Santa Barbara and surrounding area experience to this engagement, in addition to the not-for-profit experience that our firm possesses.

C. Staffing Assignments

Sarah Turner would be the audit partner in charge of supervising this engagement.

Mitchell Thomas would manage the audit and be the primary contact for fieldwork and other day-to-day audit matters.

Both Sarah and Mitch are located at the Nasif, Hicks, Harris & Co., LLP office in downtown Santa Barbara. No complaints have been made against either Sarah or Mitch by the state Board of Accountancy or any other regulatory agencies. Sarah and Mitch's more detailed resumes are attached to this proposal and can be found at Appendix A.

II. STAFF CONTINUITY

We have a **strong commitment to provide engagement team continuity from one year to the next.** During our service as CCRB's auditors, we feel we will meet that commitment. While employee turnover is an inevitable part of running a business, we are committed to providing you with the staff continuity you expect by assigning an audit partner and manager who have demonstrated their commitment to our firm, clients, and local community.

During our relationship with CCRB, engagement staffing would be changed for only three reasons – at CCRB's request; to enable us to provide CCRB with better service; or because the individuals serving CCRB have been promoted or have left our Firm. We believe that through this kind of demonstrated staffing continuity CCRB's management can expect to receive **timely, first-rate professional service.** CCRB's management can be assured that our audit team – from partner down to the staff accountant level – will be **staffed from among our best, most experienced auditors.**

III. REFERENCES

Laguna Blanca School
Mr. Michael Neff, Director of Finance and Operations
4125 Paloma Drive, Santa Barbara, CA 93110
(805) 687-2461

Associated Students University of California Santa Barbara
Ms. Marisela Marquez, AS Executive Director
Associated Students, University of California Santa Barbara, Santa Barbara, CA 93106
(805) 893-4141

Pacifica Graduate Institute
Mr. Larry Byer, CFO
249 Lambert Road, Carpinteria, CA 93013
(805) 969-3626

The Yardi Foundation
Gordon Morrell, Director and Secretary
430 S. Fairview Ave., Goleta CA 93117
(805) 699-2040

IV. AUDIT APPROACH

A. Services to be Performed

Our engagement would start by communicating our understanding of the engagement, scope of procedures, and responsibilities to the audit committee and the management team at CCRB. Next, we would provide an engagement letter and Client Participation Schedule ("CPS") that includes a list of the information we require to perform our audit testing and analysis.

IV. AUDIT APPROACH - continued

A. Services to be Performed - continued

Based on when the CPS information is received, which is usually the first week of August each year, we would then send one or two staff members out to perform audit fieldwork the following week. We anticipate our audit fieldwork would take us approximately four business days to complete.

After our fieldwork is complete, we would perform any remaining audit work at our offices and have the report on audited financial statements ready by a mutually agreed upon deadline.

B. CCRB Staff Assistance

We would expect CCRB's accounting department to prepare all of the requested schedules from the CPS, pull vendor invoices, cash receipts journals, and any other document support we require to complete our audit testing. CCRB's staff would also be responsible for preparing confirmation letters for cash accounts and accounts receivable selections, if applicable for the year ended December 31, 2020.

As part of the audit, we would also perform "walk-throughs" of various financial processes at CCRB including cash receipts, cash disbursements, and payroll processing that CCRB staff would need to explain to our audit team.

C. Technology and Efficiency

We utilize a "paperless" audit approach by maintaining our audit planning, performance and reporting documentation in various accounting computer programs. Utilizing a paperless system allows us to perform fieldwork efficiently without needing paper copies of requested documents and to easily transmit documents to management or the audit committee when needed. Our computer programs allow us to quickly perform various types of ratio analysis and identify financial trends to identify potential risks needed for our audit planning and fieldwork.

In order to transmit and receive electronic documents in a fast and secure manner, we utilize a "cloud" server called Citrix ShareFile. While no system can be completely secure, we do our best to protect your information by utilizing this type of server to transmit data in a more secure method than traditional e-mail.

We utilize several research databases that are constantly updated so we are always aware of the latest updates to accounting principles general accepted in the United States of America ("U.S. GAAP"), policy changes, and generally accepted auditing standards ("GAAS") updates. Our staff attends Continuing Professional Education courses related to not-for-profit and for-profit entity issues regularly, so they are aware of new accounting and auditing issues, trends, and regulations.

