

CACHUMA OPERATION &
MAINTENANCE BOARD

Fiscal Year 2023-24 Annual Operating Budget



Adopted: June 26, 2023



A California Joint Powers Authority

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Our Mission

*To provide a reliable source of water to our Member Agencies
in an efficient and cost effective manner
for the betterment of our community*



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**Cachuma Operation and
Maintenance Board**

Board of Directors

Name	Title	Member Agency
Polly Holcombe	President	Carpinteria Valley Water District
Kristen Sneddon	Vice President	City of Santa Barbara
Lauren Hanson	Director	Goleta Water District
Cori Hayman	Director	Montecito Water District

General Manager

Janet L. Gingras

Staff Contributors

Edward Lyons, Administrative Manager, CFO

Joel Degner, Engineer / Operations Division Manager

Tim Robinson, Fisheries Division Manager

Elijah Papen, Senior Program Analyst

Dorothy Turner, Administrative Assistant II

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COMB AT A GLANCE

Form of government	Joint Powers Authority
Date of organization	January 1, 1957
Number of full-time staff	15
Lake Cachuma maximum storage (acre feet)	192,978
Lake Cachuma spillway elevation (feet)	753
Tecolote Tunnel (miles)	6
South Coast Conduit (SCC) pipeline (miles)	26
SCC design capacity	45 million gallons per day
Number of reservoirs	4
Number of structures maintained	220
Number of meters maintained	28

COMB MEMBER AGENCIES

COMB Member Agency	COMB Board Representation
Goleta Water District	2 Votes
City of Santa Barbara	2 Votes
Carpinteria Valley Water District	1 Vote
Montecito Water District	1 Vote
Total	6 Votes

CACHUMA PROJECT WATER ENTITLEMENT

Cachuma Project Member Unit	Entitlement (%)	Entitlement (AFY)
Goleta Water District	36.25%	9,322
City of Santa Barbara	32.19%	8,277
Carpinteria Valley Water District	10.94%	2,813
Montecito Water District	10.31%	2,651
SYR Water Conservation District, ID No. 1	10.31%	2,651
Total	100.00%	25,714

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General Manager's Message

The COMB Fiscal Year (FY) 2023-24 Operating Budget (Budget) provides the foundation for implementing critical infrastructure improvement projects necessary to operate and maintain the Cachuma Transferred Project Works. In addition, the Budget supports the work associated with implementation of the Lower Santa Ynez River Fish Management Plan and the 2000 Cachuma Project Biological Opinion. The Budget document provides detailed information about the Cachuma Operation & Maintenance Board (COMB) revenue and expenditure forecast in the coming year and addresses the main points and major decisions made in compiling the Budget. The Budget provides the financial plan required to implement our mission and will enable staff to utilize the resources needed to achieve our goals.

Adoption of the Budget is one of the most important actions taken by the Board of Directors. The Budget is COMB's financial work plan, translated in expenditures and supported by revenues. It establishes the direction for the near term, and to the extent the decisions have continuing implications, it establishes a long-term course as well. The Budget is a projection of revenues and expenditures needed for operation, maintenance, administration, infrastructure, and habitat improvements associated with providing an essential water supply to our Member Agencies.

Year in Review

The COMB Operating Budget funded the highest priority projects and activities necessary to achieve our goals while keeping expenditures as low as possible. Some of the notable highlights over the last year are:

- Completion of the Secured Pipeline project at Lake Cachuma. The project included the installation of a 3600-ft long HDPE pipeline that will be connected to a pumping barge in times of drought to ensure continued water deliveries. The pipeline will also re-establish the capability to draft from the original Intake Tower Gate 5 (elevation 660') and allow higher quality water when available to be diverted to the Tecolote Tunnel under normal operations.
- Completion of Schedule F of the South Coast Conduit Air Vacuum Air Release/Blow Off (AVAR/BO) Rehabilitation project in the Carpinteria area. External contractor rehabilitated eight structures including the Boundary Meter Vault, two blowoff vaults, two lateral structures, and three air valve structures. Construction management was performed by COMB staff. Completion of this phase, will allow COMB to close a Category 1 recommendation with the U.S. Bureau of Reclamation.
- Completion of Phase I work of the Cooperative Agreement with Carpinteria Valley Water District (CVWD) to repair and rehabilitate aging infrastructure in the lower reach section of the South Coast Conduit and the CVWD distribution system. Phase II if approved will be completed during FY 2023-24.

- Performed an emergency leak repair to the Lauro blow-off structure. During the shutdown, the external contractor also performed repairs to an adjacent blow-off structure. COMB was able to coordinate operations and the shutdown with its Member Agencies so that there were no customer outages during the repair.

A complete list of accomplishments can be found on [pages 17-23](#) of this document.

Short Term Factors Influencing Budget Decisions

The objective of the Budget is to preserve the current level of service to our Member Agencies, the community, and our external stakeholders. Conservative but realistic projection of revenues and expenditures helps ensure availability of resources to meet budgeted obligations. Significant fiscal and operational challenges continue to face our Member Agencies that fund COMB in FY 2023-24.

- The January 2023 storm events and subsequent debris flows caused damage to South Coast Conduit appurtenant structures and facilities. On January 8, 2023, President Joseph R. Biden, Jr. declared that an emergency exists in the State of California and ordered Federal assistance to supplement State, tribal, and local response efforts. On January 11, 2023, the White House announced an Amendment to the Emergency Declaration authorizing FEMA to extend Direct Federal Assistance to 14 additional counties in California, including Santa Barbara County. COMB has initiated the application process and is working closely with FEMA/CalOES for federal disaster relief funding for damages that resulted from the event.
- California's COVID-19 state of emergency ended on February 28, 2023. National, regional and local economies are slowly recovering from actions taken around the world to help mitigate the spread of the coronavirus including restrictions on travel, quarantines in certain areas, and forced closures of public spaces and businesses. Further details are provided on [page 14](#).
- For the twelve months ending December 2022, the national inflation rate was 6.5%. Costs for essential materials and supplies have placed additional pressure on COMB and our Member Agencies' budgets. The financial impact from the recent military action in Europe is slowing the economic recovery from the COVID-19 pandemic and making financial projections more difficult than normal. Further details are provided on [pages 14-16](#).
- The California State Water Resources Control Board (State Water Board) approved Water Rights Order 2019-0148 for the Cachuma Project (the Order) on September 17, 2019. The Order requires Reclamation, as permit holder, to abide by specific terms as outlined in the Order. The implementation of these terms, in addition to the potential issuance of a new Biological Opinion, may result in future budgetary impacts to the COMB Member Agencies as they comply with the terms of the Order and the new Biological Opinion.

From the beginning of this budget process, we scrutinized our budget planning assumptions, established prudent financial targets, and set priorities with careful consideration. Staff has worked aggressively to maintain costs in all areas of the budget by improving operating efficiencies and effectively utilizing internal resources to achieve our objectives.

Staff evaluated and selected current year infrastructure improvements and special projects based on the following criteria as outlined in the Board approved 5-year Infrastructure Improvement Plan: water supply reliability, risk, critical need, safety, and service disruption. Projects may vary by year depending on external and uncontrolled factors such as ongoing drought conditions, lake elevation and natural disasters. Further details are provided on [pages 66-71](#).

In alignment with Board adopted policies, staff shares a commitment to continued diligence in everyday work production and performance and recognizes the important obligation charged to COMB in support of our Member Agencies and external stakeholders.

The Overall Budget Summary and Assumptions

As reflected on Table 1, the COMB Gross Operating Budget for FY 2023-24, excluding offsetting revenues, is \$7.0M as compared to the FY 2022-23 Operating Budget of \$10.0M, which reflects a decrease of \$3.0M (30.3%).

Table 1

Category	Budget FY 2022-23	Budget FY 2023-24	Change (\$)	Change (%)
Salaries and Benefits	\$2,782,016	\$3,011,681	\$229,664	8.3%
Operation & Maintenance Expenses	619,400	710,400	91,000	14.7%
General & Administrative Expenses	382,128	398,707	16,579	4.3%
Sub Total	\$3,783,544	\$4,120,788	\$337,244	8.9%
Infrastructure Improvements Projects	\$6,050,000	\$2,670,000	(\$3,380,000)	(55.9%)
Habitat Improvement Projects	185,000	197,000	12,000	6.5%
Sub Total	\$6,235,000	\$2,867,000	(\$3,368,000)	(54.0%)
Total Gross Operating Budget	\$10,018,544	\$6,987,788	(\$3,030,756)	(30.3%)

The net change from the previous fiscal year is described in Table 2 below.

Table 2

Amount	Description
\$229.7K	<u>Salaries and Benefits</u> - An increase of \$229.7K (8.3%) which includes staffing of fifteen fulltime and two fulltime equivalent (FTE) seasonal employees and a 7.44% COLA adjustment.
\$91K	<u>Operations and Maintenance Expenses</u> - An increase of \$91.0K (14.7%) which is attributed to an increase in contract labor (\$30k), permit fees (\$30k), materials and supplies (\$16k) and vehicles and equipment (\$15k).
\$16.6K	<u>General and Administrative Expenses (excluding administrative salaries)</u> - An increase of \$16.6K (4.3%) is attributed to an increase in general liability insurance costs as well as a slight increase in membership dues, administrative fixed assets and travel.
(\$3.4M)	<u>Infrastructure Improvement Projects and Special Projects</u> - A decrease of \$2.7M (43.3%) which is attributed to the completion of the Lake Cachuma Secured Pipeline Project during FY 2022-23. See pages 66-71 for information on upcoming scheduled projects.
(\$3.0M)	Net Change

The COMB Net Operating Budget, including offsetting revenues for FY 2023-24, is \$4.9M and is compared to FY 2022-23 of \$6.1M, which is a decrease of \$1.2M (19.3%). During FY 2022-23, COMB received \$3M in grant funding which was applied to the Secured Pipeline project. The budget for FY 2023-24, assumes \$1.1M in FEMA/CalOES assistance for 2023 Winter Storm Disaster Recovery Assistance.

Table 3

Category	Budget FY 2022-23	Budget FY 2023-24	Change (\$)	Change (%)
Total Gross Operating Budget	\$10,018,544	\$6,987,788	(\$3,030,756)	(30.3%)
Less: Projected Offsetting Revenues	3,914,016	2,058,805	(1,855,212)	(47.4%)
Total Net Operating Budget	\$6,104,528	\$4,928,983	(\$1,175,545)	(19.3%)

In this dynamic financial environment, monitoring the budget and responding to changes or unanticipated events is a continuing process. COMB will continue to report financial activity in a timely and transparent manner to the Board and Member Agencies. Cost management will remain a key objective in consideration of ongoing pressures on water rates and financial reserves at the Member Agency level. Staff is committed to sustaining a sound financial position that ensures the ability to identify and resolve future challenges.

Projected Obligation by Cachuma Project Member Unit

The COMB Operating Budget and pass-through revenues and charges are funded by assessments from the Cachuma Project Member Units. Amounts are allocated based on various contractual agreements or approved methodologies. The projected obligation for FY 2023-24 is reflected in Table 4.

Table 4

CATEGORY	Projected Obligation by Cachuma Project Member Unit - FY 2023-24						FY 2022-23
	GWD	City of SB	CVWD	MWD	SYRWCD ID No. 1	Totals	
COMB Gross Operating Budget	\$ 2,824,254	\$ 2,507,937	\$ 852,340	\$ 803,257	\$ -	\$ 6,987,788	\$ 10,018,544
USBR Water Rates / Deficits	797,500	708,180	240,680	226,820	226,820	2,200,000	2,259,451
Bradbury SOD Act	94,847	84,224	28,624	26,976	26,976	261,647	261,647
Cachuma Project Renewal Fund	27,715	24,611	8,364	7,883	7,883	76,456	155,723
Lauro SOD Act	19,159	17,013	5,782	5,449	-	47,404	47,404
SWRCB Water Rights Fee	27,630	24,530	8,340	7,860	7,260	75,620	70,720
DDW D3 Permit Fee	-	12,047	4,094	3,859	-	20,000	-
Total Gross Obligation	\$3,791,105	\$3,378,543	\$1,148,225	\$1,082,103	\$268,938	\$9,668,915	\$12,813,489
Less Offsetting Revenues:							
DWR Multibenefit Drought Relief Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,250,000)
USBR WaterSmart Grant	-	-	-	-	-	-	(750,000)
FEMA Assistance - 2023 Winter Storms	(445,219)	(395,354)	(134,364)	(126,626)	-	(1,101,563)	-
CVWD Cooperative Agreement Funding	(222,293)	(197,397)	(67,087)	(63,223)	-	(550,000)	(550,000)
Warren Act Trust Fund	(85,193)	(75,652)	(25,711)	(24,230)	-	(210,786)	(118,293)
Renewal Fund	(30,901)	(27,440)	(9,326)	(8,789)	-	(76,456)	(155,723)
County Betterment Fund	(40,417)	(35,890)	(12,198)	(11,495)	-	(100,000)	(90,000)
Total Offsetting Revenue	(\$824,024)	(\$731,733)	(\$248,685)	(\$234,364)	\$ -	(\$2,038,805)	(\$3,914,016)
Sub Total Projected Net Obligation	\$ 2,967,081	\$ 2,646,810	\$ 899,540	\$ 847,740	\$ 268,938	\$ 7,630,110	\$ 8,899,473
Non-Member Agency Obligation	(24,250)	(21,534)	(7,319)	(6,897)	60,000	-	-
Total Projected Net Obligation	\$ 2,942,831	\$ 2,625,276	\$ 892,222	\$ 840,842	\$ 328,938	\$ 7,630,110	\$ 8,899,473
Memo:							
FY 2022-23	\$ 3,481,850	\$ 3,057,655	\$ 1,039,166	\$ 979,323	\$ 341,478	\$ 8,899,472	
Increase/Decrease (\$)	\$ (539,019)	\$ (432,379)	\$ (146,944)	\$ (138,481)	\$ (12,540)	\$ (1,269,362)	
Increase/Decrease (%)	(15.5%)	(14.1%)	(14.1%)	(14.1%)	(3.7%)	(14.3%)	

Notes:

1. Based on preliminary estimate received from USBR.
2. USBR pass-through costs - projection reflects no change from previous year.
3. Based on \$10 AF of water made available by the Cachuma Project and adjusted by amounts deposited into the Warren Act Trust Fund.
4. USBR pass-through costs - projection reflects no change from previous year.
5. State Board of Equalization pass-through cost – based on actual amount paid during FY 2022-23.
6. Division of Drinking Water D3 Permit Fee (City of SB, MWD and CVWD, only)
7. Pursuant to the terms and conditions of the Separation Agreement, ID No. 1 was deemed no longer a Member Agency of COMB and had departed from the COMB JPA Agreement as of May 27, 2016. ID No. 1 continues to be a member of the Cachuma Project which carries certain benefits and obligations associated with the Project as outlined in various agreements. Payments received from ID No. 1 for certain COMB BiOp and Oak Tree related expenditures, vary by year, and will be returned to the COMB Member Agencies upon collection.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to COMB for its Annual Budget for the fiscal year beginning July 1, 2022. This was the third year that COMB applied for and achieved this prestigious recognition. To receive this award, a governmental unit must publish a document that meets program criteria as a policy document, a financial plan, an operations guide, and as a communications device. This award is valid for a period of one year only. We believe our current budget document continues to conform to the program requirements and we are submitting it to the GFOA to determine its eligibility for another award.

Closing

The preparation of this Budget would not have been possible without the skill, effort, and dedication of the COMB Division Managers and entire staff of the Administration Division. I wish to thank staff for their assistance in providing the data necessary to prepare this Budget. Recognition is also given to the COMB Board of Directors for their unfailing support in maintaining the highest standards of professionalism in governance of the Cachuma Operation and Maintenance Board. I am pleased to present this Budget to the Board of Directors for formal adoption.

Respectfully submitted,



Janet Gingras

General Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Cachuma Operation and Maintenance Board
California**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morill

Executive Director

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RESOLUTION NO. 780

**RESOLUTION OF THE GOVERNING BOARD OF THE
CACHUMA OPERATION & MAINTENANCE BOARD ADOPTING THE
ANNUAL OPERATING BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2024**

WHEREAS, the Cachuma Operation & Maintenance Board (“COMB”) is a joint powers authority and public entity, organized and existing in the County of Santa Barbara in accordance with Government Code Section 6500 et seq., and operating pursuant to the 1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project - Cachuma Operation And Maintenance Board, dated May 23, 1996 (“Amended and Restated Agreement”), as amended by an Amendment to the Amended and Restated Agreement made effective September 16, 2003; and as amended by the Second Amendment to the 1996 Amended and Restated Agreement made effective November 20, 2018 (collectively the “Joint Powers Agreement”); and

WHEREAS, the Member Agencies of COMB are the Goleta Water District, the City of Santa Barbara, the Montecito Water District, and Carpinteria Valley Water District; and

WHEREAS, COMB operates and maintains Cachuma Project facilities pursuant to a Transfer of Operation and Maintenance Contract with the United States Bureau of Reclamation, including the South Coast Conduit (“SCC”) and appurtenances. The SCC is a critical piece of infrastructure that provides for the conveyance of Cachuma Project water and State Project water to 250,000 residents on the South Coast of Santa Barbara County; and

WHEREAS, COMB staff developed the Fiscal Year (“FY”) 2023-24 Annual Operating Budget using zero-based budgeting methodology, which unlike traditional incremental budgeting, employs a detailed examination of expenditures wherein only the necessary budget amount for each line item is presented for discussion; and

WHEREAS, COMB staff presented the COMB FY 2023-24 Draft Operating Budget to the General Managers and staff of the Member Agencies for review and incorporated comments and suggestions prior to being presented to the Administrative Committee for its review; and

WHEREAS, on April 27, 2023, the COMB Administrative Committee reviewed the FY 2023-24 Draft Operating Budget and, after providing comments, forwarded it to the COMB Governing Board for review and consideration; and

WHEREAS, on May 12, 2023, the Governing Board was provided an overview of the FY 2023-24 Draft Operating Budget and provided input to staff; and

WHEREAS, the COMB Administrative Committee met on June 2, 2023 to review the results of comments provided by the Board and forwards the FY 2023-24 Final Operating Budget to the Board with a recommendation to adopt Resolution No. 780; and

WHEREAS, on June 26, 2023, the Governing Board was presented the FY 2023-24 Annual Operating Budget, with Board incorporated comments, for approval and adoption; and

WHEREAS, it is in the best interest of COMB to approve and adopt the COMB FY 2023-24 Annual Operating Budget for sound financial operation of COMB.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF COMB AS FOLLOWS:

1. The Governing Board finds and determines that the facts set forth in the above recitals and in the documents referenced herein are true and correct.

2. The Governing Board approves and adopts, with consideration of any modifications made at the time of adoption, the COMB FY 2023-24 Annual Operating Budget ending June 30, 2024.

3. This Resolution shall take effect immediately.

PASSED, APPROVED AND ADOPTED by the Governing Board of the Cachuma Operation and Maintenance Board, this 26th day of June 2023, by the following roll call vote:

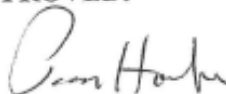
Ayes: Sneddon, Hayman, Hanson, Holcombe

Nays:

Abstain:

Absent:

APPROVED:



President of the Governing Board

ATTEST:



Secretary of the Governing Board

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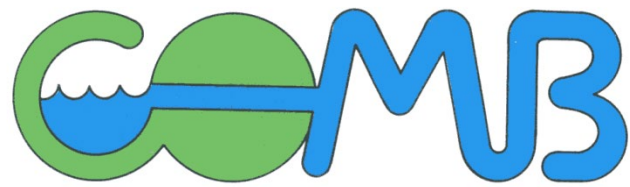
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SECTION I – COMB OVERVIEW

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HISTORY OF COMB

The Cachuma Project was constructed in the early 1950s by the United States Department of the Interior, Bureau of Reclamation (Reclamation or USBR) under contract with the Santa Barbara County Water Agency on behalf of the Cachuma Project Member Units.



Construction of Bradbury Dam

The Cachuma Project Member Units (Member Units) are the Carpinteria Valley Water District, Goleta Water District, Montecito Water District, City of Santa Barbara, and the Santa Ynez River Water Conservation District, Improvement District No. 1. The Member Units entered into contracts with the Santa Barbara County Water Agency for the purpose of receiving water from the Cachuma Project for the use and benefit of the Member Units. Over the past sixty years, the Project has been the principal water supply for the Upper Santa Ynez Valley and the South Coast communities, delivering an average of approximately 25,000 acre-feet per year.

On January 1, 1957, the Cachuma Operation & Maintenance Board (COMB) was formed as a Joint Powers Authority (JPA) through an agreement organized by the Cachuma Project Member Units pursuant to the provisions of Articles 1, 2, and 4 of Chapter 5, Division 7, Title 1 of the California Government Code. The resulting JPA agreement was entered into by the Member Units, who, in doing so, became Member Agencies of COMB, in order to provide for the joint exercise of powers by those Member Agencies for the rights to, the facilities of, and the operation, maintenance and use of the Reclamation's project known as the "Cachuma Project." These rights and powers included the storage, treatment, transport and appurtenant facilities, and all necessary tangible and intangible property and rights. Under the JPA Agreement, COMB also has the authority for the financing of costs for the capture, development, treatment, storage, transport and delivery of water.

COMB's organizational structure originally consisted of the six (6) Cachuma Project beneficiaries: the Carpinteria County Water District, Goleta Water District, Montecito Water District, the City of Santa Barbara, Summerland Water District, and Santa Ynez River Water Conservation District (Parent District).

In 1993, the Parent District assigned its rights and obligations under Contract No. 175r-1802 (Water Repayment Contract between USBR and Santa Barbara County) to Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1). In 1995, the Summerland Water District and Montecito Water District combined, with Montecito Water District as successor in interest.

HISTORY OF COMB (CONTINUED)

In 2016, the Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1) notified the COMB Board of its stated intent to withdraw from the Agreement. A Separation Agreement was entered into by ID No. 1, COMB, and the remaining COMB Member Agencies and was approved by all parties effective August 28, 2018. Pursuant to the terms and conditions of the Separation Agreement, ID No. 1 was deemed no longer a Member Agency of COMB and had departed from the COMB JPA Agreement as of May 27, 2016. ID No. 1 continues to be a member of the Cachuma Project, which carries certain benefits and obligations associated with the Project as outlined in various agreements.

Today, the organization is comprised of four Cachuma Project Member Units, known collectively as COMB's Member Agencies: the Carpinteria Valley Water District, the Goleta Water District, the Montecito Water District, and the City of Santa Barbara.

The Governing Board is composed of one publicly elected representative member from each of the governing bodies and is appointed by appropriate action of each governing board to serve on the COMB Board. The appointed Board members are authorized to carry out the provisions of the JPA agreement and any other agreement entered into by the Governing Board. The Board of Directors is responsible for setting policy on matters such as fiscal management and financial planning, Board administration, infrastructure improvements, and long-range planning documents.

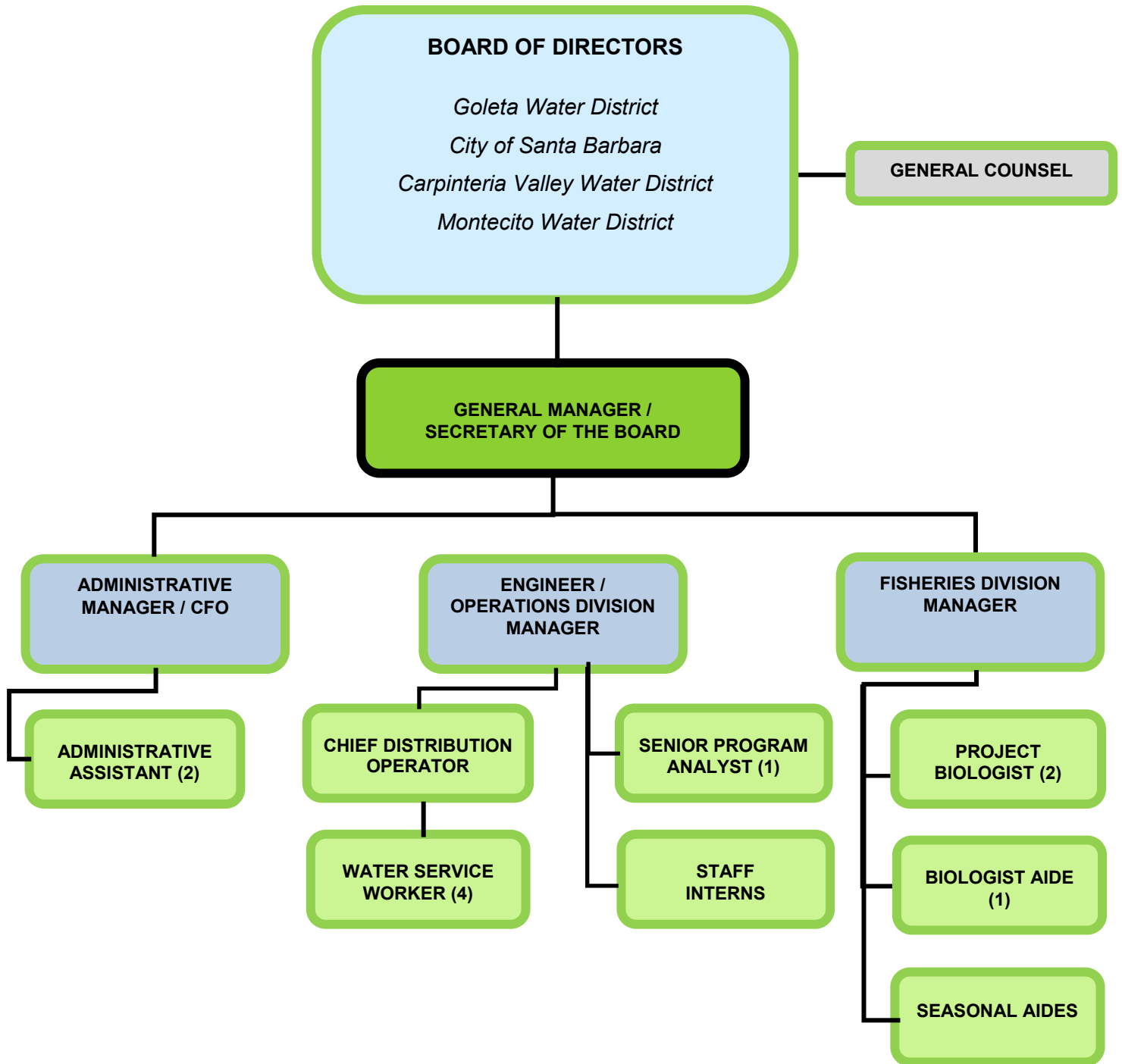
Day-to-day operations are executed by the General Manager who serves at the pleasure of the Board. The General Manager oversees a staff of fifteen full-time employees including division managers, certified distribution operators, senior biology staff, a program analyst, and administrative personnel. Figure 1.1 on the following page provides an overview of the COMB Organizational Structure.



Bradbury Dam

COMB ORGANIZATIONAL STRUCTURE

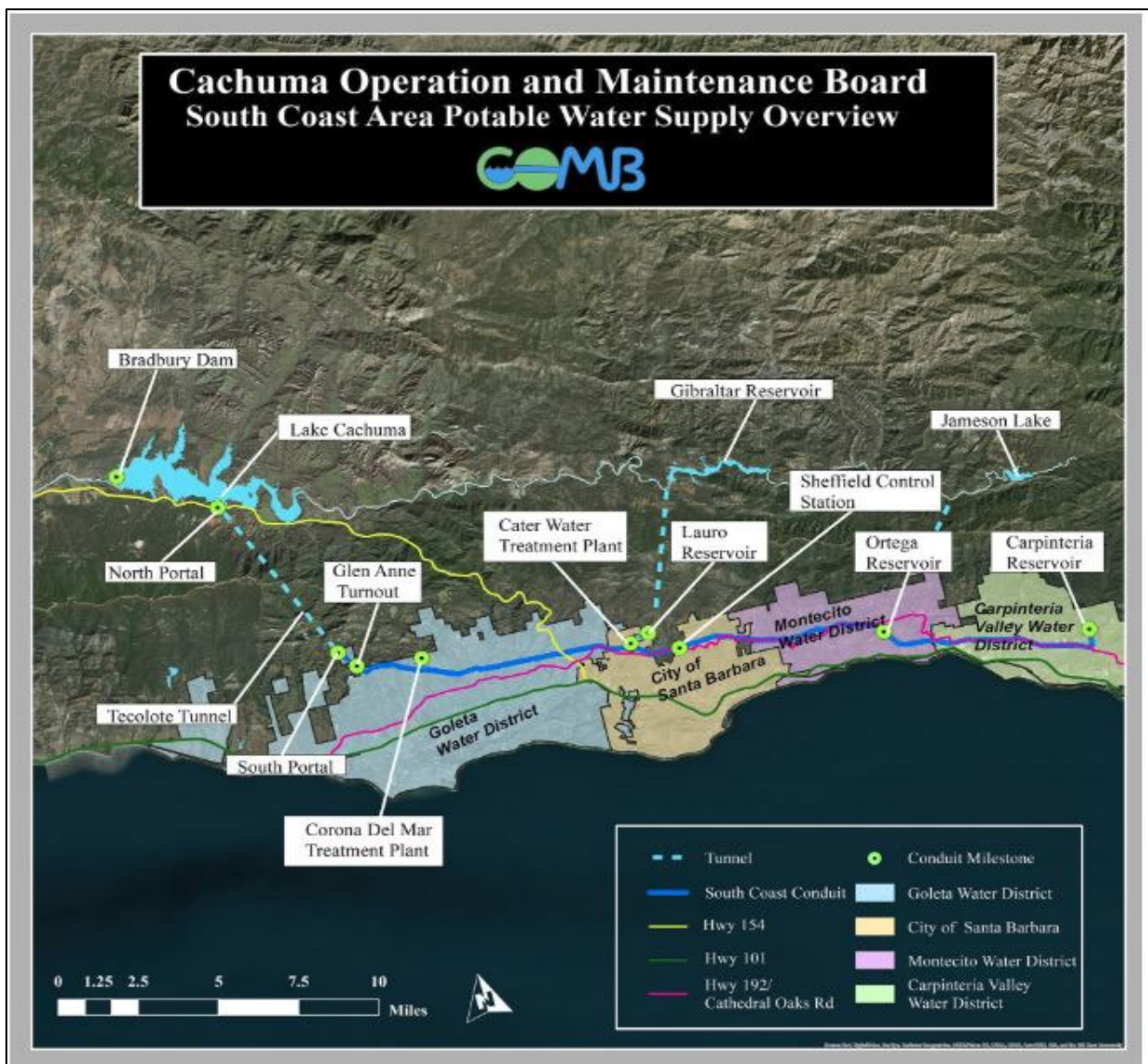
Figure 1.1 –COMB Organizational Structure



CACHUMA PROJECT FACILITIES MAP

Lake Cachuma and Bradbury Dam are located on the Santa Ynez River approximately 25 miles northwest of Santa Barbara. Water from Lake Cachuma is conveyed to the COMB Member Agencies through the Tecolote Tunnel intake tower at the east end of the reservoir. The Tecolote Tunnel extends 6.4 miles through the Santa Ynez Mountains from Lake Cachuma to the headworks of the South Coast Conduit. The South Coast Conduit system is a high-pressure concrete pipeline that extends over 26 miles from the Tecolote Tunnel outlet to the Carpinteria area and includes four regulating reservoirs and various appurtenant structures. Figure 1.2 below provides an overview of the Cachuma Project Facilities Map.

Figure 1.2 – Cachuma Project Facilities Map



TRANSFERRED PROJECT WORKS CONTRACT

On February 24, 1956, Reclamation, the original Member Units, and the Agency entered a contract, which provided for the transfer of Operation and Maintenance (O&M) of Transferred Project works to the Original Member Units. The O & M contract has been amended by amendatory contracts since that time, one of which was executed with COMB as the contractor. In March 2003, Reclamation entered a new contract with the Cachuma Operation and Maintenance Board for the operation and care of the transferred project works including the Tecolote Tunnel and the South Coast Conduit system. The contract remained in effect through September 30, 2020. COMB initiated the contract renewal process with Reclamation during fiscal year 2019-20. On September 28, 2020, Reclamation and COMB executed a three-year amendatory contract to allow for the completion of a long-term agreement.

