

# Memo

Prepared by Bill Rosen  
Director of Goleta Water District

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COUNTY OF SANTA BARBARA  
CLERK OF THE  
BOARD OF SUPERVISORS

To Board of Supervisors

I am writing to bring certain issues to your attention related to the assignment of the State Water Contract by the County of Santa Barbara to the Central Coast Water Authority.

I am a member of the Goleta Water District Board and one of the two votes against the assignment which was approved by the Board. I am a former board member of CCWA. I am also a member of the Board of the Association of California Water Agencies (ACWA).

CCWA apparently wants to eliminate the County from the supervisory role that it plays with respect to the management of State Water Project water. On the other hand, the manner in which CCWA is organized creates an issue for County water agencies based on the disproportionate voting power that the City of Santa Maria has on the Board of CCWA.

I believe that it is important for the County to retain its supervisory role and refuse to assign the State Water Contract to CCWA. The principle reason is the need for the Board of Supervisors to continue its role to monitor performance of the contract by CCWA deal with issues that might arise in the future that could adversely affect the interests of other water agencies. If the assignment is approved, CCWA will have enormous power over South Coast State Water. This could put more than 200,000 residents of the South Coast at risk of Santa Maria's concerns over availability of State Water Project water. The South Coast would also be subject to the huge costs related to acquisition of additional state water.

While it is true that the deal and method of voting was made by the parties in the 1990s, it is reasonable to assume that the people drafting the agreement did not fully understand the impact of voting by raw percentage allocations of water compared to actual voting power. Santa Maria has 43% of the water and 75% of the voting power and the South Coast agencies have 20% of the voting power. It would be similar to assigning 4 votes to the Chair of the Board of Supervisors in any voting situation.

I was a member of the CCWA Board that voted to adopt a budget with only the votes of Santa Maria and ID1 voting in favor. I unsuccessfully attempted to change the voting method at CCWA. I opposed Goleta Water District's approval of the assignment because it was bad public policy. I think that there is a valid role for the County to play in the administration of water policy and the County should continue it role. It will benefit the County and all of it citizens

The status quo works because the County has a role in the water world. The County is a balancing agency and has the effect of equalizing the various interests. If a serious problem were to arise, the County could play a significant role and, in my opinion, relying on elected officials is more appropriate than relying on appointed officials.

I hope that you will give this issue your consideration.

BILL ROSEN

Director, Goleta Water District

Note: This memo is provided for the public record.

## County of Santa Barbara assignment of State Water Contract (SWC) to Central Coast Water Authority(CCWA)

### So What's the Risk

- Irrevocable
- Ownership of SWC will pass to CCWA
- CCWA will control both ownership and performance of SWC
- Control of State Water Contract by CCWA will result in loss of control of SWC terms, performance, water sales, possible increased contributions to cover defaults, and end review of actions by elected officials
- May require assignment of water agency taxing power
- Seat at table is worthless without adequate voting power
- Together South Coast agencies of Santa Barbara, Carpinteria, Montecito and Goleta will not have enough votes to **protect their interests**

### What's the Voting Power Issue

- Santa Maria has 75% of voting power and will have virtual and actual control of SWC and south coast state water
- Santa Barbara, ID1, Carpinteria, Montecito, and Goleta each have only 5% of voting power – a total of 20% of the total voting power
- Guadalupe and Buellton have 0% voting power because individually and collectively they cannot affect the outcome of a vote.
- When ID1 votes with Santa Maria, South Coast agencies have no power to affect the outcome of a vote and will not be able to **protect their interests**

### What Could Happen If CCWA Gets Control of the SWC

- Re-negotiate terms of SWC with State of California
- Sell water to third parties without review by elected bodies
- In the event of a default spread the cost of default of an agency to all other participating agencies raising costs for state water
- Administer the SWC in a manner that may impose the interests and needs of Santa Maria on rest of county
- Santa Maria that has extraordinary voting control of CCWA
- Santa Maria and ID1 adopted a budget with Santa Barbara, Carpinteria, Montecito and Goleta voting NO
- Indeed, Santa Maria's representative has been President of the CCWA Board for at least 10 years
- As a former Santa Maria Mayor said, when questioned about Santa Maria's power on CCWA Board, the Mayor said he liked "having all of the power."
- Because South Coast agencies lack voting power, they will not be able to **protect their interests**

### What is the right thing to do

- Reject approval of the assignment of the state water contract to CCWA

- Continue management of the State Water Contract as it is now under County of Santa Barbara supervision
- The only benefit that comes from the assignment is that CCWA does not have to deal with the County – more is needed to prevent Santa Maria from acting unilaterally
- To reject the SWC assignment would require compromise and negotiation of conditions of the assignment and could lead to other changes so that South Coast is better able to protect its interests

Suppose the SWC will be assigned to CCWA, how can we protect ourselves

County of Santa Barbara

- Limit scope of assignment and retain powers over administration of the contract
- Retain powers to allocate cost to defaulting parties
- Retain authority to control sale of water to third parties
- Retain authority to intervene in the event the SWC is modified to protect the interest of 200,000 constituents on South Coast
- Retain authority to intervene to monitor the performance of the SWC to protect the interest of 200,000 constituents on South Coast

South Coast Agencies

- Require that there be unanimous consent to every change in the SWC before approval of the transfer of SWC
- Limit the ability of one agency to control CCWA and our State Water

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Voting power is a function of the ability of a voting party to control the outcome of a vote. The actual vote of Santa Maria is 43.19 together with ID1 7.64 equals a majority. But when real voting power is determined, Santa Maria has 75% of the voting power = that is 75% of all possible votes Santa Maria can make a majority of the vote.

