



STATE WATER CONTRACT

ASSIGNMENT FROM SANTA BARBARA COUNTY

TO

CENTRAL COAST WATER AUTHORITY

BACKGROUND

1963: SWP CONTRACT EXECUTED BETWEEN DEPT. OF WATER RESOURCES (DWR) AND SANTA BARBARA COUNTY (COUNTY)

- 57,700 AF – ORIGINAL CONTRACT AMOUNT
- NO FACILITIES TO BRING STATE WATER FROM MAIN AQUEDUCT TO SB COUNTY WERE BUILT FOR MANY YEARS

1978: VOTERS DEFEAT COUNTYWIDE BALLOT MEASURE TO FINANCE CONSTRUCTION OF SWP DELIVERY AND TREATMENT FACILITIES.

1979: SUPERVISORS CONSIDER WITHDRAWAL FROM 1963 CONTRACT. CITIES AND WATER DISTRICTS (“WATER PURVEYORS”) STRONGLY OBJECT AND ASK COUNTY TO SHIFT ALL FINANCIAL RESPONSIBILITY AND OTHER OBLIGATIONS TO THEM. COUNTY AGREES. 1963 CONTRACT IS PRESERVED.

BACKGROUND (CONTINUED)

1981-1987: SB COUNTY & WATER PURVEYORS ENTER INTO “WATER SUPPLY RETENTION AGREEMENTS”

- 45,486 AF. BALANCE OF ORIGINAL 57,700 AF IS SUSPENDED AND HELD BY STATE.
- AGREEMENTS SHIFT ALL FINANCIAL OBLIGATIONS TO WATER PURVEYORS.

1991: BALLOT MEASURE TO FINANCE CONSTRUCTION OF SWP FACILITIES HELD IN 14 JURISDICTIONS (CITIES AND WATER DISTRICTS)

- IN 11 JURISDICTIONS, VOTERS APPROVED THE BALLOT MEASURE
 - 9 PUBLIC ENTITIES (CITIES AND WATER DISTRICTS)
 - 1 MUTUAL WATER COMPANY (LA CUMBRE - SERVES HOPE RANCH)
 - 1 PUC REGULATED COMPANY (GOLDEN STATE WATER)
- LOMPOC, MISSION HILLS CSD, VANDENBERG VILLAGE CSD VOTERS SAY NO.

BACKGROUND (CONTINUED)

AUG 1991: CCWA FORMED AS A “JOINT POWERS AUTHORITY” (JPA)

- CCWA IS GRANTED AUTHORITY TO CONSTRUCT AND OPERATE FACILITIES TO BRING STATE WATER INTO SB COUNTY
- RIGHTS HELD UNDER WATER SUPPLY RETENTION AGREEMENTS ARE ASSIGNED TO CCWA BY EACH PROJECT PARTICIPANT

SEPT. 1991: CCWA AND COUNTY JOINTLY PROPOSE TO DWR THAT 1963 CONTRACT BE ASSIGNED FROM COUNTY TO CCWA AND COUNTY BE RELEASED. DWR DECLINES REQUEST BECAUSE THE BOND MARKET REQUIRES THE COUNTY’S TAXING AUTHORITY AS A GUARANTOR.

BACKGROUND (CONTINUED)

NOV 1991: CCWA & COUNTY SIGN “TRANSFER OF FINANCIAL RESPONSIBILITY AGREEMENT” (TFRA)

- TRANSFERS FINANCIAL OBLIGATIONS OF SWP FROM COUNTY OF SANTA BARBARA TO CCWA, COUNTY REMAINS CONTRACTOR AT DWR’S INSISTENCE
- TFRA EXPRESSES THE PARTIES’ INTENTION TO PURSUE FULL ASSIGNMENT OF THE SWP CONTRACT TO CCWA, INCLUDING RELEASE OF COUNTY OBLIGATIONS

1992-97 LOCAL FACILITIES ARE FINANCED AND COMPLETED. WATER DELIVERIES START.

WHY PURSUE CONTRACT ASSIGNMENT NOW?

FOR 39 YEARS, COUNTY POLICY HAS SOUGHT TO SHIFT STATE WATER FINANCIAL OBLIGATIONS AND AUTHORITY TO CITIES AND WATER DISTRICTS. THE POLICY WAS STATED AND REITERATED IN 1979, 1982-87, AND 1991.

IN 2015, WITH ENACTMENT OF GOV. CODE 6502, STATE LAW WAS CHANGED TO AUTHORIZE JOINT POWERS AGENCIES LIKE CCWA TO LEVY TAXES.

CCWA IS ALREADY RESPONSIBLE FOR THE FINANCIAL AND OPERATIONAL ASPECTS OF STATE WATER IN SANTA BARBARA COUNTY.

ASSIGNMENT WILL ALLOW CCWA TO MAKE THE DECISIONS DIRECTLY.

ASSIGNMENT BRINGS DECISION-MAKING CLOSER TO THE COUNTY RESIDENTS WHO PAY FOR AND RECEIVE STATE WATER.

WHAT'S INVOLVED IN CONTRACT ASSIGNMENT?

CCWA STEPS INTO THE SHOES OF COUNTY. COUNTY IS FULLY RELEASED. NO OTHER CHANGES.

CCWA MEMBERS UNANIMOUSLY HAVE APPROVED ASSIGNMENT.

BENEFITS OF CONTRACT ASSIGNMENT

ALIGNS SWP DECISION-MAKING AUTHORITY WITH FINANCIAL RESPONSIBILITY CURRENTLY HELD BY CCWA

MAKES CCWA FULLY RESPONSIBLE FOR STATE WATER CONTRACT

RELIEVES THE COUNTY OF ALL FINANCIAL OBLIGATIONS AND LIABILITY

RELIEVES CITIES/COMMUNITIES NOT RECEIVING SWP WATER FROM ANY FINANCIAL RISK

BENEFITS OF CONTRACT ASSIGNMENT

IMPROVES DECISION MAKING AT THE LOCAL LEVEL

- ALLOW LOCAL, ELECTED WATER BOARDS GREATER LEVEL OF, AND DIRECT SAY IN, WATER PLANNING AND MANAGEMENT
- EACH CCWA MEMBER AGENCY HAS DIRECT ACCOUNTABILITY TO THE VOTERS AND RATEPAYERS OF THE DISTRICT/CITY

INCREASES OPPORTUNITIES FOR INNOVATION IN WATER PLANNING.

REQUIRED APPROVALS

CCWA MEMBER AGENCIES (COMPLETED IN OCTOBER 2017):

DWR HAS CONSENTED TO ALLOW ASSIGNMENT FROM COUNTY TO
CCWA (RECEIVED SEPT 17, 2018)

NEXT STEPS:

1. COUNTY APPROVES AND EXECUTES ASSIGNMENT OF CONTRACT TO CCWA
2. CCWA APPROVES AND EXECUTES ASSIGNMENT OF CONTRACT FROM COUNTY

QUESTIONS?