COMB is responsible for diversion of water to the South Coast through the Tecolote Tunnel, and operation and maintenance of the South Coast Conduit pipeline, flow control valves, meters, and instrumentation at control stations, and turnouts along the South Coast Conduit and at four regulating reservoirs. COMB coordinates closely with the Bureau of Reclamation and Member Agencies' staff to ensure that water supplies meet daily demands.

COMB staff reads meters, accounts for Project water deliveries monthly and performs repairs and preventative maintenance on Project facilities and equipment. COMB safeguards Project lands and rights-of-way on the South Coast as the contractor for Reclamation. COMB is responsible for issuing Project water production and use reports, operations reports, fisheries reports, and financial and investment reports which track operation and maintenance expenditures.



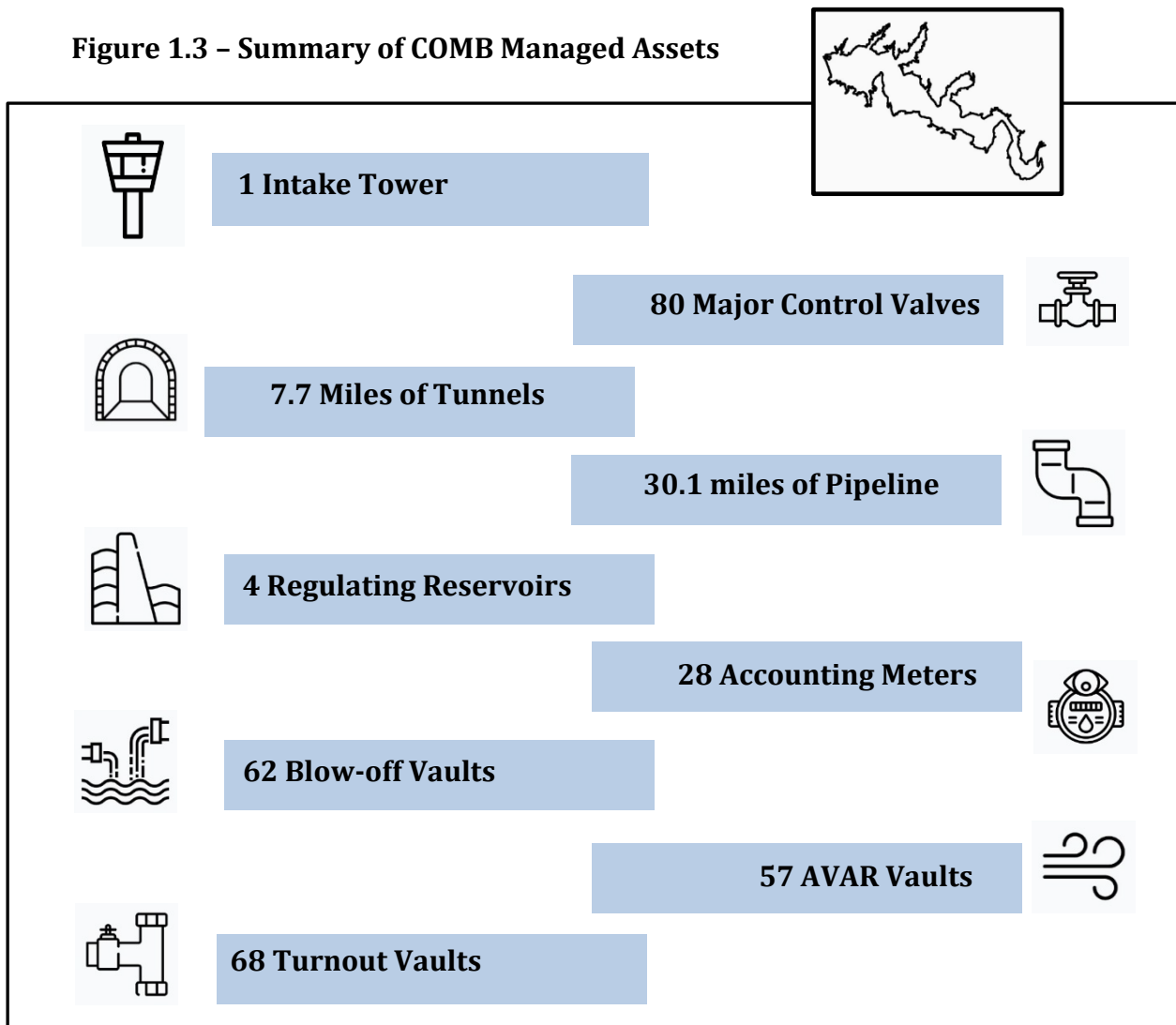
Tecolote Tunnel Construction

COMB MANAGED ASSETS

COMB, through a Transferred Project Works contract, is responsible for operating and maintaining the USBR facilities. COMB operates and maintains the Cachuma Project critical infrastructure assets, which include the North Portal, Tecolote Tunnel, South Coast Conduit, Sheffield Tunnel, and Glen Anne, Lauro, Ortega, and Carpinteria Reservoir locations.

A comprehensive inventory was assembled for COMB assets using the Gutteridge, Haskins & Davey (GHD) asset management tool available through the EPA website. The GHD method allows for organizing a hierarchy of assets, which can be characterized by asset class, original cost, replacement cost, effective life, probability of failure, and renewal strategy (abandon, maintain, repair, replace), among other inputs. It is useful for viewing assets and their current conditions in a single location, while identifying assets or categories of assets that will need near or long-term work. Figure 1.3 provides a summary of COMB Managed Assets.

Figure 1.3 – Summary of COMB Managed Assets



COMB MANAGED ASSETS (CONTINUED)**Intake Tower**

COMB operates and maintains the North Portal Intake Tower, which diverts water from Lake Cachuma into the Tecolote Tunnel and through the South Coast Conduit (SCC) for delivery to COMB Member Agencies. The vertical intake tower was built by the U. S. Bureau of Reclamation during construction of the Cachuma Project and stands 120 feet tall. The intake tower is located approximately mid-reservoir and contains five slide gates, each at varying levels on the pentagonal-shaped tower. The slide gates are used to manage the conveyance of water from the lake at various elevations depending on lake conditions.

**Valves**

COMB operates and maintains over 80 large control valves and slide gates located within gate chambers, control stations, and dam inlet-outlet works. Most of the large control valves measure 30 inches or more in diameter. The large control valves are located throughout the system and allow distribution or service area isolation when maintenance on the system is required. COMB performs annual maintenance to ensure their operability.

**Tunnels**

COMB maintains four separate tunnels covering over 7.7 miles throughout the Cachuma Project system. The tunnels vary in length, with the most significant being the 6.4-mile Tecolote Tunnel, which provides water conveyance from Lake Cachuma through the Santa Ynez Mountains to the South Coast Conduit where it is delivered to the water districts. The horseshoe shaped, concrete walled tunnels were built by Reclamation during the creation and installation of the Cachuma Project.



COMB MANAGED ASSETS (CONTINUED)**Pipeline**

COMB operates and maintains over 30.1 miles of concrete conveyance pipeline throughout the system. The primary pipeline is referred to as the South Coast Conduit (SCC) and is composed of over 9.5 miles of 48-inch diameter reinforced concrete cylinder pipe in the upper reach of the system, and 17.0 miles of 27 to 36-inch bar-wrapped concrete cylinder pipe within the lower reach.



The SCC is original except for 330 feet installed as part of a Highway 154 realignment project in 1970, 2,900 feet of welded steel pipe installed in 1980, and approximately 2,000 feet of welded steel pipe installed in the upper reach as part of the Modified Upper Reach Reliability Project (MURRP) in 2012.

In 2022, COMB installed a secured pipeline at the Lake Cachuma Intake Tower. The secured pipeline is a 3600-ft long HDPE pipeline that will be connected to a pumping barge in times of drought to ensure continued water deliveries. The secured pipeline also re-establishes the capability to draft from the original Gate 5 elevation (660') and allow higher quality water when available to be diverted to the Tecolote Tunnel under normal operations.

Reservoirs

COMB operates and maintains four regulating reservoirs, which balance conveyance operations within the south coast area of the Cachuma Project system. Two of the reservoirs are zoned earth-filled embankment dams originally designed and installed by the Bureau of Reclamation. Lauro Dam has a structural height of 137 feet, a crest length of 540 feet, and a storage capacity of 518 acre-feet. Seismic safety modifications were completed in 2006, which brought the facility into seismic compliance. Glen Anne Dam located in the upper reach is currently non-operational. The two reservoirs located in the lower reach of the system are Ortega Reservoir and Carpinteria Reservoir. They are homogenous earth-filled structures and provide for over 100 acre-feet of storage capacity combined. Both Ortega and Carpinteria Reservoirs have two separate bays divided by a center wall and were covered with aluminum roofs in 2007 and 2005, respectively.

COMB MANAGED ASSETS (CONTINUED)

Meters

COMB reads and maintains 28 accounting meters throughout the system. Of the 28 meters, 11 are integrated with SCADA to allow remote tracking and historical logging of flow measurements. COMB also tracks pressure and water quality parameters such as turbidity, specific conductance, pH, and temperature, using sensors located at the North Portal.



Structures

COMB operates and maintains approximately 200 SCC structures throughout the system. This includes 62 blow-off vaults, 57 air-vacuum air-release (AVAR) vaults, and 68 turnouts through the peaks and valleys of SCC system. The purpose of these appurtenant structures is to allow staff access to system components, in order to release/admit air for pipeline protection, release water for maintenance purposes or emergencies, and to service internal assembly and/or valves.



INFRASTRUCTURE IMPROVEMENT PLAN - FY 2021-2025

In February 2020, the COMB Board adopted the COMB Infrastructure Improvement Plan (IIP). The IIP formalizes the strategy for implementation of capital projects and programs needed to carry out the goals and policy objectives of the Board. The IIP is organized and structured to identify and prioritize rehabilitation projects necessary to protect, improve, and sustain a reliable source of water conveyed from the Cachuma Project to the South Coast communities of Santa Barbara County.

Projects outlined in the IIP have been identified based on U.S. Bureau of Reclamation inspection recommendations, COMB asset inventory analysis, and other staff observations and recommendations. The identification of a project within the five-year plan does not guarantee construction. The initiation of any project requires Board approval for a project to advance to design and ultimately construction. Additionally, the Board of Directors has the ongoing ability to review and revise projects based upon unforeseen conditions, priorities, and financial resources.

Further details are provided on [pages 103-106](#).

NATIONAL MARINE FISHERIES SERVICE BIOLOGICAL OPINION AND FISH MANAGEMENT PLAN

The United States Bureau of Reclamation currently operates and maintains Bradbury Dam and associated water transport and delivery structures, collectively known as the Cachuma Project on and near the Santa Ynez River for the Cachuma Project Member Units. The Santa Ynez River is about 900 square miles in watershed area with Bradbury Dam located approximately 48 miles from the Pacific Ocean.



The National Marine Fisheries Services (NMFS) is the United States federal agency that oversees protection of Southern California steelhead (*Oncorhynchus mykiss*, *O. mykiss*). The Cachuma Project Biological Opinion (BO or BiOp) and the Lower Santa Ynez River Fish Management Plan (FMP) were issued in 2000 for implementation of steelhead management actions developed over many years of study by the Cachuma Project Member Units. The BO addresses the effects of the

proposed Cachuma Project operations on steelhead and its designated critical habitat in accordance with Section 7 of the Endangered Species Act of 1973. The goal is to provide physical projects and management strategies that will protect, enhance, restore, and create new habitat for spawning and rearing of endangered steelhead, while keeping a balance between fish management, other ecological needs, and the delivery of adequate water supplies to customers of local water agencies and groundwater recharge.

On behalf of the U. S. Bureau of Reclamation, COMB is responsible for implementation of the 2000 Biological Opinion and Fish Management Plan related to the Cachuma Project on the Santa Ynez River. These activities include ongoing scientific studies along the river, monitoring and recording changing conditions, and implementation of fish passage improvements as outlined in the 2000 Biological Opinion. In addition, a consensus based, long-term Fish Management Program was developed which provides protection for steelhead/rainbow trout downstream of Bradbury Dam through a combination of water releases from Bradbury Dam through the Hilton Creek watering system, and the removal or modification of numerous fish passage barriers to steelhead on tributaries to the mainstem Santa Ynez River. By implementing these actions, stakeholders in the Cachuma Project have created significant additional habitat for steelhead within the Santa Ynez River watershed.



DROUGHT RESPONSE AND MANAGEMENT

The Cachuma Project was designed primarily as a gravity flow system; however, when the lake level recedes below the lowest gate on the Intake Tower during severe drought, Cachuma Project water and State Water Project (SWP) water cannot be transported to the South Coast by gravity. Under these conditions, water must be pumped from deeper parts of the lake to the Intake Tower. Without the drought-period operation of an emergency pump and pipeline, water service would be interrupted, causing a widespread immediate threat to public health and safety within Goleta, Santa Barbara, Montecito, Summerland and Carpinteria.

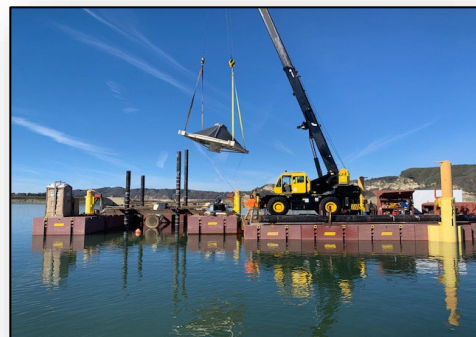
At the beginning of fiscal year 2022-23, amid ongoing drought conditions, the elevation in Lake Cachuma was 706 feet, which equates to 82,339 acre-feet of water (or 42.7% capacity). Water Year (WY) 2023 water allocation for the Cachuma Project was initially set at 0% based on current reservoir levels, existing project water demands, existing carryover balances and forecast data. Likewise, State Water Project deliveries for were initially set at 5%.

COMB staff developed a lake elevation projection model for forecasting lake elevations and implemented a regime to request Member Agencies' projected imports and exports on a periodic basis as part of its ongoing planning process. If the drought condition persisted, the level of the lake was projected to fall below the elevation needed for water to flow unassisted into the Tecolote Tunnel and the South Coast distribution system by the summer of 2023 resulting in the re-establishment of the Emergency Pumping Facility Project (EPPF). An Emergency Pumping Facility (EPF), which included a pumping barge and a temporary floating pipeline, was used during 2014-2016.

In December of 2022, COMB completed the installation of a secured pipeline at Lake Cachuma. The secured pipeline is a 3600-ft long HDPE pipeline that will be connected to a pumping barge in times of drought to ensure continued water deliveries.



*Secured Pipeline Project
Staging Area*



*Secured Pipeline Project
Fish Screen Installation*

DROUGHT RESPONSE AND MANAGEMENT (CONTINUED)

The Secured Pipeline Project will improve future deployments of the EPF by 1) reducing the elevation triggers for installing the EPF; (2) eliminate the need to install and remove temporary anchor piles; (3) eliminate the need to store the pipeline near the shore of the lake; and (4) reduce the deployment period from over a year to 120 days. It will also reduce the cost of future EPF deployments and improve water quality of delivered water under normal operations.

The Secured Pipeline Project will also re-establish the capability to draft from the original Gate 5 elevation (660') and allow higher quality water when available to be diverted to the Tecolote Tunnel under normal operations. COMB was awarded \$3M in grant funding which was applied to construction cost of the Secured Pipeline Project.



*Lake Cachuma Tecolote Tunnel Intake Tower
Secured Pipeline Installation (December 2022)*

DROUGHT RESPONSE AND MANAGEMENT (CONTINUED)

In January 2023, Santa Barbara County experienced a series of four rain events that resulted in approximately 130,000 acre-feet of inflow and 2,700 acre-feet of rainfall on the lake. Of particular note was the storm system on January 9th and 10th which resulted in 8.5 inches of rain as reported on the U.S. Bureau of Reclamation’s daily operations report at Bradbury Dam.

January 6, 2023



January 17, 2023



Lake Cachuma Tecolote Tunnel Intake Tower

Inflow continued throughout February, supplemented by two smaller precipitation events in late January and early February, which resulted in an additional 6,400 acre-feet of inflow from the 1st to the 16th of February. These storms caused flow to occur in the Santa Ynez River, Santa Cruz Creek, and other tributaries, which raised Lake Cachuma by 60 feet until it reached its capacity of 753 feet on the 16th of February.

On February 26th, Reclamation notified the Santa Barbara County Water Agency and the Cachuma Project Member Agencies that their mid-year allocation request of 100% was approved. On March 24th, the Department of Water Resources announced that State Water Project deliveries allocation was increased to 75% due to continued winter storms and resulting Sierra snowpack.

For the water year, a total of 37.22 inches of rain occurred at Bradbury Dam and 59.13 inches occurred at Gibraltar Dam (as of March 31, 2023). The county rainfall to-date is 213 percent of normal. The rainfall has decreased water demands in the short-term and increased surface water supplies, but the long-lasting effects of persistent county-wide drought will continue to play a role in overall recovery. The COMB Member Agencies continue to face a water supply shortage until such time their respective groundwater basins have been recharged and supplemental water obligations are repaid.

CORONAVIRUS (COVID-19)

California’s COVID-19 state of emergency ended on February 28, 2023. While COVID-19 continues to exist in our community, public water supplies remain safe to drink due to numerous robust treatment processes used by local water agencies. California’s comprehensive safe drinking water standards require a multistep treatment process that includes filtration and disinfection. This process removes and kills viruses, including coronaviruses such as COVID-19, as well as bacteria and other pathogens. According to the Environmental Protection Agency (EPA), the World Health Organization (WHO), and the Centers for Disease Control and Prevention (CDC) the COVID-19 virus has not been detected in drinking water supplies, and based on current evidence, the risk to water supplies remains low.

COMB coordinates closely with the Santa Barbara County Health Department and follows all guidelines from the California Department of Public Health (CDPH) and Centers for Disease Control and Prevention (CDC). Additionally, COMB has updated its emergency response plans and is well prepared to maintain operations in the event of an outbreak. COMB’s top priority is to keep its employees, Member Agency staff, contractors, and vendors safe and healthy so we can continue to serve our community.

LOCAL ECONOMY

Santa Barbara County is located approximately 100 miles north of Los Angeles and 300 miles south of San Francisco. The largest employment sectors include services, wholesale and retail trade, hospitality, agriculture, and manufacturing. The mild climate, picturesque coastline, scenic mountains, and numerous parks and beaches make Santa Barbara County a popular tourist and recreational area. The County spans over 2,700 square miles and includes an estimated population of 451,840.

Through much of calendar year 2020 and into 2021, the coronavirus and actions taken to mitigate it had an

adverse impact on national and regional economies and the financial markets. By mid-2021, certain sectors began to show recovery as vaccinations became available and restrictions were loosened.



Santa Barbara Mission

LOCAL ECONOMY (CONTINUED)

In the spring of 2022, the United States experienced a slowdown in recovery due to the military action in Europe (Ukraine invasion) as well as a spike in national inflation. For the twelve months ending December 2022, annual inflation was 6.5%, down from 7.1% in November and a 9.1% peak in June 2022. While on the decline, the annual inflation rate remains at its highest since the early 1980s. Additionally, a decline in the annual inflation rate doesn't mean consumers saw deflation, which is when overall prices decrease. The annual rate in December was still positive. The decline in the annual inflation rate means that prices rose at a slower pace than earlier in the year.

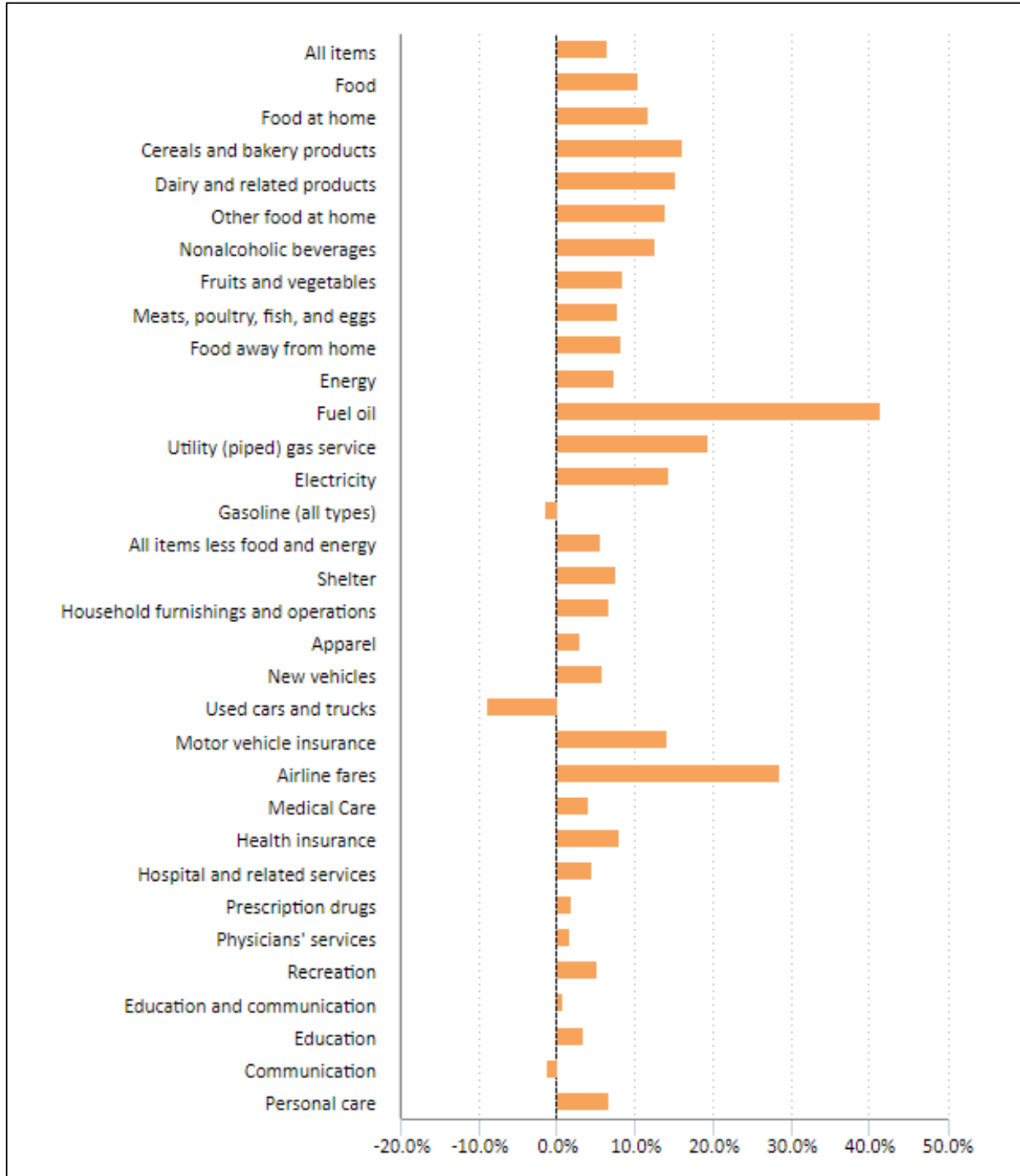
As reflected Figure 1.4, consumer prices for all items rose 6.5 percent from December 2021 to December 2022. Food prices increased 10.4 percent, reflecting an 11.8 percent increase in prices for food at home and an 8.3-percent increase in prices for food away from home.

From December 2021 to December 2022, energy prices increased 7.3 percent, a quarter of the rate at which they increased from 2020 to 2021. Fuel oil prices increased 41.5 percent from 2021 to 2022, approximately the same increase as the previous year. Utility (piped) gas service prices increased 19.3 percent from 2021 to 2022, compared with 24.1 percent a year earlier. From 2021 to 2022, electricity prices increased 14.3 percent, over twice the rate at which they increased from 2020 to 2021. Gasoline prices decreased 1.5 percent after increasing 49.6 percent the previous year.

Throughout 2022 and into 2023, the Federal Reserve has raised interest rates to ease demand in the U.S. economy and reduce inflation. The financial impact from these factors have made financial projections more difficult than normal. Locally, high costs for essential materials, and supplies continue to place additional pressure on COMB and our Members Agencies' budgets. Staff has worked aggressively to maintain costs in all areas of the budget by improving operating efficiencies and effectively utilizing internal resources when possible to achieve our objectives.

LOCAL ECONOMY (CONTINUED)

**Figure 1.4 – Consumer Price Index for All Urban Consumers,
12-Month Percent Change (Selected Items, Not Seasonally Adjusted)**



Source: [Bureau of Labor Statistics, Consumer Price Index: 2022 in Review](#)

ACCOMPLISHMENTS

During 2022-23, COMB continued to focus efforts on water supply reliability, infrastructure improvements, environmental stewardship, policies, and financial responsibility, and improving workforce capabilities. Outlined below are highlights of accomplishments during this past year.

Operations and Engineering Division

- Bid, awarded, and fully permitted the Secured Pipeline Project. In-lake construction began in September and was completed in January just prior to largest single day lake rise in Cachuma Reservoir history on January 9, 2023. COMB staff performed approximately 50 percent of the construction observation activities. The project allows more resiliency in drought conditions and improved water quality under normal operations.
- Performed emergency shutdown and repairs of two blow-off nozzles in the Upper Reach of the South Coast Conduit (on Lauro Creek and San Roque Creek). Repair was required due to a leak coming from the blow-off vault.
- Performed a shutdown of the South Coast Conduit from Toro Canyon to La Mirada Drive. Carpinteria Valley Water District installed a temporary lateral bypass system to keep customers in service.
- In coordination with Carpinteria Valley Water District through a Cooperative Agreement – Laterals 1L, 1R, 2R, 3L, 4L, 5R, 6R, 17L, and 19R were rehabilitated. This involved replacing all the valves and air vacuum air release valves and removing the compound meters.
- Rehabilitated three air vents and two blow-off structures in the South Coast Conduit shutdown. This involved replacing all the access lids and installed all new valves and piping. The last two remaining SCC air valves that were subgrade were raised above grade, allowing COMB to closeout a Category 1 – USBR recommendation.
- Replaced the valves and blind flanges at the Boundary Meter site during South Coast Conduit shutdown.
- Drained and cleaned the Ortega Reservoir in coordination with the COMB Member Agencies technical staff.
- Replaced the elevation pressure transducers at Ortega Reservoir.
- Performed emergency debris removal following the winter storms in January 2023 at the North Portal, South Portal road, Glen Anne Turnout road, Sheffield road, and Sycamore Canyon areas.

ACCOMPLISHMENTS (CONTINUED)**Operations and Engineering Division (Continued)**

- Initiated a total organic carbon and phosphorous source study for Cachuma Reservoir and increased sampling of the lake and tributaries during the major inflow events which resulted in the complete filling of the lake and full exchange of the lake volume with new water.
- Incorporated water quality profiling at the Lake Cachuma North Portal Intake Tower and provided data to the South Coast water treatment plants' technical staff as part of a monthly sampling program.
- Upgraded the Supervisory Control and Data Acquisition (SCADA) main terminal as part of the COMB SCADA Master Plan.
- Enhanced the Lake Cachuma elevation projection model for water supply and conveyance planning purposes.
- Received grant funding from the Department of Water Resources Urban and Multi Benefit Drought Relief Program for \$2,250,000. Funds from this opportunity were applied towards the Lake Cachuma Secured Pipeline Project.
- Received grant funding from the US Bureau of Reclamation Drought Resiliency Program for \$750,000. Funds from this opportunity were applied towards the Lake Cachuma Secured Pipeline Project.
- Completed Phase 1 of the Cooperative Agreement with Carpinteria Valley Water District (CVWD) to repair and rehabilitate aging infrastructure in the lower reach section of the South Coast Conduit and the CVWD distribution system.
- Applied for and obtained a California Division of Drinking Water D3 Domestic Water Supply permit from the State Water Resources Control Board.
- Updated the COMB Infrastructure Improvement Plan for FY 2021-2025.
- Operated and maintained the South Coast Conduit, which consists of 26.5 mile of pipeline with a combined 124 blow off and air vent structures, 43 turnout structures, 20 meters and 4 regulating reservoirs.
- Participated in the Annual Site inspections with US Bureau of Reclamation Engineering staff.
- Received and reviewed 970 Underground Service Alerts (Dig Alerts) tickets and took appropriate action, as necessary.

ACCOMPLISHMENTS (CONTINUED)**Operations and Engineering Division (Continued)**

- Monitored numerous construction projects adjacent to and within the United States Bureau of Reclamation right-of-way to ensure the protection of the South Coast Conduit.
- Removed vegetation at all structure sites to ensure defensible space as required by the Santa Barbara County Fire Marshal.
- Performed weekly inspections of major facilities.
- Performed routine dam inspections and instrumentation reports (all reservoirs).
- Performed North and South reach structure maintenance as part of the annual Operating Division work plan.
- Updated the Geographic Information Systems (GIS) mapping of the South Coast Conduit and incorporated elevations based on drawings to allow evaluation of depth of cover at key locations (slopes/creek crossings).
- Revised South Coast Conduit alignment based on potholing conducted within the easement of the South Coast Conduit. Potholed the conduit in seven locations and incorporated data into GIS system.
- Continued advancement of COMB's internal water accounting model to automate and improve monthly water accounting reports.
- Participated in the County of Santa Barbara Office of Emergency Management 2022 update to the Multi-Jurisdictional Hazard Mitigation Plan (MJHMP). COMB as a member of the Mitigation Advisory committee provided input on local hazard management activities and reviewed draft MJHMP components as part of a regional effort to update the MJHMP and annexes. The Plan was adopted in the spring of 2023.
- One staff member completed course work for the Water Service Worker Distribution Operator II (D2) certification program and passed the D2 certification exam. Three staff members completed course work for the Water Service Worker Distribution Operator III (D3) certification program and passed the D3 certification exam. COMB now has five (5) D3 certified operators and one (1) D2 certified operator on staff.

ACCOMPLISHMENTS (CONTINUED)**Operations and Engineering Division (Continued)**

- Gave a presentation entitled “3D Analysis of Water Utility Pipeline and Land Elevation Changes” at the ESRI International Users Conference. The presentation covered the work COMB staff has completed this year in modeling the South Coast Conduit and overlying land conditions in 3D. Pipeline visualization allows staff to quickly assess depth to top of pipe, especially at creek crossings, and track changes over time using available lidar (light detection and ranging), survey data, and geoprocessing tools within ArcGIS Pro.
- Gave a shared presentation entitled “Tiered Approaches to Harmful Algal Bloom (HAB) Monitoring at Lake Cachuma, CA” at the North American Lake Management Society (NALMS) National Monitoring Conference. In coordination with two external consultants, an initial HAB monitoring plan was formulated for Lake Cachuma. Since then, COMB has further developed the approach to include satellite monitoring, real-time buoy monitoring, monthly nutrient tracking, monthly algal identification, access to advanced lab techniques, and operational flexibility.

Fisheries Division

- Conducted all 2000 BiOp compliance monitoring in the Lower Santa Ynez River (LYSR) basin and its tributaries including Lake Cachuma water quality monitoring pursuant to associated guidance documents.
- Conducted all monitoring, analyses and reporting as requested by U.S. Bureau of Reclamation (Reclamation) in compliance with the State Water Board Order WR 2019-0148.
- Completed the Water Year (WY) 2021 and 2022 Annual Monitoring Report (AMR) and Annual Monitoring Summary (AMS).
- Transferred all field monitoring data files to Reclamation via the established data portal for WY 2021 and files from previous years if there were modifications after a QA/QC process with Reclamation.
- Worked closely with the Reclamation upon request on all required testing, modifications or operations of Bradbury Dam, the Hilton Creek Watering System and the Hilton Creek Emergency Backup System to safeguard the fishery downstream of the dam and assist Reclamation operations staff.
- Continued to work closely and collaboratively with California Department of Fish and Wildlife (CDFW) on fish rescue in the LSYR mainstem and its tributaries as needed and requested due to dry conditions or dam operations.