If and when unusual matters are discovered and need to be remedied, our audit staff will discuss such matters with the audit partner, management, and those charged with governance when circumstances dictate.

IV. AUDIT APPROACH - continued

D. Communications – Those Charged with Governance

In accordance with GAAS, we will communicate the following to the those charged with governance of CCRB:

- All irregularities or illegal acts, or indications of such irregularities or illegal acts, of which we become aware,
- Our responsibilities under generally accepted auditing standards,
- Significant audit adjustments,
- Disagreements with management,
- Major issues discussed with management, and
- Difficulties encountered in performing the audits.

E. Communications - Management Letters

We feel that management letters are of equal importance with our opinion on the financial statements; accordingly, we will devote considerable attention to developing meaningful comments to management. As auditors for CCRB, we are interested in CCRB's overall success as an efficient, properly controlled, and cost-effective organization.

Therefore, you can expect us to offer constructive suggestions regarding your operations. Indeed, while the profit motive is not the paramount objective of CCRB, this does not lessen the need to view CCRB as a business – and one that should be effectively and efficiently operated.

Thus, we prefer to view management letters as more than a vehicle for citing and eliminating weaknesses in the system of internal control over financial reporting. Our management letters place heavy emphasis on the operations side, and our suggestions for improvement are designed to improve overall management and result in a better use of resources.

Our general approach to the preparation of a management letter includes the following:

- A meaningful management letter does not just appear at the end of an audit; **its preparation is a continuing process throughout the course of the audit.** We emphasize the importance of the management letter with the entire audit team and believe this continual awareness encourages the audit team to view audit situations in terms of constructive management letter comments.
- Our partners and staff devote a significant amount of time to our management letters to help ensure that events are properly interpreted and that suggestions are practical and cost-effective.
- All suggestions are reviewed in draft form with you before the executed letter is issued.

V. COMPENSATION

Our fees for the services you require would be as follows:

Service	Fee
Financial Statement Audit	$ 10,000

Any other non-audit costs above, or any other services requested of Nasif, Hicks, Harris & Co., LLP during the year, are billed at our standard hourly billing rates which currently range from $84 - $572.

VI. PEER REVIEW REPORT - SEE ATTACHED

A. Peer Review and Quality Control

Nasif, Hicks, Harris & Co., LLP's foremost goal is to provide superior quality client service. Everything else is secondary to that goal. Our approach to client service incorporates the necessity to meet client needs as the primary focus of our service. We strive to identify and understand the needs and expectations of each of our clients. This approach has helped Nasif, Hicks, Harris & Co., LLP build its practice. We are very proud of our reputation for quality and leadership in our profession. However, we believe that the pursuit of excellence in quality is an objective that is never fully satisfied.

Nasif, Hicks, Harris & Co., LLP's quality control system includes a regular peer review by another public accounting firm through the AICPA Quality Review Program. See our most recent peer review report attached.

B. Independence

Nasif, Hicks, Harris & Co., LLP is independent of CCRB as defined by GAAS.

APPENDIX A

RESUMES OF PROPOSED ENGAGEMENT STAFF

SARAH TURNER, CPA

FIRM POSITION

Audit Partner

EXPERIENCE

Ms. Turner has been employed by Nasif, Hicks, Harris & Co., LLP for 16 years. During this time, Ms. Turner worked on and managed the Laguna Blanca School audit for the years ended June 30, 2011 through 2020 and has assisted with the audits of the City of Santa Barbara and the Santa Barbara County Employees' Retirement System, along with other non-profit organization and foundations. Ms. Turner also manages the majority of the firm's employee benefit plan audits and has managed multiple small business audits. She was promoted to audit partner effective January 1, 2011.

