



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Submitted on:**  
**(COB Stamp)**

**Department Name:** PW/Water Agency  
**Department No.:** 054  
**Agenda Date:** September 23, 2025  
**Placement:** Administrative Agenda  
**Estimated Time:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

**TO:** Board of Directors, Water Agency  
**FROM:** Department Director: Chris Sneddon, Public Works Director  
Contact: Walter Rubalcava, Deputy Director – Water Resources  
**SUBJECT:** **Casmite Corporation Funding and Reimbursement Agreement, 4<sup>th</sup> Supervisorial District**

**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Directors of the Santa Barbara County Water Agency:

- a) Authorize the Public Works Director to execute the Funding and Reimbursement Agreement between Chevron Environmental Management Company and the Santa Barbara County Water Agency in a form substantially similar to the agreement attached hereto, and upon review and concurrence of the Auditor Controller, Risk Management, and County Counsel; and
- b) Determine that these actions are not subject to California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15378(b)(5), as it is an administrative action that will not result in direct or indirect changes to the environment, and 15306 as information collection which does not result in serious or major disturbance to an environmental resource.

**Summary Text:**

This item is on the agenda to approve and authorize the Chair to execute the Funding and Reimbursement Agreement (Agreement) between Chevron Environmental Management Company (Chevron EMC), for itself and as Attorney-in-Fact for the Casmite Corporation, and the Santa Barbara County Water Agency (Attachment A).

**Discussion:**

The primary purpose of the agreement is to enable Chevron EMC to reimburse the Water Agency for consultant work related to evaluation of the existing water system infrastructure owned and operated by Casmite Corporation as well as water system facilities owned and operated by the Casmalia Community Services District (Casmalia CSD). The Water Agency intends to retain the Wallace Group, a tri-county vendor, to provide engineering recommendations for repairs, reconstruction and/or replacement facilities to bring the system up to current applicable standards as well as to provide for more appropriate and robust service that would include alternatives for new infrastructure to better support the current connections as well as future growth.

**Background:**

Casmalia CSD currently provides water service to property owned by the Orcutt Union School District, three commercial buildings, and 55 single-family residences. Water is stored in an existing 180,000 gallon tank. Water is supplied by Casmite Corporation from existing wells and other support infrastructure including supply piping and a storage tank that fills the Casmalia CSD tank. The existing Casmalia CSD tank was constructed in 2010 using grant funds and is located on Vandenberg Space Force Base property. A recent tank assessment has revealed differential settlement, bulging of the tank wall, cracking of the tank foundation and surrounding asphalt pad, and significant corrosion in the tank requiring complete recoating.

Currently Casmalia CSD does not have the capacity to pay for infrastructure improvements. In addition, Casmite Corporation as part of Chevron EMC has expressed interest in potentially divesting its Casmite Corporation water assets. For this reason, the Casmalia CSD, Casmite Corporation, and the Santa Barbara County Public Works Department are in the process of discussing options related to Casmalia CSD infrastructure and services provided by Casmite Corporation. The Wallace Group scope includes cost estimates for the preferred infrastructure alternative and the associated rate structure required to fund annual operating and maintenance costs. Wallace Group was selected from the Public Works Department's prequalified professional services list of consultants for these services based on their experience and competence in this field.

**Fiscal and Facilities Impacts:**

Funding for the proposed consultant services will come from existing Water Agency appropriations. The estimated cost of the Wallace Group's evaluation of the Casmalia water system is between \$93,488 and \$146,928, all of which will be fully reimbursed by Chevron EMC under the terms of the agreement. The work is expected to be completed during the current fiscal year (FY 2025-26). Existing staff will administer the agreement within current resources.

Funds will be paid through CC-54471, FD-3050, PG-0543007, SC-7650. This is a one-time cost and will not result in an impact to the General Fund.

**Fiscal Analysis:**

Funding for the proposed consultant services will come from existing Water Agency appropriations. The estimated cost of the Wallace Group's evaluation of the Casmalia water system is between

\$93,488 and \$146,928, all of which will be fully reimbursed by Chevron EMC under the terms of the agreement. This is a one-time cost and will not result in an impact to the General Fund.

Funding Source	FY 2025-26	Total
Water Agency Fund (Reimbursed by Chevron EMC)	\$93,488 – \$146,928	\$93,488 – \$146,928
<b>Total</b>	\$93,488 – \$146,928	\$93,488 – \$146,928

**Special Instructions:**

Direct the Clerk of the Board to email a copy of the signature page along with the minutes of these actions to Christina Lopez at [clopez@countyofsb.org](mailto:clopez@countyofsb.org).

**Attachments:**

**Attachment A** – Copy of Funding and Reimbursement Agreement with Chevron EMC

**Contact Information:**

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