



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

Submitted on:
(COB Stamp)

Department Name: Water Agency/PW
Department No.: 054-04-07
For Agenda Of: 09/12/06
Placement: Administrative
Estimate Time: N/A
Continued Item: NO
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors Board of Directors, Water Agency
FROM: Department Director: Phillip M. Demery, Public Works Director, 568-3010
Contact Info: Thomas D. Fayram, Deputy Public Works Director, 568-3436
SUBJECT: Development of an Integrated Regional Water Management Plan

County Counsel Concurrence:

As to form/legality: Yes No N/A

Auditor-Controller Concurrence:

As to form: Yes No N/A

Recommended Action(s):

That Board of Supervisors/Directors:

- a. Approve and authorize the Chair to execute the attached Memorandum of Understanding (MOU) with various agencies (Cities, Special Districts, Water Companies, and Joint Powers Entities) to develop an Integrated Regional Water Management Plan (IRWMP) pursuant to the State's Proposition 50 Guidelines, and to share IRWMP costs in partnership with cities, water providers, and special districts throughout Santa Barbara County.

That the Board of Directors:

- b. Approve and authorize the Chair to execute an agreement with CH2M HILL (a local vendor) for an amount not to exceed \$244,964.50 to develop an IRWMP in Santa Barbara County during the period of September 12, 2006 through June 30, 2007.
- c. Approve the attached Budget Revision Request (BJE#2006258) to release \$206,500 from designations from the Water Agency to increase revenue to develop an IRWMP and to receive additional unanticipated revenue expected to total approximately \$13,500 from the participating agencies contributing their share of IRWMP costs.

Summary:

Having an Integrated Regional Water Management Plan (IRWMP) in place is a pre-requisite for cities, water providers, and special districts (e.g., sanitary districts, community service districts, water districts, etc) in a region such as Santa Barbara County to apply for State funding available through Proposition 50, Chapter 8 for water and sewer infrastructure projects. Proposition 50 was approved by the electorate in 2002 and makes \$160M available for water planning and project implementation grants. Failure to develop an IRWMP prevents the County or any other local agency or special district from applying for Prop 50 funds.

On April 26, 2005, your Board authorized the Water Agency to apply for a grant to the California Department of Water Resources for funding to develop an IRWMP. The grant application developed in 2005 was denied for funding by the Department of Water Resources. The agencies and special districts with water related responsibilities throughout the County are now interested in cooperating through a partnership to co-fund development of a plan. These Cooperating Partners are looking to the Water Agency to play a lead role in overall

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management of IRWMP development, in part because the State requires a single entity to submit the plan on behalf of all the Partners within a geographic region. Therefore, if authorized by the Board through the actions listed above, the Water Agency would:

- a. Cooperate with other agencies and districts in co-funding and co-developing an IRWMP;
- b. Implement the County's responsibilities as identified in the Memorandum of Understanding;
- c. Manage a contract for obtaining expert professional assistance in IRWMP development;
- d. Involve relevant County agencies and keep the Board informed at appropriate times regarding progress and products.

Background:

In 2002 a bond measure (Proposition 50) was approved by California voters to provide funding for water-related projects across the State. Subsequently, Prop 50 grant guidelines were issued jointly by the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) to provide funds for plans and projects to protect communities from drought, protect and improve water quality, and reduce dependence on imported water. With approval from the Board of Supervisors in 2005, the County Water Agency took the lead role in a regional partnership to develop two Prop 50 grant applications for: (1) a planning grant to develop an Integrated Regional Water Management Plan (IRWMP), and (2) an implementation grant for various local government and special district projects. Unfortunately, in December 2005, the State announced it would not approve the planning grant. This lack of an approvable IRWMP meant subsequent State denial (in February 2006) of the County's implementation grant request.

In denying the County's grant application, DWR and SWRCB provided feedback indicating an approvable IRWMP would need to be based on a more broadly inclusive process for identifying and prioritizing projects. The plan should better address the State's priorities as listed in its Guidelines, and it should cover a broad range of water supply, water quality, and resource management strategies. Our process for IRWMP development would ensure all appropriate County departments (including the Water Agency, the Flood Control District, Parks Department, Planning and Development, and the Agricultural Commissioner) are given an opportunity to review the draft plan and any proposed projects. The Board of Supervisors will have final approval of the IRWMP before it can be submitted to the State. Likewise, the Board would have the key approval role for submittal of any Prop 50 grant application.