- Partner in charge of the audit of the Pacifica Graduate Institute for the years ended August 31, 2020 - 2011
- Partner in charge of the audit for Associated Students of University of California, Santa Barbara for the years ended June 30, 2020, - 2011
- Partner in charge of the audit for Laguna Blanca School for the years ended June 30, 2020 - 2011
- Partner in charge of the audit for Central Coast Water Authority for the years ended June 30, 2019 - 2011
- Partner in charge of the audit and review for the Pacific Corinthian Marina and Yacht Club for the years ended December 31, 2019-2015
- Partner in charge of the audit for the Yardi Foundation, for the years ended December 31, 2013

PROFESSIONAL ACTIVITIES

Ms. Turner is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

EDUCATION

Bachelor of Arts, Business Economics-emphasis in accounting, University of California at Santa Barbara, with highest honors.

MITCHELL THOMAS, CPA

FIRM POSITION

Staff Accountant

EXPERIENCE

Mr. Thomas joined Nasif, Hicks, Harris & Co., LLP in June 2017 and previously worked for public accounting firms in Ventura County for five and a half years. While at his previous employer, Mr. Thomas managed a number of not-for-profit audits such as FOOD Share, Inc., Help of Ojai and The Ojai Foundation. In addition to managing various audits, Mr. Thomas prepares tax returns for individuals, business entities and not-for-profit entities.

- Manager in charge of the audit for Laguna Blanca School for the years ended June 30, 2020 - 2017
- Manager in charge of the audit and review for the Pacific Corinthian Marina and Yacht Club for the years ended December 31, 2019 - 2017
- Manager in charge of the audit for the Legal Aid Foundation for the years ended June 30, 2020 - 2019
- Manager in charge of the audit for Pacifica Graduate Institute for the year ended August 31, 2018

PROFESSIONAL ACTIVITIES

Mr. Thomas is a member of the American Institute of Certified Public Accountants California Society of Certified Public Accountants.

EDUCATION

Bachelor of Science, Finance, California State University Northridge.

APPENDIX B

PEER REVIEW REPORT

KENNEDY & KENNEDY
Certified Public Accountants

Members of the American Institute of Certified Public Accountants
and of the California Society of Certified Public Accountants

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

January 10, 2018

Nasif, Hicks, Harris & Co., LLP
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Nasif, Hicks, Harris & Co., LLP (the firm) in effect for the year ended August 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included audits of employee benefit plans and examinations of service organizations. As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Nasif, Hicks, Harris & Co., LLP in effect for the year ended August 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiencies*, or *fail*. Nasif, Hicks, Harris & Co., LLP has received a peer review rating of *pass*.

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ATTACHMENT 2

ADOPTED CCRB PROCUREMENT POLICY

(AS REVISED AND ADOPTED APRIL 2019)

ADOPTED CCRB PROCUREMENT POLICY

1. Procurement Procedures

The procurement of professional services and other goods and services will be conducted as described in this Policy.

2. Definitions

1. “Professional services” mean services that require specialty training, license, certification, education or experience, including by not limited to financial, economic, accounting, engineering, legal or administrative matters.

2. “General Services” means supplies, goods and services other than Professional Services.

3. “Vendor” means any corporation, partnership, individual, sole proprietorship, joint venture or other legal entity that enters into a contract to sell goods, services, materials, labor or equipment to CCRB.

4. “Purchase” means the acquisition of Professional Services or General Services in exchange for payment.

5. “Purchasing Agent” means the Executive Director of CCRB.

6. “Request for Qualifications” (RFQ) means a request for qualifications that describe the experience, expertise and related capabilities of potential vendors.

7. “Request for Proposal” (RFP) means a request for a proposal that is sent by CCRB to one or more prospective vendors that describes the Professional Services or General Services desired, along with other specified particulars of the request and with any other relevant information that will allow CCRB to evaluate any and all proposals.

8. “Request for Quote” (RFQ) means a request for a quote that is sent by CCRB to one or more prospective vendors that describes the Professional Services or General Services desired, along with other specified particulars of the request and with any other relevant information that will allow CCRB to evaluate any and all quotes.

9. “Sole Source” (Single Source) means a Professional Service or General Service that can be obtained by CCRB from only one vendor.

10. “Proposer” means an individual or entity that responds to a CCRB request for a proposal or for a quote.

11. “Proposal” means any bid, quotation or other offer from a vendor to provide Professional Services or General Services to CCRB at a specified price or specified terms.

