



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

Department Name: Public Works
Department No.: 054
For Agenda Of: March 2, 2021
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Directors, Water Agency
Board of Directors, Laguna County Sanitation District

FROM: Department Scott McGolpin, Public Works Director, (805) 568-3010
Director(s)
Contact Info: Matthew Young, Water Agency Manager, (805) 568-3546
Leslie Wells, Deputy Director, (805) 882-3605

SUBJECT: **Authorization to Execute Proposition 1 Integrated Regional Water Management Implementation Grant Subgrant Agreements pursuant to California Proposition 1 Implementation Round 1 Integrated Regional Water Management Grant Funding, All Supervisorial Districts**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Directors of the Water Agency:

- a) Approve and authorize the Public Works Director or his designee to execute a Proposition 1 Integrated Regional Water Management Implementation Grant Subgrant Agreement and all necessary subsequent agreements or amendments with the Laguna County Sanitation District, the City of Santa Barbara, and the City of Guadalupe, pursuant to the Proposition 1 Implementation Round 1 Integrated Regional Water Management Grant; and
- b) Find that these actions do not constitute “Projects” within the meaning of the California Environmental Quality Act pursuant to 14 CCR 15378 (b)(4).

That the Board of Directors of the Laguna County Sanitation District:

- a) Approve and authorize the Public Works Director or his designee to execute a Proposition 1 Integrated Regional Water Management Implementation Grant Subgrant Agreement and all

necessary subsequent agreements or amendments with the County Water Agency pursuant to the Proposition 1 Implementation Round 1 Integrated Regional Water Management Grant; and

- c) Find that this action does not constitute a “Project” within the meaning of the California Environmental Quality Act pursuant to 14 CCR 15378 (b)(4).

Summary Text:

This item is on the agenda in order to approve and authorize the Public Works Director or his designee, on behalf of the County Water Agency (Water Agency), to execute a Proposition 1 Integrated Regional Water Management Implementation Grant Subgrant Agreement, and all necessary subsequent agreements and amendments with the Laguna County Sanitation District (Attachment A), the City of Santa Barbara (Attachment B), and the City of Guadalupe (Attachment C), pursuant to the Proposition 1 Implementation Round 1 Integrated Regional Water Management (IRWM) grant; and to approve and authorize the Public Works Director or his designee, on behalf of the Laguna County Sanitation District, to execute a Proposition 1 Integrated Regional Water Management Implementation Grant Subgrant Agreement (Attachment A) and all necessary subsequent agreements or amendments with the County Water Agency pursuant to the Proposition 1 Implementation Round 1 IRWM grant.

On November 5, 2019, the Board adopted a resolution authorizing the Water Agency to submit a proposal for Proposition 1 Implementation Round 1 IRWM grant funding from the California Department of Water Resources (DWR) and, if awarded, authorizing the Public Works Director or designee to execute any and all agreements, subsequent agreements or amendments with DWR to receive Proposition 1 Implementation Round 1 IRWM funding.

On July 7, 2020, the Water Agency received a letter from DWR affirming that the Santa Barbara County IRWM Implementation Grant Application filed by the Water Agency has been awarded \$3,331,045 for the following projects:

Agency	Project	Grant Award Amount
Laguna County Sanitation District	Recycled Water Distribution to Waller Park	\$2,000,000
City of Santa Barbara	Regional Supply Pipeline Project	\$1,000,000
City of Guadalupe	Wastewater Treatment Plant Effluent Irrigation Pump Station Rehabilitation	\$302,821
County Water Agency	Grant Administration	\$28,224
TOTAL GRANT AWARD		\$3,331,045

Laguna County Sanitation District’s (District) project consists of the extension of 3.19 miles of recycled water distribution pipeline to Waller Park; the installation of a 1-million-gallon holding tank, pump station and control system; and the extension of 1,650 linear feet of 8-inch service pipe to connect to the existing park irrigation system. The project benefits the District by adding approximately 0.31 million gallons per day (annual average) of discharge capacity. Because the Park traditionally depended on groundwater for its irrigation water, the project will also offset the use of groundwater from the Santa Maria Groundwater Basin. The amount of offset is expected to be between 159 and 253 acre-feet per year.

Grant funding for a portion of the cost is available through Proposition 1 with a total project cost estimated to be \$7,567,445. The remainder of funding is budgeted from District capital reserves. The District has been a Cooperating Partner of the Santa Barbara County IRWM group since the inception of the program and participated in the preparation of the Santa Barbara County IRWM Plan and subsequent Plan updates along with other participants and recipient entities.

Background:

The IRWM grant program was created under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) with continuing funding provided by the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coast Protection Bond Act of 2006 (Proposition 84). The program is administered by DWR to award funds to local public agencies and non-profit organizations for projects and programs to improve water supply reliability and improve and protect water quality. Such projects and programs must be consistent with an adopted IRWM Plan.

