



**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

Submitted on:
(COB Stamp)

Department Name: PW/Flood Control
Department No.: 054
Agenda Date: October 7, 2025
Placement: Administrative Agenda
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Directors, Flood Control and Water Conservation District
FROM: Department Director: Chris Sneddon, Public Works Director
Contact: Walter Rubalcava, Deputy Director – Flood Control
SUBJECT: Assignment of the State Water Contract

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Directors, Flood Control and Water Conservation District:

- a) Approve and adopt the attached Resolution entitled "Resolution to Assign the State Water Project's Water Supply Contract to the Central Coast Water Authority"; and
- b) Determine that the proposed actions are not a project under the California Environmental Quality Act, pursuant to Guidelines Section 15061(b)(3)(common sense exemption), 15320 (changes in organization of local agencies), and 15378(b)(5)(organizational or administrative activities that will not result in a direct or indirect physical change in the environment). Direct the Clerk of the Board to file the CEQA Notice of Exemption for the project.

Summary Text:

This item is on the agenda to approve and adopt the attached Resolution entitled "Resolution to Assign the State Water Project's Water Supply Contract to the Central Coast Water Authority" (Attachment A). This Resolution authorizes the Public Works Director or his designee to execute an agreement assigning the Santa Barbara County Flood Control and Water Conservation District's (District) State Water Project Contract to the Central Coast Water Authority (CCWA), included as Attachment B.

Discussion:

CCWA and the District have been in litigation related to issues involving the State Water Project Contract since 2021. Both agencies have agreed to resolve the litigation by the District assigning the State Water Contract to CCWA. Assigning the contract would formally complete the transfer of all State Water Project responsibilities to CCWA and relieve the District of any liability associated with holding the State Water Project Contract. In addition, CCWA will pay the District \$5,800,000.00 in equal installments of \$580,000.00 per year over ten years. This is intended to cover past costs of the District's payments related to its role as contractor. The District will also receive an option to purchase up to 1,700 acre-feet of State Water in the event that CCWA chooses to purchase additional supplies from the California Department of Water Resources (DWR) in the future.

Background:

The District entered into a contract with DWR in 1963 to receive an allocation of up to 57,700 acre-feet per year (AFY) of water from the State Water Project. The District then began making annual payments to DWR for its share of the capital costs of the project.

In the early 1980s, after an unsuccessful bond election to pay for local facilities, several water purveyors opted to assume responsibility for payment for 45,486 AFY of the District's allocation through a series of Water Supply Retention Agreements. Up until approximately 1986 the District made all payments to California Department of Water Resources (DWR) for the capital costs of the SWP.

In 1991, CCWA was formed by various water purveyors as a Joint Powers Authority to manage the delivery of State Water to Santa Barbara County. CCWA has operated the Coastal Branch and distributed water to its member water purveyors since completion of the Coastal Branch of the State Water Project in 1995. In addition, pursuant to a 1991 Transfer of Financial Responsibility Agreement with the District, CCWA has been responsible for all fiscal matters relating to State Water, including all payments to DWR.

CCWA has been seeking the approval of DWR to be assigned the State Water Contract for many years. However, DWR was not initially willing to approve an assignment because it was not clear if CCWA, as a Joint Powers Authority, could levy a property tax in the event one or more of its member units fails to meet its financial responsibilities to DWR required under Article 34 of the contract. In 2015, Government Code section 6502 was amended to clarify that JPAs have all powers common to the contracted parties including the authority to levy a fee, assessment or tax. In a 2018 email, (Attachment C) DWR indicated to the County that DWR would be willing to accept full assignment of the State Water Contract to CCWA if the District was agreeable to do so.

Fiscal and Facilities Impacts:

CCWA will pay the District \$5,800,000.00 in equal installments of \$580,000.00 per year over ten years.

Special Instructions:

Direct the Clerk of the Board to post the attached NOE and to email Christina Lopez at clopez@countyofsb.org to pick up copies of the certified resolution and minute order.

Attachments:

Attachment A – Resolution to Assign the State Water Project’s Water Supply Contract to the Central Coast Water Authority

Attachment B – Agreement Regarding Assignment, Assumption, and Release of the State Water Supply Contract for Santa Barbara County

Attachment C– Email from DWR

Attachment D - NOE

Contact Information:

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Water Agency Manager
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