12. “Contract” means any written agreement, understanding or arrangement with a vendor to provide Professional Services or General Services to CCRB.

13. “Expert” means a Professional Services Vendor that will assist the General Counsel with the development of attorney work product on CCRB’s behalf, and/or to provide expert testimony in adjudicatory proceedings on CCRB’s behalf.

14. “General Counsel” means the attorneys and law firm hired by CCRB to provide legal services.

3. General CCRB Purchasing Protocol

Unless otherwise exempted in accordance with Section 6 (“Exemptions from the Purchasing Protocol”) included herein, all CCRB use of Professional Services will be conducted through a competitive proposal process.

4. Potential Vendors Pre-Qualified by CCRB Member Agencies

In support of the CCRB Purchasing Protocol, the Executive Director will periodically provide the Board with a listing of professional firms and other potential vendors that have been reviewed and/or qualified by the CCRB member agencies for contracting consideration, especially those with specialization in hydrology, fish biology and endangered species consultations. When competitive proposals are required, the Executive Director will use, at a minimum, these vendors as a source of names for invitations to submit proposals on CCRB projects or tasks.

5. Thresholds for Services

a. General Services

i. The Executive Director has the authority to purchase General Services of up to $10,000. Such General Services should be competitively bid whenever possible and must be identified in the approved CCRB budget.

ii. Expenditures exceeding $10,000 for any supplies, goods and non-professional services must be approved by the CCRB Board.

b. Professional Services

i. The Executive Director has the authority to purchase Professional Services up to $10,000 that are identified in the approved CCRB budget.

ii. Expenditures exceeding $10,000 must be approved by the CCRB Board.

c. Extra Services

i. Extra services exceeding 10% of the value of the contract shall require the approval of the CCRB board.

6. Exemptions from the Purchasing Protocol

The following purchases are exempt from the competitive purchasing protocol and may be made by the Executive Director subject to prior express authorization by the Board:

a. Purchases of up to $2,500 for General Services;

b. Contracts for up to $10,000 for Professional Services shall require only one proposal;

c. Contracts for which the Board has in advance unanimously authorized the Executive Director to make without competitive bidding because of unique circumstances that, as determined in the full discretion of the Board, are in the best interests of CCRB. The Board shall adopt a Resolution making a finding of the specific unique circumstances that justify the exemption from normal purchasing procedures.

d. Contracts for legal, accounting and auditing services are made at the discretion of the Board.

7. Procurement of Legal Services and Experts

The General Counsel will each year in advance of preparation of the CCRB Budget provide to the Executive Director and Board of Directors a confidential legal memorandum explaining the proposed budget for legal services, including Experts. The Board may authorize the General Counsel to contract with one or more Experts based upon findings that doing so is in the best interest of CCRB.

Any and all expenditures by General Counsel for Professional Services provided by Experts exceeding $10,000 must be approved by the CCRB Board.

The CCRB Board of Directors shall conduct an annual review at the end of each Fiscal Year of (i) all Legal Services provided by General Counsel and (ii) all Professional Services provided by Experts.

8. Purchasing Process for General Services

Purchases from a vendor or entity that are subject to a competitive purchasing process will be accomplished through the following process:

a. The Executive Director will solicit multiple proposals or quotes by written or electronic requests to prospective vendors for General Services that have been approved in the CCRB budget.

b. The Executive Director will prepare and issue an RFP for the type of goods or services desired.

c. Proposals from prospective vendors will be submitted in writing to the Executive Director for review and evaluation, assuming the submittal has been received prior to the specified deadline in the RFP for vendor response.

d. Upon receipt of the timely responses to the RFP, the Executive Director will evaluate the proposals and select the preferred proposal for the purchase, identifying the lowest bidder and the justification for selection of a particular proposal over another.

e. Depending on the proposed purchase amount, the Executive Director or the Board will authorize and execute a contract.

f. At the discretion of the Executive Director, proposals or quotations may be rejected in whole or in part.

