



Agenda Item No. _____

File Code No.

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

Item 9

AGENDA DATE: July 14, 2015

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Cachuma Conservation Release Board Fiscal Year 2016 Budget Ratification

RECOMMENDATION:

That Council ratify the Cachuma Conservation Release Board Fiscal Year 2016 budget, with the City's proportional share not to exceed \$567,744.

DISCUSSION:

The Cachuma Conservation Release Board (CCRB) is a joint powers authority agency consisting of three of the four South Coast members of the Cachuma Project: the City of Santa Barbara (City), the Goleta Water District, and the Montecito Water District. CCRB represents the interests of its members in matters relating to Cachuma Project water rights. Councilmember Dale Francisco represents the City on CCRB issues. The Carpinteria Valley Water District withdrew from CCRB on January 1, 2011.

The CCRB budget was approved by the CCRB Board on June 19, 2015, with some changes as reflected in the attached final budget. To take effect, the budget must be ratified by each member agency. The total CCRB budget to be assessed is \$1,388,807. The City's share is 40.88 percent, which is \$567,744.

The tables on the attached budget are divided into three major categories: Administrative, Legal Expenses, and Consultant Activities.

- The Administrative Budget of \$107,400 is approximately \$21,000 lower than last year. It reflects savings in 2014, when a General Manager position, with a physical office in Santa Barbara, was transitioned to a contract General Manager position. This resulted in a reduction in liability and worker compensation premiums; and the elimination of Federal Insurance Contributions Act, Medicare, and Federal Unemployment Tax Act payroll expenses, and fixed asset expenses.

- The Legal Expenses Budget of \$375,000 is \$200,000 higher than last year. \$150,000 of the increase is for possible litigation expenses in the *CalTrout v. United State Bureau of Reclamation* lawsuit. Other legal expenses include anticipated activity on the State Water Board Water Rights decision, re-consultation for the Biological Opinion on Cachuma Reservoir, and other general counsel activities.
- The Consultant Activities Budget of \$856,407 is approximately \$112,000 higher than last year. The Consultant Activities Budget includes a public outreach program, legislative and regulatory representation, hydrologic technical support, and a variety of consulting support related to the USBR re-consultation with the National Marine Fisheries Service and the eventual water rights process under the State Board.

In summary, the CCRB Fiscal Year 2016 budget is \$290,717 higher than the previous year; the City's portion of this increase is 40.88 percent or \$118,845.

During the CCRB budget adoption process, the CCRB Board decided to eliminate the annual rollover of funds that were assessed in previous budget years but not spent. This will result in a transition during the first quarter of the 2015-16 fiscal year where all unencumbered and unspent 2014-15 funds on the CCRB books will be returned on a pro-rata basis to the member agencies. As a result, funds of \$190,228 are anticipated to be returned to the City of Santa Barbara which will offset the budget increase.

BUDGET/FINANCIAL INFORMATION:

Appropriated funds are included in the recommended Fiscal Year 2016 Water Fund operating budget to cover the City's share of the CCRB Budget.

ATTACHMENT: CCRB Fiscal Year 2015-2016 Budget Ratification Memo

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SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office