



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:** Water Agency  
**Department No.:** 054  
**For Agenda Of:** 08/14/12  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5

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**TO:** Board of Directors, Water Agency

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

**SUBJECT:** **Approval of Updated Integrated Regional Water Management Plan Memorandum of Understanding with Cooperating Partners, and Authorization for Public Works Director to Execute Sub-grant Agreements for Proposition 84 Round 1 Implementation Grants, All Supervisorial Districts**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

- a) Approve and authorize the Public Works Director or his designee to execute the updated Memorandum of Understanding (MOU) among the County Water Agency and the Integrated Regional Water Management Program (IRWMP) Cooperating Partners, and Project Proponents;
- b) Approve and authorize the Director of Public Works or his designee to execute the Sub-grant Agreements and any needed amendments with the six (6) Project Proponents which have been awarded Proposition 84 Round 1 Implementation Grant funding from the State Department of Water Resources (DWR);
- c) Approve attached Budget Revision Request (BJE No. 0002431 ) to receive \$1,000,000 from DWR as a pass-through to reimburse the Project Proponents for their project costs for FY 2012-13(4/5 vote required);
- d) Find that the approval of the updated IRWMP MOU and the Proposition 84 Round 1 Sub-grant Agreements does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA) pursuant to 14 CCR 15378 (b)(4).

### **Summary Text:**

The Department of Water Resources (DWR) administers Proposition 84, which provides for competitive grant funding for water related projects in accordance with a comprehensive Integrated Regional Water Management Plan (IRWMP). Santa Barbara County's existing IRWMP was adopted by the Board of Directors in May of 2007. The plan is currently being updated as required under Proposition 84 guidelines with grant funds from the Proposition 84 Planning grant previously received by the Santa Barbara Cooperating Partners, a County-wide group of cities, special districts, water companies, non-governmental organizations and joint powers authorities collaborating in the IRWM Program.

This updated MOU replaces the previous MOU adopted in March of 2010. It establishes the working criteria between the County Water Agency and the Santa Barbara County Cooperating Partners. It has been updated to reflect new dates and requirements, and has been configured to remain in effect until December 31, 2017. This would eliminate the need to process a new MOU for each funding cycle.

The Public Works Director or his designee will execute the DWR Implementation Grant Agreement with DWR pursuant to Resolution 10-193, which authorizes the Director of Public Works to execute Proposition 84 related DWR agreements and amendments. Authorization is requested (recommendation B) for the Director of Public Works or his designee to enter into Sub-grant Agreements (copies attached) with the six (6) partner agencies (Project Proponents) that have been awarded a total of \$3,000,996 in implementation grant funding for seven (7) water projects under Proposition 84, Round 1 over a three year period. As stated in recommendation C), it is estimated that \$1 million of this award will occur during FY 2012-13.

### **Background:**

Pursuant to the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Water Code Section 79560 et seq.) and subsequent legislation, DWR and State Water Resources Control Board administer the Integrated Regional Water Management Program which provides for competitive grant funding for water planning and implementation projects.

At the Board's direction, beginning in September 2006, the County Water Agency has worked with a County-wide group of cities, special districts, water companies, non-governmental organizations and joint powers authorities known as the Santa Barbara County Cooperating Partners to develop the first IRWMP (completed in May 2007). Successful approval of the plan by DWR is the basis for all grant funding through the IRWM program.

To date, under the leadership of the County Water Agency, the Santa Barbara County Cooperating Partners have been awarded approximately \$25 million for 13 regional water projects through Proposition 50, \$550,000 for updating the IRWM Plan through Proposition 84 Planning Grant, and \$3,000,996 for 7 regional water projects through Proposition 84, Round 1, Implementation Grant. As authorized by the Water Agency Board of Directors on December 11, 2007, the Water Agency acts as the single eligible contracting entity responsible for administration of the IRWMP Grants as required by DWR.

In accordance with the existing MOU and sub-grant agreements between the Water Agency and Project Proponents, the Water Agency functions as a pass through agency between the State and Proponents. The Water Agency is responsible to organize and forward the required project reporting information and to review and submit claims to the State from each Project Proponent and reimburse the Project Proponent once funding is received from the State.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
State Prop 84 grant	\$ 1,000,000.00		\$ 3,000,996.00
Water Agency funds	\$ 55,101.00		
Cooperative Partners	\$ 55,101.00		
<b>Total</b>	<b>\$ 1,110,202.00</b>	<b>\$ -</b>	<b>\$3,000,996.00</b>

Narrative:

This BRR will allow the Water Agency to accept grant funding monies from DWR for the Prop 84 Round 1 Implementation Grant and act as a pass-through agency to reimburse the Project Proponents project costs for this fiscal year. The Grant Agreement with DWR is valid until October 15, 2015 and monies will be paid out over the next three years. The Water Agency is estimating \$1,000,000 in grant money will be used this fiscal year on the selected projects.

The MOU identifies percentages of cost for each Cooperating Partner, Project Proponent and the Water Agency as well as identifies roles and responsibilities of the participants. According to the MOU, the Water Agency will bear 50% of the cost for participation and management of the Prop. 84 process. Management tasks include updating the IRWMP, preparing/submitting application for planning grant funding, project management, and general coordination of the program. The Water Agency’s costs for this fiscal year is estimated at \$55,101 and was included in the adopted FY 12-13 budget under the Water Resources Division of the Public Works Department as shown on page D-144 in the budget book.

The MOU also identifies that the Cooperating Partners with projects that are selected for application of implementation funding (now called Project Proponents) will pay 100% of the implementation costs for their project. These costs include making application for implementation grant funding, including consultant costs. In addition, Project Proponents shall also pay 100% of the cost of invoicing and administration of their projects once grant funding has been secured. The Water Agency will not be responsible for any costs incurred during the implementation phase of the process.

No General Fund monies will be utilized with these actions.

**Special Instructions:**

Direct the Clerk of the Board to send a copy of the minute order of these actions to the following to the Water Agency office, Attn: Christina Lopez.

**Attachments:**

- Revised IRWMP MOU (copy)
- Sub-grant Agreements (copies)

**Authored by:** Matt Naftaly, Water Agency Manager, 568-3542

**cc:** Bret Stewart, Public Works