9. Purchasing Process for Professional Services

Purchases of Professional Services from a vendor or entity that are subject to a competitive purchasing process will be accomplished through the following process:

a. The Executive Director will solicit multiple proposals or quotes by written or electronic requests to prospective vendors. Any party assisting the Executive Director in the development, circulation or review of proposals for a specific project shall be disqualified from bidding on the respective Professional Service or General Service.

b. Proposals from prospective vendors will be submitted in writing to the Executive Director for review and evaluation, assuming the submittal has been received prior to the specified deadline in the RFP for vendor response.

c. Proposals will be evaluated by an ad hoc review committee comprised of staff members of the CCRB member agencies. The committee will rank the reviewed proposals based upon cost, responsiveness to the RFP, and the relative experience and qualifications of the prospective vendor, and provide these results to the Executive Director.

d. The Executive Director will bring to the CCRB Board the results of the reviewing committee along with an Executive Director recommendation.

e. At the discretion of the Board or Executive Director, proposals or quotations may be rejected in whole or in part. If not rejected, the CCRB Board may select a preferred proposal and authorize the Executive Director to execute a contract consistent with the selected proposal.

f. All purchases made through this process will be made by contracts as approved by the General Counsel.

g. After authorization by the Board, the Executive Director will negotiate a contract that is approved by the General Counsel and provides for implementation of the specified Professional Service.

10. Disqualification of Proposers and Vendors

A proposer or vendor may be disqualified from providing Professional Services or General Services at any time during the purchasing process and given written notice when:

a. That proposer or vendor has failed to perform under the terms of a previous contract with CCRB; or

b. That proposer or vendor has failed to satisfy any of the qualification standards required by the RFQ; or

c. That proposer or vendor has failed to provide CCRB with a proposal that conforms to the terms of the RFP; or

d. That proposer or vendor has proposed a cost or terms that are determined to be of such a low amount or subject to particular conditions where it is assumed that it will not allow successful completion of the work requested by CCRB.

e. The proposer has failed to submit its proposal prior to the submission deadline specified in the RFP.

f. The proposer has assisted CCRB with the RFP or RFQ process for the respective Professional Service or General Service

11. Execution of Contracts

As a general rule, the CCRB Board authorizes the Executive Director to execute contracts that have been approved by the Board or to make certain administrative or operational purchases that the Board has authorized the Executive Director to make.

12. Authority of the Executive Director

The Executive Director will monitor, supervise and enforce all contracts between CCRB and any vendor or other provider of services consistent with the terms and conditions of the applicable contract. Consistent with payments made by CCRB to a contractor, the Executive Director will report to the Board quarterly on the status and performance related to ongoing CCRB contracts.

13. Change Orders and Procurement of Services in Excess of Budgeted Amounts

When new or unforeseen circumstances arise that require additional services to be procured from Professional Services Vendors currently under contract, the Executive Director and General Counsel have discretion to authorize additional expenditures for such services up to a maximum of $2,500 submitted by a contractor with respect to any existing contract provided that such amounts do not exceed 10% of the total contract and are identified in the current fiscal year budget.

Cachuma Conservation
Release Board
Agenda Letter

Board of Directors

City of Santa Barbara

Goleta Water District

Montecito Water District

For Agenda Of:	April 1, 2021
Estimated Time:	40 minutes
Continued Item:	No
If Yes, date from:	

TO:	Board Members
FROM:	Peter Cantle, Executive Director
SUBJECT:	Item RA-2: Draft Budget for Fiscal Year 2021/2022

Legal Concurrence:
As to form: N/A

Recommended Actions:

Receive, consider and potentially approve a draft proposed budget for upcoming Fiscal Year 2021/2022 (FY22). As needed, provide direction to Executive Director for possible budget modifications to finalize the draft budget for circulation to and approval by Member Agencies.

Discussion:

Per the terms of the Joint Powers Agreement by which CCRB is formed, the CCRB Board of Directors approves a draft operating budget prior to the July 1 start of each fiscal year. Not less than 60 days prior to July 1, the CCRB-approved operating budget is to be submitted to each Member Agency's governing body for consideration and approval. When all Member Agencies have approved it, the budget is final. This document initiates the process of approving CCRB's FY22 operating budget.

Attachment 1 (Table 1) contains a draft proposed FY22 budget. Many of the line items ("Account Codes" in Table 1) that comprise the CCRB budget are straightforward. For example, there are reasonably predictable auditing, accounting, storage, information technology and management costs that can be anticipated, calculated and budgeted. Other line item costs are not as easily derived, and reasoned estimates of anticipated workload and associated costs are used to inform these proposed line items.