ACCOMPLISHMENTS (CONTINUED)**Fisheries Division (Continued)**

- Authored the Reasonable and Prudent Measure (RPM) 6 Compliance Report for the WR 89-18 release that occurred in 2022.
- Wrote and submitted the 8/2/22 and 9/3/22 Incident Reports regarding the Hilton Creek fishery.
- Assisted CDFW in crafting the Fish Rescue and Relocation effort in Reach 5 of Hilton Creek just before the loss of flow to the Upper Release Point.
- Prepared the end of April the WY2023 Spill Ramp-Down Stranding Event Report.
- Completed fish scale mounting, photographing, reading and reporting for WY2021, WY2022, WY2017, WY2016 and WY2015 as part of the WY2021 and WY2022 AMSs.
- Worked with the COMB Operations Division on monitoring algae and nutrients in Lake Cachuma throughout the year, participated in the NOAA AVARIS remote sensing project and participated in the TOC/P Study of Lake Cachuma.
- Monitored and maintained all mitigation oak trees near Lake Cachuma as part of the surcharge operation at the Dam. COMB has planted approximately 5,734 oak trees under this program since its inception in 2005.
- Completed the 2021 Annual Oak Tree Survey and reported the status of the Lake Cachuma Oak Tree Restoration Program with FY22 financials to the Oak Tree Committee and COMB Board.
- Maintained a rigorous watering effort of the mitigation trees in the Lake Cachuma Oak Tree Restoration Program throughout a very dry season that has shown positive results in sustaining those trees in multiple areas around the lake and below the dam.
- Obtained current aerial imagery for the Santa Ynez River valley.
- Participated in fish sampling on upper Piru Creek in collaboration with United Water, CDFW and NMFS.
- Submitted a NMFS-NOAA 10(a)1(A) permit application for Federal environmental coverage for all FD monitoring tasks.

ACCOMPLISHMENTS (CONTINUED)**Fisheries Division (Continued)**

- Submitted a CDFW 2081(A) MOU application and a CDFW Scientific Collection Permit for CESA State take coverage for the fishery monitoring program including the use of electrofishers and PIT tagging.
- Presented a poster at the SRF annual fisheries conference on Sulfur and Salmonids.

Administrative Division

- Awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the Fiscal Year 2020-21 Annual Comprehensive Financial Report.
- Fiscal Year 2021-22 Audited Financial Statements received an unmodified (“clean”) opinion.
- Awarded the Distinguished Budget Presentation Award from the GFOA for the FY 2022-23 COMB Operating Budget document.
- Completed the annual ACWA JPIA Worker’s Compensation, Liability, and Property Risk Assessment. ACWA JPIA reviewed COMB’s Employment Practices, Heat Illness Prevention Program, ACWA’s Risk Control and Risk Transfer Manual, and COMB’s Workers Compensation and Liability Program experience history.
- Received the President’s Special Recognition Award from the Association of California Water Agencies. The JPIA recognizes its members that have a loss ratio of 20% or less in the Liability, Property and Worker’s Compensation programs.
- Conducted the annual Information Technology (IT) review with COMB’s outsourced IT consultant. The purpose of the meeting was to review COMB’s server and network systems, identify updates to system requirements, assess current IT protocols, review data disaster recovery practices, as well as, identify potential new risks against cybersecurity threats.
- Participated in the Santa Barbara County Integrated Regional Water Management Program (IRWMP). The Cooperating Partners of IRWMP meet regularly to promote and practice integrated regional water management strategies; to ensure sustainable water uses, reliable water supplies and water quality, environmental stewardship, efficient urban development; and protection of agricultural and watershed awareness.

ACCOMPLISHMENTS (CONTINUED)**Administrative Division (Continued)**

- Administrative Manager / CFO appointed to the Finance and Audit Committee of ACWA JPIA. The primary responsibility of the Committee is to put forward recommendations for approval to the Executive Committee with respect to audit, budget and investment policy.
- Staff member attended the 2022 CSDA Annual Conference. The conference included educational sessions on various topics including: Bond Market and Debt Financing, GASB Principles for Retirement Benefits, Contracting for Indemnification, Prevailing Wage Compliance, Cybersecurity Best Practices and the Legislative Update for 2022.
- Staff member attended the 2022 CSDA Board Secretary/Clerk Conference. The conference included educational sessions on various topics including: Business Writing for Board Secretaries, ADA Compliance and Transparency 101, Best Practices for Taking and Processing Board Minutes, and Understanding the California Public Records Act.
- Developed COMB's Sustainability Plan. The will provide COMB the foundation for promoting and maintaining a sustainable service model within its sphere of responsibility that balances economic, environmental, and social principles as a fundamental component of achieving COMB's mission.
- Updated COMB's Personnel Policy and Employee Handbook for labor law updates and changes.
- Updated various internal operational safety procedures/protocols to maintain a safe and healthy working environment, free from hazards, for all employees including COMB's Injury and Illness Prevention Plan, Safe Operating Procedures Manual and Heat Illness Prevention Plan.
- COMB staff participated in required Sexual Harassment Prevention training sponsored by ACWA/JPIA in compliance with California AB 1825, AB 2053, and AB 1661.

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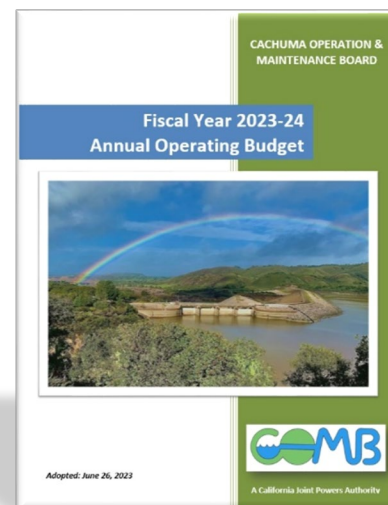
SECTION II – BUDGET OVERVIEW

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COMB ANNUAL OPERATING BUDGET

Each year, the Board of Directors approves the COMB Operating Budget for the following fiscal year that runs from July 1 through June 30.

The development and adoption of an annual budget is based on the Board’s financial and operational policies. Its purpose is to maintain fiscal stability by providing a structural balance between revenues and expenditures and to identify programs of work COMB has pledged to support. In addition, the budget provides the financial resources necessary to achieve or advance management strategies and goals. It serves as a financial road map and communication tool describing programs of work, resource requirements, and functions as a guideline in accomplishing our mission in the most efficient, fiscally sustainable manner while ensuring maximum value to our Member Agencies.



The COMB Operating Budget for FY 2023-24 is further detailed in Section V – COMB Operating Budget starting on [page 41](#).

BUDGET DEVELOPMENT

Basis of Budgeting

For budgetary reporting purposes, COMB uses the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means the amount of the transaction can be collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred. Non-cash expense items such as depreciation expense for fixed assets and accrued paid time off are excluded from the budget.

COMB operates under one fund for budgetary purposes. However, the Agency’s various divisions and budget preparation are segregated as follows:

- Operations / Engineering Division
- Fisheries Division

The Administrative Division is included with General and Administrative Expenditures, which are generally allocated between the Operations (65%) and Fisheries Division (35%).

BUDGET DEVELOPMENT

Budget Development

Development of the budget is based on a zero-based budgeting methodology. This methodology employs a detailed examination of expenditures wherein only the necessary budget amount for each line item is presented for discussion. This approach addresses fundamental and prioritized service needs and represents the minimum level of funding needed for effective operations.

At the beginning of the annual budget planning cycle, COMB staff prepares estimated budget projections and presents a draft Operating Budget to the General Managers and technical staff of the COMB Member Agencies. Staff then incorporates any comments received into the proposed operating budget prior to submission to the COMB Administrative Committee. Following review by the Administrative Committee,

COMB staff then conducts a budget workshop with the COMB Board, at a public meeting, to review the draft operating budget, the proposed upcoming infrastructure and habitat improvement projects, and any revenue and expenditure assumptions and projections contained therein.

Depending on the quantity or nature of comments received during the budget workshop, the draft budget may be sent back to committee for further consideration or brought back to the Board at its next meeting, as revised, for adoption.



BUDGET DEVELOPMENT (CONTINUED)**Budget Calendar**

Table 2.1 provides the budget process schedule for FY 2023-24.

Table 2.1 – FY 2023-24 Budget Process Schedule

Deliverables	Jan	Feb	Mar	Apr	May	Jun
Updates to: - Infrastructure Improvement Projects - Habitat Improvement Projects - Projected COMB Managed Revenues - Projected General and Administrative Expenditures - Projected Operating Expenditures	X	X				
Draft Budget Document Developed		X				
Draft Budget Internal Review Process			X			
Member Agency Review Process				X		
Admin Committee Draft Budget Review – Public Meeting				X		
Board Budget Workshop – Public Meeting					X	
Update Draft Budget – Prepare Final Budget					X	
Board Adopts Final Budget – Public Meeting					X	

BUDGET POLICIES**Budget Approval**

The final COMB Operating Budget is approved and adopted by the Board of Directors through a resolution during a scheduled public meeting. Once adopted by the Board, management continues to closely monitor and report on revenues and expenditures throughout the fiscal year to ensure compliance with the budget, as well as the integrity, transparency and quality of operations.

Balanced Budget

The primary budget objective is to provide the highest possible level of service to COMB's stakeholders and members of the public without impairing COMB's financial condition. COMB will make every effort to keep current expenditures less than current assessments and revenues. Current expenditures are defined as operating expenses, debt payment and infrastructure and habitat improvement projects. COMB will endeavor to operate within the approved budgetary amounts to avoid subsequent assessments to its Member Agencies.

BUDGET POLICIES (CONTINUED)**Outside Funding Sources**

COMB staff actively pursues outside funding sources for all infrastructure improvement projects. Outside funding sources, such as grants, are used to finance only those improvement projects that are consistent with the Five-Year Infrastructure Improvement Project Plans and COMB priorities, and whose operating and maintenance costs have been included in future operating budget forecasts. Board policy requires that all grant agreements be considered at Committee and be reviewed and approved by the Board prior to acceptance.

Pass-Through Revenues and Charges

In addition to the annual Operating Budget, COMB collects and manages various other assessments, which are considered pass-through revenues and charges. COMB has been granted the authority, by various agreements, for administering the provision, collection and payment of these revenues including the USBR Entitlement Obligation (USBR Water Rates), the Bradbury and Lauro Safety of Dams (SOD) Repayment Obligations, and the State Water Resources Control Board Water Rights Fee. Since these payments are considered pass-through revenues and charges, they are not recorded as revenue on COMB's financial statements.

COMB endeavors to provide sufficient information to its Member Agencies regarding the USBR and other pass-through charges to enable them to gain a full understanding of the charges.

Budgeted Expenditures

As stated in COMB's Procurement Policy, the General Manager has the authority to approve expenditures made for official COMB business up to a maximum of \$25,000, provided such expenditures are within the budget, as adopted by the COMB Board. Purchases of equipment, services, or supplies exceeding \$25,000 are submitted, through the appropriate Committee, to the Board of Directors for review and approval. This expenditure authority limitation does not apply to routine, recurring operational expenses already approved within the annual operating budget, such as salaries, benefits, insurance, legal and IT services.

Emergency expenditures, as defined in COMB's Procurement policy, are subject to approval by the General Manager or designee, who in turn notifies the Board President of actions taken and brings notification to the full Board within 30 days of the expenditure being made. In such an event, a determination is made and considered by the Board if a special assessment is warranted to cover non-budgeted emergency expenditures.

Any capital expenditure or form of indebtedness in excess of one million dollars requires unanimous consent by the COMB Board through a board resolution.

BUDGET POLICIES (CONTINUED)**Allocation of General and Administrative Expenses**

General and Administrative expenses include costs for support of all administrative functions of COMB such as: Director fees, legal expenditures, general liability and property insurance, audit fees, temporary/contract labor, utilities, IT and communications, postage and office supplies, training, education and subscriptions and miscellaneous expenses. General and Administrative expenses are generally allocated between Operations Division (65%) and Fisheries Division (35%).

Budget Adjustments / Augmentations

The budget may be adjusted or augmented throughout the year by Board action to accommodate an expenditure that was either unanticipated or indeterminable at the time the annual budget was adopted. This process involves a recommendation by staff to the appropriate Board committee prior to submission to the Board of Directors for consideration. A budget adjustment is defined as the process of reallocating budgeted funds to an alternate account and does not change the overall approved budget amount. A budget augmentation is defined as an increase to the approved budget and the need for additional assessments.

The Board considers the recommendation at a public meeting and approves or rejects such requests by motion and majority vote of the Board. Any budget adjustment or augmentation that increases the cost of a capital expenditure or form of indebtedness in excess of one million dollars requires unanimous consent by the COMB Board through a board resolution.

Member Agency Payment of Assessments

Current operations of COMB are funded by assessment of the Member Agencies, with the assessments based on the Member Agencies' Cachuma Project entitlement percentages. Operating assessments are calculated each year through the Budget process. Member Agencies are billed at the start of each quarter for their allocable amount.

Section 4.2 of Article IV of the COMB JPA outlines the division of Cachuma Project Costs among the Member Agencies. Section 4.2 states: "Parties shall divide and pay the administrative costs, the storage operation and maintenance costs, and the conveyance and operations and maintenance costs, including the payment of any loans or obligations incurred by the Cachuma Operation and Maintenance Board pursuant to the provisions of Article I, Section 1.3(h) (iv) and Section 1.3 (i), according to their use of the facilities and their participation in the benefit of the annual yield of the Cachuma Project. Such costs shall be assessed to the parties upon a schedule approved by the Cachuma Operation and Maintenance Board."

BUDGET POLICIES (CONTINUED)**Non-Member Agency Payment Obligations**

Pursuant to the Separation Agreement between COMB and Santa Ynez River Conservation District, ID No. 1 (ID No. 1), starting in Fiscal Year 2017-18 and going forward, certain actual expenditures incurred by COMB will be collected from ID No. 1 through an invoice issued quarterly to it by COMB. In addition, COMB collects payments from ID No. 1 for continuing pass-through obligations pursuant to the terms of the Separation Agreement, dated August 31, 2018.

Unexpended Funds

Unexpended funds occur when assessments (revenues) collected from the Member Agencies through the budget process exceed actual expenditures. Unexpended funds are identified through the audit process and returned to the Member Agencies using one of four methods. These methods include: 1) the issuance of checks made payable to each Member Agency; 2) constructively returning the unexpended funds by reducing future quarterly assessments; 3) carrying forward unexpended funds for work in process; and/or 4) reducing the projected operating budget for the following fiscal year.

The Board of Directors shall take action annually to approve the methodology for return once unexpended funds are identified.

Financial Statement Reporting

Division financial statements are provided to each division manager monthly. Expenditures are reviewed to ensure that actual costs to-date do not exceed the adopted budget.

Unaudited financial statements, including a statement of paid claims and an investment report, are received and filed by the Board monthly at a regularly scheduled public meeting.

On a quarterly basis, the Administrative Manager / Chief Financial Officer (CFO) provides a fiscal year-to-date financial review of the unaudited interim financial reports to the Board of Directors, comparing actual expenditures to the budget. Additionally, the General Manager provides a quarterly report of contracts executed pursuant to COMB's Procurement policy.

In compliance with Government Code section 53891(a), COMB submits its annual Financial Transaction Report and annual Government Compensation in California to the State Controller's office for posting on its public website.



SECTION III - COMB MANAGED REVENUES

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COMB MANAGED REVENUES AND EXPENDITURES

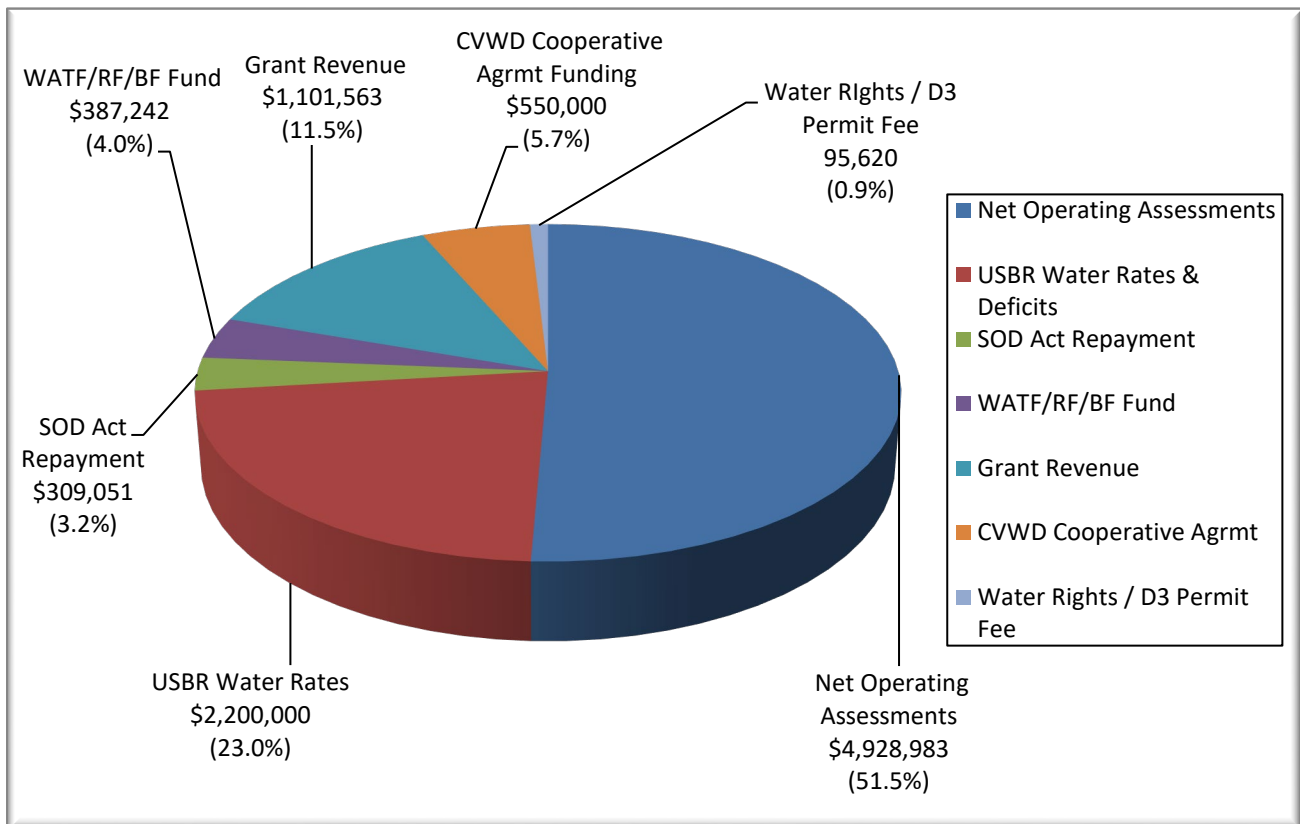
In addition to the annual Operating Budget, COMB collects and manages various other assessments, which are considered pass-through revenues and charges. COMB has been granted the authority, by various agreements, for administering the provisions, collection and payment of these revenues including the following:

- USBR Entitlement Obligation (USBR Water Rates)
- Bradbury Safety of Dams (SOD) Repayment Obligations
- Lauro Safety of Dams (SOD) Repayment Obligations
- State Water Resource Control Board Water Rights Fee

COMB is also responsible for managing various federal, state and local grant revenues, as well as various restricted trust fund accounts to be used for the betterment of the Cachuma Project.

For FY 2023-24, COMB’s projected managed revenues are \$9,572,459 as shown in Figure 3.1, and Table 3.1. The previous ten fiscal years’ COMB Managed Revenues are shown in Table 3.2.

Figure 3.1 – FY 2023-24 COMB Managed Revenue by Source



COMB MANAGED REVENUES AND EXPENDITURES (CONTINUED)

Table 3.1 – FY 2023-24 COMB Managed Revenues and Expenditures ⁽¹⁾

Category	FY 2021-22 Actuals	FY 2022-23 Budget	FY 2022-23 Est. Actuals	FY 2023-24 Budget
Revenues:				
COMB Net Operating Budget	\$ 4,421,917	\$ 6,104,528	\$ 5,163,734	\$ 4,928,983
USBR Water Rates/Deficits	1,770,763	2,259,451	2,231,608	2,200,000
Grant Funding	15,763	3,000,000	3,000,000	1,101,563
CVWD Cooperative Agreement Funding	-	550,000	-	550,000
Warren Act Trust Fund	43,086	118,293	118,293	210,786
Loan Payments - EPFP	38,621	-	-	-
Bradbury SOD Act	261,647	261,647	261,647	261,647
Cachuma Project Betterment Fund	90,000	90,000	100,000	100,000
SWRCB Water Rights Fee	70,715	70,720	75,609	75,620
Lauro SOD Act	47,404	47,404	47,404	47,404
Renewal Fund	139,744	155,723	155,723	76,456
DDW D3 Permit Fee	-	-	15,572	20,000
Total Managed Revenues:	\$ 6,899,660	\$ 12,657,766	\$ 11,169,590	\$ 9,572,459
Expenditures:				
Contracts/Agreements				
U.S. Bureau of Reclamation	\$ 1,770,763	\$ 2,259,451	\$ 2,231,608	\$ 2,200,000
Bradbury SOD Act Repayment	261,647	261,647	261,647	261,647
Lauro SOD Act Repayment	47,404	47,404	47,404	47,404
Water Rights Fee	70,715	70,720	75,609	75,620
Subtotal:	\$ 2,150,529	\$ 2,639,222	\$ 2,616,268	\$ 2,584,671
Personnel				
Operations Division	\$ 855,714	\$ 1,090,526	\$ 924,330	\$ 1,220,347
Fisheries Division	689,225	785,564	706,941	824,382
Administrative Division	778,738	905,927	760,210	966,952
Subtotal:	\$ 2,323,676	\$ 2,782,016	\$ 2,391,481	\$ 3,011,681
Operation and Maintenance				
Operations Division	\$ 388,871	\$ 470,800	\$ 433,109	\$ 625,800
Fisheries Division	94,239	148,600	139,279	84,600
Subtotal:	\$ 483,110	\$ 619,400	\$ 572,388	\$ 710,400
General and Administrative				
Operations Division	\$ 196,774	\$ 258,702	\$ 221,447	\$ 267,527
Fisheries Division	85,707	123,426	83,076.02	131,181
Subtotal:	\$ 282,481	\$ 382,128	\$ 304,523	\$ 398,707
Infrastructure and Improvement Projects				
Infrastructure Improvement Projects	\$ 1,444,115	\$ 5,890,000	\$ 4,993,417	\$ 1,300,000
Special Projects	47,289	160,000	145,148	1,370,000
Habitat Improvement Projects	17,797	28,000	10,057	25,000
Program Support Services	112,042	157,000	136,309	172,000
Subtotal:	\$ 1,621,242	\$ 6,235,000	\$ 5,284,931	\$ 2,867,000
Total Expenditures before Debt:	\$ 6,861,038	\$ 12,657,766	\$ 11,169,590	\$ 9,572,459
Debt Service - American Riviera Bank	38,621	-	-	-
Total Expenditures:	\$ 6,899,659	\$ 12,657,766	\$ 11,169,590	\$ 9,572,459

Footnotes

(1) Consolidated schedule including COMB annual Operating Budget and Contractual Obligations managed by COMB.

(2) COMB Board adopts the annual Operating Budget.

COMB MANAGED REVENUES AND EXPENDITURES (CONTINUED)

Table 3.2 – Previous Ten Fiscal Years' COMB Managed Revenues ⁽¹⁾

Fiscal Year	Net Operating Assessments ⁽¹⁰⁾	USBR Water Rates & Deficits	SOD Act Repayment	Grant Revenue	WATF/RF/BF Fund ⁽²⁾	CVWD Cooperative Agrmt Funding	Loan Payments EPFP	Water Rights/ D3 Permit Fee	Total Managed Revenues
2014-15 ^{(3),(4)}	\$ 5,389,631	\$ 2,272,353	\$ 196,958	\$ 3,637,828	\$ 363,321	\$ -	\$ -	\$ 41,300	\$ 11,901,392
2015-16	\$ 5,556,673	\$ 977,048	\$ 196,958	\$ 705,205	\$ 661,728	\$ -	\$ -	\$ 41,300	\$ 8,138,913
2016-17	\$ 4,415,707	\$ 1,129,078	\$ 309,051	\$ 1,542,476	\$ 381,178	\$ -	\$ 406,011	\$ 46,897	\$ 8,230,397
2017-18	\$ 2,587,215	\$ 1,728,642	\$ 309,051	\$ -	\$ 710,361	\$ -	\$ 463,450	\$ 48,991	\$ 5,847,710
2018-19 ⁽⁵⁾	\$ 4,197,066	\$ 3,189,982	\$ 309,051	\$ 1,886,408	\$ 629,521	\$ -	\$ 463,450	\$ 52,162	\$ 10,727,640
2019-20 ^{(6),(7)}	\$ 4,624,002	\$ 2,312,529	\$ 309,051	\$ 1,461,452	\$ 681,523	\$ -	\$ 463,450	\$ 60,900	\$ 9,912,907
2020-21	\$ 4,808,442	\$ 1,788,246	\$ 309,051	\$ 180,754	\$ 356,078	\$ -	\$ 463,450	\$ 64,423	\$ 7,970,444
2021-22	\$ 4,421,917	\$ 1,770,763	\$ 309,051	\$ 15,763	\$ 272,830	\$ -	\$ 38,621	\$ 70,715	\$ 6,899,660
2022-23 ⁽⁸⁾	\$ 5,163,734	\$ 2,231,608	\$ 309,051	\$ 3,000,000	\$ 374,016	\$ -	\$ -	\$ 91,181	\$ 11,169,590
2023-24 ^{(9),(10)}	\$ 4,928,983	\$ 2,200,000	\$ 309,051	\$ 1,101,563	\$ 387,242	\$ 550,000	\$ -	\$ 95,620	\$ 9,572,459

Notes:

(1) COMB has been granted the authority, by various agreements, for administering the provisions, collection and payment of certain pass-thru revenues including the USBR Entitlement Obligation (USBR Water Rates), the Bradbury and Lauro Safety of Dams (SOD) Repayment Obligations, and the State Water Resource Control Board Water Rights Fee. These pass-thru revenues are not reflected in COMB's audited financial statements.

(2) WATF/RF/BF = Warrant Act Trust Fund / Renewal Fund / Betterment Fund.

(3) FY 2014-15 Operating Assessments includes \$1.8M paid by the City of Santa Barbara to fund its proportionate share of the Emergency Pumping Facilities Project. The remaining South Coast Member Agencies elected to finance their obligation through two notes payable agreements with American Riviera Bank.

(4) FY 2014-15 Grant Revenue includes funding related to Emergency Pumping Facilities Project from various sources: IRWMP, DWR, SWRCB and USBR.

(5) FY 2018-19 USBR Water Rates include (1) an installment payment for Extraordinary O&M Costs (\$420K) related to the replacement of the 30" cone valves on Bradbury Dam (Total Cost - \$1.2M) amortized over a 3-year period, and (2) approximately \$860k of the FY 2015-17 USBR Deficits paid in-full by three Cachuma Project Member Units. The remaining Member Units elected to pay their obligation over a 5-year period.

(6) FY 2019-20 USBR Water Rates include (1) 2nd installment payment for Extraordinary O&M Costs (\$420K) - see Footnote 6, and (2) approximately \$200k of the FY 2015-17 USBR Deficits due from two Cachuma Project Member Units which elected to pay their obligation over a 5-year period.

(7) FY 2019-20 Grant Revenue includes funding related to Sycamore Canyon Slope Stabilization FEMA Assistance (\$450k) and California Department of Fish and Wildlife grant funds affiliated with Quiota Creek Project (\$1.01M).

(8) FY 2022-23 Grant Revenue includes funding from the Department of Water Resources Urban and Multi Benefit Drought Relief Program (\$2.25M) and US Bureau of Reclamation WaterSMART Drought Response Program (\$750k). Both grants will be applied to the Lake Cachuma Secured Pipeline project.

(9) COMB entered into a Cooperative Funding Agreement (\$550,000) with Carpinteria Valley Water District (CVWD) to repair and rehabilitate aging infrastructure in the lower reach section of the South Coast Conduit and the CVWD distribution system.

(10) FY 2023-24 Grant Revenue includes projected FEMA/CalOES assistance related to FEMA DR-4683-CA 2023 Winter Storm.

COMB OPERATING BUDGET

COMB operates under an annual operating budget, which is adopted by the Board of Directors in accordance with established short and long-term financial plans. The COMB Operating budget reflects projected operating expenses for the COMB Operations Division, the Fisheries Division and General and Administrative expenses.

The budget may be amended throughout the year by Board action. The Board considers the request of staff at a public meeting and approves or rejects such requests by motion and majority vote of the Board.

Annual budget revenues are funded by quarterly assessments of COMB Member Agencies and are based on the Member Agencies' proportionate Cachuma Project entitlement percentages. Included in the budget is the cost of personnel and administration, operation and maintenance, fisheries related work and infrastructure improvement projects related to the Cachuma Project storage and conveyance facilities. These facilities include the Tecolote Tunnel, the South Coast Conduit (SCC), and four regulating dams and reservoirs (Glen Annie, Lauro, Ortega and Carpinteria). During the fiscal year 2021-22, COMB conducted and/or completed several special studies and projects using revenue provided by these assessments. These projects included storage of key components of the Emergency Pumping Facility, improvements to the South Coast Conduit, and rehabilitation and betterment of control stations, valves and structures.

Table 3.3
COMB Operating Budget Allocation Percentages

Member Unit	COMB Operating Budget Allocation %
Goleta Water District	40.42 %
City of Santa Barbara	35.89 %
Carpinteria Valley WD	12.20 %
Montecito Water District	11.50 %
Total	100.00%

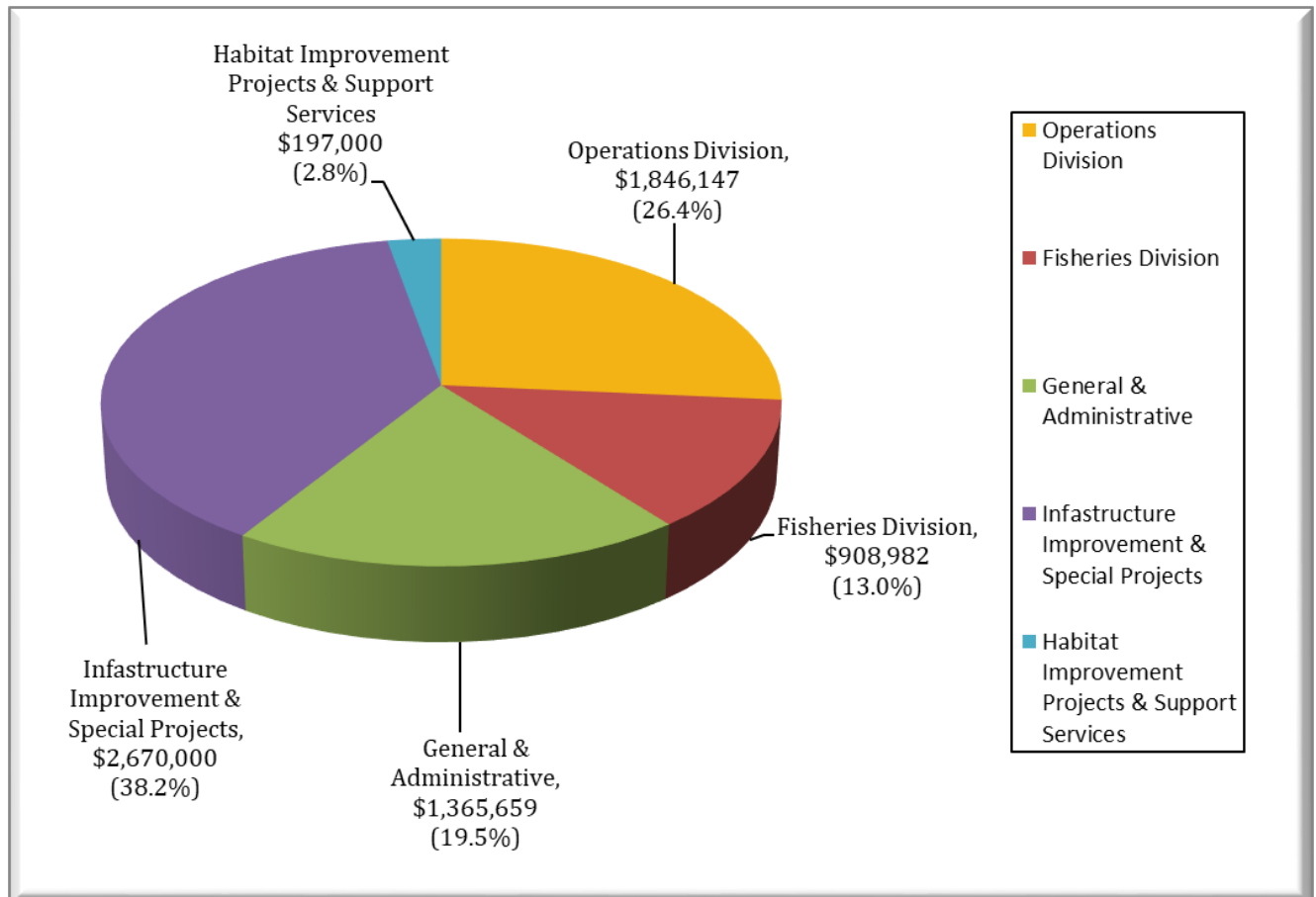
In 2016, the Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1) notified the COMB Board of its stated intent to withdraw from the COMB Joint Powers Agreement. A Separation Agreement was entered into by ID No. 1, COMB, and the remaining COMB Member Agencies and was approved by all parties effective August 28, 2018.

