



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

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

**Department Name:** Flood Control  
**Department No.:** 054  
**For Agenda Of:** February 9, 2016  
**Placement:** Departmental  
**Estimated Time:** 90 Minutes  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Directors, Flood Control and Water Conservation District

**FROM:** Department Scott D. McGolpin, Public Works Director, 568-3010  
Director(s)  
Contact Info: Thomas D. Fayram, Deputy Public Works Director, 568-3436

**SUBJECT:** **Reacquisition of Santa Barbara County Flood Control and Water Conservation District's Suspended State Water, All Supervisorial Districts**

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Recommended Actions:**

- a) Consider the request of the Central Coast Water Authority regarding reacquisition of Santa Barbara County Flood Control and Water Conservation District's suspended portion of its State Water Project allocation for delivery within Santa Barbara County;
- b) Authorize the Chair to sign the letter to the State Department of Water Resources for initiating the reacquisition process; and
- c) Determine that the proposed action is not a project under the California Environmental Quality Act, pursuant to Guidelines Section 15378(b)(5), organization or administrative activities that will not result in a direct or indirect physical change in the environment.

**Summary Text:**

The Central Coast Water Authority (CCWA) is requesting (Attachment A) that the Santa Barbara County Flood Control and Water Conservation District (District) formally request the State Department of Water Resources (DWR) (Attachment B) to allow reacquisition of the District's 12,214 acre-feet per year (AFY) of suspended project allocation. Although CCWA is responsible for most of the administrative and operations associated with the State Water Project (through execution of the Transfer

of Financial Responsibilities Agreement, or "TRFA") (Attachment C), the District is officially viewed by DWR as the contractor and as such DWR requires the concurrence of the District.

While CCWA has considered reacquisition of this water for many years, strained water supplies over the past few years have lead some CCWA member agencies to act on reacquiring the suspended water at this time.

CCWA's project participants were all invited to participate in the reacquisition. At this time, four (4) participants elected to do so; the City of Santa Maria, the City of Guadalupe, the City of Solvang, and the Santa Ynez River Water Conservation District Improvement District No. 1 (ID1). Alternatively, CCWA is investigating the interest in simply adding the water to its existing Drought Buffer (currently at 3,908 AF) for the benefit of all CCWA members. All costs associated with this action will be borne by the final pool of participants within CCWA.

Since the majority of the Coastal Aqueduct has been constructed without capacity for this water, the water is considered "Drought Buffer" water because the water can only be moved in years that capacity in the system exists.

#### **Background:**

The District entered into a contract with DWR in 1963 to receive up to 57,700 AFY of allocation from the State Water Project. The District then began making annual payments to the State for its share of the capital costs of the project.

In the early 1980s, after an unsuccessful bond election to pay for local facilities, several water purveyors opted to assume responsibility for payment for 45,486 AFY of the District's allocation through a series of Water Supply Retention Agreements (WSRAs). Around that the same time, DWR agreed to suspend the payments on the remaining 12,214 AFY. Also, DWR gave the County the option to reacquire suspended allocation at a later date if desired. Under the option all of the suspended costs would have to be paid plus interest for any portion of reacquired allocation. CCWA has since been in contact over the years with DWR to express its interest in ultimately reacquiring this water.

In 1991, CCWA was formed by the various water purveyors to manage the delivery of State Water to Santa Barbara County. Under the management of the CCWA, the Coastal Branch connection to the State Water Project was completed in 1995 with a design capacity of 39,078 AFY. Since then, CCWA has operated the Coastal Branch and distributed water to its member water purveyors. In addition, with the execution of the TFRA with the District, CCWA has been responsible for fiscal matters relating to State Water, including all the payments to DWR and protecting the District in the event of one or more of its member units fails to meet its financial responsibilities.

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

Budgeted: N/A

**Fiscal Analysis:**

Narrative:

State Water is an ongoing program in the Water Resources Division and staff time is included in the budget annually. Pursuant to the TFRA, all District costs associated with the SWP are subject for reimbursement by CCWA.

Costs to reacquire this water will include payment of suspended costs plus interest to DWR and repayment of past payments made by the District, plus interest. These costs are estimated at around \$30 million. These costs will be borne by the CCWA members that participate. Ongoing annual costs are estimated by CCWA at approximately \$150 per AF. These costs, like other CCWA Drought Buffer water (Drought Buffer water is held by CCWA and Goleta Water District) is far less expensive than its other Table A water because the capital costs for most of the Coastal Aqueduct are not allocated to Drought Buffer Water.

**Special Instructions:**

Direct the Clerk of the Board to call Christina Lopez at ext. 3436 to pick up the signed letter to mail along with a certified copy of the minute order of these actions.

**Attachments:**

- Attachment A - CCWA Request Letter (dated January 7, 2016) with attachments and exhibits
- Attachment B - Letter from Chair to DWR requesting to initiate reacquisition of the County's suspended State Water
- Attachment C - Transfer of Financial Responsibilities Agreement (TFRA) w/CCWA
- Attachment D - PowerPoint Presentation (County and CCWA)

**Authored by:**

Thomas D. Fayram Deputy Public Works Director, 568-3436