CCRB is deeply involved in important state and federal regulatory processes relating to the Cachuma Project that require considerable professional expertise and support from legal, strategic advisory and technical consultants. Because CCRB may become involved in litigation in connection with these proc-

cesses, it is important that CCRB maintain the confidentiality of attorney work product relating to these state and federal regulatory processes, including but not limited to work undertaken by technical and strategic consultants pursuant to the attorney work product privilege. The importance to CCRB of achieving acceptable outcomes in these state and federal processes, and the somewhat unpredictable but significant consulting workload that is associated with achieving such outcomes, makes budgeting these categories a "best estimate" effort.

Because of this unpredictability, the consulting costs in Table 1 are necessarily based on several assumptions. The assumptions themselves are derived from discussions with CCRB's legal and technical representatives regarding likely or potential scenarios that could result from decisions made or actions taken by the state and federal agencies that ultimately control the regulatory processes in which CCRB is involved. As it has in the past, the board in its discretion may choose to scale back or increase any of these line item recommendations, according to its consideration and weighting of priorities and importance.

Fiscal Analysis:

As shown in Table 1, the draft proposed CCRB budget for FY22 is $1,205,000.00, which is $17,000 less than the $1,222,000 approved current year budget. The cost allocation to CCRB Member Agencies is based on established allocation percentages and is shown in Table 2. The account code amounts that make up the proposed budget and the assumptions on which they are based are discussed below.

Code 5050 – Storage Space. Currently, CCRB pays a local storage facility for space that accommodates multiple four-drawer file cabinets and banker's boxes of hard-copy files that range in date from 1980's to 2020. The $5,000 budgeted cost is based on $416/month x 12 months.

Code 5100 – Audit. The auditing of CCRB's accounts is current through FY19; an audit of FY20 will get underway shortly. The FY21 budgeted amount of $12,000 (an increase of $2,000 from previous fiscal year, based on increased costs for this service) assumes a single year audit will be performed.

Code 5200 – Insurance. CCRB's board members and certain liabilities are insured through the Special Districts Risk Management Association (SDRMA). To access coverage through SDRMA, CCRB must be a member of and pay dues to the California Special Districts Association (CSDA). As in FY21, $7,000 is proposed to cover CSDA dues and SDRMA insurance premiums for FY22.

Code 5301 – Executive Director Compensation. The proposed FY22 amount of $185,000 addresses both compensation as well as administrative costs associated with this employee status (e.g., various state and federal payroll taxes). The budgeted amount also accommodates the potential for the board to consider an increase to the Executive Director's compensation, as allowed by the terms of the contract between the Executive Director and CCRB.

Code 5304 – Accounting and Payroll Support. Accountability Plus and its franchisee Payroll Vault provide bookkeeping, invoicing, accounting and payroll services to CCRB through this code. The proposed budget amount of $16,000 anticipates an average of $1,350/month for these services in FY22.

Code 5312 – Miscellaneous Administrative Expenses. This code serves as a contingency for any unanticipated overages in administrative service codes. The budgeted amount ($4,000) is unchanged from the previous fiscal year.

Code 5313 – Communications/Computer. This code provides funds for CCRB email and website hosting, cell phone, computer, internet and related information technology costs. As in the previous fiscal year, the proposed budget amount of $8,000 accounts for these costs.

Code 5316 – Admin Fixed Assets. This code provides for job-related hardware and material purchases, should such be necessary. The proposed budget amount of $4,000 is unchanged from FY21.

Code 5330 – Admin Travel. This code covers Executive Director travel-related costs to allow attendance at professional conferences and symposia representing CCRB. The proposed budget amount of $4,000 is reduced by $4,000 from the previous fiscal year.

Code 5331 – Travel Expenses Federal and State Meetings. This code covers Executive Director travel-related costs for attending anticipated meetings in Fresno, Long Beach, Sacramento, Washington DC and possibly elsewhere regarding the state and federal regulatory processes that are underway. These costs did not materialize in FY21 due to coronavirus-related travel restrictions that applied through much of the fiscal year. While travel may continue to be curtailed in the coming year due to coronavirus concerns, in the event that travel to such meetings can be accomplished, an amount of $14,000 is proposed, which is $6,000 less than the FY21 budget.