Pursuant to the terms and conditions of the Separation Agreement, ID No. 1 is no longer a Member Agency of COMB and has departed from the COMB JPA Agreement as of May 27, 2016. ID No. 1 continues to be a member of the Cachuma Project, which carries certain benefits and obligations associated with the Project and specific COMB activities as outlined in the Separation Agreement. Payments received from ID No. 1 for certain COMB BiOp and Oak Tree related expenditures, previously assessed to the current COMB Member Agencies, are returned to the COMB Member Agencies upon collection.

COMB OPERATING BUDGET (CONTINUED)

The COMB Gross Operating Budget, not including pass-thru expenditures, for FY 2023-24 is \$6,987,788 and is further broken down by major category as depicted in Figure 3.2.

Figure 3.2 – FY 2023-24 Operating Budget by Division



The primary budgetary objective is to provide the highest possible level of service to the Cachuma Project Members. Continual efforts are made to improve productivity, lower costs, and enhance services. COMB staff evaluates and selects current year infrastructure improvements and special projects based on the following criteria: water supply reliability, risk, critical need, safety, and service disruption. Projects may vary by year depending on external and uncontrolled factors such as ongoing drought conditions, lake elevation and natural disasters (i.e., fire, significant rain events, debris flow, etc.).

The COMB gross budget history for the previous ten fiscal years is outlined in Table 3.4 on the following page.

Table 3.4 – Previous Ten Fiscal Years’ Gross Operating Budget History

Fiscal Year	Operations Division O&M	Fisheries Division O&M	General and Admin	Infrastructure Improvement & Special Projects	Habitat Improvement Projects & Support	Total
2013-14	\$1,032,947	\$635,559	\$1,205,754	\$481,270	\$1,088,000	\$4,443,530
2014-15	\$1,059,736	\$634,641	\$1,315,450	\$5,454,000	\$ 447,000	\$8,910,827
2015-16	\$1,100,197	\$632,994	\$1,234,251	\$3,689,250	\$2,132,000	\$8,788,693
2016-17	\$1,097,375	\$691,118	\$1,082,056	\$2,561,250	\$2,283,000	\$7,714,799
2017-18	\$1,062,108	\$753,374	\$1,139,848	\$1,020,000	\$1,343,000	\$5,318,330
2018-19	\$1,101,747	\$763,409	\$1,196,679	\$1,842,983	\$2,349,996	\$7,254,814
2019-20	\$1,227,664	\$800,751	\$1,227,664	\$2,045,327	\$1,390,000	\$6,766,977
2020-21	\$1,339,141	\$810,413	\$1,199,967	\$1,630,000	\$185,000	\$5,164,520
2021-22	\$1,402,187	\$867,558	\$1,237,439	\$1,600,050	\$185,000	\$5,292,234
2022-23	\$1,561,326	\$934,164	\$1,288,054	\$6,050,000	\$185,000	\$10,018,544

Unexpended funds are identified through the audit process and returned to the Member Agencies using one of four methods. These methods include: 1) the issuance of checks made payable to each Member Agency; 2) constructively returning the unexpended funds by reducing the Member Agency’s quarterly assessments; 3) carrying forward unexpended funds for work in process; and/or 4) reducing the projected operating budget for the following fiscal year. The Board of Directors shall take action annually to approve the methodology for return once unexpended funds are identified.

USBR WATER RATES

Through Resolution No. 224 and the Water Rates Agreement, COMB is responsible for administering provisions of the Water Rates Agreement for the Cachuma Project. This includes calculating and distributing bills and assessments for water, administering payments from the Cachuma Member Units to the United States pursuant to the provisions of the Master Contract, the Cachuma Member Unit water supply contracts with Santa Barbara County Water Agency and the water rates agreement. COMB is required to make payment directly to the United States to satisfy those agreements.



The water rates are developed annually by the rate-setting branch of Reclamation (Regional Office) located in Sacramento and are based on projected Operating and Maintenance (O&M) costs for the upcoming water year. The South-Central California (Fresno) Area Office is responsible for providing the Regional Office estimated budgets and projected O&M costs pertaining to the Cachuma Project for formulation of the water rates. The total projected amount for FY 2023-24 is \$2.2M.

USBR WATER RATE DEFICITS

USBR Water Rate Deficits occur due to a deficiency in revenues (USBR projected budget) compared to actual operational and any extraordinary costs for a particular fiscal year.

Reclamation reported a deficit total of \$426,864 for FY 2015, a deficit total of \$1,003,523 for FY 2016, and a deficit total of \$302,053 for FY 2017. Three Cachuma Project Member Units elected to pay their deficit obligation in full during FY 2018-19. The remaining two Cachuma Project Member Units elected to pay their obligation over a five-year period.

Reclamation reported a surplus for FY 2021 of \$5,845. Reclamation applied this surplus first against any prior year deficit repayments that were made during Water Year 2021 in accordance with Reclamation policy. For those Cachuma Project Member Units that paid their prior year deficit balances in full, their respective pro-rata adjustment was added to their 1st period obligation for WY 2022-23.

The FY 2022 surplus/deficit, when finalized, will be reported with the WY 2023-24 Water Rate calculations.

GRANT FUNDING / FINANCIAL ASSISTANCE

COMB has developed a grant program by utilizing a team of staff members to write proposals, administer grants and carry out grant contracts.

In 2019, the COMB Engineering Division was selected under the US Bureau of Reclamation Drought Resiliency Program for a WaterSMART Drought Resiliency Project grant for \$750,000. In 2022, COMB was also awarded a grant from the Department of Water Resources Urban and Multi Benefit Drought Relief Program for \$2,250,000. Funds from both of these grants were applied towards the Lake Cachuma Secured Pipeline Project during FY 2022-23.

In 2021, COMB entered into a Cooperative Agreement with Carpinteria Valley Water District (CVWD) proposing a collaborative work effort between CVWD and COMB to repair and rehabilitate aging infrastructure in the lower reach section of the South Coast Conduit and the CVWD distribution system. CVWD proposed to financially participate in rehabilitating SCC laterals in collaboration with COMB installing two (2) isolation valves on the SCC. This approach would allow improved isolation and enable longer shutdowns to repair and maintain the system in the future or during an emergency. Phase 2 of this project is scheduled to be completed in FY 2023-24.

In July 2022, Congressman Salud Carbajal announced that his office had secured \$500,000 in Congressionally Directed Spending (CDS) under the U.S. Environmental Protection Agency grant program. The congressional appropriations bill was signed into law by President Biden in December 2022. Funds from this program will be applied to the Lake Cachuma Emergency Pumping Facility Project.

GRANT FUNDING / FINANCIAL ASSISTANCE

In December 2022, COMB was awarded \$1,000,000 under the Department of Water Resources, Proposition 1 Implementation Grant Program – Round 2, Cycle 1 through its participation in the Santa Barbara County Regional Water Management (IRWM) Program. Projects proposed by IRWM support the goals and target of the adopted IRWM and achieve many of the region’s resource management strategies. Funds from this grant will be applied to the Lake Cachuma Emergency Pumping Facility Project.

The January 2023 storm events and subsequent debris flows have caused damage to South Coast Conduit appurtenant structures and facilities. Shortly thereafter, President Joseph R. Biden, Jr. declared that an emergency exists in the State of California and ordered Federal assistance to supplement State, tribal, and local response efforts. COMB has initiated the application process and is working closely with FEMA/CalOES for federal disaster relief funding for damages that resulted from the event.

WARREN ACT TRUST FUND / RENEWAL FUND

The Warren Act Trust Fund is a requirement of the Cachuma Project Warren Act Contract negotiated between the Central Coast Water Authority (CCWA) and the Bureau of Reclamation for delivery and transport of State Water Project water through the Cachuma Project facilities. A 1995 memorandum of understanding executed in conjunction with the Warren Act Contract established a charge of \$43 per acre-foot (AF) (\$58 initially with a \$15 service charge by Reclamation), which is not indexed. Payments are required upon delivery of State Water Project (SWP) water to Cachuma Reservoir. CCWA makes quarterly payments to COMB based on the prior quarter’s water deliveries to the lake.

The Renewal Fund is a requirement of the 1995 Renewal Master Contract (Contract No. I75r-1802R between the United States and Santa Barbara County Water Agency) entered into for water conveyance from the Cachuma Project to the five Cachuma Project Member Units. The Member Units are the Carpinteria Valley Water District, the Goleta Water District, the Montecito Water District, the City of Santa Barbara, and the Santa Ynez River Water Conservation District, Improvement District No. 1 (ID No. 1). Subject to the limitations of sub article 27(e), the Cachuma Project Member Units shall deposit into the Renewal Fund an amount which, when added to any monies already in the Renewal Fund, are sufficient to pay for activities which are to be undertaken pursuant to the Annual Work Plan for the that Water Year.

For calendar year 2022, total SWP deliveries into the lake were 4,902 AF, which converts to \$210,786 of Warren Act Trust Fund revenue available for FY 2023-24. The preliminary amount to be deposited into the Renewal Fund by the Cachuma Member Units, subject to sub article 27 (e), is projected to be \$76,456.

WARREN ACT TRUST FUND / RENEWAL FUND (CONTINUED)*Warren Act Trust Fund / Renewal Fund Annual Meeting*

The annual meeting of the Cachuma Project Warren Act Trust Fund / Renewal Fund (Funds Committee) occurs in the summer of each year. At the annual meeting, the Funds Committee reviews the Annual and Long-Term Plan prepared as outlined in the Master Renewal Contract document. The participating Committee members discuss and subsequently vote how to apply the Warren Act Trust Fund / Renewal Fund monies for program expenditures and activities in the upcoming fiscal year.

BRADBURY DAM / LAURO DAM SAFETY OF DAMS (SOD) ACT REPAYMENT CONTRACTS

Under the terms and conditions of a repayment contract executed in 2002, COMB is responsible for payment to the United States for fifteen percent (15%) of the total amount of Safety of Dams (SOD) Act funds expended by the United States for structural stability and related work at Bradbury Dam and Lauro Dam.



Bradbury Dam



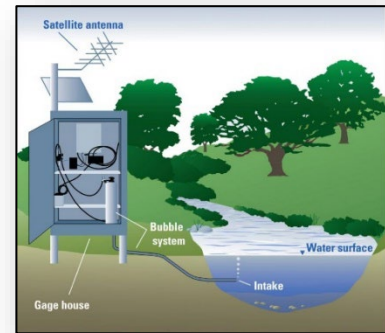
Lauro Dam

Bradbury Dam: The fifteen percent obligation under the Bradbury SOD contract is \$7,605,739 and is to be repaid by annual payments over a 50-year period. COMB's payment obligation for FY 2023-24 is \$261,647 with assessments collected from the Cachuma Project Member Units in accordance with each Member's Cachuma Project entitlement percentages.

Lauro Dam: The fifteen percent obligation under the Lauro SOD contract is \$1,009,737 and is to be repaid by annual payments over a 50-year period. COMB's payment obligation for FY 2023-24 is \$47,404 and assessments are collected from the COMB Member Agencies in accordance with each Member Agency's pro-rata Cachuma Project entitlement percentages.

BETTERMENT FUND

Article 8 (b) of the Cachuma Project Member Unit contracts with Santa Barbara County Water Agency requires the County Water Agency to provide \$100,000 annually for beneficial purposes consistent with the Water Agency Act and within the Santa Ynez River watershed or the Cachuma Project service area. All decisions relating to the expenditure of such funds must be agreed to by both the County Water Agency and the Cachuma Member Agency Representative, acting by unanimous vote. Consistent with past years, COMB will receive \$100,000 to be used for the Santa Ynez River stream gauge program.



Stream Gauge Station

WATER RIGHTS FEE

Effective January 1, 2004, the Water Code was amended to authorize and require the State Water Board to adopt emergency regulations establishing and revising water rights and water quality certification fees, which are to be deposited in the Water Rights Fund in the State Treasury. Since then, the State Water Board has charged annual water rights fees. The Water Code authorizes the State Water Board to revise the fee schedule each fiscal year as necessary to conform to the revenue levels set forth in the annual Budget Act.

COMB is responsible for the assessment and payment of the water rights fee on behalf of the Cachuma Project Members. Assessments are made according to the Cachuma Project entitlement percentages with all five Member Units being responsible for the Santa Ynez River Permit fees and the four South Coast Member Units being responsible for the Lauro Creek and W. Glen Anne Creek fees. The projected cost for FY 2023-24 is \$75,620.

DRINKING WATER PROGRAM FEE

The South Coast Conduit is divided into two sections: Goleta and Carpinteria. The South Coast Conduit – Goleta Section (SCC – GS) starts at the South Portal of the Tecolote Tunnel and ends at Lauro Reservoir, conveying raw water from Lake Cachuma to Lauro Reservoir. The South Coast Conduit – Carpinteria Section (SCC-CS) starts at Cater Water Treatment Plant and ends at Carpinteria Reservoir, conveying treated water.

Effective February 2022, the SCC-CS became permitted as a D3 wholesaler by the State of California Division of Drinking Water. Costs for this fee are shared by the City of Santa Barbara, Carpinteria Valley Water District and Montecito Water District. The projected cost for FY 2023-24 is \$20,000.

POTENTIAL REVENUE OPPORTUNITIES

Integrated Regional Water Management Program (IRWMP)

Beginning in September 2006, the Santa Barbara County Water Agency has worked with a County-wide group of approximately 29 cooperating partners including cities, special districts, water companies, joint powers authorities, and Non-Governmental Organizations (NGOs) to develop the first Integrated Regional Water Management (“IRWM”) Plan (completed in May 2007). The plan was recently updated in 2019 in response to DWR’s 2016 IRWM Guidelines.



The Water Agency acts as the single eligible grant recipient responsible for administration of the IRWM Grants. In accordance with the Memorandum of Understanding (MOU) and sub-grant agreements between the Water Agency and project proponents, the Water Agency functions as a pass-through agency between the State and proponents. The Water Agency is responsible for organizing and forwarding the required project reporting information and claims to the State on behalf of each project proponent. Project proponents are then reimbursed once funding is received from the State.

On November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. The Proposition 1 Integrated Regional Water Management Grant Program, administered by Department of Water Resources (“DWR”), provides funding for projects that:

- Help water infrastructure systems adapt to climate change,
- Provide regional water self-reliance and water supply reliability, and
- Provide incentives for collaboration to manage water resources and set regional priorities for water infrastructure.

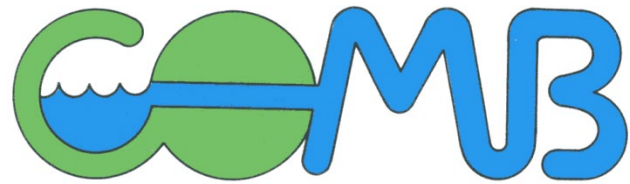
Proposition 1 authorized the statewide appropriation of \$510 million in IRWM funding for Implementation, Planning, and Disadvantaged Community Involvement efforts. Six (6) regions within the Central Coast Funding Area (“CCFA”) have been allocated a total of \$43 million over the expected appropriation rounds, including Santa Barbara County.

In December 2022, COMB was awarded \$1,000,000 under Round 2 of IRWM Proposition 1 grant program. Funds from this grant will be applied to the Lake Cachuma Emergency Pumping Facility Project.

Other Revenue Sources

COMB staff is actively engaged to identify other sources of funding opportunities to lessen the financial burden on COMB’s Member Agencies. Other revenue sources include grant funding and low interest debt financing.

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SECTION IV – COMB OPERATING BUDGET

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COMB OPERATING BUDGET HIGHLIGHTS

The Operating Budget reflects projected operating expenses for the COMB Operations Division, the Fisheries Division as well as the General and Administrative expenses for FY 2023-24. These projected expenditures have been refined through development of divisional annual work plans. The Board adopted a Five Year (2021-2025) Infrastructure Improvement Plan and required implementation activities associated with the 2000 Biological Opinion.

Development of the budget was based on a zero-based budgeting methodology. Unlike traditional incremental budgeting, this methodology employs a detailed examination of expenditures wherein only the necessary budget amount for each line item is presented for discussion. This approach addresses the most fundamental and prioritized service needs and represents the minimum level of funding needed for effective operations.

As reflected in Table 4.1, the COMB Gross Operating Budget for FY 2023-24, excluding offsetting revenues, is \$7.0M as compared to the FY 2022-23 Operating Budget of \$10.0M, which reflects a decrease of \$3.0M (30.3%).

The net change from the previous fiscal year is described by the following items:

- An increase in total Salaries and Benefits of \$229.7K (8.3%) which includes staffing of fifteen fulltime and two fulltime equivalent (FTE) seasonal employees, a 7.44% COLA adjustment and salary step increases.
- An increase in total Operations and Maintenance expenses of 91.0K (14.7%) which is attributed to an increase in contract labor (\$30k), permit fees (\$30k), materials and supplies (\$16k) and vehicles and equipment (\$15k).
- An increase in General and Administrative Expenses, excluding administrative salaries of \$16.6K (4.3%) which is attributed to an increase in general liability insurance costs as well as a slight increase in membership dues, administrative fixed assets and travel.
- A decrease in the Operations Division Infrastructure Improvement Projects and Special Projects of \$3.4M (54.0%) which is attributed to the completion of the Lake Cachuma Secured Pipeline Project during FY 2022-23.

The COMB Net Operating Budget, including offsetting revenues for FY 2023-24, is \$4.9M and is compared to FY 2022-23 of \$6.1M, which is a decrease of \$1.2M (19.3%).

COMB OPERATING BUDGET HIGHLIGHTS (CONTINUED)**Table 4.1- COMB Operating Budget: Consolidated Overview**

COMB OPERATING BUDGET				
SALARIES & BENEFITS	FY 2022-23	FY 2023-24	Change (\$)	Change (%)
Operations Division	\$ 1,090,526	\$ 1,220,347	\$ 129,821	11.9%
Fisheries Division	785,564	824,382	\$ 38,819	4.9%
Administration	905,927	966,952	\$ 61,025	6.7%
TOTAL	\$ 2,782,016	\$ 3,011,681	\$ 229,664	8.3%
OPERATIONS & MAINTENANCE EXPENSES				
Operations Division	\$ 470,800	\$ 625,800	\$ 155,000	32.9%
Fisheries Division	148,600	84,600	\$ (64,000)	-43.1%
TOTAL	\$ 619,400	\$ 710,400	\$ 91,000	14.7%
GENERAL & ADMINISTRATIVE EXPENSES				
Operation Division	\$ 258,702	\$ 267,527	\$ 8,824	3.4%
Fisheries Division	123,426	131,181	\$ 7,755	6.3%
TOTAL	\$ 382,128	\$ 398,707	\$ 16,579	4.3%
Total Operating Budget	\$ 3,783,544	\$ 4,120,788	\$ 337,244	8.9%
INFRASTRUCTURE IMPROVEMENT, HABITAT IMPROVEMENT & SPECIAL PROJECTS				
Operations Division				
Infrastructure Improvement Projects	\$ 5,890,000	\$ 1,300,000	\$ (4,590,000)	-77.9%
Special Projects	160,000	1,370,000	\$ 1,210,000	756.3%
TOTAL	6,050,000	2,670,000	\$ (3,380,000)	-55.9%
Fisheries Division				
Habitat Improvement Projects	\$ 28,000	\$ 25,000	\$ (3,000)	-10.7%
Program Support Services	\$ 157,000	\$ 172,000	\$ 15,000	9.6%
TOTAL	185,000	197,000	\$ 12,000	6.5%
TOTAL GROSS OPERATING BUDGET	\$ 10,018,544	\$ 6,987,788	\$ (3,030,756)	-30.3%
Projected Offsetting Revenues	\$ (3,914,016)	\$ (2,058,805)		
TOTAL NET OPERATING BUDGET	\$ 6,104,528	\$ 4,928,983	\$ (1,175,545)	-19.3%

COMB OPERATING BUDGET HIGHLIGHTS (CONTINUED)

COMB expenditures are comprised of costs associated with personnel, operations and maintenance, general and administrative, and infrastructure and habitat improvement projects.

Staff assignments and project implementation are reviewed by the General Manager and the Division Managers to control costs and to provide the highest possible level of service to the COMB Member Agencies. Projects may vary by year depending on financial and operational constraints. Additionally, external and uncontrolled factors such as ongoing drought conditions, lake elevation and natural disasters (i.e., fire, significant rain events, debris flow, etc.) can have an impact on project implementation.

PERSONNEL

Recruitment, professional development, and employee retention are considered key factors by COMB to achieve its short and long-term goals and objectives. The General Manager is responsible for hiring and overseeing a staff of fifteen full time employees including three division managers, certified distribution operators, senior biology staff, program analyst and administrative personnel, as outlined in Table 4.2 – Personnel Count Summary.

Table 4.2 – Personnel Count Summary

Position	FTE Count FY 2021-22	FTE Count FY 2022-23	FTE Count FY 2023-24	Change Over FY 2021-22	Change Over FY 2022-23
General Manager	1	1	1	0	0
Administrative Mgr./CFO	1	1	1	0	0
Operations Division Manager	1	1	1	0	0
Chief Distribution Operator	0	1	1	1	0
Operations Supervisor	1	0	0	(1)	0
Water Service Worker	4	4	4	0	0
Fisheries Division Manager	1	1	1	0	0
Senior Biologist	2	2	2	0	0
Biologist Aide	1	1	1	0	0
Program Analyst	1	1	1	0	0
Administrative Assistant	2	2	2	0	0
Total	15	15	15	0	0

There are no projected staffing changes for FY 2023-24.

COMB OPERATING BUDGET HIGHLIGHTS (CONTINUED)**Salaries and Benefits**

As reflected in Table 5.3, total projected salaries and benefits for FY 2023-24 is \$3.0M, which reflects an increase of \$229.7K (8.3%) as compared to FY 2022-23. The budget reflects current salaries and benefits package for all employees including the General Manager's position.

The budget includes a 7.44% COLA increase for all employees, excluding the General Manager, per the historical annual calculation that is based on the February Consumer Price Index (CPI) data each year. The calculation is obtained by averaging the prior thirteen months indexes for all urban consumers and comparing that average to the previous year averaged data. The U.S. City and the Los Angeles-Riverside data is averaged together to obtain the percentage COLA for the period.

Health insurance costs for active employees are projected to increase between 2-10% in January 2024 based on preliminary projections from ACWA/JPIA.

COMB participates in the California Public Employees' Retirement System. On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. PEPRA limited pension benefits offered to new employees and increased the cost sharing between new employees and public employers. All employees hired after January 2013 who are not classified as "classic" members contribute 7.75% of the CalPERS retirement premium which represents a 1.0% increase from FY 2022-23.

Starting July 1, 2017, all employees hired before July 1, 2017 (and who are "Classic" employees as defined by CalPERS) began contributing toward their employee member contribution under a five-year phased-in method. For fiscal year 2022-23, the classic member contribution rate is set at 7.0%. Additionally, the CALPERS line item reflects an increase in the annual Unfunded Liability obligation as factored under the CALPERS 30-year amortization policy and pursuant to the Public Employee Pension Reform Act of 2013. A copy of the most recent CalPERS valuation report can be found at <https://www.calpers.ca.gov/page/employers/actuarial-resources/public-agency-actuarial-valuation-reports>.

Table 4.3 provides a breakdown of the individual components of the projected Personnel costs for FY 2023-24 as compared to FY 2022-23 and FY 2021-22.

COMB OPERATING BUDGET HIGHLIGHTS (CONTINUED)

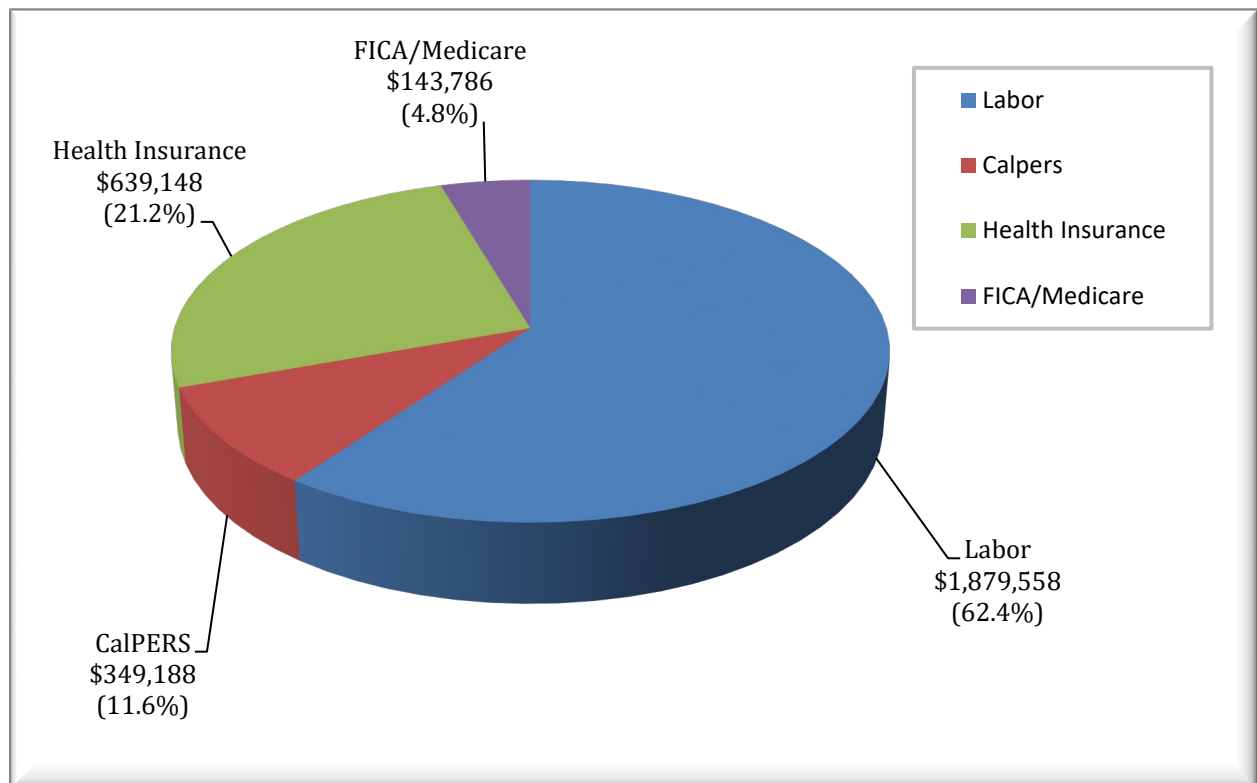
Table 4.3 – FY 2022-23 Budgeted Personnel Costs

Category	Actual FY 2021-22	Budget FY 2022-23	Estimated Actual FY 2022-23	Budget FY 2023-24	Variance Analysis (*)	
					\$ Higher / (Lower)	% Higher / (Lower)
Labor	\$1,491,479	\$1,701,466	\$1,511,169	\$1,879,558	\$178,092	10.5%
CalPERS	282,206	325,754	308,022	349,188	23,434	7.2%
Health Ins / WC	436,993	624,634	462,089	639,148	14,514	2.3%
FICA/Medicare	112,999	130,162	110,201	143,786	13,624	10.5%
Total	\$2,323,676	\$2,782,016	\$2,391,481	\$3,011,681	\$229,664	8.3%

(*) Compares FY 2023-24 Budget to FY 2022-23 Budget.

Figure 4.1 provides a breakdown of the individual components of the projected Personnel costs for FY 2023-24.

Figure 4.1 – FY 2022-23 Personnel Costs by Category

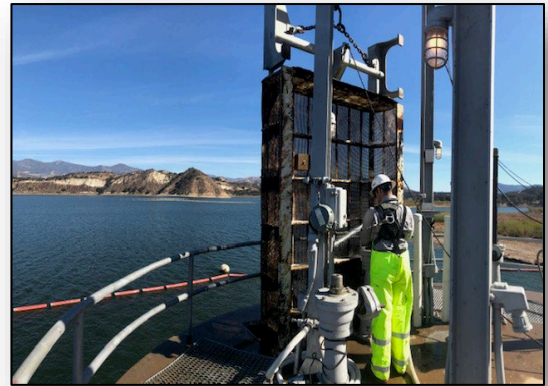


COMB OPERATING BUDGET HIGHLIGHTS (CONTINUED)**Operations and Maintenance Expenses**

COMB Operations are comprised of two divisions: Operations and Fisheries.

Operations Division

COMB's Operations Division is responsible for diversion of water from Lake Cachuma located in the Santa Ynez Valley to the South Coast of Santa Barbara County through the Tecolote Tunnel. In addition, the Operations Division responsibilities include operation and maintenance of the 26-mile South Coast Conduit conveyance pipeline, flow control valves, meters, instrumentation at control stations, turnouts and appurtenant structures along the South Coast Conduit and at four regulating reservoirs.



COMB coordinates closely with the Bureau of Reclamation and Member Agency staff to ensure that water supplies meet daily demands.

Fisheries Division

COMB's Fisheries Division is responsible for implementation of the 2000 Biological Opinion and Fish Management Plan related to the Cachuma Project on the Santa Ynez River in Santa Barbara, California. These activities include ongoing scientific studies along the river, monitoring and recording changing conditions, and implementation of fish passage improvements as outlined in the 2000 Biological Opinion. The National Marine Fisheries Services (NMFS) is the agency that oversees protection of Southern California steelhead (*Oncorhynchus mykiss*).



Operation and Maintenance expenditures required to support the divisions include Vehicles and Equipment, Contract Labor, Materials and Supplies and Other Expenses. Projects and staff assignments are reviewed by the General Manager to control costs in this category. Table 4.4 includes a brief description of expenditures for each O&M category.

OPERATIONS AND MAINTENANCE (CONTINUED)**Table 4.4 – Operation and Maintenance Expenditures Descriptions**

Category	Operations	Fisheries
Vehicles and Equipment	Includes funds for the purchase of fixed capital, equipment rental, vehicle and equipment maintenance, and fuel costs.	Includes funds for the purchase of fixed capital, equipment rental, vehicle and equipment maintenance, and fuel costs.
Contract Labor	Contains funds for outside services and labor that cannot be supported by COMB staff, which may include water quality sampling, elevator repair, tree trimming and removal services, heavy equipment and operators' labor costs for various small projects including meter calibration and meter repair.	Contains funds for outside services/labor to support equipment calibration on flow meters, and funds for technical assistance corresponding to the operation, maintenance and performance review of completed fish passage projects.
Materials and Supplies	Covers costs related to the operation and maintenance of the conduit, reservoirs, and outlying buildings and roads.	Includes costs for the purchase of items needed for the Fisheries Monitoring Program specifically monitoring for migration, spawning and over-summering such as constructing and repairing fish migration traps and the equipment necessary to conduct snorkel and redds surveys.
Other Expenses	Includes utilities, uniforms, hazardous waste disposal, communications (phones at facilities, and cell phones for operations and maintenance), Underground Service Alerts, and employee training and certifications.	Includes funds to pay for uniforms and personal protective gear for the fisheries division employees.

OPERATIONS AND MAINTENANCE (CONTINUED)

Operation and Maintenance expenditures in FY 2023-24 are projected to total \$710.4K, a 14.7% increase as compared to FY 2022-23.

Table 4.5 – FY 2023-24 Operation and Maintenance Costs - Consolidated

Category	Actual FY 2021-22	Budget FY 2022-23	Estimated Actual FY 2022-23	Budget FY 2023-24	Variance Analysis (*)	
					\$ Higher / (Lower)	% Higher / (Lower)
Vehicles & Equip	\$187,426	\$327,500	\$299,472	\$342,500	\$15,000	4.6%
Contract Labor	154,560	144,100	125,427	174,100	30,000	20.8%
Materials & Supplies	92,420	92,000	89,390	108,000	16,000	17.4%
Other Expenses	48,705	55,800	58,100	85,800	30,000	53.8%
Total	\$483,110	\$619,400	\$572,388	\$710,400	\$91,000	14.7%

(*) Compares FY 2023-24 Budget to FY 2022-23 Budget.

