

ITEM 8

Agenda Item No. _____

File Code No. _____



CITY OF SANTA BARBARA COUNCIL AGENDA REPORT

DRAFT

AGENDA DATE: April 20, 2010
TO: Mayor and Councilmembers
FROM: Water Resources Division, Public Works Department
SUBJECT: Cachuma Conservation Release Board Draft Budget

RECOMMENDATION:

That Council review the draft Fiscal Year 2011 budget for the Cachuma Conservation Release Board (CCRB).

DISCUSSION:

The CCRB is a joint powers agency formed to represent the water rights of the four South Coast members of the Cachuma Project: the City of Santa Barbara, the Goleta Water District, the Montecito Water District, and the Carpinteria Valley Water District. Councilmember Williams represents the City on the CCRB board. The draft Fiscal Year 2011 CCRB budget is recommended for review and discussion by Council. It is scheduled to be finalized and adopted by CCRB later this month and will then be resubmitted to Council for ratification in June 2010.

The State Water Resources Control Board (SWRCB) regulates water rights in California. Currently, the water rights order for the Cachuma Project is being reviewed by the SWRCB, which will likely modify the order to address the multiple objectives of Cachuma Project water supply, downstream water rights, and steelhead habitat needs. Changes to the water rights order have the potential to significantly affect Santa Barbara's water supply and CCRB monitors and actively participates in the process.

The CCRB also spends a significant portion of its efforts on improving habitat for steelhead trout. The framework for CCRB's work is the Cachuma Project Biological Opinion issued by the National Marine Fisheries Service and the Lower Santa Ynez River Fish Management Plan (FMP). The FMP was adopted by CCRB in 2000 and is the basis for the projects undertaken to meet federal requirements of the Biological Opinion. Specific actions include surcharging the reservoir during spill years to provide additional water for fish releases, summer releases for fish rearing, winter-spring releases to support migration, fish passage restoration and barrier removal, and a long-term fish monitoring program.

Because the fisheries programs are related to the Cachuma Project, Improvement District No. 1 of the Santa Ynez River Water Conservation District (ID No.1) participates with CCRB on decisions and funding for activities required by the Biological Opinion.

In recent months, two members of CCRB (Carpinteria Valley Water District and Montecito Water District) have given notice of withdrawal from CCRB, citing concerns about the cost of CCRB activities. This has created uncertainty about the existence of CCRB after January 1, 2011. However, the CCRB Finance Committee acknowledged that the work planned for the second half of the year still needs to be funded, whether through CCRB/ID No.1 or otherwise. Therefore, the budget has been prepared in two six month segments. The first segment assumes participation by all four members of CCRB and ID No.1 as in the past. Cost allocations for the second half of the year have not yet been determined.

The proposed CCRB budget is summarized below and discussed in more detail in the attached CCRB budget memorandum and draft budget itemization.

| Description | Amount |
|--|-------------|
| Operations & Maintenance | \$ 57,000 |
| General & Administrative (salaries, benefits, materials and supplies) | \$ 710,749 |
| Special Projects and Habitat Restoration (Biological Opinion/Fish Mgmt. Plan, legal, oak tree restoration, fish passage project) | \$1,124,000 |
| Total: | \$1,891,749 |

In general, costs are apportioned on the basis of each member's share of the Cachuma Project yield. Funding for the fisheries projects comes in part from fees paid to store non-project water in Lake Cachuma. These fees, along with a contribution from Santa Barbara County, will offset \$347,283 of the 2011 budget, leaving net anticipated assessments of \$1,544,466. The City's portion equates to about a 32% share or \$497,164. The annual budget varies depending on the level of activity related to fishery projects and the SWRCB process. This year's budget is about 15% lower than last year. Funds are included in the recommended Fiscal Year 2011 Water Fund Operating Budget to pay the City's estimated portion.

A second joint powers agency, the Cachuma Operation and Maintenance Board (COMB), administers the Cachuma Project's water entitlement, and operates and maintains the substantial infrastructure and facilities associated with delivery of project water. Councilmember Williams also represents the City on COMB and will participate in review of this agency's proposed Fiscal Year 2011 budget. Separate ratification of the COMB budget by its members is not required.

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The Water Commission was scheduled to review the draft budget at its April 12, 2010 meeting.

ATTACHMENT: CCRB Budget Memorandum and Proposal Budget

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APPROVED BY: City Administrator's Office