



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
Department No.: 054
For Agenda Of: August 25, 2015
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 D. McGolpin, Public Works Director, 568-3010
Director(s)
Contact Info: Thomas D. Fayram, Deputy Public Works Director, 568-3436

SUBJECT: Authorization for Public Works Director to Execute Subgrant Agreements for Proposition 84, 2014 Drought Grant, 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:

- A. Approve and authorize the Public Works Director or his designee to execute the Subgrant Agreement and any needed amendments with the City of Santa Barbara for their Recycled Water Enhancement Project which has been awarded 2014 Proposition 84 Emergency Drought Round Grant funding in the amount of \$1,045,222 from the State Department of Water Resources;
- B. Approve and authorize the Public Works Director or his designee to execute the Subgrant Agreement and any needed amendments with the Cachuma Operations and Maintenance Board for their Lake Cachuma Drought Pumping Facility Project which has been awarded 2014 Proposition 84 Emergency Drought Round Grant funding in the amount of \$1,037,842 from the State Department of Water Resources; and
- C. Find that the approval of the 2014 Proposition 84 Emergency Drought Round Subgrant Agreements does not constitute a "Project" within the meaning of the California Environmental Quality Act pursuant to 14 CCR 15378 (b)(4).

Summary Text:

The California Department of Water Resources (DWR) administers Proposition 84, which provides for competitive grant funding for water related projects in accordance with a comprehensive Integrated

Regional Water Management Plan (IRWMP). Santa Barbara County’s updated IRWMP was adopted by the Board of Directors in July of 2014.

A Memorandum of Understanding (MOU), adopted by your Board in August of 2012, establishes the working criteria between the County Water Agency and the Santa Barbara County Cooperating Partners, a County-wide group of cities, special districts, water companies, non-governmental organizations, and joint powers authorities collaborating in the IRWM Program.

After the Governor declared a Statewide Drought in 2014, DWR was directed to expedite the solicitation and award of \$200 million of the remaining \$472.5 million in Proposition 84 IRWM Program funding for emergency drought projects. The Santa Barbara Region submitted a grant application and was awarded a total of \$2,124,564 through the 2014 Proposition 84 Emergency Drought Grant for the three (3) projects below:

<u>Agency</u>	<u>Project:</u>	<u>Grant Award Amount:</u>
City of Santa Barbara (City)	Recycled Water Enhancement Project	\$1,045,222
Cachuma Operations & Maintenance Board (COMB)	Cachuma Lake Drought Pumping Facility Project	\$1,037,842
Santa Barbara County Water Agency	Grant Agreement Administration	\$41,500
TOTAL GRANT AWARD		\$2,124,564

The Public Works Director has executed the IRWM Program 2014 Drought Grant Agreement with DWR pursuant to Resolution 14-178, which authorizes the Public Works Director to execute Proposition 84 Drought Round related DWR agreements and amendments. Authorization is requested (recommended actions A and B) for the Public Works Director or his designee to enter into Subgrant Agreements with the City and COMB (Attachment Nos.1 and 2). It is estimated that the full amount of this award will be utilized during Fiscal Year (FY) 2015-16.

Background:

Pursuant to the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Water Code Section 79560 et seq.) and subsequent legislation, DWR and State Water Resources Control Board administer the IRWM Program which provides for competitive grant funding for water planning and implementation projects.

At the Board’s direction, beginning in September 2006, the County Water Agency has worked with a County-wide group of cities, special districts, water companies, non-governmental organizations and joint powers authorities known as the Santa Barbara County Cooperating Partners to develop the first IRWMP (completed in May 2007). Successful approval of the plan by DWR is the basis for all grant funding through the IRWM Program.

In accordance with the existing MOU and Subgrant 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 tasked with organizing and forwarding the required project reporting information,

and reviewing and submitting claims to the State from each Project Proponent. The Water Agency forwards the project funding to the Project Proponent once it is received from the State.

Under the leadership of the County Water Agency, in addition to the current Drought Round of funding, the Santa Barbara County Cooperating Partners have been awarded:

- \$25 million (approximately) for 13 regional water projects through a Prop 50 Grant,
- \$550,000 for updating the IRWM Plan through a Prop 84 Planning Grant, and
- \$3,000,996 for 7 regional water projects through a Prop 84, Round 1, Implementation Grant.

As authorized by the Water Agency Board of Directors on December 11, 2007, the Water Agency acts as the single eligible contracting entity responsible for administration of the IRWM Program Grants as required by DWR.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
DWR Prop 84 - Emergency Drought Grant Funding			\$2,124,564.00
Total		\$ -	\$2,124,564.00

Narrative:

The Subgrant Agreements will allow the Water Agency to act as a pass-through agency to reimburse the City and COMB for project costs up to the grant amount. The Grant Agreement with DWR is valid until May 31, 2016. The Water Agency is estimating that the full \$2,124,564 of awarded grant money will be disbursed this fiscal year on the selected projects.

No General Fund monies will be utilized with these actions.

Key Contract Risks

N/A

Special Instructions:

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:

- Copy of Subgrant Agreement with the City of Santa Barbara (Attachment No. 1)
- Copy of Subgrant Agreement with the Cachuma Operation & Maintenance Board (Attachment No. 2)

Authored by:

Matt Naftaly, Water Agency Manager, 568-3542