A second round of Prop 50 funding will be made available in 2007. DWR and SWRCB have stated that an IRWMP, which meets the criteria in the jointly-issued Guidelines, must be completed as a pre-condition for requesting project implementation grants in the spring of 2007. Only those projects in the IRWMP would then be eligible for potential grant funding for implementation. Because this process is funded partially through the cooperating agencies, it is expected that projects that would be forwarded for a 2007 grant application would reflect the interests of those cooperating agencies. Most of these agencies are focused on water supply and wastewater disposal issues. Projects that the County could pursue would include projects for County Parks (Cachuma Water / Wastewater systems) and perhaps grants for the Santa Maria River Levee. Additionally, the County could help small districts such as Cuyama and Casmalia for grants to improve their municipal systems.

Development of an IRWMP covering water resources in Santa Barbara County will require a concerted and coordinated effort by all governments, special districts, and other key stakeholders involved in water programs and projects. The County Water Agency seems to be the logical entity for taking a lead role in coordinating development of an IRWMP, given its history in water planning, its County-wide geographic scope, and its expertise on a range of water issues. As in the past, a Memorandum of Understanding (MOU) signed by partner agencies, districts, and others could define the goals of the planning effort as well as the mechanism for agencies and districts to transfer funds to the Water Agency for contractual expenses to develop the IRWMP.

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In preparing to take the MOU to the Board, the Public Works Department sought input from relevant County departments, including the Agricultural Commissioner. At an August 10th meeting of the Agricultural Advisory Committee, the members expressed concern that an IRWMP could potentially include projects which might adversely affect agriculture. The Chair stated the Committee is not opposed to the County's moving forward with the IRWMP, but asked the Department to heed their concerns and to seek ways of precluding projects which would have a negative impact on agriculture. The Agricultural Advisory Committee desired that your Board be aware of this concern. Because of the focus of the cooperating agencies, staff believes that potential projects would not threaten agriculture.

To further address the Committee's concerns, staff is committing to: (1) ask the Committee to review a list of proposed projects when such a list is being developed; (2) solicit input from agricultural interests during workshops built into the IRWMP process, and (3) invite the Committee to designate a member as a liaison to the IRWMP Steering Committee.

Nearly all of the County's twenty-eight (28) potential Cooperating Partners have approved the MOU, including the largest co-funders (the cities of Santa Maria, Lompoc, and Santa Barbara) as well as the two special powers agencies with broadest geographic coverage: the Cachuma Operations and Management Board and the Central Coast Water Authority. Most importantly, across the County nearly every geographic area served by either a water or wastewater agency (or special water/wastewater district) is represented by one or more Cooperating Partner.

Staff will report back to the Board upon plan completion and detail the project list as further defined by the County and cooperating agencies.

Fiscal and Facilities Impacts:

Development of this plan was included in the 2006-07 Budget, but was assumed to be partially funded by a State grant. The recommended action would release \$206,500 from designations from the Water Agency to increase revenue needed to develop an IRWMP and to receive additional unanticipated revenue expected to total approximately \$13,500 from the participating agencies contributing their share of IRWMP costs. Total costs of this project are estimated to be \$320,000.

A budget revision request is attached in order to: (1) appropriate \$206,500 from the Water Agency's designations to pay consultant costs for technical assistance and for coordination of the planning effort, and (2) accept \$13,500 unanticipated revenue from the participating agencies signing the MOU. The budget adjustment would allow the County Water Agency to cover more than 50% of the costs of preparing the IRWMP, in case some of the few remaining Cooperating Partners do not sign the MOU or do not contribute the full amount requested. In that case, the Water Agency would make up the difference between the Cooperating Partners' contributions and the full amount of the consultant contract being approved by the Board.

Budgeted: Yes No

Fiscal Analysis:

| Funding Sources | Current FY Cost: | Annualized Cost: | Total Project Cost |
|------------------------|-------------------------|-------------------------|---------------------------|
| General Fund | | | |
| State | | | |
| Federal | | | |
| Partners (MOU) | \$113,500 | | |
| Water Agency | \$206,500.00 | | |
| Total | \$ 320,000.00 | \$ - | \$ 320,000.00 |

Narrative:

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Staffing Impact(s):

Legal Positions:

FTEs:

Approval of the project does not result in addition of FTEs. During the development phase of the project (into spring 2007), staff will utilize a consultant to provide management of the technical contractor for IRWMP development.

Special Instructions:

Direct the Clerk of the Board to send an original of the MOU, two originals of the Agreement with CH2M HILL, a copy of the approved budget revision along with a copy of the minute order of these actions to the Water Agency office, Attn: Christina Lopez.

Attachments: (list all)

1. Memorandum of Understanding (MOU) to Develop an IRWMP in Santa Barbara County
2. Agreement with CH2MHILL to develop an IRWMP for Santa Barbara County
3. Budget Revision Request (BJE 2006258)

Authored by: Robert Almy, Water Agency Manager, 568-3542

cc: