



March 12, 2012

Mr. Tom Fayram
Santa Barbara County
Deputy Public Works Director
123 E. Anapamu St.
Santa Barbara, CA 93101

Re: Supplemental Funding Agreement

Dear Tom:

In accordance with the November 12, 1991 transfer of Financial Responsibility Agreement between the Santa Barbara County Flood Control and Water Conservation District (SBCFC&WCD) and CCWA, we request that the SBCFC&WCD execute the Supplemental Funding Agreement currently in your possession.

By way of background, the Department of Water Resources (DWR) and the Federal Bureau of Reclamation (Bureau) are moving ahead with the Delta Habitat Conservation and Conveyance Program (DHCCP). The work includes preliminary design and environmental documentation on potential conveyance alternatives, including an isolated facility around the Delta. Since DWR cannot bond for planning activities associated with future capital projects, it has asked State Water Project Contractors and the Federal Central Valley Project Contractors to provide funding for the work.

Previously, DWR told the State Water Contractors that at its current rate of progress, it would fully commit the initial funding for DHCCP by the beginning of this year due to changes in spending priorities, consultant teams and a new administration. A new request for an additional \$100 million to complete the BDCP and DHCCP including environmental documentation and preliminary design for the recommended project has been before the State Water Contractors and the CCWA Board.

At our January meeting, the CCWA Board agreed to participate in the Supplemental Funding Agreement. Due to some internal disagreement regarding budget priorities, the City of Santa Maria agreed to fund the portion of the agreement that would have fallen on the South Coast (Carpinteria Valley Water District, Montecito Water District, the City of Santa Barbara and the Goleta Water District). That agreement was approved by the City of Santa Maria at its Council meeting of March 6, 2012, and all CCWA Project Participants are now amenable to moving forward.

Thank you for your assistance and please contact me if you have any questions or require further information.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Brennan", written over a horizontal line.

William J. Brennan
Executive Director

cc: Scott McGolpin

L. J. Lavagnino
Chairman

Richard Shaikewitz
Vice Chairman

William J. Brennan
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

255 Industrial Way
Buellton, CA 93427-9565
(805) 688-2292
FAX: (805) 686-4700