(**) Includes both Operations and Fisheries Division.

GENERAL AND ADMINISTRATIVE

General and Administrative expenses include costs for support of all administrative functions of COMB such as: Director fees, legal expenditures, general liability and property insurance, audit fees, utilities, IT and communications, postage and office supplies, training, education and subscriptions and miscellaneous expenses.

Costs are generally allocated between Operations and Maintenance (65%) and Fisheries Division (35%).

General and Administrative expenditures, excluding administrative labor and benefits, in FY 2023-24 are projected to total \$398.7K, a 4.3% increase as compared to FY 2022-23.

The budget reflects an increase in expenses of \$16.6K related to an increase in general liability insurance costs as well as a slight increase in membership dues, administrative fixed assets and travel.

Table 4.6 provides a breakdown of the individual components of the projected General and Administrative costs for FY 2023-24 as compared to FY 2022-23 and FY 2021-22.



GENERAL AND ADMINISTRATIVE (CONTINUED)

Table 4.6 – FY 2022-23 General and Administrative Costs (**)

Category	Actual FY 2021-22	Budget FY 2022-23	Estimated Actual FY 2022-23	Budget FY 2023-24	Variance Analysis (*)	
					\$ Higher / (Lower)	% Higher / (Lower)
Director Fees	\$12,884	\$20,000	\$9,137	\$20,000	\$-	0.0%
Audit	23,658	35,000	22,730	35,000	-	0.0%
Legal	59,133	100,000	75,520	100,000	-	0.0%
Unemployment Insurance	-	5,000	-	5,000	-	0.0%
General Liability Insurance	35,792	51,071	58,495	61,400	10,330	20.2%
Postage/Office Supplies	11,120	10,000	9,861	10,000	-	0.0%
Office Equip/Leases	12,327	21,972	10,718	21,972	-	0.0%
Misc. Admin Expense	21,393	21,500	20,384	18,500	(3,000)	-14.0%
Communications	15,257	13,955	13,009	13,955	-	0.0%
Utilities	13,085	14,980	11,767	14,980	-	0.0%
Membership Dues	17,698	18,650	17,158	18,900	250	1.3%
Admin Fixed Assets	8,572	11,000	9,826	17,000	6,000	54.5%
Computer Consultant	44,132	40,000	27,594	40,000	-	0.0%
Employee Education	415	4,500	429	4,500	-	0.0%
Travel	-	4,500	9,810	7,500	3,000	66.7%
Public Info	3,873	5,000	3,086	5,000	-	0.0%
IRWM	3,143	5,000	5,000	5,000	-	0.0%
Total	\$282,481	\$382,128	\$304,523	\$398,707	\$16,580	4.3%

(*) Compares FY 2023-24 Budget to FY 2022-23 Budget.

(**) Excludes labor



Cachuma Operation and Maintenance Board Meeting Room

INFRASTRUCTURE IMPROVEMENT PROJECTS

Infrastructure planning and investment is critical to the ongoing reliability of the Cachuma Project, its facilities and its distribution system. COMB staff evaluates and selects current year infrastructure improvements and special projects based on the following criteria: water supply reliability, risk, critical need, safety, service disruption and the betterment of the Cachuma Project. Tables 4.7 and 4.8 below are the projects identified for implementation during fiscal year 2022-23. Detailed descriptions of each project can be found on [pages 66-71](#).

Table 4.7 – FY 2023-24 Infrastructure Improvement Projects

Project Name	Fiscal Year 2023-24
SCC Lower Reach Isolation Valve	\$550,000
SCC Lower Reach Lateral Structures	\$550,000
SCC Structure Rehabilitation	\$200,000

Table 4.8 – FY 2023-24 Operations Division Special Projects

Project Name	Fiscal Year 2023-24
2023 Winter Storm Repairs	\$1,175,000
COMB Building Improvements and Maintenance	\$80,000
Water Quality and Sediment Management – Phase 2	\$50,000
SCADA Improvements and Support	\$35,000
ROW Identification Program	\$20,000
GIS and Mapping	\$10,000

HABITAT IMPROVEMENT PROJECTS

The Fisheries Division is tasked, through Reclamation's operation of the Cachuma Project, with carrying out the fisheries monitoring, data analysis and tributary enhancement projects as described in the National Marine Fisheries Service's (NMFS) 2000 Biological Opinion. A consensus based, long-term fisheries program has been developed that provides protection for steelhead/rainbow trout (*Oncorhynchus mykiss*, *O. mykiss*) downstream of Bradbury Dam. This is done through a combination of long-term monitoring, water releases from Bradbury Dam through the Hilton Creek Watering System, Hilton Creek Emergency Backup System and Outlet Works, passage flows to assist migrating steelhead, improved riparian habitat, and the removal or modification of numerous fish passage barriers to steelhead on tributaries of the Lower Santa Ynez River. Projects identified for implementation during fiscal year 2023-24 are provided in Table 4.9.

HABITAT IMPROVEMENT PROJECTS**Table 4.9 – FY 2023-24 Habitat Improvement Projects**

Project Name	Fiscal Year 2023-24
Cachuma Lake Oak Tree Restoration Program	\$15,000
Tributary Project Improvements	\$10,000

In summary, the COMB Gross Operating Budget for FY 2023-24 is \$7,654,788. COMB staff is actively engaged in identifying other sources of funding opportunities in an effort to lessen the financial burden on COMB's Member Agencies. With projected offsetting revenues of \$2,058,805, the COMB Net Operating Budget for FY 2023-24 totals \$5,595,983.

Table 4.10- COMB Operating Budget Summary

Category	Budget FY 2022-23	Budget FY 2023-24	Variance Analysis (*)	
			\$ Higher / (Lower)	% Higher / (Lower)
Gross Operating Budget	\$10,018,544	\$6,987,788	(\$3,030,756)	(30.3%)
Less: Offsetting Revenue	(\$3,914,016)	(\$2058,805)	(\$1,855,212)	(47.4%)
Net Operating Budget	\$6,104,528	\$4,928,983	(\$1,175,545)	(19.3%)

N/M – Not Meaningful

LIST OF SUPPORTING TABLES:

- 1) Table 4.11 - FY 2023-24 COMB Operating Budget by Division
- 2) Table 4.12 - FY 2023-24 COMB Operating Budget Allocation by Quarter

Table 4.11- COMB Operating Budget: By Division



OPERATIONS DIVISION



Account Number	Account Name	FY 2021-22 Actual	FY 2022-23 Budget	Estimated FY 2022-23 Actual	FY 2023-24 Budget	Variance Analysis (*)	
						\$ Higher / (Lower)	% Change
OPERATION & MAINTENANCE EXPENSES							
SALARIES & BENEFITS							
3100	Labor Operations Staff	\$ 575,855	\$ 686,058	\$ 609,195	\$ 784,243	\$ 98,185	
3155	CalPERS	98,205	117,989	108,814	126,779	8,790	
3150	Health Insurance	115,642	199,692	139,192	210,119	10,426	
3150	Workers Compensation	20,056	34,303	17,768	39,212	4,909	
3160	FICA	45,956	52,483	49,360	59,995	7,511	
TOTAL		\$ 855,714	\$ 1,090,526	\$ 924,330	\$ 1,220,347	\$ 129,821	11.9%
VEHICLES & EQUIPMENT							
3201	Vehicle/Equip Maintenance	\$ 31,391	\$ 40,000	\$ 40,767	\$ 40,000	\$ -	
3202	Fixed Capital	76,753	150,000	117,138	200,000	50,000	
3203	Equipment Rental	363	5,000	10,000	40,000	35,000	
3204	Miscellaneous	2,560	10,000	6,547	10,000	-	
TOTAL		\$ 111,068	\$ 205,000	\$ 174,452	\$ 290,000	\$ 85,000	41.5%
CONTRACT LABOR							
3301	Conduit, Meter, Valves	\$ 13,760	\$ 20,000	\$ 33,160	\$ 35,000	\$ 15,000	
3302	Buildings & Roads	38,203	20,000	19,403	25,000	5,000	
3303	Reservoirs	49,657	60,000	42,942	60,000	-	
3304	Engineering, Misc Services	44,400	30,000	25,000	40,000	10,000	
TOTAL		\$ 146,020	\$ 130,000	\$ 120,506	\$ 160,000	\$ 30,000	23.1%
MATERIALS & SUPPLIES							
3401	Conduit, Meter, Valves	\$ 72,378	\$ 65,000	\$ 64,772	\$ 70,000	\$ 5,000	
3402	Buildings & Roads	11,747	15,000	10,031	20,000	5,000	
3403	Reservoirs	3,195	5,000	6,971	10,000	5,000	
TOTAL		\$ 87,320	\$ 85,000	\$ 81,774	\$ 100,000	\$ 15,000	17.6%
OTHER EXPENSES							
3501	Utilities	\$ 7,143	\$ 7,000	\$ 6,140	\$ 7,000	\$ -	
3502	Uniforms	5,062	5,750	4,345	5,750	-	
3503	Communications	11,413	15,800	10,517	15,800	-	
3504	USA & Other Services	6,697	7,250	6,788	7,250	-	
3505	Miscellaneous	12,231	12,000	9,884	12,000	-	
3506	Training	1,917	3,000	3,132	3,000	-	
3507	Permits	-	-	15,572	25,000	25,000	
TOTAL		\$ 44,463	\$ 50,800	\$ 56,378	\$ 75,800	\$ 25,000	49.2%
TOTAL O & M EXPENSE		\$ 1,244,585	\$ 1,561,326	\$ 1,357,439	\$ 1,846,147	\$ 284,821	18.2%

(*) Compares FY 2023-24 Budget to FY 2022-23 Budget.

Table 4.11 COMB Operating Budget: By Division (Continued)



OPERATIONS DIVISION (CONTINUED)



Account Number	Account Name	FY 2021-22 Actual	Adopted FY 2022-23 Budget	Estimated FY 2022-23 Actual	FY 2023-24 Budget	Variance Analysis (*)	
						\$ Higher / (Lower)	% Change
GENERAL AND ADMINISTRATIVE EXPENSES							
5000	Directors Fees	\$ 8,375	\$ 13,000	\$ 5,939	\$ 13,000	\$ -	
5101	Audit	15,456	22,750	14,775	22,750	-	
5100	Legal	50,612	75,000	70,236	75,000	-	
5150	Unemployment Tax	-	5,000	-	5,000	-	
5200	Liability & Property Insurance	23,265	33,326	38,022	39,400	6,075	
5201	Health and Workers' Compensation	164,761	203,216	166,053	203,327	110	
5250	CalPERS	69,162	78,776	74,500	82,662	3,886	
5339	FICA & Medicare	20,500	24,823	17,914	27,304	2,480	
5300-5307	Administrative Salaries	296,243	324,487	282,633	356,909	32,421	
5310	Office Expense & Postage	6,839	6,000	6,399	6,000	-	
5311	Office Equipment / Leases	7,993	13,440	7,047	13,440	-	
5312	Miscellaneous	15,225	14,000	15,331	11,000	(3,000)	
5313	Communications	9,917	9,500	8,456	9,500	-	
5314	Utilities	8,504	9,737	7,649	9,737	-	
5315	Membership Dues	10,948	11,450	10,828	11,700	250	
5316	Admin Fixed Assets	5,209	8,000	7,989	12,000	4,000	
5318	Computer Consultant	28,685	25,000	17,936	25,000	-	
5325	Employee Education / Training	165	2,000	-	2,000	-	
5330	Admin Travel & Conferences	-	2,000	3,836	3,500	1,500	
5331	Public Information	2,439	3,500	2,006	3,500	-	
TOTAL GENERAL & ADMINISTRATIVE		\$ 744,297	\$ 885,005	\$ 757,547	\$ 932,728	\$ 47,723	5.4%
SPECIAL G & A EXPENSES							
5510	Integrated Regional Water Mgmt Plan	\$ 3,143	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	
TOTAL SPECIAL G & A EXPENSES		\$ 3,143	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.0%
INFRASTRUCTURE IMPROVEMENT PROJECTS (IIP) ⁽¹⁾							
6062	SCADA Upgrade	\$ 65,521	\$ -	\$ -	\$ -	\$ -	
6090	COMB Bldg Replacement	211,601	-	-	-	-	
6096	SCC Structure Rehabilitation	396,722	440,000	446,320	200,000	(240,000)	
6120	Secured Pipeline Project	331,416	4,400,000	4,500,842	-	(4,400,000)	
6136	SCC Isolation Valve Installation	438,855	500,000	46,256	550,000	50,000	
6137	SCC Lower Reach Lateral Structures	-	550,000	-	550,000	-	
TOTAL IIP		\$ 1,444,115	\$ 5,890,000	\$ 4,993,417	\$ 1,300,000	\$ (4,590,000)	-77.9%
SPECIAL PROJECTS							
6110	SCADA Improvements and Support	\$ -	\$ 35,000	\$ -	\$ 35,000	\$ -	
6115	COMB Bldg Improvements and Maint	-	45,000	72,321	80,000	35,000	
6097	GIS and Mapping	9,300	10,000	13,463	10,000	-	
6100	Watershed Sanitary Survey	16,830	-	-	-	-	
6105	ROW Identification Program	18,925	20,000	10,000	20,000	-	
6125	2023 Winter Storm Repairs	-	-	-	1,175,000	1,175,000	
6138	Water Quality and Sediment Mgmt	2,234	50,000	49,364	50,000	-	
TOTAL SPECIAL PROJECTS		\$ 47,289	\$ 160,000	\$ 145,148	\$ 1,370,000	\$ 1,210,000	756.3%
TOTAL IIP and SPECIAL PROJECTS		\$ 1,491,403	\$ 6,050,000	\$ 5,138,565	\$ 2,670,000	(3,380,000)	-55.9%
TOTAL OPERATIONS DIVISION BUDGET		\$ 3,483,428	\$ 8,501,331	\$ 7,258,550	\$ 5,453,875	(3,047,457)	-35.8%

(*) Compares FY 2023-24 Budget to FY 2022-23 Budget.

Table 4.11 - COMB Operating Budget: By Division (Continued)



FISHERIES DIVISION



Account Number	Account Name	FY 2021-22 Actual	Adopted FY 2022-23 Budget	Estimated FY 2022-23 Actual	FY 2023-24 Budget	Variance Analysis (*)	
						\$ Higher / (Lower)	% Change
OPERATION & MAINTENANCE EXPENSES							
SALARIES & BENEFITS							
4100	Labor Fisheries Staff	\$ 430,402	\$ 448,196	\$ 453,940	\$ 478,225	\$ 30,029	
4114	Labor Seasonal Staff	29,463	68,000	13,214	68,000	-	
4151	CalPERS	77,628	86,571	84,593	95,237	8,666	
4150	Health Insurance	98,613	117,498	105,828	113,823	(3,674)	
4150	Workers Compensation	17,614	25,810	16,087	27,311	1,501	
4152	FICA	35,505	39,489	33,280	41,786	2,297	
TOTAL		\$ 689,225	\$ 785,564	\$ 706,941	\$ 824,382	\$ 38,819	4.9%
VEHICLES & EQUIPMENT							
4270	Vehicle/Equip Maintenance	\$ 22,262	\$ 30,000	\$ 27,627	\$ 30,000	\$ -	
4280	Fixed Capital	54,089	90,000	97,394	20,000	(70,000)	
4290	Miscellaneous	8	2,500	-	2,500	-	
TOTAL		\$ 76,358	\$ 122,500	\$ 125,021	\$ 52,500	\$ (70,000)	-57.1%
CONTRACT LABOR							
4221	Instrumentation	\$ 2,464	\$ 3,000	\$ -	\$ 3,000	\$ -	
4222	Project Maintenance	6,076	11,100	4,921	11,100	-	
TOTAL		\$ 8,540	\$ 14,100	\$ 4,921	\$ 14,100	\$ -	0.0%
MATERIALS & SUPPLIES							
4390	Miscellaneous	\$ 5,100	\$ 7,000	\$ 7,616	\$ 8,000	\$ 1,000	
TOTAL		\$ 5,100	\$ 7,000	\$ 7,616	\$ 8,000	\$ 1,000	14.3%
OTHER EXPENSES							
4502	Uniforms	\$ 4,242	\$ 5,000	\$ 1,722	\$ 5,000	\$ -	
4503	Permits	-	-	-	5,000	5,000	
TOTAL		\$ 4,242	\$ 5,000	\$ 1,722	\$ 10,000	\$ 5,000	100.0%
TOTAL O & M EXPENSE		\$ 783,464	\$ 934,164	\$ 846,221	\$ 908,982	\$ (25,181)	-2.7%
GENERAL AND ADMINISTRATIVE EXPENSES							
5426	Directors Fees	\$ 4,509	\$ 7,000	\$ 3,198	\$ 7,000	\$ -	
5407	Legal	8,522	25,000	5,283	25,000	-	
5441	Audit	8,202	12,250	7,955	12,250	-	
5443	Liability & Property Insurance	12,527	17,745	20,473	22,000	4,255	
5401	Health and Workers' Compensation	20,307	44,115	17,161	45,356	1,241	
5402	CalPERS	37,211	42,418	40,115	44,511	2,093	
5403	FICA/Medicare	11,038	13,366	9,646	14,702	1,336	
5404-09	Administrative Salaries	159,516	174,724	152,187	192,182	17,458	
5410	Office Expense & Postage	4,281	4,000	3,462	4,000	-	
5411	Office Equipment / Leases	4,334	8,533	3,671	8,533	-	
5412	Miscellaneous	6,168	7,500	5,054	7,500	-	
5413	Communications	5,340	4,455	4,553	4,455	-	
5414	Utilities	4,581	5,243	4,119	5,243	-	
5415	Membership Dues	6,750	7,200	6,330	7,200	-	
5416	Admin Fixed Assets	3,364	3,000	1,836	5,000	2,000	
5418	Computer Consultant	15,446	15,000	9,658	15,000	-	
5425	Employee Education / Training	250	2,500	429	2,500	-	
5430	Admin Travel & Conferences	-	2,500	5,974	4,000	1,500	
5431	Public Information	1,434	1,500	1,080	1,500	-	
TOTAL GENERAL & ADMINISTRATIVE		\$ 313,779	\$ 398,049	\$ 302,186	\$ 427,931	\$ 29,882	7.5%

(*) Compares FY 2023-24 Budget to FY 2022-23 Budget.

Table 4.11- COMB Operating Budget: By Division (Continued)



FISHERIES DIVISION (CONTINUED)



Account Number	Account Name	FY 2021-22 Actual	Adopted FY 2022-23 Budget	Estimated FY 2022-23 Actual	FY 2023-24 Budget	Variance Analysis (*)	
						\$ Higher / (Lower)	% Change
PROGRAM SUPPORT SERVICES							
6201	BO/FMP Implementation	\$ 15,817	\$ 42,000	\$ 15,560	\$ 42,000	\$ -	
6202	GIS and Mapping	6,620	10,000	7,569	10,000	-	
6205	USGS Stream Gauge Program	89,605	105,000	113,180	120,000	15,000	
TOTAL PROGRAM SUPPORT SERVICES		\$ 112,042	\$ 157,000	\$ 136,309	\$ 172,000	\$ 15,000	9.6%
HABITAT IMPROVEMENT PROJECTS (HIP) ⁽¹⁾							
6207	Oak Tree Restoration Program	\$ 16,510	\$ 18,000	\$ 6,837	\$ 15,000	\$ (3,000)	
6303	Tributary Project Improvements	1,287	10,000	3,220	10,000	-	
TOTAL HABITAT IMPROVEMENT PROJECTS		\$ 17,797	\$ 28,000	\$ 10,057	\$ 25,000	\$ (3,000)	-10.7%
TOTAL HIP AND PROGRAM SUPPORT SERVICES		\$ 129,839	\$ 185,000	\$ 146,365	\$ 197,000	\$ 12,000	6.5%
TOTAL FISHERIES DIVISION BUDGET		\$ 1,227,082	\$ 1,517,212	\$ 1,294,772	\$ 1,533,913	\$ 16,700	1.1%
TOTAL COMB GROSS OPERATING BUDGET		\$ 4,710,510	\$ 10,018,544	\$ 8,553,322	\$ 6,987,788	\$ (3,030,756)	-30.3%
Projected Offsetting Revenues:							
	Warren Act Trust Fund ⁽⁴⁾	\$ (43,086)	\$ (118,293)	\$ (118,293)	\$ (210,786)		
	Renewal Fund ⁽⁴⁾	(139,744)	(155,723)	(155,723)	(76,456)		
	Santa Barbara County Contribution	(90,000)	(90,000)	(100,000)	(100,000)		
	DWR Urban and Multibenefit Drought Relief Grant		(2,250,000)	(2,250,000)	-		
	USBR WaterSmart Grant	-	(750,000)	(750,000)	-		
	CVWD Cooperative Agreement Funding	-	(550,000)	-	(550,000)		
	Misc Grant Income	(15,763)	-	-	-		
	D3 Permit Pass Thru	-	-	(15,572)	(20,000)		
	FEMA Assistance - 2023 Winter Storms	-	-	-	(1,101,563)		
	Total Offsetting Revenues	\$ (288,593)	\$ (3,914,016)	\$ (3,389,588)	\$ (2,058,805)	\$ 1,855,212	-47.4%
TOTAL COMB NET OPERATING BUDGET		\$ 4,421,917	\$ 6,104,528	\$ 5,163,734	\$ 4,928,983	\$ (1,175,545)	-19.3%

Disclosures

- (1) Board policy requires all projects to be approved thru Committee and by the Board prior to commencement
- (2) General and Administrative labor costs are generally allocated at 65% Operations Division and 35% Fisheries Division
- (3) Labor costs contain 7.44% COLA increase per annual calculation
- (4) Warren Act Trust Fund and Renewal Fund are special purpose restricted funds

Table 4.12 - COMB Operating Budget Allocation by Quarter

For FY 2023-24, COMB adjusted the collection of the quarterly assessments based on estimated projected implementation and projected cash outflows.

OPERATIONS DIVISION		
Operations Division Budget		
Goleta Water District	40.42%	\$ 2,204,292
City of Santa Barbara	35.89%	\$ 1,957,411
Carpinteria Valley Water District	12.20%	\$ 665,240
Montecito Water District	11.50%	\$ 626,931
Total Operations Division Budget	100.00%	\$ 5,453,875
FISHERIES DIVISION		
Fisheries Division Budget		
Goleta Water District	40.42%	\$ 619,961
City of Santa Barbara	35.89%	\$ 550,526
Carpinteria Valley Water District	12.20%	\$ 187,100
Montecito Water District	11.50%	\$ 176,326
Total Fisheries Division Budget	100.00%	\$ 1,533,913
COMB GROSS OPERATING BUDGET		
Goleta Water District	40.42%	\$ 2,824,254
City of Santa Barbara	35.89%	\$ 2,507,937
Carpinteria Valley Water District	12.20%	\$ 852,340
Montecito Water District	11.50%	\$ 803,257
Total Gross COMB Operating Budget	100.00%	\$ 6,987,788
OFFSETTING REVENUES		
Goleta Water District	40.42%	\$ (832,107)
City of Santa Barbara	35.89%	\$ (738,911)
Carpinteria Valley Water District	12.20%	\$ (251,124)
Montecito Water District	11.50%	\$ (236,663)
TOTAL	100.00%	\$ (2,058,805)
Total Offsetting Revenues	100.00%	\$ (2,058,805)
TOTAL NET COMB OPERATING BUDGET	100.00%	\$ 4,928,983

Table 4.12 - COMB Operating Budget Allocation by Quarter (Continued)

COMB OPERATING BUDGET QUARTERLY ASSESSMENT		
COMB Operating Budget Quarterly Assessment (July - September, 2023)		
Goleta Water District	40.42%	\$ 470,758
City of Santa Barbara	35.89%	\$ 418,033
Carpinteria Valley Water District	12.20%	\$ 142,072
Montecito Water District	11.50%	\$ 133,890
Subtotal Assessment (July - September, 2023)	100.00%	\$ 1,164,753
COMB Operating Budget Quarterly Assessment (October - December, 2023)		
Goleta Water District	40.42%	\$ 351,511
City of Santa Barbara	35.89%	\$ 312,142
Carpinteria Valley Water District	12.20%	\$ 106,084
Montecito Water District	11.50%	\$ 99,975
Subtotal Assessment (October - December, 2023)	100.00%	\$ 869,711
COMB Operating Budget Quarterly Assessment (January - March, 2024)		
Goleta Water District	40.42%	\$ 689,770
City of Santa Barbara	35.89%	\$ 612,516
Carpinteria Valley Water District	12.20%	\$ 208,168
Montecito Water District	11.50%	\$ 196,180
Subtotal Assessment (January - March, 2024)	100.00%	\$ 1,706,634
COMB Operating Budget Quarterly Assessment (April - June, 2024)		
Goleta Water District	40.42%	\$ 480,107
City of Santa Barbara	35.89%	\$ 426,335
Carpinteria Valley Water District	12.20%	\$ 144,893
Montecito Water District	11.50%	\$ 136,549
Subtotal Assessment (April - June, 2024)	100.00%	\$ 1,187,884
TOTAL NET COMB OPERATING BUDGET		
Goleta Water District	40.42%	\$ 1,992,147
City of Santa Barbara	35.89%	\$ 1,769,026
Carpinteria Valley Water District	12.20%	\$ 601,216
Montecito Water District	11.50%	\$ 566,594
TOTAL NET COMB OPERATING BUDGET	100.00%	\$ 4,928,983

Notes:

- 1) General & Administrative Expenses are allocated at 65% Operations Division and 35% Fisheries Division with the exception of Legal Fees, Membership dues, Admin Fixed Assets, Education, Travel, Public Info
- 2) Pursuant to the terms and conditions of the Separation Agreement, ID No. 1 was deemed no longer a Member Agency of COMB and had departed from the COMB JPA Agreement as of May 27, 2016. ID No. 1 continues to be a member of the Cachuma Project which carries certain benefits and obligations associated with the Project as outlined in various agreements. Payments received from the ID No. 1 for certain COMB BiOp and Oak Tree related expenditures will be returned to the COMB Member Agencies upon collection.

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: OPERATION AND MAINTENANCE EXPENSES



COMB's Operations Division is responsible for diversion of water from Lake Cachuma located in the Santa Ynez Valley to the South Coast of Santa Barbara County through the Tecolote Tunnel. In addition, the Operations Division responsibilities include the operation and maintenance of the 26-mile South Coast Conduit conveyance pipeline, flow control valves, meters, instrumentation at control stations, turnouts and appurtenant structures along the South Coast Conduit and at four regulating reservoirs.

COMB coordinates closely with the Bureau of Reclamation and COMB Member Agency staff to ensure that water supplies meet daily demands.

Labor (Accounts: 3100 - 3165)

\$ 1,220,347

Operation and Maintenance Labor is the cost for the total salaries and benefits for an Operations Division Manager / Engineer, an Operations Supervisor, a Program Analyst and a four-member field crew. The benefits include medical, dental and vision insurance coverage, a \$20,000 life insurance policy per employee, an employee assistance program (EAP), and the Cal-PERS retirement contribution.

Starting July 1, 2017, classic members began paying a portion of the Employer Paid Member Contribution (EPMC) cost. For fiscal year 2023-24, the classic members' contribution rate is set at 7.0%. All employees hired after January 2013 who are not classified as "classic" members will contribute 7.75% of the CalPERS retirement premium from their bi-weekly paycheck which represents a 1.0% increase from FY 2022-23 (6.75%).

The health, vision, dental and life insurance programs are selected through ACWA/JPIA. The Workers' Compensation premiums are based on payroll calculated at various percentages depending on the category of each employee (clerical, outside sales and field operations). FICA is a mandatory employer expense. A multiple policy discount has been applied as additional savings to the employee benefits program.

The overall labor line item includes a 7.44% COLA per the annual calculation.

Totals by Account:

3100 Labor Operations	\$ 784,243
3155 CalPERS	\$ 126,779
3150 Health Insurance	\$ 210,119
3150 Workers Compensation	\$ 39,212
3160 FICA	\$ 59,995
Total	\$ 1,220,347

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: OPERATION AND MAINTENANCE EXPENSES



Vehicles and Equipment (Accounts: 3201 - 3204)	\$ 290,000
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The Vehicles and Equipment account is made up of four sub-accounts which include funds for the purchase of vehicles, fuel, parts, inspections and maintenance of vehicles, equipment, and rental of equipment.

Account 3201 includes supplies necessary to operate and maintain vehicles and equipment such as fuel, oil, tires, parts, inspections, and labor, etc. This account reflects amounts determined by historical expense data and projected operational needs. Account 3202 contains funds for the purchase of replacement vehicles, equipment or large tools as may be necessary in the fiscal year. Account 3203 includes all rental equipment charges necessary for operation. Account 3204 is utilized for the purchase of small tools, equipment, and supplies. These accounts are increased or decreased annually to reflect changes in the price, work plan and number of items to be purchased from these accounts.

Totals by Account:

3201 Vehicle/Equip Maintenance	\$ 40,000
3202 Fixed Capital	\$ 200,000
3203 Equipment Rental	\$ 40,000
3204 Misc.	\$ 10,000
Total	\$ 290,000

Contract Labor (Accounts: 3301 - 3304)	\$ 160,000
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The Contract Labor account contains funds for outside services/labor that cannot be supported by COMB staff which may include water quality sampling, elevator repair, tree trimming and removal services, heavy equipment and operators' labor costs for various small projects, meter calibration and meter repair, etc. The amounts have been distributed between accounts 3301, 3302 and 3303 to reflect the costs accurately. Account 3304 is used to hire consultants as necessary for extraordinary engineering, design, or study projects.

Totals by Account:

3301 Conduit, Meter, Valves	\$ 35,000
3302 Buildings and Roads	\$ 25,000
3303 Reservoirs	\$ 60,000
3304 Engineering Misc.	\$ 40,000
Total	\$ 160,000

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: OPERATION AND MAINTENANCE EXPENSES



Materials / Supplies (Accounts: 3401 - 3403)	\$ 100,000
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The Materials and Supplies account covers costs related to operation and maintenance of the conduit, reservoirs, and outlying buildings and roads. This account includes funding for gravel, fencing, charts, locks, paint, fire extinguishers, etc.

Totals by Account:

3401 Conduit, Meter, Valves	\$ 70,000
3402 Buildings and Roads	\$ 20,000
3403 Reservoirs	\$ 10,000
Total	\$ 100,000

Other Expenses (Accounts: 3501 - 3506)	\$ 75,800
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The Other Expenses account includes utilities, uniforms, hazardous waste disposal, communications (phones at facilities and cell phones for operations and maintenance), Underground Service Alerts (USA), employee training and certifications. Costs are based on historical actual charges for these services.

Totals by Account:

3501 Utilities	\$ 7,000
3502 Uniforms	\$ 5,750
3503 Communications	\$ 15,800
3504 USA and Other Svcs	\$ 7,250
3505 Misc.*	\$ 12,000
3506 Training and Certifications	\$ 3,000
3507 Permits	\$ 25,000
Total	\$ 75,800

*Misc. detail: Operations Division non-fixed assets expenses, computer/software/ office supply needs, shipping, refuse/recycle/ waste/non-hazmat material disposal, portable toilets/roll off boxes, operations employment ads/background checks.

Non-fixed assets	\$ 1,000
Operations computer/ Software/office supply needs	\$ 500
Safety / First Aid Supplies	\$ 1,200
Refuse/recycle, etc.	\$ 3,800
Portable toilets/roll offs	\$ 5,500
Total	\$ 12,000

SUBTOTAL OPERATION AND MAINTENANCE EXPENSES	\$ 1,846,147
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COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES



Program Description

The General and Administrative accounts reflect costs for support of all administrative functions of COMB. These include water supply and delivery reports, human resources and risk management, tax, audit, contractual and employment law, salary and benefits, accounting, communications with Federal, State and local agencies and the public on a variety of contractual and informational matters.

Administrative costs are generally allocated between the Operations Division (65%) and the Fisheries Division (35%).