Code 5332 – Transportation. This code covers minor transportation travel costs that may be incurred during the year. The budget amount ($1,000) is unchanged from the previous fiscal year.

Code 7000 – General Legal Activities. This code provides for general counsel services through the year, including attendance at board meetings, review of board agenda materials, preparation of resolutions, employment matters and contract review. This code also includes certain expert regulatory advisory consultant costs, representing work that is (i) being undertaken in anticipation of litigation; and (ii) protected from disclosure under the attorney work product privilege and related statutory and common law privileges. More detail regarding these projected expenditures will be provided and discussed separately with the board in closed session.

Code 7001 – BO Reconsultation Support Activities. This code includes estimated legal costs related to the Consultation and Biological Opinion (BO) process underway with the U.S. Bureau of Reclamation (USBR) and the National Marine Fisheries Service (NMFS) pursuant to Sec. 7 of the federal Endangered Species Act. Additionally, the code includes certain estimated biological and hydrological consultant costs representing work that is (i) being undertaken in anticipation of litigation; and (ii) protected from disclosure under the attorney work product privilege and related statutory and common law privileges. More detail regarding these projected expenditures will be provided and discussed separately with the board in closed session.

Code 7002 – SWRCB Water Rights Activities. This code includes estimated legal costs associated with the State Water Resources Control Board's (SWRCB) ongoing water rights proceeding relating to the Santa Ynez River. The estimate incorporates consideration of requirements imposed by Order 2019-0148, issued September 17, 2019 and any anticipated legal support that will be required in FY22.

Code 7200 – SWRCB Biological Technical Support Activities. The SWRCB's September 17, 2019 Order requires that USBR develop and submit for SWRCB review and approval a host of plans that address the effects of the new Order's water flow regime on the Lower Santa Ynez River. Prior to submittal, each plan must be reviewed by NMFS and California Dept. of Fish and Wildlife, and USBR must address each agencies' comments as part of each plan that is submitted for SWRCB consideration. USBR has requested CCRB's assistance in developing several of these plans, and the CCRB board has approved this assistance. The majority of this assistance is biologically based. This Account Code covers the CCRB biological consultant's (ICF's) estimated costs for draft plan development, responding to agency review, and coordination with USBR and SWRCB in helping to produce the multiple plans required by the Order.

Code 7500 – SWRCB Hydrologic Technical Support. Similar to the previous code addressing costs associated with CCRB's biological support to USBR for the SWRCB Order, Account Code 7500 covers estimated costs for CCRB's hydrologic technical consultant, Woodard & Curran, for their assistance in developing, responding to agency review, and coordination with USBR and SWRCB in producing Order-required plans in the coming fiscal year.

Code 6500 – Contingency. The contingency budgeted herein is a calculated buffer representing 12% of the sum of Codes 7000, 7001, 7002, 7200 and 7500. The contingency is intended to address unanticipated yet necessary expenditures (as recommended by the Executive Director and/or legal counsel and authorized by the board) that may arise during the fiscal year.

Attachments:

Attachment 1: Draft Fiscal Year 2021/2022 Budget (Table 1, Table 2)

Authored by:

