

Alexander, Jacquelyne

From: Kelley Dyer <kdyer@SantaBarbaraCA.gov>
Sent: Thursday, January 31, 2019 2:45 PM
To: sbcob
Cc: Daniel S. Hentschke; Rebecca Bjork; Joshua Haggmark; Ray Stokes
Subject: Support State Water Project Contract to CCWA
Attachments: Support 1963 State Water Contract to CCWA - Jan2019.pdf

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Dear Clerk of the Board,

Attached is a copy of a letter from the Mayor of the City of Santa Barbara addressed to the County Board of Supervisors regarding Departmental Agenda Item 1 of their February 5th meeting. We would appreciate you distributing the letter to the Board of Supervisors and including it on the meeting record. A hard copy is also being mailed as well.

Thanks very much,



Kelley Dyer
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City of Santa Barbara

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January 29, 2019

Cathy Murillo

Mayor

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Honorable Steve Lavagnino, Chair, and
Members of the Board of Supervisors
County of Santa Barbara
101 E. Anapamu Street
Santa Barbara, CA 93101

Re: Assignment of 1963 State Water Contract to the Central Coast Water Authority

Dear Chair Lavagnino and Members of the Board of Supervisors:

The City of Santa Barbara respectfully requests that the Board of Supervisors approve the proposed assignment of the 1963 State Water Project Contract ("1963 Contract") to the Central Coast Water Authority (CCWA). Assignment of the 1963 Contract to CCWA has been contemplated since 1991, when CCWA and the County signed a Transfer of Financial Responsibility Agreement. At that time, it was deemed necessary for the County to remain the contract holder in order to satisfy the requirements of Article 34 of the State Water Contract to levy a property tax. Recent 2015 amendments to Government Code section 6502 now clarify that a joint powers authority, such as CCWA, has all powers common to its member agencies, including, but not limited to, the authority to levy a tax. With power of taxation common to its member agencies, CCWA now clearly meets the eligibility requirements of Article 34 of the State Water Project Contract.

In 1991, the CCWA assumed 100 percent of the County's financial obligations under the 1963 Contract, which it has done successfully. Between 1991 and 1997, CCWA constructed the local State Water Project facilities on schedule and within budget. The County had zero financial obligation toward the construction of State Water Project facilities.

Since 1997, the CCWA has received water via the State Water Project from the California Department of Water Resources, and CCWA delivered that water to the City of Santa Barbara, one of its member agencies, as well as other CCWA member agencies. CCWA has treated and conveyed the State Water Project water entirely at member agency costs, which, in turn, have been passed on to member agency customers, the water rate payers. The County has also had zero financial obligation toward the cost of those water delivery operations.

CCWA has a 27 year record of fiscal responsibility, and its financial management and reporting systems have been recognized for their excellence. Since 1991, CCWA has not missed a single payment to the State of California. CCWA has been scrupulous in monitoring and auditing the costs imposed by the State on CCWA, and CCWA has been one of the statewide leaders in efforts to promote accuracy and transparency in the State's cost accounting for the State Water Project.



Please consider the environment before printing this letter.

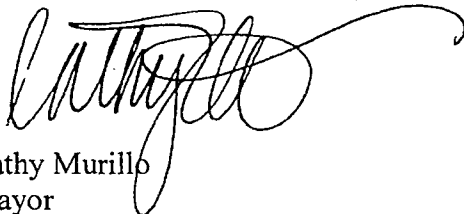
Given CCWA's track record, along with confirmation that CCWA meets requirements for State Water Contract eligibility, it is now time to fulfill the promises made in 1991. The assignment of the 1963 contract to CCWA would provide numerous benefits to the County and its residents, including:

1. Placing decision-making authority in the hands of the water rate payers and customers who pay for State Water Project water;
2. Relieving the County of all financial obligations and liability under the 1963 Contract;
3. Protecting residents in local cities and other communities who do not receive State Water Project water (e.g., Lompoc, Mission Hills, Vandenberg Village) from any potential future financial obligation under the 1963 Contract; and
4. Streamlining bureaucratic decision-making at the local level.

We respectfully ask that the Board of Supervisors approve the proposed assignment of the 1963 Contract to CCWA.

Thank you for your kind consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cathy Murillo', with a large, decorative flourish extending to the right.

Cathy Murillo
Mayor
City of Santa Barbara