



**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:** 08/26/14  
**Placement:** Administrative  
**Estimated Tme:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**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, 568-3010  
Director(s)  
Contact Info: Thomas D. Fayram, Deputy Public Works Director, 568-3436

**SUBJECT:** Exchange Agreement for State Water, First and Second Supervisorial Districts

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Recommended Actions:**

- A. Authorize the Public Works Director or his designee to execute Agreements with the State of California Department of Water Resources and the Mojave Water District (MWD) for an imbalanced Water Exchange of State Water Project supplies;
- B. Authorize the Public Works Director or his designee to execute a Release, Assumption and Indemnification Agreement with the Central Coast Water Authority for the water exchange with the Mojave Water District; and
- C. Determine that this action is not a project under the California Environmental Quality Act (CEQA), Public Resources Code section 21065 and CEQA Guidelines sections 15061(b)(3) and 15378(b)(5), as the program is an organizational or administrative activity that will not result in direct or indirect changes in the environment.

**Summary Text:**

In response to the drought impacting Santa Barbara County, the Central Coast Water Authority (CCWA) has been actively seeking additional water supplies on behalf of its Project Participants. To date, CCWA has secured approximately 6,000 acre-feet (AF) of supplemental water. This supplemental water has been outright purchased from other entities and moved through the State Water Project (SWP) system.

CCWA has also been seeking possible exchange agreements with other SWP contractors who have stored SWP water. An exchange would allow for delivery of water this year, or next year, in exchange for repayment of some negotiated amount of water in later years. Exchanges can be balanced (1 for 1), balanced with a payment (1 for 1 plus a payment), or unbalanced with an increased repayment volume (ex. 2:1).

In this case, CCWA has negotiated an overall exchange of 1,000 AF for 2015. Of this amount, 500 AF is a balanced exchange to be returned no later than December 31, 2019. This repayment would be from future years SWP Table A. In addition, this 500 AF balanced exchange would cost \$400 per AF. The remaining 500 AF is an imbalanced exchange at an exchange of 2.25 to 1. Thus in exchange for delivery of this 500 AF, CCWA would repay 1,125 AF over the next ten years. CCWA requests this exchange to allow receipt of the water now, when it is needed, and can repay later when presumably drought conditions are alleviated and both local and SWP supplies are more available. These terms are summarized in the Table below:

State Water Supplied by MWD (AF)	Balanced Exchange?	Amount of State Water to be Returned to MWD (AF)	Water Returned to MWD By:	Source of Water for Repayment:	Cost of State Water (\$/AF):
500	Yes (1 to 1)	500	12/31/2019	Table A	400
500	No (2.25 to 1)	1,125	12/31/2024	Table A	0

CCWA Project Participants involved in this exchange are as follows:

City of Santa Barbara	536 AF
Montecito Water District	416 AF
La Cumbre Mutual Water	48 AF

### **Background:**

While CCWA manages the SWP for its Project Participants in Santa Barbara County, DWR still requires the County Flood Control and Water Conservation District (District) to approve certain contract changes, as the District is still the formal contractor.

On October 7, 2008, your Board authorized the Public Works Director to execute certain administrative items between CCWA, DWR, and the District. This approval included items that do change the long term water allocations or structure of CCWA. In this case, staff desired to get concurrence from the Board due to the unbalanced nature of the exchange. Balanced exchanges, purchases, or other items that meets the intent of the 2008 authority will continue to be executed by the Public Works Director as authorized by the 2008 action.

The additional water delivered through this exchange will help offset reductions in SWP deliveries (5% for 2014) and upcoming delivery reductions from the Cachuma Project. Cachuma deliveries will be 45% for 2015 (starting October 1, 2014).

### **Fiscal and Facilities Impacts:**

Budgeted: No

Narrative:

There are no fiscal impacts to the Flood Control District or the County's General Fund with these actions.

**Special Instructions:**

Direct the Clerk of the Board to send a copy of the minute order of this action to the Flood Control District office, Attn: Christina Lopez.

**Attachments:**

Attachment No. 1 - Draft Agreement SWPAO #14009

Attachment No. 2 - Draft Agreement SWPAO #140015

Attachment No. 3 - Draft Release, Assumption and Indemnification Agreement

Attachment No. 4 - CCWA Request Letter

**Authored by:** Thomas D. Fayram, Deputy Public Works Director, 568-3436