Peter Cantle, Executive Director

ATTACHMENT 1

CCRB
DRAFT FISCAL YEAR 2021/2022 BUDGET

TABLE 1

Cachuma Conservation Release Board

Proposed FY22 Budget

Account Code	Account Name	Approved FY21	Proposed FY22
ADMINISTRATIVE			
5050	Storage Space	5,000	5,000
5100	Audit	10,000	12,000
5200	Liability Insurance	7,000	7,000
5301	Executive Director Compensation	179,000	185,000
5304	Accounting & Payroll Support	16,000	16,000
5312	Misc. Admin. Expenses	4,000	4,000
5313	Communications/Computer	8,000	8,000
5316	Admin. Fixed Assets	4,000	4,000
5330	Admin. Travel	8,000	4,000
5331	Travel Exp. Federal & State Meetings	20,000	14,000
5332	Transportation	1,000	1,000
	Subtotal	**$262,000**	**$260,000**
LEGAL			
7000	General Legal & Regulatory Activities	146,000	151,000
7001	BO Reconsultation Support Activities	406,000	470,000
7002	SWRCB Water Rights Activities	80,000	40,000
	Subtotal	**$632,000**	**$661,000**
CCRB CONSULTANT ACTIVITIES			
6001	BO Reconsultation Activities	*	*
7200	SWRCB Biological Technical Support	185,000	165,000
7400	Legislative & Regulatory Analyst	*	*
7500	SWRCB Hydrologic Technical Support	40,000	18,000
6500	Contingency	103,000	101,000
	Subtotal	**328,000**	**$284,000**
	TOTAL BUDGET	**$1,222,000**	**$1,205,000**

Table Footnotes:

* Costs for biological, hydrological and legislative/regulatory support are included under LEGAL account codes. These support services are being provided pursuant to separate agreements between CCRB's legal counsel and the subject firms. This work is being undertaken in anticipation of litigation and is protected from disclosure under the attorney work product privilege and related statutory and common law privileges.

TABLE 2

Cachuma Conservation Release Board

FY22 Member Unit Straight-line Cost Allocation

MEMBER UNIT		Pro Rata	FY21 Proposed Budget	Annual
Goleta Water District		0.4603	1,205,000	554,662
City of Santa Barbara		0.4088	1,205,000	492,604
Montecito Water District		0.1309	1,205,000	157,735
	TOTAL ANNUAL	100.00%		**$1,205,000**
Quarterly Assessment *				**Amount**
Goleta Water District				138,665
City of Santa Barbara				123,151
Montecito Water District				39,434
		TOTAL QUARTERLY		**$301,250**

Footnotes:

* Note that Quarterly Assessment amounts may vary based on Board direction.

Cachuma Conservation
Release Board

Board of Directors

City of Santa Barbara

Goleta Water District

Montecito Water District

For Agenda Of:	April 1, 2021
Estimated Time :	10 minutes
Continued Item:	No
If Yes, date from:	

TO: Board Members

FROM: Peter Cantle, Executive Director

SUBJECT: Item RA-3: State Water Board Order and Federal Consultation Process Update

Legal Concurrence:
As to form: N/A

Recommended Actions:

Receive a status update regarding the State Water Resources Control Board (State 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

State Water Resources Control Board Water Rights Order. The State 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 has been 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. Assistance efforts were paused at the CCRB board's direction in July 2020 and resumed in mid-October. CCRB staff continue 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, and Reclamation submitted the plan to the Water Board for review on March 17, 2020. Reclamation has yet to receive substantive input on the Term 20 plan.

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 required by the Order will be presented for CCRB board review before issuance to Reclamation.

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 new BA updates the November 2019 BA and uses the Water Rights Order 2019-0148 flow regime, with some 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 draft BA; however, the modeling output was not ready by the submittal date. Reclamation thus submitted the BA to NMFS on December 18, 2020 without the modeling results, which will be provided in a supplement to the BA.

In early February, CCRB staff and the downstream interests met with Reclamation and Stetson for an initial review of the hydrological modeling results. Following this meeting, Reclamation committed to providing more information about the modeling output, analytical methods and assumptions prior to submittal of the modeling supplement to NMFS. CCRB staff have since met with Reclamation and Stetson representatives to review and understand the modeling inputs and assumptions used to produce the hydrological modeling.

On February 8, 2021, NMFS issued Reclamation an insufficiency letter identifying information NMFS needs to initiate formal consultation on the new BA and its proposed action. NMFS required Reclamation to respond to the letter within 45 days. CCRB and the downstream interests assisted Reclamation in addressing multiple issues identified in the letter. Staff anticipates Reclamation will eventually submit a revised version of the BA to NMFS and looks forward to additional collaborative engagement with Reclamation regarding the BA and its review by NMFS.

We 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 budget of $1,222,000 provides for staff and consulting support related to both the Water Board Order and the federal Consultation process; costs incurred to date are well within budget.

Attachments:

None.

Report authored by:

Peter Cantle, Executive Director