Directors' Fees (Account: 5000)

\$ 13,000

This account reflects Directors' fees at a rate of \$195.00 per meeting. The Directors will decide future increases by public meeting and change of ordinance. This cost is allocated between the Operations and Fisheries division.

Audit (Account: 5100)

\$ 22,750

This account reflects costs for the annual COMB financial audit and any other audit service or valuation as required.

Legal (Account: 5101)

\$ 75,000

This account reflects costs for the COMB general counsel and any litigation expenses.

Unemployment Tax (Account: 5150)

\$ 5,000

COMB belongs to the California State Unemployment "self-insured" program. Under the program, COMB is not required to pay unemployment premiums. Instead, COMB is required to budget for and pay any unemployment claims that may arise. This account is an estimate.

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES



Liability and Property Insurance (Account: 5200)

\$ 39,400

This account reflects insurance costs for coverage provided by ACWA/JPIA for all general liability, property insurance (buildings, personal property, fixed equipment, and catastrophic coverage), crime coverage, employee dishonesty, and replacement costs. The general liability premiums are based on a formula that includes annual payroll as well as a three-year loss history of claims. The property insurance premiums are based on value of property in which coverage is provided. The general liability and property insurance line item is an allocated cost between Operations and Fisheries Divisions.

Health and Workers' Compensation (Account: 5201)

\$ 203,327

This account reflects costs for 65% of all administrative staff health premiums (medical, dental, vision and life), and employee assistance program (EAP), workers' compensation premiums as well as all retiree health premiums. The cost for health premiums is a set premium amount for each employee and their dependents, as well as eligible retirees, depending on qualifying criteria. The health, workers compensation and life insurance programs were negotiated through ACWA/JPIA. Although there have been substantial increases in the past, the premiums have remained competitive throughout the years. This line item includes a projected increase in health premiums that will occur in January 2024.

CalPERS (Account: 5250)

\$82,662

This account reflects costs for the California Public Employees' Retirement System. The costs are based on 65% of salaries for all COMB administrative staff. The calculation of this account is payroll driven.

COMB pays the employer and a portion of the employee cost for classic members while new hires pay 50% of the normal cost contributions. Starting July 1, 2017, classic members began paying a portion of the employee cost (EPMC). For fiscal year 2023-24, the classic members' contribution rate is set at 7.0%. All employees hired after January 2013 who are not classified as "classic" members will contribute 7.75% of the CalPERS retirement premium from their bi-weekly paycheck which represents a 1.0% increase from FY 2022-23.

FICA and Medicare (Account: 5339)

\$ 27,304

This account reflects 65% of the matching share of social security and Medicare taxes for all administrative employees.

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES



Administrative Salaries (Account: 5300 - 5307)

\$ 356,909

This account reflects salaries for the specified positions of General Manager, Administrative Manager/CFO, and two administrative staff at 65% apportionment. The salaries for all administrative staff (except the GM) contain a 7.44% cost of living increase. The COLA calculation is based on a melding of both the Los Angeles / Riverside index with the US City average index for a 13-month rolling period. The salary for the General Manager is set by the COMB Board.

Office Expense and Postage (Account 5310)

\$ 6,000

The Office Expense and Postage account reflects the cost of all office supplies and postage for general and administrative tasks. General and Administrative expenses have been reduced to the lowest level of effective operation.

Office Equipment/Leases (Account: 5311)

\$ 13,440

The Office Equipment/Leases account includes costs associated with leases and quarterly service agreements for postage machine, copier equipment, accounting/computer software licenses, and any maintenance fees.

Miscellaneous Expense (Account: 5312)

\$ 11,000

This account contains funds necessary for office cleaning, board meeting supplies, outside payroll services, building alarm renewal, and miscellaneous expenses. General and Administrative expenses have been reduced to the lowest level of effective operation.

Office Cleaning	\$ 5,000
Paychex payroll costs	\$ 4,000
Misc. expenses	\$ 2,000
Total	\$11,000

Communications (Account: 5313)

\$ 9,500

This account contains funds necessary for the telephone service, long distance service, cable internet service, conference call service and cell phone service. General and Administrative expenses have been reduced to the lowest level of effective operation.

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES



Utilities (Account: 5314)

\$ 9,737

This account contains funds necessary to provide utilities to the administrative offices.

Membership Dues (Account: 5315)

\$ 11,700

This account reflects membership dues for Association of California Water Agencies (ACWA), American Water Works Association (AWWA), California Special Districts Association (CSDA), Government Finance Officers Association (GFOA) and subscriptions for professional publications.

Administrative Fixed Assets (Account: 5316)

\$ 12,000

This fiscal year's fixed assets include the replacement of computers and office furniture as needed.

Computer Consultant (Account: 5318)

\$ 25,000

This account was established for an outside consulting company that provides monitoring and technical support for all of our information technology and computer related needs.

Employee Education / Training (Account: 5325)

\$ 2,000

This account was established to provide employees with the ability to obtain professional training, required certifications and for management training purposes. This account also provides for human resources and employee related subscriptions.

Administrative Travel (Account: 5330)

\$ 3,500

This account reflects actual travel costs for the COMB staff. This account is also used for attendance at conferences by the General Manager and/or staff.

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES



Public Information (Account: 5331)

\$ 3,500

This account is available for public information bulletins or newsletters in order to communicate with the community in case of emergencies or environmental impacts on the COMB water distribution system or reservoirs. This account also includes costs to operate and maintain the COMB website.

SUBTOTAL GENERAL AND ADMINISTRATIVE EXPENSES

\$ 932,728

OPERATIONS DIVISION: SPECIAL GENERAL AND ADMINISTRATIVE EXPENSES

Integrated Regional Water Management Plan (Account: 5510)

\$ 5,000

This account has been established for COMB to participate in the integrated regional water management plan for Santa Barbara County.

SUBTOTAL SPECIAL GENERAL AND ADMINISTRATIVE EXPENSES

\$ 5,000



North Portal Intake Tower

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: INFRASTRUCTURE IMPROVEMENT PROJECTS



SCC Isolation Valve – Lower Reach (Account: 6136)

\$ 550,000

COMB staff has made significant progress on the rehabilitation of the South Coast Conduit (SCC) system and appurtenances starting in the late 1990s and early 2000s. The upper reach of the SCC system, which includes the area from the South Portal to Lauro Reservoir, was extensively rehabilitated during that time. COMB staff worked with the Bureau of Reclamation and consultant engineers to repair and replace important infrastructure components to achieve a reliable conveyance system in the upper reach.

Appurtenant structures in the lower reach of the system are over seventy years old and are considered to be at their maximum life span. The COMB Five-Year Infrastructure Improvement Plan (IIP) included a plan to rehabilitate over thirty aging lateral structures in this section. Each connection contains two gate valves, a meter and often an air vent component. During FY 2021-22, COMB entered into a Cooperative Agreement with Carpinteria Valley Water District (CVWD) to rehabilitate the system utilizing financial assistance from the District.

The cooperative agreement was divided into two phases. The first phase was to be completed in FY 2021-22 in the approximate cost of \$440,000 to each agency based on the costs for the installation of an in-line isolation valve near La Mirada Drive adjacent to Highway 192. The isolation valve allows a section of the South Coast Conduit, which currently serves eleven laterals, to be subdivided into two segments. The La Mirada in-line isolation valve also allows three air vents and two blow-off structures to be rehabilitated in the Carpinteria area. This would allow COMB to complete a Category 1 recommendation from the U.S. Bureau of Reclamation to rehabilitate subgrade air vent structures. CVWD in turn agreed rehabilitate lateral structures in Phase 1 equal to the \$440,000 costs of the La Mirada Isolation Valve. COMB completed construction of the La Mirada isolation valve in April 2022.



La Mirada Piping and Valve

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: INFRASTRUCTURE IMPROVEMENT PROJECTS



SCC Isolation Valve – Lower Reach (Account: 6136) - Continued

The Cooperative Agreement includes a Review of Progress of work after Phase 1 is complete. After the review, depending on the performance of work, the amount of funds expended, and the current funding available (which may be impacted by drought conditions) the COMB Board will have discretion on the continuation of Phase 2 and approval of the second in-line isolation valve (Lillingston) for construction in Fiscal Year 2023-24. The Lillingston isolation valve is estimated to cost \$550,000 and would be reviewed and approved by the COMB Board in Fiscal Year 2023-24 to initiate Phase 2 of the agreement.

SCC Lower Reach Lateral Structures (Account: 6137)

\$ 550,000

There are forty-four lateral connections housed in concrete cylinder structures on the lower reach of the South Coast Conduit. The function of these connections is to provide water to sections of the Montecito Water District and Carpinteria Valley Water District. Each connection contains a gate valve, a check valve and an air vent component.

Twenty-five of the thirty laterals in the Carpinteria service area have reached their maximum life and are in need of rehabilitation. Eighteen of the twenty-five high-risk laterals will be rehabilitated by CVWD through a cooperative agreement. Nine of the eighteen laterals to be repaired by CVWD have been rehabilitated as of March 2023, concluding Phase I of the cooperative agreement. Nine under Phase 2 of the agreement still pose an operational risk due to age, corrosion, and unreliable valve operating conditions. The dependability of these valves is necessary to provide reliable water service to customers served in the Carpinteria Reach. The consequence of not completing this project could result in lateral failure/inoperability limiting deliveries to customers served by those laterals or complicating operations.

This project would replace valves, air vents, and check valves on active lateral connections. The lateral valves need to be replaced prior to future planned shutdowns of the South Coast Conduit in the Carpinteria area.

Phase 2 of the Lower Reach Lateral Isolation Valve Replacement Project is scheduled to occur in Fiscal Year 2023-24 for \$550,000 following the Review in Progress after Phase 1 of the Cooperative Agreement is complete.

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: INFRASTRUCTURE IMPROVEMENT PROJECTS



SCC Structure Rehab (AVAR/BO Valves) (Account: 6096)

\$ 200,000

Air vacuum air release valves (AVAR) are float operated valves, which are common to water delivery systems. The AVAR's function is to allow volumes of air to be exhausted from or admitted into the pipeline to protect the system from a loss of capacity and prevent the pipe from collapsing in the event of a break in the pipe. There are fifty-seven AVARs in South Coast Conduit (SCC) system. All AVAR structures have been rehabilitated as of March 2023. Several AVAR's in the lower reach were raised above grade but the valves, risers, and manhole covers are original equipment.

This project would replace and relocate to above ground AVAR's and replace riser pipes. Consistent with other AVAR replacements, manhole covers, valves, risers, laterals would be replaced at the same time.

Blow-off structures exist on all low points of a water distribution system. The components included in these structures include manhole covers, lower riser sections, an upper spool section, a gate valve, and blow-off piping. There are sixty-five blow-off structures in the SCC system. Blow-off valves and piping have been replaced in the Upper Reach and twenty-three blow-off nozzles/valves have been replaced in the Lower Reach.

Three blow-off nozzles in the Carpinteria area are in need of replacement because of corrosion. This project consists of replacing the man hole covers, blow-off nozzles, gate valves, upper spools, and discharge piping. The project will be completed in conjunction with the AVAR valve replacement and relocation project and coordinated with the affected Member Agencies during the required system shutdown. The design for this project is complete.

Funds in this category also include emergency contract labor should any unexpected failures occur.

SUBTOTAL INFRASTRUCTURE IMPROVEMENT PROJECTS

\$ 1,300,000

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: SPECIAL PROJECTS



2023 Winter Storm Repairs (Account: 6125)

\$ 1,175,000

The January 2023 storm events and subsequent debris flows have caused damage to South Coast Conduit appurtenant structures and facilities. In particular:

- Lauro Reservoir – landslide/erosion activity with a portion of the side-channel access road failing.
- Glen Anne – mudslides and boulders on the access road.
- Sheffield Control Station – large boulders near the parking lot and roadway covered with sediment requiring emergency removal.
- South Coast Conduit Appurtenant Structures – Montecito Creek blow-off was buried by sediment and will need to be recovered. Toro Canyon blow-off structure displaced and buried during debris flow event.
- Sycamore Canyon – boulders supporting embankment slid into creek.
- Carpinteria – toe drain impacted by debris and sediment.



Lauro Reservoir Access Road

On January 8, 2023, President Joseph R. Biden, Jr. declared that an emergency exists in the State of California and ordered Federal assistance to supplement State, tribal, and local response efforts. On January 11, 2023, the White House announced an Amendment to the Emergency Declaration authorizing FEMA to extend Direct Federal Assistance to 14 additional counties in California, including Santa Barbara County. COMB has initiated the application process and is working closely with FEMA/CalOES for federal disaster relief funding for damages that resulted from the event.

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: SPECIAL PROJECTS



COMB Building Improvements and Maintenance (Account: 6115)

\$ 80,000

Funds in this account contains funds for outside services/labor that cannot be supported by COMB staff including landscaping, HVAC repair and general maintenance. For FY 2023-24, COMB plans to explore opportunities for alternate sources of renewable energy such as solar or hydro-electric power to be installed at the COMB office and/or outlying facilities. The goal of the project is to increase efficiency of COMB's energy system and sourcing of renewable energy.

Water Quality and Sediment Management (Account: 6138)

\$ 50,000

Lake Cachuma is the principal drinking water supply for the South Coast of Santa Barbara County providing surface water supply to the Goleta Water District, City of Santa Barbara, Montecito Water District, and Carpinteria Valley Water District. In addition, Lake Cachuma serves as the conduit for state water deliveries to the South Coast. Diversions from the lake are managed by COMB. Upstream of Lake Cachuma are Gibraltar Reservoir, owned by the City of Santa Barbara, and Jameson Reservoir, owned by Montecito Water District.

COMB recently completed a two-year study on behalf of, and in coordination with, the COMB Member Agencies for addressing raw surface water quality and sedimentation issues at Lake Cachuma. In Fiscal Year 2022-23, COMB continued to implement the recommendations within the final Lake Cachuma Water Quality and Sediment Management Study. This includes expanded water quality data sampling, and competitively bidding and initiating the Organic Carbon / Phosphorus Sampling and Source Investigation.

For Fiscal Year 2023-24, COMB plans on continuing the Source Investigation which is scheduled for completion in early 2024. The Source Investigation involves specialized sediment core sampling to quantify internal phosphorus loading at Lake Cachuma. Laboratory incubations of sediment cores would be used to determine the relative importance of internal vs. external phosphorous loads. The results can be used to answer a variety of lake management questions, such as the effectiveness of an aluminum sulfate (alum) and other treatments for reducing sediment P release. In addition, specialized laboratory analyses would be conducted to determine whether the total organic carbon comes from either mostly algal or mostly terrestrial sources or both. This knowledge is needed to determine which types of projects would be most effective at reducing total organic carbon loading at the lake.

COMB OPERATING BUDGET NARRATIVE
OPERATIONS DIVISION: SPECIAL PROJECTS



SCADA Improvement and Support (Account: 6110)

\$ 35,000

The “Supervisory Control and Data Acquisition” system (SCADA) collects and enables the retrieval of historical data. Information includes flows, reservoir elevations, alarms, communication, turbidity, pH, temperature, and valve positions. Additionally, SCADA provides alerts to COMB Operations staff to take corrective action 24/7. For fiscal year 2023-24, costs in this category include ongoing contractor support and any software subscription and licenses.



Right of Way Identification Program (Account: 6105)

\$ 20,000

The Right of Way Project (ROW) inventory will centralize information electronically to facilitate landowner communication regarding pending right-of-way work, provide communication with Santa Barbara permitting agencies, and enable COMB staff response to right-of-way disruptions and issues more efficiently by utilizing the GIS inventory. Specific tasks of the project include identifying, locating, and labeling the pipeline through field mapping in GIS and surveying. Sequentially, as data is developed, landowners will be notified of property easements and of COMB’s South Coast Conduit responsibilities

GIS and Mapping (Account: 6097)

\$ 10,000

This line item will support expenses for the licenses that are required to run the software affiliated with the Right-of-way program and other extraneous mapping needs.

SUBTOTAL SPECIAL PROJECTS

\$ 1,370,000

SUBTOTAL INFRASTRUCTURE IMPROVEMENT & SPECIAL PROJECTS

\$ 2,670,000

TOTAL OPERATIONS DIVISION BUDGET

\$ 5,453,875

COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: OPERATION AND MAINTENANCE EXPENSES



Program Description

To maintain and support all associated costs of operation and maintenance as they relate to the implementation of the NMFS Biological Opinion and the Lower Santa Ynez River Fish Management Plan.

Labor (Accounts: 4100 – 4152)

\$ 824,382

The Fisheries Division Labor line item reflects labor costs and benefits for a Senior Resource Scientist, a three-member field crew, and four part-time seasonal bio-aide positions. The benefits include medical, dental and vision insurance coverage, a \$20,000 life insurance policy per employee, deferred compensation, matching social security contributions, mandatory workers' compensation coverage, an employee assistance program (EAP), FICA/Medicare and a CalPERS retirement contribution (2% @ 55 formula) Starting July 1, 2017, classic members began paying a portion of the employee cost (EPMC). For FY 2023-24, the classic member's contribution rate is set at 7.0%. All employees hired after January 2013 and who are not classified as "classic" members will contribute 7.75% of the CalPERS retirement premium from their bi-weekly paycheck (2% @ 62 formula) which is a 1.0% increase from FY 2022-23. This line item includes a 7.44% COLA per the annual calculation.

Totals by Account

4100 Labor Biology Crew	\$478,225
4114 Labor Seasonal Crew	\$ 68,000
4151 CalPERS	\$ 95,237
4150 Health Insurance	\$113,823
4150 Workers Compensation	\$ 27,311
4152 FICA	\$ 41,786
Total	\$824,382



COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: OPERATION AND MAINTENANCE EXPENSES



Vehicles and Equipment (Accounts: 4270 – 4290)	\$ 52,500
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The Vehicles and Equipment section is made up of three accounts which include funds for the purchase of vehicles, fuel, parts, inspections and maintenance of vehicles and equipment.

Account 4270 includes costs necessary to operate vehicles and equipment such as fuel, oil, tires, parts, inspections, and labor, etc. This account reflects amounts determined by historical expense data and projected operational needs. Account 4280 contains funds for the purchase or replacement of equipment or large tools as may be necessary in the fiscal year. Account 4290 includes funding for all miscellaneous items affiliated with vehicles or equipment.

These accounts are increased or decreased annually to reflect changes in the price.

Totals by Account:

4270 Vehicles	\$ 30,000
4280 Fixed Capital	\$ 20,000
4290 Miscellaneous	\$ 2,500
Total	\$ 52,500

Contract Labor (Accounts: 4220 – 4222)	\$ 14,100
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The Contract Labor account contains funds for outside services/labor to support equipment calibration on flow meters and sonde meters, and funds for technical assistance corresponding to the operation, maintenance, and performance review of completed fish passage projects.

Completed tributary projects at Rancho San Julian, Cross Creek Ranch, and Quiota Creek Crossings require annual performance evaluation; licensed fish passage engineers need to conduct the structural evaluation whereas the biological evaluation and report are done by COMB staff.

Totals by Account:

4221 Equip Calibration	\$ 3,000
4222 Project Maintenance	\$11,100
Total	\$14,100

COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: OPERATION AND MAINTENANCE EXPENSES



Materials and Supplies (Account: 4390)	\$ 8,000
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The Materials and Supplies account covers costs for the purchase of materials needed for the Fisheries Monitoring Program, specifically monitoring for migration, spawning and over-summering. This can include constructing and repairing fish migration traps (pvc, netting, plywood, locks, waders, etc.) and the equipment necessary to conduct snorkel (dry suit, masks, snorkels, hoods, gloves, etc.) and redd surveys (waders, clipboards, etc.).

Other Expenses (Account: 4502)	\$ 10,000
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The Other Operating Expenses account includes for permit fees and uniform expense for the fisheries employees.

SUBTOTAL OPERATION AND MAINTENANCE EXPENSES	\$ 908,982
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Quiota Creek Fish Passage Project

COMB OPERATING NARRATIVE
FISHERIES DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES



Program Description

The General and Administrative accounts reflect costs for support of all fisheries division administrative functions of COMB. The salaries and benefits are divided at a 65% - 35% basis between the Operations Division and the Fisheries Division based on payroll allocations. General and Administrative expenses have been reduced to the lowest level of effective operation for FY 2023-24

Directors Fees (Account: 5426)	\$ 7,000
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This account reflects Directors' fees at a rate of \$195.00 per meeting. The Directors will decide future increases by public meeting and change of ordinance. This cost is allocated between Operations and Fisheries divisions.

Legal (Account: 5407)	\$ 25,000
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This account reflects the costs for General Counsel affiliated with the Fisheries Division program of work, as well as, anticipated litigation.

Audit (Account: 5441)	\$ 12,250
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This account reflects costs for a portion of the annual COMB financial audit and any single audit requirements.

Liability and Property Insurance (Account: 5443)	\$ 22,000
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This account reflects a portion of insurance costs for coverage provided by ACWA/JPIA for all general liability and property i.e., buildings, structures, computers, modular furniture, copiers, postage meters, vehicles and replacement costs of all properties belonging to COMB.

Health and Workers Compensation (Account: 5401)	\$ 45,356
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This account reflects costs for 35% of all administrative staff health premiums (medical, dental, vision and life), and employee assistance program (EAP), deferred compensation and workers' compensation premiums. The cost for health premiums is a set premium amount for each employee and their dependents. This line item includes a projected increase in health premiums that will go into effect in January 2024.

COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES



CalPERS (Account: 5402)	\$ 44,511
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This account reflects 35% percent of costs for the California Public Employees' Retirement System for administrative personnel charged to the fisheries division. COMB pays the employer and a portion of the employee cost for classic members and new hires pay 50% of the normal cost contributions. Starting July 1, 2017, classic members began paying a portion of the employee cost (EPMC). For FY 2023-24, the classic member's contribution rate is set at 7.0%. All employees hired after January 2013, who are not classified as "classic" members, contribute 7.75% of the CalPERS retirement premium from their bi-weekly paycheck (2% @ 62 formula) which represents a 1.0% increase from FY 2022-23.

FICA and Medicare (Account: 5403)	\$ 14,702
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This account reflects 35% of the matching share of social security and Medicare taxes for all administrative employees.

Salaries (Accounts: 5404, 5405, 5408, 5409, 5419)	\$ 192,182
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This account reflects a 35% allocation of salaries for the General Manager, Administrative Manager, Administrative Assistant II and an Administrative Analyst.

Postage and Office Supplies (Account: 5410)	\$ 4,000
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The Office Expense and Postage account reflects the cost of all office supplies and postage for general and administrative tasks attribute to the fisheries division.

Office Equipment / Leases (Account: 5411)	\$ 8,533
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The Office Equipment / Leases account includes the fisheries division portion of leases and quarterly service agreements for postage machine, copier equipment and any maintenance fees.

Miscellaneous Administrative Expense (Account: 5412)	\$ 7,500
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This account contains funds necessary for office cleaning, Board meeting supplies, Paychex payroll costs, outside copy costs and other minor miscellaneous expenses.

COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES



Communications (Account: 5413)

\$ 4,455

This account contains funds necessary for the telephone service, long distance service, cable internet service, and staff cell phones.

Utilities (Account: 5414)

\$ 5,243

This account contains funds necessary to provide utilities to the administrative offices affiliated with the fisheries division program of work.

Membership Dues (Account: 5415)

\$ 7,200

This account reflects costs for membership dues for the American Fisheries Society as well as a portion of ACWA dues as they pertain to the fisheries division employees. This account also covers subscriptions for professional publications.

Administrative Fixed Assets (Account: 5416)

\$ 5,000

This fiscal year's fixed assets include the purchase of computers according to the replacement schedule and office equipment / furniture as needed.

Computer Consultant (Account: 5418)

\$ 15,000

This account was established to fund needs for all computer and internal network systems support through outside computer consultant services. It also accommodates purchasing and updating of software licenses.

Employee Education / Subscriptions (Account: 5425)

\$ 2,500

This account was established to provide employees with the ability to obtain professional training, required certifications and for management training purposes specifically for in field and office operations, and safety and regulatory compliance. This account also provides for employee related subscriptions to professional fisheries organizations.

COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: GENERAL AND ADMINISTRATIVE EXPENSES**Administrative Travel (Account: 5430)****\$ 4,000**

This account provides for actual travel costs for professional conferences, seminars, training, and strategy meetings that are attended by the General Manager and/or staff throughout the fiscal year.

Public Information (Account: 5431)**\$ 1,500**

This account is for miscellaneous costs that may arise out of public records act requests, newsletters, webpage support or other public information requirements.

SUBTOTAL GENERAL AND ADMINISTRATIVE EXPENSES**\$ 427,931**

COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: PROGRAM SUPPORT SERVICES



Biological Opinion / FMP Implementation (Account: 6201)

\$ 42,000

This line item provides funding for outside consultant support on activities, which include participation in the NFMS Biological Opinion compliance preparation as well as review of technical reports, study plans, participation in coordination and review meetings and conference calls.

BO and WR Order 2019-0148 Compliance Tasks and Support

This task addresses ongoing Cachuma Project Biological Opinion (BO or BiOp) and WR Order 2019-0148 compliance efforts and implementation of the Lower Santa Ynez River Fisheries Monitoring Program (FMP). As needed, consultants will provide technical and analytical support and review of the fisheries monitoring program and any proposed study plans. This may require participation of an advisory group to obtain consensus on the recommendations. A fish passage engineer will review, evaluate, and develop technical elements of fisheries related monitoring, fish passage and restoration program elements. In addition, this item includes bio-statistician support and genetic tissue analysis (fish fin clips) conducted by a National Marine Fisheries Service certified geneticist. Activities may involve background research, concept development, content development and production schematics support for the ongoing BO, WR Order 2019-0148 and FMP activities.



AMC and CC Participation and Technical Support

Conference calls preparation and follow-up per call as well as participation in face-to-face meeting of the Adaptive Management Committee (AMC) and Consensus Committee (CC) if necessary. Technical support to COMB in preparing work products for the AMC and the CC as required.

Review of Fisheries Monitoring Reports

Review of any fisheries monitoring reports that are prepared by the Cachuma Project Biology Staff. These reports would be compliance measures for terms and conditions presented in the BO and WR Order 2019-0148 and would include the Annual Monitoring Report and technical memos prepared for Reclamation as well as the AMC, CC or COMB Board. This may include participation on the Science Advisory Committee to discuss comments on the reviewed reports.

COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: PROGRAM SUPPORT SERVICES



GIS and Mapping - 6202	\$ 10,000
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This account provides funds for the purchase and maintenance of the GIS and GPS system components, software (ESRI, AutoCAD, Field Mapplet, MapLogic, and Photoshop), hardware, aerial imagery, and GIS/GPS technical support.

USGS Stream Gauge Program (Account: 6205)	\$ 110,000
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This line item is to fund the required stream discharge and water quality monitoring on the lower Santa Ynez River and its tributaries in compliance with the NMFS Biological Opinion.

SUBTOTAL PROGRAM SUPPORT SERVICES	\$ 172,000
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**COMB OPERATING BUDGET NARRATIVE
FISHERIES DIVISION: HABITAT IMPROVEMENT PROJECTS**



Oak Tree Restoration Program (Account: 6207)	\$ 15,000
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This line item is to fund the tenth year of oak tree planning efforts at several planting sites bordering Lake Cachuma and Bradbury Dam. This planting and maintenance program is intended to result in a 2:1 replacement of oak trees lost due to the higher water elevations during surcharge events.



Oak Tree Restoration Program

Tributary Project Improvements (Account: 6303)	\$ 10,000
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This line item is to fund technical assistance provided by a fish passage engineer for tasks anticipated to include refinement of monitoring methods and procedures, hydraulic review of fish passage within a stream network, troubleshooting of general operation and maintenance issues, and review of miscellaneous technical data and reporting.

SUBTOTAL HABITAT IMPROVEMENT PROJECTS	\$ 25,000
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SUBTOTAL PROG SUPPORT AND HABITAT IMPROVEMENT PROJECTS	\$ 197,000
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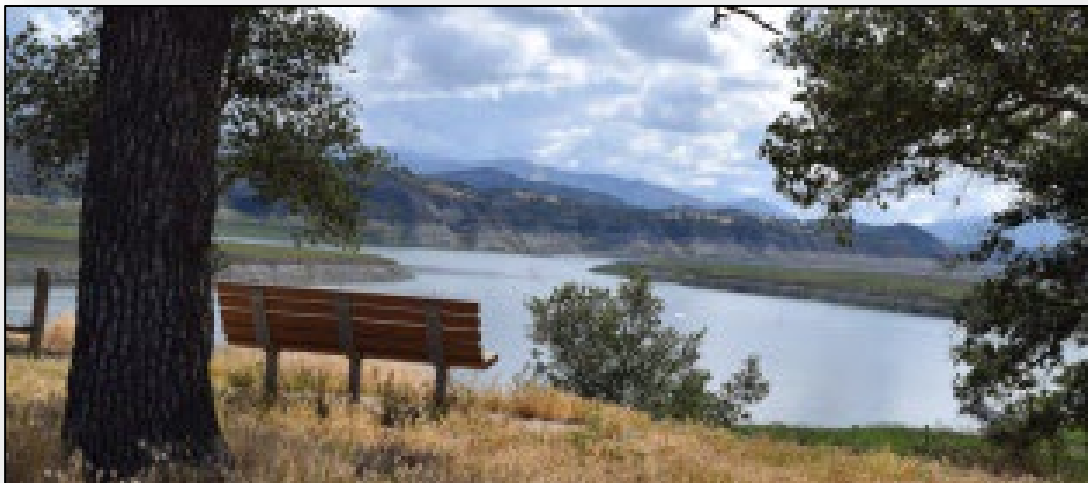
TOTAL FISHERIES DIVISION BUDGET	\$ 1,553,913
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RECAP – TOTAL COMB OPERATING BUDGET
FY 2023-24



COMB OPERATIONS DIVISION	\$5,453,875
COMB FISHERIES DIVISION	<u>\$1,533,913</u>
TOTAL COMB GROSS OPERATING BUDGET	\$6,987,788
LESS: OFFSETTING REVENUES	<u>(\$2,058,805)</u>
TOTAL COMB NET OPERATING BUDGET	<u>\$4,928,983</u>



Lake Cachuma County Park



APPENDIX

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FISCAL OVERSIGHT

COMB GOVERNANCE

As set forth in Section 1.3 of the COMB JPA, COMB is governed by a Board of Directors (Board), which has the authority to conduct the business and policy-making affairs of COMB. All powers of COMB are exercised through the Board. Members of the Board are obligated to uphold both the Constitution of the United States and the Constitution of the State of California. Board members are also required to comply with all applicable laws regulating their conduct, including conflict of interest, financial disclosure and open government laws. (California Government Code Section 1360; and Article 20, Section 3 of the California Constitution.)



COMB has five standing committees: the Administrative Committee (financial, personnel and legal matters); the Operations Committee; the Fisheries Committee; the Public Outreach Committee; and the Lake Cachuma Oak Tree Committee. Each committee is composed of two Board members and one alternate Board member. Appointments to the committees are made by the President of the Board, typically during the first month of the fiscal year or as necessary. The committees meet with staff on an as-needed basis, and review and recommend proposed actions to the Board concerning, among other things, capital improvements, finance, and other matters. On occasion, COMB utilizes ad-hoc committees that are temporary in nature.

COMB's General Manager is responsible for overall management of the day-to-day and long-term operations and activities of COMB.

FINANCIAL, ADMINISTRATIVE AND OPERATING POLICIES

The COMB Board establishes policies and resolutions to comply with federal and state law, government code, various Cachuma Project operating and JPA agreements, applicable administrative policies and generally-accepted accounting principles. These policies include:

Board Governance Policy

COMB Board Resolution No. 676, adopted November 26, 2018.

The Board Governance policy sets forth the basic professional and ethical standards to be followed by the COMB Board. The objectives of this Policy are to (1) outline the function, role and responsibility of the Board; (2) provide guidance for dealing with ethical issues; (3) heighten awareness of these ethical issues and values as critical elements in Board members' conduct and governing practices; and (4) support effective and timely decision-making.

FINANCIAL, ADMINISTRATIVE AND OPERATING POLICIES (CONTINUED)**Board Governance Policy (Continued)**

This policy was adopted pursuant to Section 1.7 of the 1996 Amended and Restated Joint Powers Agreement (COMB JPA) for the Establishment of a Board of Control to exercise the powers of the Agreement.

Annual Statement of Investment Policy

COMB Board Resolution No. 689, adopted July 22, 2019.

