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October 3, 2016

County of Santa Barbara
Board of Supervisors
C/o Clerk of the Board
105 East Anapamu Street
Santa Barbara 93101

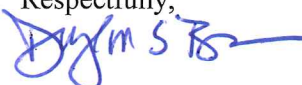
Dear Members of the Board of Supervisors;

I have served as bond counsel for the Central Coast Water Authority ("CCWA") since its formation in 1991. As bond counsel to CCWA, I was involved in the drafting, negotiating and execution of the fourteen Water Supply Agreements between CCWA and various Santa Barbara County cities, districts and other contractors (the "Santa Barbara County Participants").

When the Water Supply Agreements were executed in 1991, each Santa Barbara County Participant was represented by counsel. As required by Section 23(a) of the Water Supply Agreements, each party delivered an opinion of its counsel confirming that its Water Supply Agreements was a valid, binding obligation thereof (excepting only enforceability in bankruptcy).

CCWA has issued notes or bonds to finance or refinance the local facility portion of the state water project extension on five occasions (short term notes in 1992, long term bonds in 1992, refunding bonds in 1996, refunding bonds in 2006 and refunding bonds in 2016). As a condition to closing of each financing or refinancing, various Santa Barbara County Participants were required to have their then current counsel deliver an opinion which, among other things, opined that the respective Water Supply Agreement was a valid and binding agreement (excepting only enforceability in bankruptcy). In no case did counsel for any Santa Barbara County Participant obligated to deliver such an opinion fail to deliver such opinion in connection with any of the five financings or refinancings.

The Water Supply Agreements executed by the cities and districts in Santa Barbara County, being contracts that support the repayment of bonds to be issued by a joint powers agency, were subject to the validating statute set forth in Section 860 et seq. of the California Civil Code (the "Validation Statute"). The Validation Statute required any challenge to the validity or enforceability of such Water Supply Agreements to be filed within 60 days of the authorization of the Water Supply Agreements. To my knowledge, no challenge to the validity or enforceability of any Water Supply Agreement was timely (or untimely) filed under the Validation Statute. As a result, pursuant to the Validation Statute, the period for any party (including any city or district in Santa Barbara County which executed a Water Supply Agreement) to challenge the enforceability of a Water Supply Agreement passed 25 years ago.

Respectfully,


CC: Michael C. Ghizzoni, County Counsel