

Alexander, Jacquelyne

From: Beth Horn <BHorn@GoletaWater.com>
Sent: Thursday, January 31, 2019 2:22 PM
To: Board Letters; sbcob
Cc: John McInnes
Subject: State Water Contract Reassignment
Attachments: GWD LH Letter to BOS re CCWA 1-31-2019.pdf

Importance: High

Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

FYI, the attachment is in regard to departmental agenda item number 1 for the Santa Barbara County Board of Supervisors meeting on Tuesday, February 5.

Thank you.

Beth Horn
Executive Secretary
Goleta Water District
(805) 879-4621



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GENERAL MANAGER
JOHN D. MCINNES

January 31, 2019

Honorable Steve Lavagnino, Chair
Santa Barbara County Board of Supervisors
105 East Anapamu Street
Santa Barbara 93101

RE: State Water Contract Reassignment

Dear Chair Lavagnino,

At the request of the Executive Director of the Central Coast Water Authority (CCWA, or the Authority), I am forwarding you a copy of Goleta Water District Resolution 2017-29, adopted by the District's Board of Directors on October 10, 2017. This Resolution approves the Amendment of the Water Supply Agreement between the Goleta Water District and the Central Coast Water Authority and approves the First Amendment of the Joint Exercise of Powers Agreement Creating the Authority (Attachment 1). As you know, this First Amendment grants CCWA the power to contract directly with the Department of Water Resources for delivery of State Water Project water, and grants all necessary and incidental powers as may be needed by CCWA to carry out the Authority's rights and obligations under the State Water supply contract.

If you have any questions regarding this matter, please feel free to contact the District's General Manager, John McInnes, at 805-879-4620.

Sincerely yours,

Lauren Hanson
Board president

Attachment: Resolution 2017-29

RESOLUTION NO. 2017-29

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GOLETA WATER DISTRICT APPROVING THE AMENDMENT OF THE WATER SUPPLY AGREEMENT BETWEEN THE GOLETA WATER DISTRICT AND CENTRAL COAST WATER AUTHORITY (AUTHORITY) AND APPROVING THE FIRST AMENDMENT OF THE JOINT EXERCISE OF POWERS AGREEMENT CREATING THE AUTHORITY

WHEREAS, in 1963, following the voters' 1960 approval of the California Water Resources Development Bond Act, the Santa Barbara County Flood Control and Water Conservation District (District) and the Department of Water Resources (DWR), acting on behalf of the State of California, executed that certain agreement dated February 26, 1963, for the supply of State Water Project (SWP) water to Santa Barbara County (State Water Supply Contract); and

WHEREAS, beginning in 1982, the District entered into a series of "Water Supply Retention Agreements" with various cities, water districts, and other retailers and end users of water in Santa Barbara County (Participant(s)) for the purpose of shifting responsibility for the costs associated with the State Water Supply Contract from the District to the Participants; and

WHEREAS, in 1991, Goleta Water District and seven (7) other public agencies that provide retail water supply service within Santa Barbara County (collectively, Members), all of whom were Participants, formed the Authority as a Joint Powers Agency pursuant to Government Code section 6500 *et seq.* by that certain Joint Exercise of Powers Agreement dated August 1, 1991; and

WHEREAS, thereafter, the Authority entered into a series of "Water Supply Agreements" with each Participant. Goleta Water District's Water Supply Agreement dated August 1, 1991 assigned Goleta Water District's contractual rights to SWP water, acquired pursuant to the Goleta Water District's Water Supply Retention Agreement, to the Authority in return for the Authority's delivery of SWP water to Goleta Water District; and

WHEREAS, on November 12, 1991, the District and the Authority entered into the Transfer of Financial Responsibility Agreement whereby the Authority assumed full responsibility for all of the District's obligations pursuant to the State Water Supply Contract, but the District remained the contracting party;

WHEREAS, Transfer of Financial Responsibility Agreement contemplates a future assignment of the State Water Supply Contract to the Authority; and

WHEREAS, The Authority now desires to complete assignment of the State Water Supply Contract from the District to the Authority; and

WHEREAS, Article 34 of the State Water Supply Contract provides that if in any year the District fails or is unable to raise sufficient funds by other means to make the payments required by the State Water Supply Contract, the governing body of the District shall levy upon all property in the District's jurisdiction not exempt from taxation, a tax or assessment sufficient to provide for all payments under the State Water Supply Contract then due or to become due within that year; and

WHEREAS, in order to approve assignment of the State Water Supply Contract, DWR requires assurance that the Authority is authorized and empowered to contract with DWR, including, but not limited, to fulfilling the requirement of Article 34 of the State Water Supply Contract; and

WHEREAS, pursuant to Government Code section 6502, if authorized by their legislative or other governing bodies, a Joint Powers Authority may jointly exercise any power common to the contracting parties, including, but not limited to, the authority to levy a fee, assessment, or tax, so long as such power is expressly stated in the joint powers agreement; and

WHEREAS, all of the Members, including Goleta Water District, possess the power to levy a tax or assessment upon property within their respective jurisdictions; and

WHEREAS, it is in the public interest for the Authority to accept assignment of the State Water Supply Contract to permit the Authority to contract directly with DWR and to relieve the District of all responsibility for the State Water Supply Contract, as was intended in 1991 at the time the Authority was created; and

WHEREAS, the Goleta Water District desires to authorize the Authority to contract with DWR directly, along with all necessary and incidental powers as may be required by the Authority to carry out the Authority's rights and obligations under the SWP, including, but not limited to, the right to levy a tax or assessment on all property within the jurisdiction of the Authority; and

WHEREAS, Goleta Water District and the Authority have determined that amendment of the Joint Exercise of Powers Agreement and Goleta Water District's Water Supply Agreement are necessary and appropriate to specify the Authority's power to contract with DWR directly, along with all necessary and incidental powers as may be required by the Authority to carry out the Authority's rights and obligations under the State Water Supply Contract, including, but not limited to, the right to levy a tax or assessment on all property within the jurisdiction of the Authority not exempt from taxation.

NOW THEREFORE BE IT FOUND, DETERMINED AND RESOLVED by the Board of Directors of the Goleta Water District as follows:

1. The above recitals are true and correct and are incorporated herein as though set forth in full.
2. The Board of Directors of the Goleta Water District approves the First Amendment to the Joint Exercise of Powers Agreement, attached hereto as **Exhibit A**, granting the Authority the power to contract directly with DWR for the delivery of State Water Project water, along with all necessary and incidental powers as may be required by the Authority to carry out the Authority's rights and obligations under the State Water Supply Contract, including, but not limited to, the right to levy a tax or assessment on all property within the Authority's jurisdiction not exempt from taxation, which includes all property within the Goleta Water District, and authorizes the Board President to execute the amendment.
3. The Board of Directors approves the Amendment to the Water Supply Agreement, attached hereto as **Exhibit B**, to conform to the above-referenced First Amendment to the Joint Exercise of Powers Agreement and authorizes the Board President to execute the amendment.
4. The Board of Directors finds and determines that approval of the First Amendment to the Joint Exercise of Powers Agreement and the Amendment to the Water Supply Agreement is exempt from CEQA review because Goleta Water District's action is not a "project" within the meaning of CEQA because it does not have a potential for significant effect on the environment. (CEQA Guidelines section 15061(b)(3).) The Board of Directors further finds and determines that such action is also exempt from CEQA under CEQA Guidelines Section 15320 (a change in the organization or reorganization of a local governmental agency where the change does not change the geographical area in which previously existing powers are exercised is exempt from CEQA), 15378(b)(4) (project does not include the creation of a government funding mechanism or other fiscal activity that does not involve a commitment to a specific project that may result in a potentially significant environmental impact is not a project under CEQA), Section 15378(b)(5) (project does not include an organizational or administrative activity of government that will not result in direct or indirect physical changes to the environment is not a project under CEQA), and Section 15061(b)(3) (where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment the activity is not a project under CEQA).
5. This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Goleta Water District this 10th day of October, 2017 by the following roll call vote:

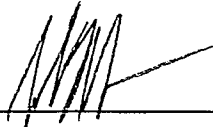
AYE: Directors Cunningham, Hanson, Merrifield

NAY: Rosen, West

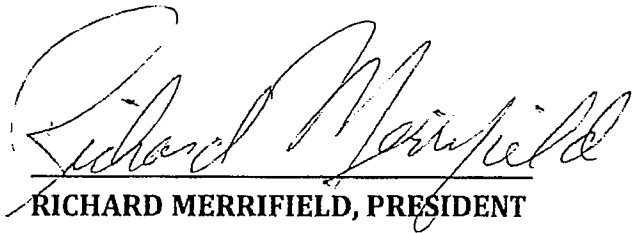
ABSENT: None

ABSTAIN: None

ATTEST:



**JOHN D. MCINNES
DISTRICT SECRETARY**



**RICHARD MERRIFIELD, PRESIDENT
BOARD OF DIRECTORS**

**FIRST AMENDMENT
to the
JOINT EXERCISE OF POWERS AGREEMENT
Creating the
CENTRAL COAST WATER AUTHORITY**

This First Amendment (the “**Amendment**”) to the Joint Exercise of Powers Agreement Creating the Central Coast Water Authority (the “**Authority**”), dated August 31, 1991 (the “**Joint Exercise of Powers Agreement**”), is made effective _____, 2017 by and between the parties on the attached Exhibit A (each, a “**Party**” and collectively, the “**Parties**”). Unless otherwise provided herein, all defined terms used in this Amendment shall have the same meaning as set forth in the Joint Exercise of Powers Agreement.

RECITALS

A. The Parties to this Amendment are all signatories to the Joint Exercise of Power Agreement or successors in interest. Carpinteria Valley Water District is the successor in interest to the Carpinteria County Water District.

B. The Parties desire to amend the Joint Exercise of Powers Agreement to expressly authorize the Authority to take certain actions necessary and convenient to assume all of the Santa Barbara County Flood Control and Water Conservation District’s (the “**District**”) rights, interest in, and obligations under the Water Supply Contract with the State of California Department of Water Resources (the “**DWR**”) concerning the delivery of water from the State Water Project (the “**State Water Supply Contract**”).

AGREEMENT

1. Section 5 of the Joint Exercise of Powers Agreement is amended to include a new subsection “p” as follows:
 - p. To contract with the DWR for delivery of water from the State Water Project, along with all necessary and incidental powers as may be required by the Authority to carry out the Authority’s rights and obligations under the State Water Supply Contract, including, but not limited to, the right to levy a tax or assessment on all properties within the jurisdiction of the Authority not exempt from taxation, as mandated by the California Water Code and the State Water Supply Contract.
2. Except as modified above, the Joint Exercise of Powers Agreement shall continue in full force and effect. In the event of a conflict between this Amendment and the Water Supply Agreement, the terms and conditions of this Amendment shall control in all respects.
3. The individuals executing this Amendment represent and warrant that they have the authority to enter into this Amendment and to perform all acts required by this Amendment, and that the consent, approval, or execution of or by any third party is not required to legally bind either Party to the terms and conditions of this Amendment.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed as of the day and year first above-written.

CITY OF BUELLTON

DATE: _____

By: _____

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

By: _____

CARPINTERIA VALLEY WATER DISTRICT

DATE: _____

By: _____

President

ATTEST:

Secretary

APPROVED AS TO FORM:

CITY OF GUADALUPE

DATE: _____

By: _____

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

GOLETA WATER DISTRICT

DATE: _____

By: _____

President

ATTEST:

Secretary

APPROVED AS TO FORM:

MONTECITO WATER DISTRICT

DATE: _____

By: _____

President

ATTEST:

Secretary

APPROVED AS TO FORM:

CITY OF SANTA BARBARA

DATE: _____

By: _____

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

CITY OF SANTA MARIA

DATE: _____

By: _____

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

**SANTA YNEZ RIVER WATER
CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT #1**

DATE: _____

By: _____

President

ATTEST:

Secretary

APPROVED AS TO FORM:

