

**SANTA BARBARA COUNTY  
BOARD AGENDA LETTER**



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

**Agenda Number:**  
**Prepared on:** 11/9/04  
**Department Name:** PW/Laguna Sanitation District  
**Department No.:** 054  
**Agenda Date:** 12/14/04  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Directors  
Laguna County Sanitation District

**FROM:** Phillip M. Demery, Director

**STAFF CONTACT:** Mark A. Schleich, Deputy Director, Resource Recovery & Waste Management Div.  
Martin J. Wilder, District Manager, x8750

**SUBJECT:** Amendment No. 1 to Recycled Water User Agreement with the Santa Maria Public Airport District

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**Recommendation(s):**

That the Board of Directors:

- A. Execute Amendment No. 1 to the Recycled Water Use Agreement with the Santa Maria Public Airport District to extend the term through December 31, 2025 and revise the rate structure.

**Alignment with Board Strategic Plan:**

The recommendation(s) are primarily aligned with Goal No. 2. A Safe and Healthy Community in Which to Live, Work, and Visit.

**Executive Summary and Discussion:**

The Laguna County Sanitation District disposes of its effluent (recycled water) by treating it to acceptable levels for various reuse applications. Disposal of the recycled water is achieved by means of irrigation on District property as well by distribution for approved uses to private user sites. The Regional Water Quality Control Board (RWQCB) requires Producer/User agreements for use on properties not owned by the District. The District entered into a recycled water user agreement with the Santa Maria Public Airport District on January 21, 2003 to use recycled water on up to 510 acres of Airport property. To supply water to the Airport, The District constructed a recycled water pipeline from the plant to the Airport's westerly property line as part of its TDS Reduction and Recycled Water project and in turn, the Airport constructed a recycled water pipeline to convey water to its west side parcels. The original agreement established water rates, conditions of use, responsibilities and contract term through December 31, 2022. The water rate structure

was intended to allow the Airport to recoup their costs of investment on their distribution system over a short term period and allow for the increase of the rate after the period is over.

Delivery of recycled water was scheduled for this summer. However, from February through September, District staff performed repairs to process membranes and made modifications to screening equipment. To date, screening modifications have been implemented and the plant resumed full operation in September. Upon resuming operation, the District initiated final validation testing of the disinfection system pursuant to California Department of Health Services requirements, which is expected to be completed in December. This delay required the Airport to extend water service from the original source through July 2005. While the Airport is responsible for supplemental and backup water supply, the Airport has incurred costs to maintain its current supply.

This amendment to the original agreement extends the contract term through December 31, 2025, places responsibility for supplemental and backup with the Airport and modifies the rate structure for the recycled water since the original rate was based on the sale of the water to the Airport's proposed golf course. The water will actually be used for agricultural purposes, which was shown to not be economically viable at the initial rate.

**Mandates and Service Levels:**

There are no changes to service levels with this action.

**Fiscal and Facilities Impacts:**

There are no changes to fiscal and facilities impacts.

**Special Instructions:**

Please forward a certified minute order and one (1) of the two (2) original agreements to the Public Works Department, Laguna County Sanitation District, attn: Martin Wilder, and retain one (1) original for the Clerk of the Board.

**Concurrence:**

County Counsel  
Auditor-Controller  
Risk Management