



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: Water Agency
Department No.: 054
For Agenda Of: 11/18/08
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Directors, Water Agency

FROM: Department Scott McGolpin, Public Works Director, 568-3010
Director(s)
Contact Info: Thomas D. Fayram, Deputy Public Works Director, 568-3436

SUBJECT: Proposition 50 Grant Funding for the Integrated Regional Water Management Plan (IRWMP) for Santa Barbara County

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: No

Recommended Actions:

- a) Adopt a resolution entitled "A Resolution authorizing the Public Works Director or his designee to enter into Agreements to implement the Integrated Regional Water Management Plan (IRWMP) with the State of California to receive \$25,000,000 in Proposition 50 Grant Funding" and to enter into Subgrant Agreements and an MOU with the Project Proponents to identify the responsibilities of, and cost to, each agency;
- b) Approve and authorize the Chair to execute an agreement with Kennedy/Jenks Consultants (not a local vendor) in the amount not to exceed \$211,016 for the period of November 18, 2008 through February 28, 2010 to administer the Proposition 50 Grant to implement the IRWMP for Santa Barbara County; and
- c) Approve the attached Budget Revision Request (BJE #0000350) to receive \$9,075,000 in unanticipated revenue (\$9,035,000 from the State of California and \$40,000 from the Project Proponents) and to increase Professional Services in the amount of \$190, 000 (4/5 vote required).

Summary Text:

Three specific documents are needed to secure the Proposition 50 Grant Funding and to protect the interested parties. These are the Contract between the State Water Resources Control Board and the Santa Barbara County Water Agency, Subgrant Agreements between the County and each of the Project

Proponents, and the Memorandum of Understanding between the Project Proponents as a whole and the County Water Agency

The IRWMP for Santa Barbara County was approved by the State of California to receive \$25,000,000 for the top 14 priority projects (list attached). The State requires that only one single eligible grant recipient enter into the Grant Agreement with the State to receive funding. The County Water Agency has agreed to take this role and be the agency to enter into the Grant Agreement with the State. The Water Agency will function as a pass through agency between the State and Project Proponents. The main responsibilities of the Water Agency will be to organize and forward the required project reporting information and to review and submit claims to the State from each Project Proponent and reimburse the Project Proponent once funding is received from the State.

The Agreement with Kennedy/Jenks Consultants will provide grant administration for all of the Project Proponents and provide administrative support to ensure that the Water Agency complies with the terms and conditions of the Grant Agreement with the State. The MOU between the Water Agency and all of the Proponents establishes the duties and responsibilities of each party in regard to the Proposition 50 Grant. Included in the MOU is language requiring the Proponents to pay for 100% of the administrative costs for grant implementation. The Subgrant agreement between the Water Agency and each Project Proponent specifies individual proponent responsibilities, Grant amounts, and insurance requirements. The fiscal impact and Kennedy/Jenks Contract addressed as part of this Board Letter are for the first year of the grant term. The Water Agency anticipates entering into a contract with Kennedy/Jenks on an annual basis for the next four years or until all 14 projects are completed. However, the Grant agreement allows for project completion and final fund requests no later than April 1, 2012. Administrative costs and consultant requirements will be reevaluated at the end of each year.

This Resolution is needed to expedite processing of these contracts which if not in effect by December 31, 2008 will result in a substantial delay in funding due to additional administrative Grant requirements that take effect on January 1, 2009. Adopting this resolution will allow the Public Works Director to enter into all agreements necessary to begin implementation of the 14 priority projects approved by the State.

Background:

Since September 2006, the County Water Agency has been working with a County-wide group of cities, special districts, water companies, and joint powers authorities to develop the first Integrated Regional Water Management Plan (completed in May 2007). The IRWMP contained roughly 100 projects that would address one or more regional objectives. The 29 agencies who cooperated in preparation of the IRWMP selected 14 projects to submit to the State for up to \$25 million in funding in Round 2 of the grant process.

Pursuant to the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Water Code Section 79560 et seq.), the State of California issued its Proposition 50 Chapter 8 Integrated Regional Water Management (IRWM) Grant Program Guidelines (June 2007). The Guidelines require a grant applicant to provide the State with a resolution adopted by the grantee's governing body designating an authorized representative to submit the application and execute an agreement with the State of California for an IRWM implementation grant. On December 11, 2007, the

Board adopted the resolution to submit the Proposition 50 Round 2 Grant Application to the State of California for consideration for grant funding.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 9,035,000.00		
Federal			
Project Proponents	\$ 40,000.00		
Other:			
Total	\$ 9,075,000.00	\$ -	\$ -

Narrative:

The attached budget revision will allow the County to receive \$9,035,000 in unanticipated revenue from the State and receive \$40,000 from the Project Proponents and also increase professional services by \$190,000. The Water Agency will be the pass through agency for this grant. The Project Proponents will be reimbursement by the Water Agency for project costs only once the funds have been received by the State. There will be no net cost to the Water Agency.

The Kennedy/Jenks contract will be paid partially by the Grant with the remainder of the cost being paid for by the Project Proponents as identified in the Subgrantee Agreements. The Water Agency anticipates entering into an agreement with Kennedy/Jenks on an annual basis over the next four years until all of the 14 projects are completed or the end of the grant term.

Staffing Impacts:

Legal Positions:

FTEs:

Special Instructions:

Direct the Clerk of the Board to send a copy of the adopted resolution, two originals of the Agreement with Kennedy/Jenks, the Budget Revision, and a copy of the minute order to the Water Agency office, Attn: Christina Lopez.

Attachments:

Resolution

Agreement w/Kennedy Jenks Consultants

Budge Revision Request 9BJE #0000350

Copy of Project List

Authored by: Matt Naftaly, Interim Water Agency Manager, 568-3542