Beginning in September, 2006, the Water Agency has worked with a County-wide group of 29 cities, special districts, water purveyors, joint powers authorities, and non-governmental organizations to develop the first Integrated Regional Water Management Plan which was completed in May, 2007. The plan was updated in 2013 and again in 2019 in response to DWR's most recent IRWM Guidelines.

As authorized on December 11, 2007, the Water Agency acts as the single eligible grant recipient responsible for administration of the IRWM grants. In accordance with the Memorandum of Understanding and sub-grant agreements between the Water Agency and Cooperating Partners, the Water Agency functions as a pass through agency between the State and Local Agency Partners. The Water Agency is responsible for organizing and forwarding the required project reporting information to the State and to review and submit claims to the State from each Local Agency Partner. Local Agency Partners are then reimbursed once funding is received from the State.

On behalf of the Cooperating Partners, the Water Agency has previously applied for and been granted approximately \$32 million in funding for 27 water related plans and projects within the County. These grants included approximately \$25 million for 14 regional water projects through Proposition 50, a \$555,000 Proposition 84 Planning Grant part of which used for the 2013 update of the IRWM Plan, \$3 million for seven regional water projects through Proposition 84, Round 1, and \$2.1 million through the Proposition 84 Drought Round. The District was awarded \$525,000 through Proposition 50 in 2008 for improvements to its recycled water system related to the construction of a 1 million gallon recycled water holding tank and tank feed pump station located at the reclamation plant.

On November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Proposition 1 authorized the appropriation of \$510 million in IRWM funding for Implementation, Planning, and Disadvantaged Community Involvement efforts. DWR awards this funding to IRWM funding areas. The Santa Barbara County IRWM is part of the Central Coast Funding Area (CCFA) along with the following Regional Water Management Groups and IRWM Regions; San Luis Obispo County, Greater Monterey County, Monterey Peninsula/Carmel Bay/South Monterey Bay, Santa Cruz County, and Pajaro River Watershed. The CCFA has been allocated a total of \$43 million over the expected appropriation rounds.

On May 3, 2016, the Board authorized the Water Agency to pursue IRWM funding through Proposition 1 and approved the Memorandum of Agreement for the CCFA. The Santa Barbara County IRWM region has been allocated \$865,207 for the Disadvantaged Community Involvement grant approved by the Board on April 3, 2018, and \$6.3 million for Project Implementation round funding, of which this is the first of two rounds. Implementation Round 2 project solicitation is expected to be released by DWR in 2021.

On February 26, 2019, the Board approved the updated Memorandum of Understanding (MOU) between the Water Agency and IRWM Cooperating Partners and the 2019 IRWM Plan Update, submitted to DWR in August, 2019. The 2019 Plan Update was necessary to meet DWR’s current IRWM Plan Standards and Guidelines and to secure eligibility for Implementation Round funding through Proposition 1.

The first round funding provides \$2 million for the Laguna County Sanitation District recycled water distribution project to Waller Park and represents the north county area in sharing these grant funds. The District relies solely on irrigation for discharge of produced recycled water and this project is needed to provide approximately 0.31 million gallons per day. In addition, the project offsets the use of groundwater from the Santa Maria Groundwater Basin. The project scope includes extending a distribution pipeline to the park, a holding tank and pump station and a service pipeline to the park’s existing irrigation system in addition to miscellaneous signing, labeling and markings to comply with Title 22 recycled water area use requirements. The pipeline also provides for future recycled water use projects adjacent to the park.

Fiscal and Facilities Impacts:

Budgeted: Yes

Funding Sources	Current FY Cost:	Annualized On-going Cost:	Total Project Cost
Prop 1 Implementation Grant Funds	\$ 3,331,045.00		\$ 3,331,045.00
Total	\$ 3,331,045.00		\$ 3,331,045.00

Narrative:

The revenue from the grant and pass through expenditures to the Local Agency Partners is included in the adopted FY 2020-21 budget in the Water Resources Division of the Public Works Department. The Water Agency has contracted with Dudek, a local consultant, in the amount of \$53,330 to administer the grant. These costs, including non-grant funded costs borne by the Water Agency for grant administration, will be shared with the Local Agency Partners as set forth in the MOU.

The construction cost is estimated to be \$6.8 million and the \$2 million grant provides needed supplemental funds to help reduce impacts to limited capital reserves.

Key Contract Risks:

Key contract risks for these agreements are low.

Special Instructions:

Direct the Clerk of the Board to send a copy of the minute order of these actions to Christina Lopez at the Water Agency office, and to Martin Wilder at the Laguna County Sanitation District.

Attachments:

- Attachment A: Proposition 1 Integrated Regional Water Management Implementation Grant Subgrant Agreement with Laguna County Sanitation District
- Attachment B: Proposition 1 Integrated Regional Water Management Implementation Grant Subgrant Agreements with the City of Santa Barbara
- Attachment C: Proposition 1 Integrated Regional Water Management Implementation Grant Subgrant Agreement with the City of Guadalupe

Authored by:

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