This policy sets forth guidelines by which surplus funds may be invested. The policy requires that the investment of surplus money of COMB shall be made in securities in accordance with Section 53601 of the Government Code. Investments are made taking into consideration the following factors: the probable income as well as the probable safety of said funds, exercising the judgment and care under the circumstances prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of said funds.

This policy further requires the Board Secretary submit a month report to the Board in accordance with Section 53646(b) of the Government Code.

Fiscal Policy

COMB Board Resolution No. 674, adopted November 26, 2018.

The purpose of this policy is to identify and outline fiscal policies and guidelines pursuant to federal and state law, government code, various Cachuma Project operating and JPA agreements, applicable administrative policies and generally-accepted accounting principles.

This policy sets forth the basic framework for the overall fiscal management of COMB and provides guidelines for evaluating both current activities and proposals for future programs. This policy further provides a guideline to the administrative and finance staff in planning and directing the day-to-day financial affairs, and in developing financial recommendations to the COMB Board.

The objective of this policy is to achieve long-term stability and a positive financial condition. An important aspect of the policy is the application of budget and fiscal policies in the context of a long-term financial approach.

The scope of this policy includes accounting, auditing, financial reporting, internal control, operating and capital budgeting, revenue management, cash and investment management, expenditure control, asset management, strategic plans and debt management.

FINANCIAL, ADMINISTRATIVE AND OPERATING POLICIES (CONTINUED)**Procurement Policy**

Adopted by the COMB Board August 27, 2017

The procurement policy sets forth uniform procedures for the procurement of equipment, non-professional and professional services, supplies, and formal bidding and contracting for COMB.

The objective of a procurement policy is to ensure timely, efficient, and cost-effective procurement within the guidelines of good business practices and transparent public policy. Unless stated otherwise, the policy applies to all purchasing actions regardless of funding source and payment method. All procurements shall be reasonable and necessary.

This policy applies to the procurement of equipment, services, and supplies using funds authorized for expenditure by the adopted annual budget.

Capital Improvement Planning

Five-Year Infrastructure and Habitat Improvement Plans are developed by COMB staff and used as an internal guideline for forecasting, budgeting, and long-term financial planning. COMB staff actively pursues outside funding sources for all Infrastructure Improvement Projects. Outside funding sources, such as grants, are used to finance only those Improvement Projects that are consistent with the Five-Year Infrastructure Improvement Plan and COMB priorities, and whose operating and maintenance costs have been included in future operating budget forecasts.

Section 1.3 of Article I of the COMB JPA outlines unanimous consent required for the Cachuma Operation and Maintenance Board to act on certain matters. Section 1.3. (i). states: A decision of the Cachuma Operation and Maintenance Board authorizing a capital expenditure in excess of one million dollars or incurring an indebtedness or obligation in excess of one million dollars shall not be effective unless it has been ratified by a resolution approved by all of the parties.”

COMB staff, with the assistance of external consultants, will conduct a reliability study of its critical infrastructure on a periodic basis, to evaluate its current condition, remaining useful life, and future replacement costs. The Bureau of Reclamation technical engineering team also conducts periodic and comprehensive facility reviews every 3 and 6 years, respectively, to assess and document recommendations on the system operating facilities.

Reserve Policy

A reserve account provides resources to ensure sufficient funding is available to meet operating, capital and debt service obligations, comply with legally mandated requirements, and have the ability to respond to unforeseen events or emergencies.

FINANCIAL, ADMINISTRATIVE AND OPERATING POLICIES (CONTINUED)**Reserve Policy (Continued)**

COMB has traditionally operated without a formalized reserve fund and has utilized COMB quarterly assessments for operational expenditures. In addition, special assessments have been authorized by the Board during extraordinary or unforeseen events.

Debt Policy

COMB is authorized pursuant to Section 6588(C) of the Government Code of the State of California and the COMB 1996 Amended and Restated JPA agreement to issue bonds, notes, letters of credit, or other forms of indebtedness. COMB does not use long-term debt to pay for on-going operations. The use of bonds or other forms of indebtedness is only considered for significant capital and infrastructure improvements.

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by COMB as a Joint Powers Authority. However, indebtedness or obligation in excess of one million dollars shall not be effective unless it has been ratified by a resolution approved by unanimous consent of the COMB Board pursuant to Section 1.3. (h). of Article I of the COMB JPA.

New debt issues, and refinancing of existing debt, must be analyzed for compatibility within COMB's overall financial planning. The review includes, but is not limited to, cash flow analysis and the maintenance of COMB's bond rating. Annual debt service shall not produce an adverse impact upon future operations.

Annual Audit

An annual audit is performed by an independent public accounting firm with an audit opinion to be included with COMB's published Comprehensive Annual Financial Report. The external auditor presents the COMB Board, on an annual basis, with audited financial statements in accordance with Government Auditing Standards issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. The external auditor expresses an opinion about whether the financial statements fairly represent the financial position of COMB. The external auditor also evaluates the adequacy of COMB's internal control system, the electronic data processing and, where weaknesses are noted, makes appropriate recommendations for improvements.

The external auditor will further submit a written management letter, which communicates suggested improvements in the District's financial operations, and any deficiencies in internal controls that need to be addressed by COMB.

BASIS OF ACCOUNTING

COMB operates as a proprietary fund-type. All proprietary fund-types use a flow of economic resources measurement focus. Under this measurement focus, all assets and liabilities associated with the operation of these funds are included on the Statement of Net Position. Total net position (i.e., fund equity) is segregated into amounts invested in capital and unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in total net position.

All proprietary fund-types utilize the accrual basis of accounting. Under this method, revenues are recognized when earned, regardless of when received, and expenses are recognized at the time the related liabilities are incurred, regardless of when paid.

COMB's accounting policies and procedures are consistent with:

- Generally Accepted Accounting Principles (GAAP)
- Governmental Accounting Standards Board (GASB)
- Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations" related to federal assistance and federal grant programs.

FUND STRUCTURE

To provide for accountability of public monies in accordance with applicable federal and state law and regulations, various Cachuma Project and JPA agreements and Board policies, the following funds have been established in the Treasury of COMB. COMB operates under one fund for financial statement and budgetary purposes. Because COMB is a pass-through agency, all revenues are equal to the expenditures included in the budget. As such, the overall fund balance is expected to be zero. Unexpended funds are identified through the audit process and returned to the Member Agencies on an annual basis.

General Fund

Receipts from COMB O&M assessments, Cachuma Project pass-through revenues, federal and state grant reimbursements, the Cachuma Project Betterment Fund, and miscellaneous income are deposited into the General Fund. Payments from the General Fund are made in accordance with COMB Fiscal Policy (adopted November 26, 2018) and COMB Procurement Policy (adopted August 27, 2017) and include the following items:

- Infrastructure and Habitat Improvement Projects
- Operation and Maintenance Costs
- Administrative Costs
- Loans and Obligations
- Cachuma Project Pass-through Charges
- Transfers to the Revolving Fund

FUND STRUCTURE (CONTINUED)

Revolving Fund

The Revolving Fund is used to pay employee compensation and payroll related federal, state, and local taxes. The fund is replenished through transfers from the General Fund.

Investment Fund

The COMB Board of Directors established a General Fund from which monies may be expended for specific and general operating purposes. From time to time, COMB has on hand in the General Fund monies, which are surplus to COMB's immediate operating needs. The COMB Board determined it to be in the public interest to invest such surplus funds in a manner which ensures a maximum return consistent with safety on such investments while maintaining the integrity of such surplus funds.

Cash and investment programs are maintained in accordance with California Government Code Section 53600 et seq. to ensure that proper controls and safeguards are maintained. Pursuant to State law, the COMB Board adopts a detailed investment policy through a Board resolution on an annual basis. Reports on COMB's investment portfolio and cash position are presented to the COMB Board monthly at a regularly scheduled public meeting, in conformity with Section 53646(a) of the California Government Code.

Warren Act Trust Fund

The Warren Act Trust Fund is a requirement of the Cachuma Project Warren Act Contract that the Central Coast Water Authority (CCWA) negotiated with the US Bureau of Reclamation for delivery and transport of State Water Project (SWP) water through the Cachuma Project facilities. A 1995 memorandum of understanding executed between CCWA, Reclamation and the Cachuma Project Authority (CPA) in conjunction with the Warren Act Contract established a charge of \$43 per acre-foot (AF) (\$58 initially with a \$15 service charge by Reclamation), which is not indexed. Payments are required upon delivery of SWP water to Cachuma Reservoir. CCWA makes quarterly payments to COMB (successor agency to CPA) on the prior quarter's water deliveries to the lake. Article 3.a. of the MOU provides that funds be deposited into the Warren Act Trust Fund.

Expenditures of the Warren Act Trust Fund revenues, as further detailed in the MOU, are considered restricted and are limited to:

- Environmental Restoration
- Wastewater Reclamation
- Water Conservation
- Innovative Water Management Techniques
- Cachuma Project Betterment

The current Warren Act contract expires in June 2022. Renewal discussions are currently underway between CCWA and the U.S. Bureau of Reclamation. Both parties anticipate that a long-term contract will be issued prior to the expiration date.

FUND STRUCTURE (CONTINUED)

Renewal Fund

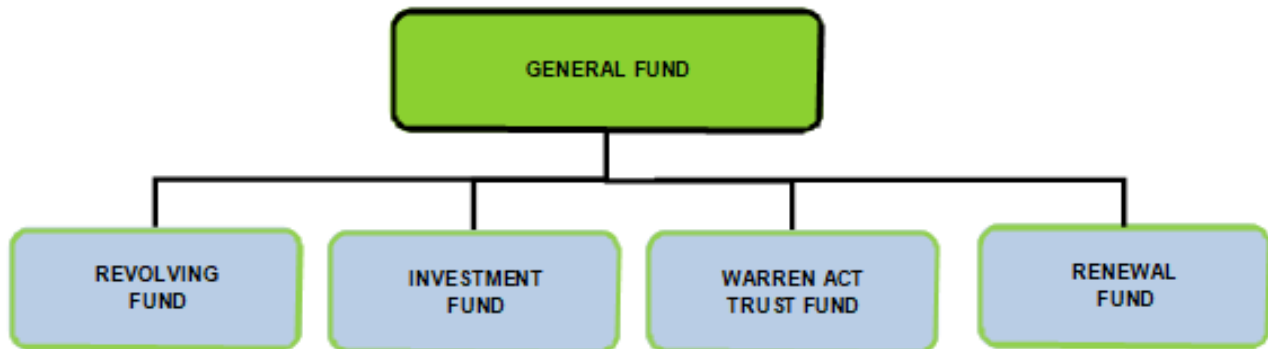
The Renewal Fund is a requirement of the 1995 Renewal Master Contract (executed in 1996 between Reclamation and the Santa Barbara County Water Agency) entered into for water conveyance from the Cachuma Project to the five Cachuma Project Member Units.

The Renewal Master Contract requires the payment of \$10 per AF of water made available by the Cachuma Project during the water year, which runs from October 1 to September 30. The Renewal Fund itself is capped at \$257,100, which is related to the current annual operational yield of 25,714 AF.

Article 27(a) of the Cachuma Project Renewal Master Contract (MCA 27) established the Renewal Fund into which monies are deposited and from which monies are expended. As provided in this Article, the purpose of Renewal Fund is to finance the following activities:

- Mitigation activities associated with the selected alternative identified in the final Cachuma Project Renewal EIS/EIR.
- Activities that may be required of the Contracting Officer by SWRCB orders affecting the Project Water Rights.
- Studies described in sub-article 7 (b) which are specific to conducting and preparing studies and reports that are required to be submitted by Reclamation to the SWRCB pursuant to Board WR94-5 paragraph 3, including fisheries studies and other related studies under the continuing jurisdiction of the SWRCB.
- Studies relating to modifications in the Cachuma Project operations pursuant to sub-article 9 (g), including to protect the environment and groundwater quality downstream of Bradbury Dam, conserve Project Water, and promote efficient water management.
- Restoration of riparian or other habitat of the Santa Ynez River and its watershed, which has been adversely affected by the Project.
- Activities of Reclamation pursuant to sub-article 27 (i) that are required by law to be the Contractor, those shall be included in the Long-Term Plan and Annual Work Plan and reimbursed by the Renewal Fund.

The 1995 Renewal Master Contract was to expire September 30, 2020. The Santa Barbara County Water Agency (SBCWA) initiated a contract renewal process with Reclamation during fiscal year 2019-20. On September 22, 2020, Reclamation and SBCWA executed a three-year amendatory contract to allow for the development and completion of a long-term agreement.

FUND STRUCTURE (CONTINUED)**Figure 5.1 – COMB Fund Structure**

COMB operates under one fund for financial statement and budgetary purposes. Because COMB is a pass-through agency, all revenues are equal to the expenditures included in the budget. As such, the overall fund balance is expected to be zero. Unexpended funds are identified through the audit process and returned to the Member Agencies on an annual basis.

A summary of funds by fund type can be found on the following page.

FUND STRUCTURE (CONTINUED)

Table 5.1 Summary of Funds by Fund Type - FY 2023-24 (1)

Category	General Fund	Warren Act Trust Fund	Renewal Fund	Total
Revenues:				
COMB Net Operating Budget	\$ 4,928,983	\$ -	\$ -	\$ 4,928,983
USBR Water Rates/Deficits	2,200,000	-	-	2,200,000
Grant Funding	1,101,563	-	-	1,101,563
CVWD Cooperative Agreement Funding	550,000	-	-	550,000
Warren Act Trust Fund	-	210,786	-	210,786
Loan Payments - EPFP	-	-	-	-
Bradbury SOD Act	261,647	-	-	261,647
Cachuma Project Betterment Fund	100,000	-	-	100,000
SWRCB Water Rights Fee	75,620	-	-	75,620
Lauro SOD Act	47,404	-	-	47,404
Renewal Fund	-	-	76,456	76,456
DDW D3 Permit Fee	20,000	-	-	20,000
Total Managed Revenues:	\$ 9,285,217	\$ 210,786	\$ 76,456	\$ 9,572,459
Expenditures:				
Contracts/Agreements				
U.S. Bureau of Reclamation	\$ 2,200,000	\$ -	\$ -	\$ 2,200,000
Bradbury SOD Act Repayment	261,647	-	-	261,647
Lauro SOD Act Repayment	47,404	-	-	47,404
Water Rights Fee	75,620	-	-	75,620
Subtotal:	\$ 2,584,671	\$ -	\$ -	\$ 2,584,671
Personnel				
Operations Division	\$ 1,220,347	\$ -	\$ -	\$ 1,220,347
Fisheries Division	557,140	190,786	76,456	824,382
Administrative Division	966,952	-	-	966,952
Subtotal:	\$ 2,744,439	\$ 190,786	\$ 76,456	\$ 3,011,681
Operation and Maintenance				
Operations Division	\$ 625,800	\$ -	\$ -	\$ 625,800
Fisheries Division	74,600	10,000	-	84,600
Subtotal:	\$ 700,400	\$ 10,000	\$ -	\$ 710,400
General and Administrative				
Operations Division	\$ 267,527	\$ -	\$ -	\$ 267,527
Fisheries Division	131,181	-	-	131,181
Subtotal:	\$ 398,707	\$ -	\$ -	\$ 398,707
Infrastructure and Improvement Projects				
Infrastructure Improvement Projects	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000
Special Projects	1,370,000	-	-	1,370,000
Habitat Improvement Projects	15,000	10,000	-	25,000
Program Support Services	172,000	-	-	172,000
Subtotal:	\$ 2,857,000	\$ 10,000	\$ -	\$ 2,867,000
Total Expenditures before Debt:	\$ 9,285,217	\$ 210,786	\$ 76,456	\$ 9,572,459
Debt Service - American Riviera Bank	-	-	-	-
Total Expenditures:	\$ 9,285,217	\$ 210,786	\$ 76,456	\$ 9,572,459

(1) COMB operates under one fund for financial statement and budgetary purposes. Because COMB is a pass-through agency, all revenues are equal to the expenditures included in the budget. As such, the overall Fund Balance excluding the Warren Act Trust Fund and Renewal Fund is expected to be zero. Unexpended funds are identified through the audit process and returned to the Member Agencies on an annual basis.

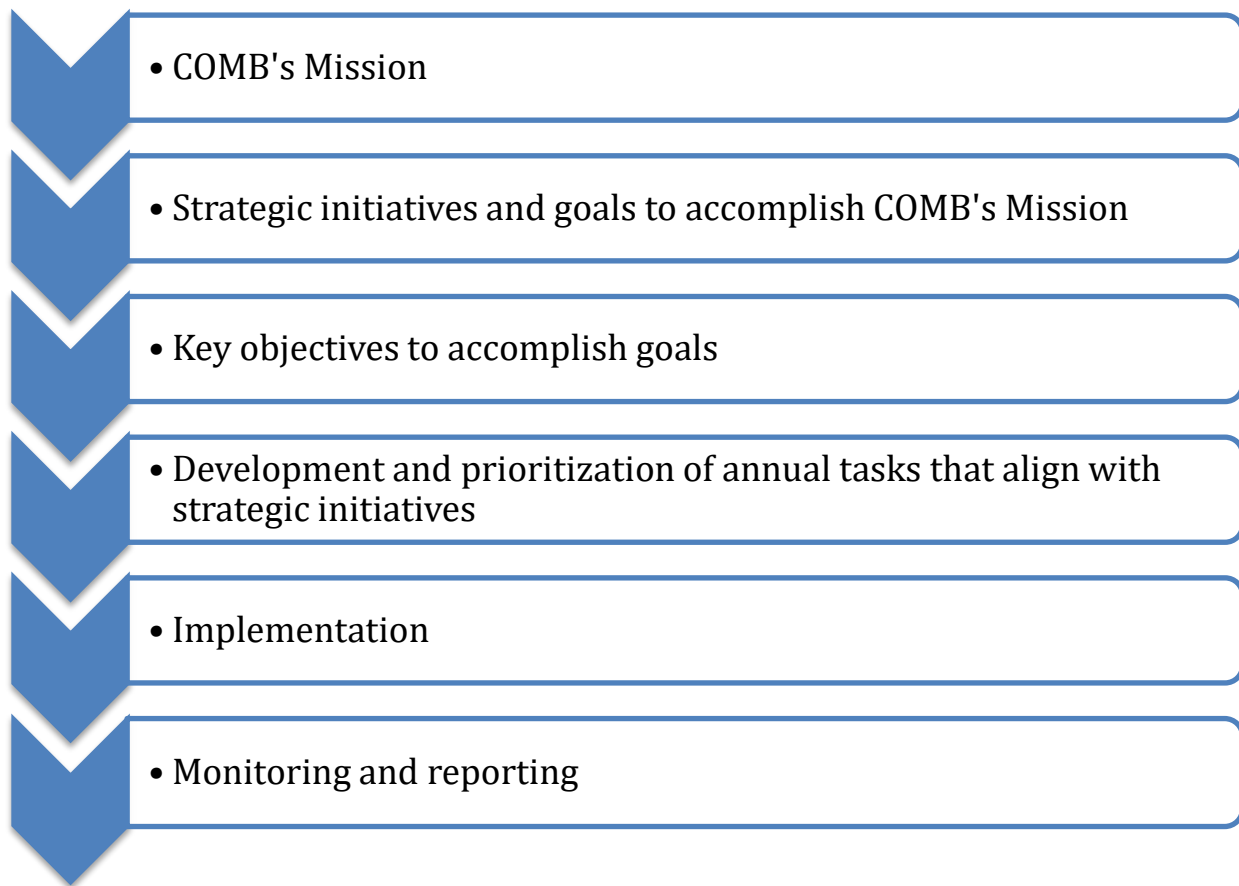
LONG TERM PLANNING

STRATEGIC PLANNING

The Planning Process

Strategic planning is a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organizations' mission and achieve consensus on strategies and objectives for achieving that mission. The planning process warrants considerable time and includes thoughtful consideration on components such as identifying critical issues and establishing strategic initiatives, developing broad goals to achieve those initiatives, creating measurable objectives, and ultimately implementing the plan.

At the end of 2019, COMB staff developed six internal strategic initiatives as part of the annual budget and long term financial planning process. Staff took into consideration the following elements in its planning efforts:



STRATEGIC PLANNING (CONTINUED)

Our Policy Statement and Mission

COMB is committed to providing its core services while maintaining a balanced approach to human and environmental needs. Our actions are guided by the COMB mission:

***“To provide a reliable source of water to our Member Agencies
in an efficient and cost effective manner
for the betterment of our community.”***

Strategic Initiatives

As COMB moves into the next fiscal year, staff is committed to upholding the core values that have shaped its standard of excellence. These six initiatives seek to coordinate with existing COMB plans, policies, programs and action in order to carry out our mission.



- Initiative 1 - Water Supply Reliability
- Initiative 2 - Distribution Facilities Improvement
- Initiative 3 - Environmental Stewardship and Public Trust Resources
- Initiative 4 - Cost Effectiveness and Value
- Initiative 5 - Organizational Policies and Financial Responsibilities
- Initiative 6 - Foster Leadership and Workforce Capabilities

STRATEGIC PLANNING (CONTINUED)**Initiative 1 Water Supply Reliability**

Goal: Sustain a safe, reliable water supply for our Member Agencies by:

Objectives:

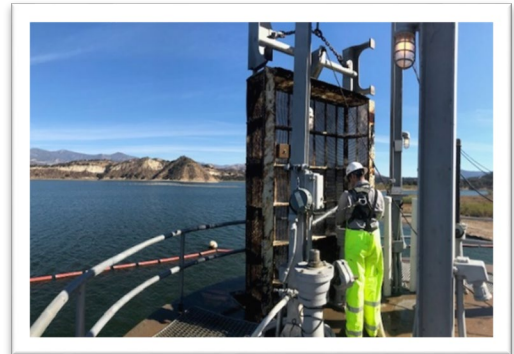
- Protecting and maintaining the water conveyance system.
- Analyzing watershed conditions - watershed stewardship.
- Implementing drought response and resiliency measures.
- Storing and conveying state water imports.
- Monitoring / defending against natural and human-made disasters.

**Initiative 2 Distribution Facilities Improvements**

Goal: Identify, prioritize and implement projects necessary to protect, improve, and sustain the Cachuma Project conveyance system and appurtenant structures by:

Objectives:

- Continuing infrastructure improvement planning.
- Developing and updating asset management plan.
- Updating the risk and resiliency plan.
- Improving facilities security and emergency preparedness plans.
- Continuing technology improvements toward operation and maintenance activities.



STRATEGIC PLANNING (CONTINUED)**Initiative 3 Environmental Stewardship and Public Trust Resources**

Goal: Continue to monitor and mitigate for changing climate conditions, develop and implement strategies to increase sustainability of the steelhead trout population and improve fish passages along the Santa Ynez River by:

Objectives:

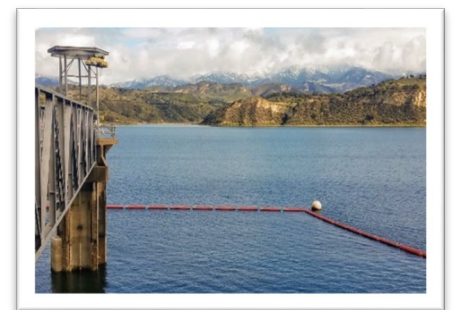
- Implementing the provisions of the 2000 BiOp and Water Rights (WR) Order 2019-0148.
- Protecting and enhancing steelhead habitats in accordance with the FMP.
- Adhering to environmental regulatory requirements.
- Improving watershed protection.
- Working to mitigate climate crisis effects of COMB operations.

**Initiative 4 Cost-Effectiveness and Value**

Goal: Maintain and improve the cost effectiveness and value of COMB services to our Member Agencies by:

Objectives:

- Managing and maintaining infrastructure efficiently.
- Continuing to review and prioritize IIP.
- Investing in system improvements and sustainably efficient equipment for better, more economical results and climate change resiliency.
- Enhancing asset management program.
- Leveraging technology to improve system.



STRATEGIC PLANNING (CONTINUED)**Initiative 5****Organizational Policies and Financial Responsibility**

Goal: Operate within approved policies in a productive, transparent and efficient manner to ensure sound financial stability by:

Objectives:

- Advancing the development of policies and procedures in an ever changing legal and regulatory environment.
- Enhancing the annual financial audit practices and budget document formulation.
- Developing short and long term financial plans.
- Adhering to risk transfer practices.
- Leveraging advances in technology.

**Initiative 6****Foster Leadership and Strengthen Workforce Capabilities**

Goal: Continue to promote a safe and positive work environment and provide equal opportunities for employees to use their diverse talents to grow professionally and prepare for challenges of the future by:

Objectives:

- Promoting a safe and socially equitable working environment.
- Providing training and continuing education.
- Advancing licensing and certification for staff members.
- Investing in professional growth opportunities.
- Reinforcing employee retention through workplace / leadership practices.



FY 2023-24 GOALS AND PRIORITIES

In December of each year, COMB Division Managers prepare a list of priorities by division and general area of responsibility. The list is reviewed by the General Manager and refined as appropriate. The goals are then presented to the Board of Directors at regularly scheduled public meeting. Outlined below are highlights of priorities, sorted by strategic initiative, to be initiated during fiscal year 2023-24.

Strategic Initiative 1 – Water Supply Reliability

Goal: Sustain a safe, reliable water supply for our Member Agencies.

- Implement Phase 2 actions for the Lake Cachuma Water Quality and Sediment Management Study related to phosphorous and total organic carbon sources.
- Operate Lake Cachuma Evaporation and Water Quality Buoy.
- Perform bi-weekly water quality samples at Lake Cachuma.
- Continue enhancement of Lake Projection model.

Strategic Initiative 2 – Distribution Facilities Improvements

Goal: Identify, prioritize and implement projects necessary to protect, improve, and sustain the Cachuma Project conveyance system and appurtenant structures.

- Continue structure maintenance and rehabilitation of the South Coast Conduit and appurtenant structures.
- Make improvements to the South Coast Conduit in collaboration with Carpinteria Valley Water District to allow for improved future maintenance of the South Coast Conduit in that area.
- Continued repair and maintenance of COMB facilities and infrastructure.
- Continue to improve system records for maintenance and right-of-way program.
- Perform a comprehensive update of the GIS information in COMB's Field Mapplet system with updated aerial photo imagery and GIS information. Locate and digitize lateral piping off of the South Coast Conduit.
- Continue to organize and digitize historical records with focus on historical photos of the construction of the South Coast Conduit.

FY 2023-24 GOALS AND PRIORITIES (CONTINUED)**Strategic Initiative 3 – Environmental Stewardship and Public Trust Resources**

Goal: Continue to monitor and mitigate for changing climate conditions, develop and implement strategies to increase sustainability of the steelhead trout population and improve fish passages along the Santa Ynez River.

- Continue implementation of the monitoring and survey program per the 2000 Biological Opinion.
- Continue collaboration with Reclamation on best management practices for Hilton Creek.
- Continue collaboration with Reclamation on any monitoring or reporting tasks that they request regarding compliance with any of the State Water Orders (specifically WR 89-18 and WR 2019-0148).
- Continue annual development and implementation of a Migrant Trapping Plan in collaboration with Reclamation.
- Collaborate with Reclamation on the implementation and reporting of the Passage Supplementation Program.
- Maintain the LSYR *O. mykiss* scale inventory and conduct analyses on data.
- Continue working with the US Geological Survey on stream gauge program.
- Continue to maintain and develop landowner relationships in the LSYR basin.
- Continue education and collaboration with other *O. mykiss* monitoring programs within the Southern California Steelhead DPS to improve collective knowledge.
- Implement proposed actions contained in the COMB Sustainability Plan with the intent of reducing our carbon footprint while protecting our valuable resources.

Strategic Initiative 4 – Cost-Effectiveness and Value

Goal: Maintain and improve the cost effectiveness and value of COMB services to our Member Agencies

- Identify and prioritize infrastructure improvement projects through the COMB Five-Year Infrastructure Improvement Plan (IIP).
- Perform COMB Operations Annual Work Plan activities.
- Continue to seek grant funding for upcoming projects, especially for projects listed within the Infrastructure Improvement Plan and Habitat Improvement Plan.
- Investigate and implement new technologies to advance operational efficiencies and reduce impacts of climate change.
- Explore alternative sources of renewable energy.

FY 2023-24 GOALS AND PRIORITIES (CONTINUED)**Strategic Initiative 5 – Organizational Policies and Financial Responsibility**

Goal: Operate within approved policies in a productive, transparent and efficient manner to ensure sound financial stability.

- Continue discussion with Reclamation to execute a long-term Cachuma Transferred Project Works Contract.
- Enhance financial audit/budget documents.
- Operate within approved financial resources.
- Participate in the ACWA JPIA Commitment to Excellence Program.
- Advancement of IT network and infrastructure and security protocols.
- Advancement of Board Policies and Internal Procedures.

Strategic Initiative 6 – Foster Leadership and Strengthen Workforce Capabilities

Goal: Continue to promote a safe and positive work environment and provide equal opportunities for employees to use their diverse talents to grow professionally and prepare for challenges of the future.

- Continue to encourage staff development and certification as water system distribution operators, qualified applicators, and appropriate safety training.
- Develop Employee Retention plan to promote longevity.
- Participate in the ACWA JPIA Vector Solutions Online Training Program.
- Develop an Employee Health and Wellness plan.

PERFORMANCE MEASURES

In support of our mission to provide a reliable source of water to our Member Agencies in an efficient and cost effective manner, COMB has identified the following key performance measures to demonstrate our efforts in achieving our objective.

Water Conveyed by Year, by Source of Water Via South Coast Conduit (Acre Feet) ⁽¹⁾

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Plan ^(*) 2022	Plan ^(*) 2023
Cachuma Project Deliveries	12,423	17,917	22,657	14,693	14,695	24,517 (a)
State Water Project (SWP) Deliveries ⁽²⁾	2,476	705	2,457	5,537	7,456	- (b)
So. Coast Storage (Gain/Loss)	(122)	177	(26)	(56)	-	-
Total	14,777	18,799	25,088	20,175	22,151	24,517

(*) Based on Member's projected imports/exports at the start of the year.

Water Conveyed by Year, by COMB Member Agency Via South Coast Conduit (Acre Feet) ⁽¹⁾

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Plan ^(**) 2022	Plan ^(**) 2023
Goleta Water District	7,801	9,995	10,226	9,302	9,554	9,761
City of Santa Barbara	1,753	2,149	8,059	5,854	8,681	7,918
Carpinteria Valley Water District	3,177	3,311	3,013	2,414	1,368	3,618
Montecito Water District	1,902	2,493	3,417	2,003	1,798	2,470
Other (*)	266	674	398	656	750	750
Total	14,899	18,622	25,114	20,230	22,151	24,517 (a+b)

(*) Includes Includes SWP participants: La Cumbre Mutal Water District, Raytheon, and Morehart Land Company

(**) Based on Member's projected imports/exports at the start of the year.

Apparent Water Loss (Target = +/- 6%)

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Plan ^(**) 2022	Plan ^(**) 2023
Water Production (*)	14,761	18,721	24,854	20,330	22,151	24,517
Water Deliveries	14,777	18,799	25,088	20,175	22,151	24,517
Difference = Apparent Water Loss (AWL)	(16)	(78)	(234)	156	-	-
AWL %	-0.11%	-0.42%	-0.94%	0.77%	+/- 6%	+/- 6%

(*) Cachuma Lake Diversion + Tecolote Tunnel Intrusion + County Park Usage

(**) Per Cachuma Project Master Contract - All Project Water delivered for municipal and industrial purposes is measured by meters with an accuracy of +/- 6 percent

Planned Maintenance Hours to Distribution v

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Plan 2022	Plan 2023
Maintenance Hours	4,773	5,317	4,916	5,233	4,967	4,967
Maintenance Hours/Mile of Pipeline	168	187	173	174	165	165

Underground Service Alert in the COMB Right of Way (ROW)

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Plan 2022	Plan 2023
# of Dig Alerts Received and Reviewed by COMB Staff	1,168	1,091	1,006	970	1,000	1,000

Safety and Training Hours

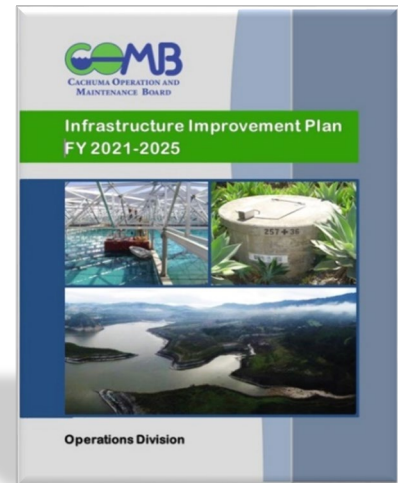
	Actual 2019	Actual 2020	Actual 2021	Actual 2022 ⁽¹⁾	Plan 2022	Plan 2023
Total Safety and Training Hours	343	142	189	644	180	180

(1) 2022 Safety and Training Hours were high due to staff education requirements related to Distribution Operator testing and license/certification.

