

# 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  
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**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:** Surplus Water Exchange Agreement with Dudley Ridge Water District

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## **Recommendation(s):**

That the Board of Directors:

Approve and authorize the Chair to execute the attached Letter Agreement with the State Department of Water Resources between the Flood Control District and Dudley Ridge Water District pursuant to the request of the Central Coast Water Authority (CCWA) to exchange 745 acre-feet of State Water entitlement with the Dudley Ridge Water District.

## **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 capital costs 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 accepted the transfer of obligations and rights but still regards the District as the contractor in case of default by CCWA in making its payments. Thus the State requires the District to execute any agreements on behalf of CCWA.

Annually, your Board receives a formal report from CCWA on the financing of the State Water Project. Since the District remains the contractor for the project, failure of any CCWA member to meet financial obligations could be of direct concern to your Board. In the past, CCWA has demonstrated that it and its

members are meeting its financial obligations and complying with the terms of the November 1991 agreement.

From time to time State Water Contractors enter into exchange agreements that allow water to be transported to, and used by, contractors who have an immediate need for additional supplies. Several mechanisms exist for such agreements including sale of surplus water or exchanges. The CCWA and Dudley Ridge Water District wish to make such an exchange of 745 acre-feet of water. This would result in water being delivered to Dudley Ridge this fall to meet their short-term needs and for CCWA to be paid back over the next 10 years. The exchange will not otherwise affect future SWP deliveries to CCWA. (That is, future delivery of the 745 AF will not count toward CCWA "Table A" entitlement in the year(s) it is delivered to CCWA.) The agreement is on behalf of CCWA member units Montecito Water District and Santa Ynez Improvement District #1 (for the City of Solvang). It has been approved by CCWA member agencies and Dudley Ridge Water District. CCWA has agreed to hold the District harmless "any adverse affects" from deliveries of water under this agreement.

#### **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.

This exchange could potentially increase available supply to CCWA in a future year when CCWA member agencies could better use the water.

#### **Fiscal and Facilities Impacts:**

The execution of this agreement will have no fiscal impacts on the District. Operational costs associated with this exchange would be part of SWP billing to CCWA and Dudley Ridge. Staff expects to provide the annual report from CCWA on its financial issues in December.

#### **Special Instructions:**

Direct the Clerk of the Board to send all four originals of the agreement with a certified copy of the minute order attached to each agreement to the Water Agency office, Attn: Christina Lopez. After approval from the State, the Water Agency will send an original agreement to the Clerk of the Board for its files.

#### **Concurrence:**

County Counsel