Schedule of Parties

Carpinteria Valley Water District
City of Buellton
City of Guadalupe
City of Santa Barbara
City of Santa Maria
Goleta Water District
Montecito Water District
Santa Ynez River Water Conservation District, Improvement District #1

FIRST AMENDMENT
to the
WATER SUPPLY AGREEMENT
By and Between
CENTRAL COAST WATER AUTHORITY and
GOLETA WATER DISTRICT

This First Amendment (“**Amendment**”) to the Water Supply Agreement dated August 1, 1991 (“**Water Supply Agreement**”) is made effective as of _____, 2017 by and between the Central Coast Water Authority (“**Authority**”) and the Goleta Water District (the “**Contractor**”) (each, a “**Party**” and collectively, the “**Parties**”). Unless otherwise provided herein, all defined terms used in this Amendment shall have the same meaning as set forth in the Water Supply Agreement.

RECITALS

A. The Authority is a joint powers agency formed for the purpose of constructing and operating certain facilities needed to convey and treat State Water Project water to Santa Barbara and San Luis Obispo Counties. Contractor is a signatory to the Joint Powers Agreement that formed the Authority, or is a successor in interest.

B. Pursuant to the Water Supply Agreement, the Contractor agreed to assign to the Authority its contractual rights to receive water from the State Water Project pursuant to the State Water Supply Contract between the State of California, Department of Water Resources (“**DWR**”) and the Santa Barbara County Flood Control and Water Conservation District (“**District**”) and the Water Supply Retention Agreement between the District and the Contractor, and the Authority agreed to sell to the Contractor a certain allotment of water from the State Water Project.

C. The District and the Authority have requested that DWR assign the State Water Supply Contract to the Authority and release the District from all obligations pursuant to the State Water Supply Contract.

D. DWR requires that all parties contracting with DWR for State Water Project water agree to levy a tax or assessment sufficient to provide for all payments under the State Water Supply Contract due or to become due under the State Water Supply Contract in the event the contracting party fails or is unable to raise sufficient funds by other means.

E. The Parties now desire to amend the Water Supply Agreement to acknowledge and affirm the Authority’s power to levy a tax or assessment sufficient to provide for all payments under the State Water Supply Contract due or to become due in the event the Authority fails or is unable to raise sufficient funds by other means, including, but not limited to, those means set forth in Section 5 of the Water Supply Agreement.

F. Concurrent with this Amendment, Contractor and the other signatories to the Joint Powers Agreement, or their successor in interest, intend to amend the Joint Powers Agreement to acknowledge and affirm the Authority's power to levy a tax or assessment sufficient to provide for all payments under the State Water Supply Contract due or to become due within any year that the Authority fails or is unable to raise sufficient funds by other means.

AGREEMENT

1. The Water Supply Agreement is amended to include a new Section 16.5, to be inserted between Section 16 and Section 17, as follows:

16.5. Levy of Tax or Assessment by the Authority. If in any year the Authority fails or is unable to raise sufficient funds by other means, as further provided in Section 5 of this Agreement, to provide for all payments under the State Water Supply Contract due or to become due within that year, Contractor acknowledges and agrees that the Authority shall take all necessary or appropriate steps to levy a tax or assessment upon all property within the Authority not exempt from taxation sufficient to provide for all such payments, as required by the State Water Supply Contract.

2. Except as modified above, the Agreement shall continue in full force and effect. In the event of a conflict between this Amendment and the Water Supply Agreement, the terms and conditions of this Amendment shall control in all respects.

3. The individuals executing this Amendment represent and warrant that they have the authority to enter into this Amendment and to perform all acts required by this Amendment, and that the consent, approval, or execution of or by any third party is not required to legally bind either Party to the terms and conditions of this Amendment.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed as of the day and year first above-written.

GOLETA WATER DISTRICT

DATE: _____

By: _____

ATTEST:

APPROVED AS TO FORM:

CENTRAL COAST WATER AUTHORITY

DATE: _____

By: _____
Chairman of the Board

APPROVED AS TO FORM:
Brownstein Hyatt Farber Schreck, LLP

Stephanie Osler Hastings