



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:** PW/Water Agency  
**Department No.:** 054  
**For Agenda Of:** August 29, 2023  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5 Vote Required

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**TO:** Board of Directors, Water Agency

**FROM:** Department Scott D. McGolpin, Public Works Director, (805) 568-3010  
Director(s)  
Contact Info: Walter Rubalcava, Deputy Director – Water Resources (805) 568-3436

**SUBJECT:** **Approve and Adopt a Resolution Authorizing the Public Works Director to Execute an Amendment to Extend the Cachuma Project Master Contract, All Supervisorial Districts**

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Directors of the Santa Barbara County Water Agency:

- a) Approve and adopt a resolution authorizing the Public Works Director to execute an Amendment to the Cachuma Project Master Contract with the U.S. Bureau of Reclamation, extending the terms and conditions of the current contract for no more than three years, upon approval of County Counsel, Auditor Controller, and Risk Manager, or their designated representatives (4/5 vote required); and
- b) Determine that the proposed actions are not projects pursuant to CEQA Guidelines Section 15378(b)(2), continuing organization or administrative activities, Section 15378(b)(5), organization or administrative activities that will not result in a direct or indirect physical change in the environment, and further, is not subject to and is exempt from the requirements of CEQA under Guidelines Section 15061(b)(3), no possibility that the activity may have a significant effect on the environment, Section 15261(a), project approved prior to November 23, 1970, and Section 15301, operation of existing facilities and direct staff to file and post the attached Notice of Exemption with the Clerk of the Board.

**Summary Text:**

This item is on the agenda in order to approve and adopt a resolution (Attachment A) authorizing the Public Works Director to execute a Second Amendment to the Cachuma Project Master Contract (Master Contract, Attachment B) with the U.S. Bureau of Reclamation (USBR), extending the terms and conditions for no more than three years.

On May 2, 2017, the Board approved and authorized the Chair to sign a letter to the USBR formally requesting renewal of the Master Contract, which was due to expire September 30, 2020. Since 2017, the Water Agency undertook all the steps required to execute a renewal of this contract with the USBR. However, the USBR has been unable to complete the federal prerequisites to initiate negotiations and execution of a long-term contract before the date on which the Master Contract expired, and the three-year contract extension, which expires on September 30, 2023 (Attachment C).

The USBR has indicated they will be seeking an Amendment to the Master Contract with the Water Agency that will extend the terms and conditions of the current Master Contract. USBR held a required public contract negotiation session with the Water Agency on July 25, 2023 and provided a draft Second Amendment to Contract Between the United States and Santa Barbara County Water Agency for Water Service from the Project (Attachment D). The Member Units all were invited and attended the negotiation session, and their comments were all received by USBR. Member Units hold subcontracts with the Water Agency, which were amended in 2020 and remain in effect.

The Water Agency is concerned that receipt of a final Amendment to the Contract may occur without sufficient time to bring it to the Board for approval prior to the contract expiration date. In order to provide continued water service from the Cachuma Project during such time as it takes to renew the contracts on a long-term basis, the Water Agency is seeking authority for the Public Works Director to execute a Second Amendment to the Master Contract, substantially similar to Attachment D, and subject to approval from the offices of County Counsel, Auditor Controller, and Risk Management.

**Background:**

The Cachuma Project is a federal water supply project developed by the USBR during the 1940s and 1950s to supply municipal and agricultural water to the South Coast and portions of the Santa Ynez Valley. In 1949 the first water supply contract was executed with the Water Agency for a term of 40 years from when initial deliveries began in 1955, and associated subcontracts were executed with the Cachuma Member Units to provide for payment of the Project costs. On April 14, 1996, after several phased interim contracts, a renewed Master Contract and associated Member Unit Contracts were executed for a term of 25 years from the original 1995 expiration date. Since execution of this contract, the capital costs of the Project have been fully repaid by the Member Units.

The Cachuma Operation and Maintenance Board (COMB) was formed in 1956 pursuant to an agreement with the USBR which transferred to the Member Units the responsibility to operate, repair and maintain all Cachuma Project facilities, except Bradbury Dam which the USBR continues to operate. COMB's Member Agencies include Goleta Water District, the City of Santa Barbara, Montecito Water District, and Carpinteria Valley Water District. COMB is responsible for diversion of water from Lake Cachuma to their Member Agencies through the Tecolote Tunnel. All Member Units are responsible for payments to the USBR for maintenance and operation of the Project and its facilities.

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**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Narrative:**

Staff time is included annually in the Water Agency budget. Under the terms of the current 1996 contract, the Water Agency contributes \$100,000 per year for the benefit of the Cachuma Project, which helps fund work associated with the Project. The \$100,000 was included in the adopted FY 2023-24 budget in the Water Resources Division of the Public Works Department as shown on page D-331 in the budget book. In addition, as annually allocated in the Water Agency budget, funding for other technical work and analyses for both the Cachuma and Twitchell Projects have occurred that the Water Agency is ideally situated to provide.

The capital costs of the Cachuma Project were paid off in 2015, ongoing operations and maintenance costs incurred by the USBR will be paid annually by the Member Units. No General Fund monies will be utilized with this Board action.

**Special Instructions:**

Direct the Clerk of the Board to post the attached NOE (Attachment E) and to email a copy of the stamped NOE, a copy of resolution, and a copy of the minute order of these actions to [clopez@countyofsb.org](mailto:clopez@countyofsb.org).

**Attachments:**

Attachment A – Resolution to Authorize the Public Works Director to Execute an Interim Cachuma Project Master Contract

Attachment B – Copy of Cachuma Master Contract #I75r-1802R

Attachment C – Copy of First Amendment to Cachuma Master Contract # I75r-1802RA

Attachment D – Copy of Draft of Second Amendment to Cachuma Master Contract # I75r-1802RB

Attachment E – Notice of Exemption (includes CEQA Transmittal Memo and JE No. 0253625)

**Authored by:**

Matt Young, Water Agency Manager (805) 568-3546