

de la Guerra, Sheila

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From: Lisa F. Watkins <lhw@ccwa.com>
Sent: Tuesday, February 5, 2019 9:34 AM
To: sbcob
Cc: Ray Stokes; Ursula Santana
Subject: Item for Board of Supervisors
Attachments: letter to SBCO20190204_16094518.pdf



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Please find attached an additional letter relating to discussion of the Flood Control and Water Conservation District, Water Supply Contracts.

Thank you, please let me know if you have any difficulty with the attachment.

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Carpinteria Valley Water District

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February 4, 2019

GENERAL MANAGER

Robert McDonald, P.E. MPA

Honorable Steve Lavagnino, Chair, and
Members of the Board of Supervisors
County of Santa Barbara
101 E. Anapamu Street
Santa Barbara, CA 93101

Re: Assignment of SWP Contract

Dear Chair Lavagnino and Members of the Board of Supervisors:

The Carpinteria Valley Water District respectfully requests that the Board of Supervisors consider assignment of the State Water Project Contract by which the 1963 State Water Project Contract ("SWP Contract") is assigned to CCWA, CCWA accepts full responsibility for the SWP Contract and the County of Santa Barbara is fully released from its obligations under the SWP Contract.

Assignment of the SWP Contract to CCWA has been contemplated since 1991, when CCWA and the Santa Barbara County Water Agency signed a Transfer of Financial Responsibility Agreement (TFRA). At that time, CCWA agreed to assume 100% of the County's financial obligations under the SWP Contract, which it has done successfully. In the TFRA, Recital C and Article 9, both parties acknowledge that it is the desire of the County and CCWA to transfer any and all obligation, financial and otherwise, to CCWA. Recital C also expressly states that DWR does not acknowledge that the TFRA, other agreements or the formation of CCWA transfers any obligation away from the County Water Agency. The TFRA's intent was to finally and definitely relieve the County Water Agency of its obligations and liability for the State Water Project. However, it fell short because DWR would not accept the ultimate transfer of liability without a full Contract assignment to CCWA.

CCWA has held up its end in this effort to provide sound management of the project and cover all financial obligations. Since 1997, the State of California has delivered State Water Project water to CCWA, which has delivered that water to the Carpinteria Valley Water District, one of its member agencies, and other CCWA members. CCWA has collected, treated and transported the State Water Project water entirely at our costs, which we, in turn, have passed on to our customers, the ratepayers. The County has not had to pay for any cost related to the project. CCWA has never missed a single payment to the State of California, and its financial management and reporting systems have been recognized for their excellence. CCWA has been scrupulous in monitoring and auditing the costs imposed by the State on CCWA, and CCWA has been one of the statewide leaders in efforts to promote accuracy and transparency in the State's cost accounting for the State Water Project.

Given this 27-year record of fiscal responsibility and that DWR has agreed to the concept of the assignment of the SWP Contract to CCWA, it is now time to fulfill the promises made in 1991.

The proposed Agreement would provide numerous benefits to the County and its residents:

1. Relieving the County of all financial obligations and liability finally and definitely under the 1963 Contract;
2. Placing decision-making authority in the hands of the ratepayers and customers who pay for State Water Project water;
3. Protecting residents in local cities and other communities who do not receive State Water Project water (e.g., Lompoc, Mission Hills, Vandenberg Village) from any potential future financial obligation under the 1963 Contract; and
4. Streamlining decision-making at the local level by eliminating duplicative and unnecessary approvals by the County.

We respectfully ask that the Board of Supervisors consider assignment of the State Water Contract.

Thank you for your consideration on this matter. We look forward to a speedy resolution.

Sincerely,


Matthew Roberts
Board President, Carpinteria Valley Water District