



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:** Flood Control  
**Department No.:** 054  
**For Agenda Of:** March 2, 2021  
**Placement:** Departmental  
**Estimated Time:** 45 minutes on  
March 2, 2021  
**Continued Item:** Yes  
**If Yes, date from:** February 2, 2021  
**Vote Required:** Majority

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**TO:** Board of Directors, Flood Control and Water Conservation District

**FROM:** Department Scott D. McGolpin, Public Works Director, 805-568-3010  
Director(s)  
Contact Info: Thomas D. Fayram, Deputy Public Works Director, 805-568-3436

**SUBJECT:** State Water Project Contract Amendments

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: County Executive Office

**Auditor-Controller Concurrence**

As to form: N/A

**Recommended Actions:**

That the Board of Directors:

Consider the request of the Central Coast Water Authority (CCWA) to approve two Water Supply Contract Amendments as follows:

- a) Consider the request of the Central Coast Water Authority (CCWA) to approve Amendment 20 (Contact Extension Amendment) to the State Water Project (SWP) Contract as follows;
  - i. Approve and authorize the Public Works Director or his designee to execute Amendment 20 (Contract Extension) to the SWP Contract contingent upon CCWA's acknowledgement by an action of its Board that the Transfer of Financial Responsibility Agreement (TFRA) remains in full force; and
  - ii. Approve and authorize the Public Works Director or designee to sign the Agreement Confirming the Term of the Transfer of Financial Responsibility Agreement; and
  - iii. Certify that the Board, acting as a Responsible Agency, has reviewed and considered the information and environmental effects contained in the Final Environmental Impact Report (FEIR) for Amendment 20 to the SWP Contract, and that the California Department of Water Resources (DWR) as Lead Agency found no significant impacts and is the custodian of the records located at <https://ceqanet.opr.ca.gov/2014092036/2>;

- b) Consider the request of the CCWA to approve Amendment 21 (Water Management Amendment);
  - i. Reject Amendment 21 at this time because CCWA has not addressed the concerns of out of District transfers and the impacts on water supply for sales of water out of the County; and
  - ii. Direct staff to continue to work with CCWA staff and return to your Board at a future date if mutually agreeable terms can be reached related to Amendment 21.
- c) Determine that the proposed actions are not a project under the California Environmental Quality Act, pursuant to Guidelines Section 15378(b)(5), organization or administrative activities that will not result in a direct or indirect physical change in the environment.

**Summary Text:**

This item is on the agenda to consider Amendment Nos. 20 and 21 to the State Water Project Agreement. On February 2, 2021, your Board continued this item to the March 2, 2021 Board Agenda to allow CCWA and District staff the ability to meet to find elements of the proposed amendments that could be mutually agreeable to each Board.

The respective staff met on two occasions, had multiple additional dialog on the issues, and CCWA's Board held a special meeting on February 17<sup>th</sup> to discuss the concerns raised at the prior Board hearing. In regards to Amendment 20 (Contract Extension), CCWA, District staff, and Counsel agreed to recommend the Agreement Confirming the Term of the Transfer of Financial Responsibility Agreement proposed by CCWA to clarify that the term of the TFRA extends to match the term of the SWP Contract, as amended and extended by executing Amendment 20. Approval of Amendment 20 will allow CCWA's members to enjoy financial benefits, as detailed in CCWA's presentation on February 2, 2021, and will assist with assuring a long term water supply source for the County and its residents.

In regards to Amendment 21 (Water Management), CCWA initially represented that their position was to only accept full approval of Amendment 21 without conditions. However on February 17, 2021, CCWA's Board adopted a resolution establishing a first right of refusal to local water purveyors under the same terms and conditions for any water sale outside the County. Although this resolution appears to address some of the concerns raised on February 2<sup>nd</sup>, as out of County water sales would be allowed without any other conditions, and with the uncertainty these sales would impose on total County water supplies, and without time to further discuss this with CCWA, staff is recommending the Board not approve Amendment 21 at this time. Instead, staff is recommending that the Board direct staff to continue a dialog with CCWA to address concerns of transferring water outside the County. Staff will seek further discussions with CCWA and will return to your Board in the future should there be an agreement to present to your Board.

**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.

The SWP is an important element of the County's overall water supplies and deliveries of SWP water helps offset use/overuse of groundwater and compliments other local supplies. Delivery of high quality

water (low in Total Dissolved Solids) provides additional benefits to water purveyors as well. As other existing supplies, such as surface reservoirs, are now and will continue to deliver far less water than originally developed. For example, the Cachuma Project now has shown its inability to provide its original planned allocations through a drought period.

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 (WSRAs). Up until approximately 1986 the District made all payments to DWR for the capital costs of the SWP.

In 1991, CCWA was formed by various water purveyors to manage the delivery of State Water to Santa Barbara County. Under the management of CCWA, the Coastal Branch connection to the SWP was studied, as required by CEQA, and completed in 1995 with a design capacity of 39,078 AFY. Since then, CCWA has operated the Coastal Branch and distributed water to its member water purveyors. In addition, with the execution of the Transfer of Financial Responsibility Agreement (TFRA) with the District, CCWA has been responsible for fiscal matters relating to State Water, including all the payments to DWR and protecting the District in the event that one or more of its member units fail to meet its financial obligations. To date neither CCWA nor the District have ever defaulted on SWP payments.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

Narrative:

Management of the water supply agreements are ongoing programs and staff time is included every year in the budget in the Water Resources Division of the Public Works Department. However, pursuant to the TFRA costs relating to management of the SWP are reimbursed by CCWA.

**Special Instructions:**

Direct the Clerk of the Board to email the minute order of these actions to [clopez@cosbpw.net](mailto:clopez@cosbpw.net).

**Authored by:**

Thomas D. Fayram, Deputy Public Works Director, (805) 568-3436

cc: Jeff Frapwell, Assistant CEO