LONG TERM CAPITAL AND FINANCIAL PLANNING

COMB operates under an annual operating budget, which is adopted by the Board of Directors in accordance with established short and long-term financial plans. Through the Transferred Project Works contact (O&M Contract), COMB is responsible for operating and maintaining the facilities of the U.S. Bureau of Reclamation. COMB does not have title to the assets of the Cachuma Project. Capital improvements are recorded as expenditures in the COMB Operating Budget and funded on a current basis from the COMB Member Agencies.

The FY 2023-24 Budget includes \$2,670,000 for capital (infrastructure) improvement and non-capital (special) projects as compared to the FY 2022-23 Budget of \$6,050,000. See [pages 66-71](#) for information on current year projects.



COMB has developed a comprehensive five-year Infrastructure Improvement Plan (IIP) that is used as an internal guideline for forecasting, budgeting, and long-term financial planning. The IIP formalizes the strategy for implementation of capital projects and programs needed to carry out the goals and policy objectives of the Board. The IIP is organized and structured to identify and prioritize rehabilitation projects necessary to protect, improve, and sustain a reliable source of water conveyed from the Cachuma Project to the South Coast communities of Santa Barbara County.

The IIP identifies the improvements needed in the Cachuma Project System and sets forth review criteria to enable the prioritization of projects for scheduling improvements during the five-year period. The IIP is intended to serve many purposes including:

- **Long Range Planning Document**

As a long-range planning document, the IIP describes the key infrastructure improvements needed for a five-year horizon and identifies additional projects that should be evaluated on a regular basis for potential future inclusion. The goal of the five-year plan is to identify the critical needs projects for near-term implementation.

- **Cachuma Project Cost Analysis**

The IIP provides an outline of costs associated with rehabilitation of the Cachuma Project that serves to provide guidance for long-term rate analysis efforts performed by our Member Agencies.

LONG TERM CAPITAL AND FINANCIAL PLANNING (CONTINUED)

- **Budget Development**

The annual COMB Operating Budget outlines discrete projects and affiliated costs to communicate needed investment for the forthcoming fiscal cycle. The IIP provides detailed guidance on priority projects to be included in the annual operating budget.

- **Communication to Stakeholders**

The IIP communicates to COMB's stakeholders the array of infrastructure improvements necessary to maintain a reliable supply of water. Communicating the condition of assets and the challenges associated with competing financial resources provides a basis for our Member Agencies to consider COMB projects and their own priorities.

Prior to drafting the IIP, COMB conducted a critical needs assessment, which included an internal inventory of assets, a conditions assessment, an estimate of replacement costs, and a projection by which assets require immediate or near-term replacement for major infrastructure and appurtenances. This assessment was supplemented with the U.S. Bureau of Reclamation site inspection recommendations (periodic and comprehensive reviews) of selected Cachuma Project facilities and components.

In developing the IIP, COMB staff, with input from the Member Agencies' technical staff, developed the following list of goals to serve as the guiding principles of the plan.

IIP Established Goals

- Carryout COMB's mission of providing a reliable source of water to our Member Agencies.
- Identify infrastructure vulnerabilities and operational deficiencies (Risk Management).
- Provide for a systematic selection of critical projects.
- Maintain current level of service while allocating infrastructure improvement costs over time.
- Identify funding requirements for long term capital planning.
- Serve as a basis for annual budget development.
- Create a framework for ensuring reliable and sustainable operations.
- Serve as a planning document for the Board of Directors.

LONG TERM CAPITAL AND FINANCIAL PLANNING (CONTINUED)

COMB staff incorporated elements of COMB internal analysis and Reclamation site inspections to produce a list of projects for further consideration. The projects included in the IIP represent the minimal level of investment necessary to continue to meet regulatory requirements, critical needs, and sustain vital infrastructure.

IIP Project Ranking

To evaluate projects systematically, COMB created project priorities, as shown on the following page, and ranked the projects in order of criticality. The purpose of utilizing this methodology was to accurately separate the projects into categories from high to low priority. The ranking informs the Board of Directors when reviewing, approving, and budgeting for implementation of important infrastructure improvement projects.

COMB staff prioritized a comprehensive list of proposed projects using the following six priority categories:

Priority 1 **Regulatory or Legal Requirement**

Projects that are subject to the requirements of federal, state, or local regulatory agencies, with noncompliance resulting in fines or other adverse actions.

Priority 2 **Required to Maintain Current Level of Service**

Projects that maintain the current level of service to COMB's Member Agencies. These projects reduce potential disruptions, water loss, property damage that could occur without replacement. In general, these projects include the replacement or rehabilitation of valves and infrastructure that are inoperable, or whose failure would result in an unplanned shutdown of deliveries or disruption in the transmission of critical operations data.

Priority 3 **Addressing Critical Deficiency**

A critical deficiency has the potential to jeopardize COMB's ability to serve its Member Agencies in a significant manner. These deficiencies have been identified by Bureau of Reclamation, COMB staff, or outside experts. Projects under this category address known critical conditions that could result in major infrastructure failure, deteriorated water quality, limited water production, or unsafe working conditions.

Priority 4 **Evaluates Critical / Significant Deficiency**

Potential critical / significant deficiencies have been identified which require further engineering investigation and design. These projects would evaluate the criticality of the deficiency and potential solutions to mitigate the deficiency.

LONG TERM CAPITAL AND FINANCIAL PLANNING (CONTINUED)**Priority 5****Proactive Aging / Deficient Infrastructure Replacement**

These projects provide funding for the proactive replacement, upgrade, or improvement of a facility that is near or at the end of its useful service life. Although an asset may be at its assumed end of useful life, it may remain functional for many years; therefore, the replacement is considered proactive until the asset becomes inoperable.

Priority 6**System Reliability and Resilience Improvements**

These projects consist of system improvements, which improve system reliability or provide backup systems to maintain service levels during and after emergency events (i.e. wildfires, earthquakes, floods).

Updates to IIP

The IIP is updated on an annual basis and submitted to the Operations Committee for review and comment. Following Committee review and recommendations, the IIP and its annual amendments are presented to the Board of Directors for final approval. The COMB IIP, including five year cost projections, can be found on the COMB website at www.cachuma-board.org/infrastructure-improvement-program.

Five Year Financial Plan

The Five Year Financial Plan (Plan) is prepared to provide the Cachuma Project Member Units (Member Units) pro forma projections of the COMB's operating expenditures and pass-through charges. The Plan is prepared only as an informational tool and is not formally adopted by the COMB Board of Directors. This information is used by the Member Units for their budget and long-term planning purposes. Additionally, these projections are used by the Member Units to assist in establishing water rates for their local agencies and ensuring their water system revenues are sufficient to meet their operating expenses and debt coverage covenants.

COMB's operating expenditures and general and administrative expenses are projected with a 3% inflation factor. Infrastructure improvement projects are based on the approved COMB IIP for FY 2021-2025. Historically, IIP projects have averaged \$1.5M per year. Board policy requires that all projects be approved thru Committee and by the Board prior to commencement. The Plan also includes "pass-through" charges from the U.S. Bureau of Reclamation and the State Water Resources Control Board. While these expenditures are not considered expenses for COMB, the charges are collected by COMB and paid to the respective agencies; therefore, they are included in the projection. Costs are allocated based on contractual agreements or approved methodologies and vary by contract.

LONG TERM CAPITAL AND FINANCIAL PLANNING (CONTINUED)

Table 5.2 – Five Year Financial Plan ⁽¹⁾

	2023-24	2024-25	2025-26	2026-27	2027-28	Note
COMB Gross Operating Budget	\$ 6,987,787	\$ 5,678,172	\$ 6,287,617	\$ 6,431,245	\$ 6,579,183	(2), (3)
USBR O&M Costs	2,200,000	2,266,000	2,333,980	2,403,999	2,476,119	(4)
Bradbury SOD Act	261,647	261,647	261,647	261,647	261,647	(5)
Cachuma Project Renewal Fund	76,456	155,000	155,000	155,000	155,000	(6)
Lauro SOD Act	47,404	47,404	47,404	47,404	47,404	(5)
SWRCB Water Rights Fee	75,620	77,889	80,225	82,632	85,111	(7)
DDW D3 Permit Fee	20,000	20,600	21,218	21,855	22,510	(8)
Non-Member Agency Obligation	60,000	60,000	60,000	60,000	60,000	(9)
Total Gross Obligation	9,728,914	8,566,711	9,247,091	9,463,782	9,686,974	
Less Offsetting Revenues:						
- Grant Funding	\$ (1,101,563)	\$ -	\$ -	\$ -	\$ -	
- Other Funding	(550,000)	-	-	-	-	
- Warren Act Trust Fund/Renewal Fund	(287,242)	(300,000)	(300,000)	(300,000)	(300,000)	
- County Betterment Fund	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	
- Non-Member Agency Constructive Return	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	
Total Offsetting Revenues	(2,098,805)	(460,000)	(460,000)	(460,000)	(460,000)	
Total Net Obligation	\$ 7,630,110	\$ 8,106,711	\$ 8,787,091	\$ 9,003,782	\$ 9,226,974	
Projected Obligation by Member Unit:						Notes:
Goleta Water District	\$ 2,942,831	\$ 3,135,340	\$ 3,407,149	\$ 3,491,454	\$ 3,578,288	
City of Santa Barbara	\$ 2,625,276	\$ 2,796,591	\$ 3,038,330	\$ 3,113,576	\$ 3,191,079	
Carpinteria Valley Water District	\$ 892,222	\$ 950,441	\$ 1,032,598	\$ 1,058,171	\$ 1,084,511	
Montecito Water District	\$ 840,842	\$ 895,708	\$ 973,134	\$ 997,234	\$ 1,022,057	
Santa Ynez Water Conservation District ID No 1	\$ 328,938	\$ 328,631	\$ 335,880	\$ 343,348	\$ 351,039	
Total Net Obligation by Member Unit	\$ 7,630,110	\$ 8,106,711	\$ 8,787,091	\$ 9,003,782	\$ 9,226,974	

1. Projected amounts are for information only and have not been approved by the COMB Board of Directors. Amounts are subject to change.
2. COMB's operating expenditures and general and administrative expenses are projected with a 3% inflation factor.
3. COMB's infrastructure improvement projects are based upon the approved and amended COMB IIP for FY 2021-2025. Historically, IIP projects have averaged \$1.5M per year. Board policy requires that all projects be approved thru Committee and by the Board prior to commencement.
4. USBR O&M costs are projected with a 3% inflation factor.
5. Pursuant to US Bureau of Reclamation Safety of Dams Act Repayment Agreement.
6. Amounts are variable in nature and are directly tied to the annual amount of State Water Project Water delivered into the lake.
7. State Water Resources Control Board pass-through cost projected with a 3% inflation factor.
8. Division of Drinking Water D3 Permit Fee (City of SB, MWD and CVWD, only)
9. Pursuant to the terms and conditions of the Separation Agreement, ID No. 1 was deemed no longer a Member Agency of COMB and had departed from the COMB JPA Agreement as of May 27, 2016. ID No. 1 continues to be a member of the Cachuma Project which carries certain benefits and obligations associated with the Project as outlined in various agreements. Payments received from the ID No. 1 will be returned to the COMB Member Agencies through a constructive return.

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DEBT SERVICE

DEBT SERVICE**SOD Act Assessments Receivable and Contract Payable****Bradbury Dam SOD**

On July 1, 2002, COMB executed a repayment contract with U.S. Bureau of Reclamation under the Department of Interior of the United States. Under the terms of the agreement and in accordance with the United States Safety of Dams Act, COMB will reimburse Reclamation for fifteen percent (15%) of the total amount of SOD Act funds expended by Reclamation to preserve the structural integrity of Bradbury Dam and related Cachuma Project facilities. COMB entered into a repayment contract with Reclamation when the project was deemed substantially complete. The repayment contract, as executed, calls for a repayment of 15% of a total cost of \$45,276,008 or approximately \$6,791,000 plus interest, as appropriate, over a 50-year period.

The repayment obligation has been allocated fifty-one and three-tenths percent (51.3%) to irrigation uses or \$3,483,989 and forty eight and seven tenths percent (48.7%) to municipal and industrial uses or \$3,307,412. The Irrigation allocation bears no interest and repayment commenced in fiscal year ending 2017. Interest during construction of \$325,477 was added to the M&I Allocation. During construction, COMB made advances of \$1,496,148 that were applied against the M&I Allocation amounts. Accounting for advances made by COMB during construction, the balance due under the M&I Allocation contract was \$2,136,741.

COMB's payment obligation for FY 2023-24 is \$261,648 and assesses the Cachuma Project Member Units in accordance with each Member's Cachuma Project entitlement percentages. The annual payment requirements to retire the contract through October 1, 2051, including interest payments at 5.856%, are presented in the following table. This table does not include future adjustments that may be made by Reclamation to the Bradbury Dam repayment contract due to additional incurred costs.

Table 5.3 – Bradbury Dam SOD Obligation

FYE	M&I Allocation		Irrigation Allocation	Total
	Principal	Interest		
2024	\$131,305	\$33,565	\$96,778	\$261,648
2025	138,994	25,876	96,778	261,648
2026	147,133	17,737	96,778	261,648
2027	155,749	9,121	96,778	261,648
2028			96,778	96,778
2029 - 2033			483,890	483,890
2034 - 2038			483,890	483,890
2039 - 2043			483,890	483,890
2044 - 2048			483,890	483,890
2049 - 2052			387,112	387,112
Total	\$573,181	\$86,299	\$2,806,562	\$3,466,042

DEBT SERVICE (CONTINUED)**SOD Act Assessments Receivable and Contract Payable****Lauro Dam SOD**

On March 21, 2007, COMB executed a repayment contract with U.S. Bureau of Reclamation under the Department of Interior of the United States. Under the terms of the agreement and in accordance with the United States Safety of Dams Act, COMB will reimburse Reclamation for fifteen percent (15%) of the total amount of SOD Act funds expended by Reclamation to preserve the structural integrity of Lauro Dam and reservoir; total costs not to exceed \$17,314,125. The primary contract for construction of the modification project was awarded by Reclamation in September 2005 and the work was deemed substantially complete in February 2007.

The total cost of the Lauro Dam SOD Act project was to be re-evaluated and repayment agreement amended, as necessary. During 2017, Reclamation completed its final accounting for the project and issued a final repayment contract. The repayment obligation has been allocated fifty and seventy-two one-hundredths percent (50.72%) to irrigation uses or \$512,139, and forty-nine and twenty-eight hundredths percent (49.28%) to municipal and industrial uses or \$497,598. The Irrigation allocation bears no interest.

COMB's payment obligation for FY 2023-24 is \$47,405 and assesses the COMB Member Agencies (only) in accordance with each Member Agencies' pro-rata Cachuma Project entitlement percentages. The annual payment requirements to retire the contract through October 1, 2057, including interest payments at 4.556%, are presented in the following table. This table represents the final repayment contract amount issued during fiscal year 2017.

Table 5.4 - Lauro Dam SOD Obligation

FYE	M&I Allocation		Irrigation Allocation	Total
	Principal	Interest		
2024	\$22,531	\$12,647	\$12,227	\$47,405
2025	23,558	11,620	12,227	47,405
2026	24,630	10,547	12,227	47,405
2027	25,753	9,425	12,227	47,405
2028	26,926	8,252	12,227	47,405
2029 - 2033	154,188	21,700	61,136	237,023
2034 - 2038			61,136	61,136
2039 - 2043			61,136	61,136
2044 - 2048			61,136	61,136
2049 - 2053			61,136	61,136
2054 - 2058			61,136	61,136
Total	\$277,585	\$74,190	\$427,952	\$779,727

DEBT SERVICE (CONTINUED)**Changes in Long Term Debt – FY 2024**

Projected changes in long-term debt for FY 2023-24 by obligation are reflected in the following table.

Table 5.5 – Changes in Long Term Debt FY 2023-24

Obligation	Beginning Balance July 1, 2023	Additions	Principal Payments	Adjustments	Ending Balance June 30, 2024
Bradbury SOD	\$3,379,724	\$ 0	\$228,083	\$0	\$3,151,641
Lauro SOD	705,537	0	34,758	0	670,779
Total	\$4,085,261	\$0	\$262,841	\$0	\$3,822,420

LIST OF ACRONYMS
AND ABBREVIATIONS

LIST OF ACRONYMS AND ABBREVIATIONS

ACWA	Association of California Water Agencies
AMC	Adaptive Management Committee
AWWA	American Water Works Association
AF	Acre Foot
AFY	Acre Feet per Year
AVAR/BO	Air Vacuum Air Release / Blow Off
BO or BiOp	Biological Opinion
CalPERS	California Public Employees' Retirement System
CC	Consensus Committee
CCFA	Central Coast Funding Area
CCRB	Cachuma Conservation Release Board
CCWA	Central Coast Water Authority
CDFW	California Department of Fish and Wildlife
City of SB	City of Santa Barbara
COMB	Cachuma Operation and Maintenance Board
COLA	Cost of Living Adjustment
CPI	Consumer Price Index
CSDA	California Special Districts Association
CVWD	Carpinteria Valley Water District
DWR	Department of Water Resources
EAP	Employee Assistance Program
EPF	Emergency Pumping Facility
EPFP	Emergency Pumping Facilities Project
EPMC	Employer Paid Member Contribution
ESRI	Environmental Systems Research Institute
FEMA	Federal Emergency Management Agency
FY	Fiscal Year
FYE	Fiscal Year End

LIST OF ACRONYMS AND ABBREVIATIONS

FMP	Fisheries Monitoring Program
FRGP	Fisheries Restoration Grant Program
G & A	General and Administrative
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GPS	Global Positioning System
GWD	Goleta Water District
HIP	Habitat Improvement Plan
IIP	Infrastructure Improvement Plan
IRWM	Integrated Regional Water Management
IRWMP	Integrated Regional Water Management Program
JPA	Joint Powers Authority
JPIA	Joint Power Insurance Authority
MWD	Montecito Water District
MOU	Memorandum of Understanding
NGO	Non-Governmental Organizations
NMFS	National Marine Fisheries Service
O&M	Operations and Maintenance
PEPRA	Public Employees' Pension Reform Act
ROW	Right of Way
SB	Santa Barbara
SCADA	Supervisory Control and Data Acquisition
SCC	South Coast Conduit
SOD	Safety of Dams
SWP	State Water Project
SWRCB	State Water Resources Control Board
SYR	Santa Ynez River
SYRCWD	Santa Ynez River Conservation Water District

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GLOSSARY OF TERMS

GLOSSARY OF TERMS

A

Account - A record used to sort, store and summarize a company's transactions.

Accounting System - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of a government entity.

Accrual Basis of Accounting - The method of recording financial transactions in the accounting period in which revenues are earned and expenses are incurred, rather than only after cash is received or paid.

Acre-Foot of Water - The volume of water that would cover one acre to a depth of one foot (approximately 325,900 gallons).

Amortization - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

Appropriation - The act of setting aside money for a specific purpose.

B

Biological Opinion - When a government agency determines, through a biological assessment or other review, that its action is likely to affect adversely a listed endangered species, the agency submits to the appropriate regulatory agency a request for formal consultation. Generally, U.S. Fish and Wildlife Services (USFWS) manages land and freshwater species, while the National Marine Fisheries Services (NMFS) is responsible for marine and anadromous species. During formal consultation, the appropriate regulatory agency and the requesting agency share information about the proposed project and the species or critical habitat likely to be affected. Once the formal consultation is completed, the appropriate regulatory agency will prepare a biological opinion. The conclusion of the biological opinion will state whether the requesting agency has insured that its action is not likely to jeopardize the continued existence of a listed species and/or result in the destruction or adverse modification of critical habitat.

Budget - A report of all anticipated expenditures and the sources of moneys to be used to meet such expenditures.

Budget Adjustment - The process of reallocating budgeted funds to an alternate account and does not change the overall approved budget amount.

Budget Augmentation - Represents an increase to the approved budget due to an unanticipated expenditure and the need for additional assessments.

GLOSSARY OF TERMS

C

Calendar Year – The period from January 1 through December 31.

California Department of Fish and Wildlife - Within the California Natural Resources Agency, the Department of Fish and Wildlife manages and protects the state's fish, wildlife, plant and native habitats. It is responsible for related recreational, commercial, scientific, and educational uses. <https://wildlife.ca.gov/>

California Department of Water Resources (DWR) – The state agency responsible for the State of California's management and regulation of water usage. <https://water.ca.gov/>

California Public Employees' Retirement System – An agency in the California executive branch that manages pensions and health benefits for more than 1.6 million California public employees, retirees, and their families. <https://www.calpers.ca.gov/>

Capital Expenditures – Amounts expended which result in the acquisition of, or addition to, fixed assets, including land, buildings, improvements, machinery and equipment.

Carry-Over - The term used to denote amounts, which are to be expended during one fiscal year on a contract or obligation but are not expended for various reasons. Amounts are “carried over” into the subsequent fiscal year.

COMB Member Agency - On January 1, 1957, the Cachuma Operation and Maintenance Board (COMB) was formed as a Joint Powers Authority (JPA) through an agreement organized by the Cachuma Project Member Units pursuant to the provisions of Articles 1, 2, and 4 of Chapter 5, Division 7, Title 1 of the California Government Code. The resulting JPA agreement was entered into by the Cachuma Project Member Units, who, in doing so, became Member Agencies of COMB, in order to provide for the joint exercise of powers by those Member Agencies for the rights to, the facilities of, and the operation, maintenance and use of the Reclamation's project known as the “Cachuma Project.” The organization is comprised of four Cachuma Project Member Units, known collectively as COMB's Member Agencies. They are the Carpinteria Valley Water District, the Goleta Water District, the Montecito Water District, and the City of Santa Barbara.

Cachuma Project Member Unit – The Cachuma Project Member Units are the Carpinteria Valley Water District, Goleta Water District, Montecito Water District, City of Santa Barbara, and the Santa Ynez River Water Conservation District, Improvement District No. 1. The Member Units entered into contracts with the Santa Barbara County Water Agency for the purpose of receiving water from the Cachuma Project for the use and benefit of the Member Units.

GLOSSARY OF TERMS

C

COMB Joint Powers Agreement -The original contract was executed on January 1, 1957 and subsequently amended and restated for the establishment of a Board of Control to operate and maintain the Cachuma Project and exercise the powers of the Agreement pursuant to the provisions of Articles 1, 2 and 4 of Chapter 5, Division 7, Title 1 of the California Government Code (§6500 et seq.)

Consumer Price Index (CPI) - CPI is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas.

<https://www.bls.gov/regions/west/cpi-summary/>

Conveyance — A conveyance system provides for the movement of water, either natural or manmade. Conveyance infrastructures include natural watercourses, such as streams, rivers, and groundwater aquifers; and constructed facilities, such as canals and pipelines, including control structures such as weirs. Conveyance facilities range in size from small, local, end-user distribution systems to large systems that deliver water to or drain areas as large as multiple hydrologic regions. Conveyance facilities also require associated infrastructure, such as pumping plants and power supply, diversion structures, fish ladders, and fish screens.

Comprehensive Annual Financial Report - The annual audited financial report of COMB, which includes financial statements, statistical information, and extensive narration, which goes beyond the minimum financial reporting requirements of an audited financial statement.

Coverage Ratio - The margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

D

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Deficiency - A general term indicating the amount by which anything falls short of some requirement of expectation.

Deficit - The excess of expenditures over revenues during an accounting period.

GLOSSARY OF TERMS

D

Depreciation - An element of cost resulting from the service of long-lived assets in an economic organization and represents the loss in asset value because of wear, deterioration, obsolescence or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

E

Endangered Species Act - An act of the federal government enacted in 1973 that provides for the conservation of species that are endangered or threatened and the conservation of the ecosystems on which they depend. A species is considered endangered if it is in danger of extinction throughout all or a significant portion of its range. A species is considered threatened if it is likely to become an endangered species within the foreseeable future.

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources, or funds paid or to be paid for an asset obtained, or goods and services obtained regardless of when the expense is actually paid.

F

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which, a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character that are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fund Balance - Also known as financial position, fund balance is the excess of fund assets over liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other financing uses. COMB operates under one fund for financial statement and budgetary purposes. Because COMB is a pass-through agency, all revenues are equal to the expenditures included in the budget. As such, overall Fund Balance excluding the Warren Act Trust Fund and Renewal Fund is expected to be zero.

GLOSSARY OF TERMS

G

GASB - The Government Accounting Standards Board is the source of generally accepted accounting principles (GAAP) used by state and local governments. As with most of the entities involved in creating GAAP in the United States, it is a private, nongovernmental organization. <https://www.gasb.org>

Generally Accepted Accounting Principles - The uniform accounting principles, standards, and procedures for the presentation of financial reports. For local governments, GAAP is set by the Government Accounting Standards Board (GASB).

Geographical Information System (GIS) - An information system that integrates maps with electronic data.

Groundwater — Water that occurs beneath the land surface and fills the pore spaces of the alluvium, soil, or rock formation in which it is situated.

Groundwater Basin — An alluvial aquifer or a stacked series of alluvial aquifers with reasonably well-defined boundaries in a lateral direction and having a definable bottom.

I

Infrastructure Improvement Project - A project that results in a new asset (e.g. a facility, betterment, replacement, equipment, etc.) that has a total cost of at least \$50,000 and a useful life of at least five years. The US Bureau of Reclamation has title to certain assets of the Cachuma Project. Improvements made to those assets are treated as expenditures on COMB's financial statements.

Irrigation Water - Water made available from the Cachuma Project which is used primarily in the production of agricultural crops or livestock.

J

Joint Powers Agreement - An agreement entered into by two or more public agencies that allows them to jointly exercise any power common to the contracting parties. JPA is defined in California Government Code Title 1, Division 7, Chapter 5 (commencing with Section 6500).

Joint Powers Authority - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function that all parties to the agreement are empowered to perform and that will be of benefit to all parties.

GLOSSARY OF TERMS

L

Line Item - Expenditure classifications established to account for and budget the appropriations approved.

M

Maintenance - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Master Contract - *Contract Between the United States and Santa Barbara County Water Agency Providing for Water from the Project (Contract No. 175r-1802R)* is between the U.S. Bureau of Reclamation and the Santa Barbara County Water Agency and provides for the diversion, storage, carriage and distribution of waters from the Santa Ynez River and its tributaries for irrigation, municipal, domestic and industrial uses for the Cachuma Project Member Units.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred.

M

Municipal and Industrial Water (M&I Water) - Water made available from the Cachuma Project other than Irrigation Water, M&I water includes water used for municipal, industrial, and domestic purposes, and water used for purposes incidental to domestic uses such as the water of landscaping or pasture for animals (i.e. horses) which are kept for personal enjoyment.

N

National Marine Fisheries Services (NMFS) - The federal agency responsible for the stewardship of national marine resources. <https://www.fisheries.noaa.gov/>

O

Obligation - Amounts that a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Other Post-Employment Benefits (OPEB) - Benefits provided to retirees other than pension, such as retiree health insurance.

Operating Expenses- All costs associated with the day-to-day business of COMB that are not considered capital improvements or debt repayments.

GLOSSARY OF TERMS

P

Pass-Through Charges - Charges from the United States Bureau of Reclamation and other state agencies which are paid by the Cachuma Project Member Units. These charges are not expenses of COMB but are charged and paid by the agency.

Project Water - Water that is developed, diverted, stored, or delivered by the United States pursuant to the Project Water Rights, including accretions to the Tecolote Tunnel.

Projected - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

Proprietary Fund - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

R

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue - An inflow of assets, not necessarily in cash, in exchange for services rendered.

Right of Way (ROW) - The legal right, established by usage or grant, to pass along a specific route through grounds or property belonging to another.

S

Santa Ynez Exchange Agreement - An agreement between Central Coast Water Authority, Carpinteria Valley Water District, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District No. 1 (SYRWCD ID No.1), and the City of Santa Barbara. Among other things, this agreement provides for the exchange of SYRWCD ID No.1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

SCADA System - The Supervisory Control and Data Acquisition (SCADA) System is a computer system that collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

GLOSSARY OF TERMS

S

State Water Project (SWP) – SWP, under the supervision of the California Department of Water Resources, is a water storage and delivery system of reservoirs, aqueducts, power plants and pumping plants extending more than 700 miles and serves urban and agricultural agencies from the San Francisco Bay area to Southern California.

<https://water.ca.gov/Programs/State-Water-Project>

State Water Resources Control Board (SWRCB) – The SWRCB oversees the allocation of the state's water resources to various entities and for diverse uses, from agricultural irrigation to hydro electrical power generation to municipal water supplies, and for safeguarding the cleanliness and purity of Californians' water. The State Water Board also provides financial assistance to local governments and non-profit agencies to help build or rejuvenate wastewater treatment plants, and protect, restore and monitor water quality, wetlands, and estuaries. <https://www.waterboards.ca.gov/>

Surface Water - As defined under the California Surface Water Treatment Rule, California Code of Regulations Title 22, Section 64651.83, surface water means “all water open to the atmosphere and subject to surface runoff” and hence would include all lakes, rivers, streams, and other water bodies. Surface water includes all groundwater sources that are deemed to be under the influence of surface water (i.e., springs, shallow wells, wells close to rivers, etc.), which must comply with the same level of treatment as surface water.

T

Table A — Table A is an exhibit that corresponds to the contracts between the California Department of Water Resources and the 29 State Water Project (SWP) water contractors, in which are defined the terms and conditions governing the water delivery and cost repayment for the SWP. All water-supply-related costs of the SWP are paid by the contractors, and Table A serves as a basis for allocating some of the costs among the contractors. In addition, Table A plays a key role in the annual allocation of available supply among contractors. Table A is simply contractual language for apportioning available supply and cost obligations under the contract.

Table A Water — The maximum amount of State Water Project (SWP) water that the State agreed to make available to an SWP contractor for delivery during the year. Table A amounts determine the maximum water a contractor may request each year from the California Department of Water Resources. The State and SWP contractors also use Table A amounts to serve as a basis for allocation of some SWP costs among the contractors.

GLOSSARY OF TERMS

T

Transferred Project Works Contract - *Transfer Agreement for the Operation and Maintenance of the Cachuma Project Transferred Works – Cachuma Project, California (Contract No. 14-06-200-5222R)* - An agreement between the U.S. Bureau of Reclamation and the Cachuma Operation and Maintenance Board. The purpose of the agreement is to transfer the responsibility of operating and maintaining the Cachuma Project Works to the Cachuma Member Units.

U

U.S. Department of the Interior, Bureau of Reclamation (USBR) – USBR is a federal agency under the U.S. Department of the Interior, which oversees water resource management, specifically as it applies to the oversight and operation of the diversion, delivery, and storage projects that it has built throughout the western United States for irrigation, water supply, and attendant hydroelectric power generation.

<https://www.usbr.gov/>

W

Warren Act Contract (Contract No. 5-07-20-W1281) – A contract between the U.S. Bureau of Reclamation and the Central Coast Water Authority and provides for the delivery and storage of non-project State Water in the federal facility referred to as the Cachuma Project.

Warren Act MOU Trust Fund - A trust fund established under a memorandum of understanding by and between the U.S. Bureau of Reclamation and the Cachuma Project Authority for the purposes of defining the Warren Act Trust Fund and use of funds, affiliated committees and responsibilities of parties. COMB and the Cachuma Project Authority merged in 1996, with COMB as the successor agency.

Water Rights – The legal right of a user to use water from a water source (i.e., a lake, river, stream, creek, pond, or source of groundwater).

Water Year – A continuous 12-month period for which hydrologic records are compiled and summarized. Different agencies may use different calendar periods for their water years. For the California Department of Water Resources, a water year is October 1 through September 30.

Watershed — A land area from which water drains into a stream, river, or reservoir. The watershed for a major river may encompass a number of smaller watersheds that ultimately combine at a common point.

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