

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on:
Department Name: Public Works/Flood Control
Department No.: 054-04-01
Agenda Date: 11/26/02
Placement: Departmental
Estimate Time: 30 minutes
Continued Item: NO
If Yes, date from:
Document Name: Brdnov26.ccwa

TO: Board of Directors
Santa Barbara County Flood Control and Water Conservation District

FROM: Phillip M. Demery
Public Works Director

STAFF CONTACT: Thomas Fayram, Deputy Public Works Director, Ext. 3436
Robert Almy, Water Agency Manager, Ext. 3542

SUBJECT: **State Water Project and Central Coast Water Authority Financial Report**

Recommendation(s):

That the Board of Directors:

Receive a report from the Water Agency staff and Central Coast Water Authority regarding current State Water Project financial issues.

Alignment with Board Strategic Plan:

The recommendation is primarily aligned with Goal No. 1. An Efficient Government Able to Respond to the Needs of the Community.

Executive Summary and Discussion:

The Santa Barbara County Flood Control and Water Conservation District (District) originally contracted for a share of the State Water Project (SWP), but has transferred its rights and responsibilities for the project to the Central Coast Water Authority (CCWA) and several CCWA members through Water Supply Retention Agreements (executed in the mid 1980's) and the November 21, 1991 agreement with CCWA. The SWP contract establishes the District and its taxpayers as the ultimate guarantor for financial obligations of the "State" portion of the project. (The distribution facilities south of Casmalia and the water treatment plant, the "local facilities", were financed with bonds issued by CCWA directly.) The State accepts the transfer of obligations and rights but still regards the District as the contractor in case of default by CCWA in making its payments. Since the District remains the contractor for the project, failure of any CCWA members to meet financial obligations could be of direct concern to your Board.

Your Board has requested an annual update from CCWA on the financing of the State Water Project. Consistent with past updates, staff has requested CCWA make a presentation to your

Board. CCWA has recently approved a comprehensive assessment of its financial condition and as a result is in a position to provide an up to date overview.

CCWA has provided three documents for your review:

- FY 2002-03 CCWA Budget (provided to you under separate cover)
- FY 2001-02 Comprehensive Annual Financial report (CAFR) (provided to you under separate cover),
- 2000-01 Annual Report on Continuing Disclosure for \$198 million Revenue Bonds (provided to you under separate cover), and

Together these documents address the capacity of CCWA and its members to continue meeting their financial commitments. CCWA staff requests your Board receive a presentation on these reports at your November 26, 2002 meeting so that you may address any questions you may have directly to their staff.

Mandates and Service Levels:

CCWA provides water to several entities in Santa Barbara County including the Cities of Buellton, Guadalupe, Santa Barbara, and Santa Maria; the Goleta, Carpinteria Valley and Montecito Water Districts; Santa Ynez Water Conservation District Improvement District No.1, the Vandenberg Air Force Base, La Cumbre Mutual Water Company, the California Cities Water Company (Orcutt) and two private entities.

Fiscal and Facilities Impacts:

The receipt of this report will have no fiscal impacts. The report relates to the CCWA and its financial issues.

Concurrence:

The financial documents have been forwarded to the Auditor Controller for their review.