

Lompoc City Council Agenda Item

DATE: June 21, 2005
TO: Gary Keefe, City Administrator
FROM: Susan Segovia, Administrative Analyst
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SUBJECT: 2005-06 Association of Water Agencies of Santa Barbara County Budget

RECOMMENDATION:

Staff recommends that the City Council ratify the Fiscal Year (FY) 2005-06 Association of Water Agencies of Santa Barbara County (Association) budget, and authorize the Mayor to sign the attached Association's budget approval form.

DISCUSSION:

FY 2005-06 Association Budget

The City of Lompoc is a member of the Association, which was created pursuant to the Association's Joint Powers Agreement. On April 22, 2005, the Board of Commissioners of the Association adopted a final FY 2005-06 budget for the Association, totaling \$17,500. For the past eight or nine years, the Association Board has approved funding approximately 50% or more of the budget from the Association reserves. Therefore, \$8,500 of the \$17,500 FY 2005-'06 budget was designated for funding from the Association reserves. The Board also approved, on April 22, 2005, suspension of all member agency payments for FY 2005-06, as indicated by "Note Number 2" at the bottom of the "Draft Apportionment to Membership" sheet.

Article IV, Section 3(a) of the Association's Joint Powers Agreement requires the governing board of each voting member agency to ratify the approved budget for FY 2005-06, to contribute to the Association in proportion to the volume of water that the party annually delivers to its customers, or pay a minimum of \$300 for members, who are small water agencies or do not deliver water to their customers. The City of Lompoc's projected annual water delivery for FY 2005-06 is 4,810 acre feet per year, which is 7% of the Association's water deliveries, resulting in a \$462 charge for Lompoc. As mentioned above, Lompoc's charge and the charges for all of the Association members have been fully suspended for FY 2005-06. These charges will be paid out of the Association's reserves.

Association Board Status on Dissolution

The Lompoc City Council approved dissolution of the Association as a joint powers agency on December 21, 2004.

The Association Board also voted, at its April 22, 2005 meeting, to do the following:

- dissolve the Association at or about the time that the California Department of Health Services' mandated Watershed Sanitary Survey of surface water sources is complete; (The Lompoc City Council approved Lompoc's participation in the watershed sanitary survey of San Miguelito Creek, upstream of Frick Springs on March 15, 2005. The Sanitary Survey will be completed by the end of December 2005).
- develop a draft resolution for dissolution of the Association, which includes the formula for disbursement of the remaining Association monies, based on the last five years of dues contributions;
- approve a final two year audit of the Association (FY 2003-04-FY 2004-05), and also include the additional time period, which covers the Association's dues disbursement;
- continue meeting informally to discuss water issues of mutual concern; and
- approve the Santa Barbara County Water Agency as the facilitator of the informal meetings.

The draft resolution for dissolution of the Association, with the formula for disbursement of the remaining Association monies, will be discussed at the Association's July 22, 2005 meeting. If a majority of the Board members approve the Resolution, the Association will be dissolved. The projected effective date of the dissolution is March 31, 2006. This should allow sufficient time for completion of the Association audit, which is discussed above, and the filing of dissolution with the State of California.

Susan Segovia
Administrative Analyst

Attachments:

- Association of Water Agencies of Santa Barbara County, Draft Proposed Budget for Fiscal Year 2005-'06 Budget
- Association of Water Agencies of Santa Barbara County, 2005-'06 Fiscal Year Operations Budget, Draft Apportionment to Membership
- Association of Water Agencies of Santa Barbara County, Adopted Final Budget for, Fiscal Year 2005- '06

APPROVED:

James W. Beck
Utility Director

APPROVED FOR SUBMITTAL TO CITY COUNCIL:

Gary Keefe
City Administrator