



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/PW
Department No.: 054
For Agenda Of: May 3, 2016
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

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: Authorization to Pursue Integrated Regional Water Management Funding through California Proposition 1 and Approval of the Memorandum of Agreement for the Central Coast Funding Area, All Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Directors of the County Water Agency:

- a) Authorize the Water Agency to pursue Integrated Regional Water Management Grant Funding through California Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 on behalf of the Santa Barbara Region;
- b) Approve and authorize the Chair to execute the Memorandum of Agreement for Integrated Regional Management Planning and funding in the Central Coast Funding Area for Proposition 1 grant funding cycles; and
- c) Find that these actions do not constitute a "Project" within the meaning of the California Environmental Quality Act pursuant to 14 CCR 15378 (b)(4).

Summary Text:

On November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Proposition 1 authorized the statewide appropriation of \$510 million in Integrated Regional Water Management (IRWM) funding for Implementation, Planning, and Disadvantaged Community Involvement efforts. The six (6) Regions within the Central Coast Funding

Area (CCFA) have been allocated a total of \$43 million over the two expected appropriation rounds (FY 2017/2018 & FY 2019/2020). Proposition 1 requires project proponents to provide a 50% match.

The Proposition 1 IRWM Grant Program, administered by Department of Water Resources (DWR), provides funding for projects that:

- Help water infrastructure systems adapt to Climate Change
- Improve self-reliance/reduce reliance on the Sacramento San Joaquin Delta
- Provide incentives for collaboration to manage water resources and set regional priorities for water infrastructure

The Memorandum of Agreement (MOA) reflects a Funding Area allocation consensus between the Santa Barbara IRWM Region and the other regions in the Central Coast Funding Area (Santa Cruz, Pajaro River, Greater Monterey, Monterey Peninsula, San Luis Obispo County) based on a formula: 50% Fixed Equal Split, 25% Population, and 25% Area. The adoption of this MOA by the Water Agency on behalf of the Santa Barbara IRWM Region has been agreed-upon by unanimous vote of the Cooperating Partners. The same MOA is currently being adopted by the other five Regions of the Central Coast Funding Area. The following tables summarize the Proposition 1 funding allocations within the Central Coast Funding Area.

Table 1 –Funding Area Allocation

Total Proposition 1 IRWM Funding to Funding Area	\$ 43,000,000
Breakdown of Prop 1 to Funding Area:	
Program fees (5% program delivery, 2% bond administration)	\$ 3,010,000
DAC Funding (20% of CCFA Total) - 2 Rounds	\$ 8,600,000
Implementation and Planning Grants - 2 Rounds	\$ 31,390,000

Table 2 – Basis of Funding Area Allocations

Funding Area Regions Allocation Option #1 (1/2 Equal Split Among Regions) + (1/4 % by population) + (1/4 % by acreage)	Baseline Factor (1/6 based on 6 Regions in Funding Area)	Population	Population Factor (% of Funding Area Total)	Area (sq. miles)	Area Factor (% of Funding Area Total)	Overall Factor (% of Funding Area funds)
Santa Cruz	16.67%	281,401	14.89%	376	3.39%	12.90%
Pajaro River Watershed	16.67%	327,183	17.32%	1,295	11.68%	15.58%
Greater Monterey	16.67%	384,947	20.38%	3,199	28.85%	20.64%
Monterey Peninsula	16.67%	131,088	6.94%	341	3.08%	10.84%
San Luis Obispo	16.67%	309,187	16.37%	3,322	29.96%	19.91%
Santa Barbara	16.67%	455,468	24.11%	2,555	23.04%	20.12%
Totals	100.00%	1,889,274	100.00%	11,088	100.00%	100.00%

Table 3 – Summary of Funds Available to Each Planning Region (less DWR fees)

Authorization to Pursue Integrated Regional Water Management Funding through California Proposition 1 and Approval of the Memorandum of Agreement for the Central Coast Funding Area

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	Santa Cruz	Pajaro Valley Watershed	Greater Monterey	Monterey Peninsula	San Luis Obispo	Santa Barbara	Total CCFA
ALLOCATION OPTION # 1							
Allocation Option #1 - DAC Funds ((1/2 Equal Split Among Regions) + (1/4 %by population) + (1/4 % by acreage))	\$ 1,109,810	\$ 1,340,107	\$ 1,775,034	\$ 931,966	\$ 1,712,669	\$ 1,730,414	\$ 8,600,000
Allocation Option #1 - Impl'n Funds ((1/2 Equal Split Among Regions) + (1/4 %by population) + (1/4 % by acreage))	\$ 4,050,805	\$ 4,891,390	\$ 6,478,875	\$ 3,401,677	\$ 6,251,243	\$ 6,316,010	\$ 31,390,000
Total Allocation Option #1	\$ 5,160,615	\$ 6,231,497	\$ 8,253,910	\$ 4,333,643	\$ 7,963,912	\$ 8,046,424	

Background:

At the Board’s direction, beginning in September 2006, the County Water Agency has worked with a County-wide group of 29 cities, special districts, water companies, joint powers authorities, and Non-Governmental Organizations (NGOs) to develop the first Integrated Regional Water Management Plan (completed in May 2007). The plan was updated in 2013.

As authorized by the Water Agency Board of Directors on December 11, 2007, the Water Agency acts as the single eligible grant recipient responsible for administration of the IRWMP Grants. In accordance with the Memorandum of Understanding and sub-grant agreements between the Water Agency and Project Proponents, the Water Agency functions as a pass through agency between the State and Proponents. The Water Agency is responsible for organizing and forwarding the required project reporting information to the State and to review and submit claims to the State from each Project Proponent. Project Proponents are then reimbursed once funding is received from the State.

Pursuant to the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Water Code Section 79560 et seq.), on behalf of the 29 Cooperating Partners within the Santa Barbara Area IRWM Region who assisted in the preparation of the IRWM Plan, the County Water Agency has applied for and been granted approximately \$32 million in funding for 24 water related projects within the County. These grants included approximately \$27 million for 15 regional water projects through Proposition 50, a \$550,000 Proposition 84 Planning Grant used for the 2013 update of the IRWM Plan, \$3,000,000 for 7 regional water projects through Proposition 84, Round 1, and \$2,000,000 through the Proposition 84 Drought Round.

Fiscal and Facilities Impacts:

Budgeted: No

Narrative:

No fiscal impact would occur as a result of these actions.

Key Contract Risks:

N/A

Special Instructions:

Authorization to Pursue Integrated Regional Water Management Funding through California Proposition 1 and Approval of the Memorandum of Agreement for the Central Coast Funding Area

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Direct the Clerk of the Board to send a copy of the minute order of these actions to the Water Agency office, Attn: Christina Lopez.

Attachments:

Attachment A – Memorandum of Agreement for regional Water Management Planning and Funding in the Central Coast Regional Funding in the Central Coast Funding Area

Authored by:

Bret Stewart, IRWMP Manager, 568-3041