



**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:** April 3, 2018  
**Placement:** Administrative  
**Estimated Tme:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**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 Execute Agreements pursuant to Integrated Regional Water Management Funding through California Proposition 1, Disadvantaged Community Involvement Round for the Central Coast Funding Area, All Supervisorial Districts**

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**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 a Proposition 1 Integrated Regional Management Disadvantaged Community Involvement Grant Agreement and all necessary subsequent agreements or amendments with the Regional Water Management Foundation; and
- b) Approve and authorize the Public Works Director or his designee to execute Local Agency Partner Agreements and all necessary subsequent agreements or amendments with the Cuyama Community Services District, City of Guadalupe, and University of California, Santa Barbara pursuant to the Proposition 1 Disadvantaged Community Involvement Grant; and
- c) Find that these actions do not constitute "Projects" within the meaning of the California Environmental Quality Act pursuant to 14 CCR 15378 (b)(4).

**Summary Text:**

This item is on the agenda in order to approve Proposition 1 Integrated Regional Water Management (IRWM) Disadvantaged Community Involvement (DACI) grant agreements with the Regional Water Management Foundation and Local Agency Partners.

On November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. 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,
- Provide regional water self-reliance and water supply reliability, and
- Provide incentives for collaboration to manage water resources and set regional priorities for water infrastructure.

Proposition 1 authorized the statewide appropriation of \$510 million in 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 expected appropriation rounds (FY 2017/2018 & FY 2019/2020). The CCFA consists of the following Regional Water Management Groups and IRWM Regions; Santa Barbara County, San Luis Obispo County, Greater Monterey County, Monterey Peninsula/Carmel Bay/South Monterey Bay, Santa Cruz County, and Pajaro River Watershed. Proposition 1 requires project proponents to provide a 50% match, however, because this is a program for Disadvantaged Communities (DACs), Severely Disadvantaged Communities (SDACs), and Economically Distressed Areas (EDAs), there is no match required.

On May 3, 2016, the Board authorized the Water Agency to pursue IRWM Funding through Proposition 1 and approved the Memorandum of Agreement for the CCFA (Attachment A).

**Table 1 – Summary of DACI Funds Available to Each Planning Region (less DWR fees)**

	<b>Santa Cruz</b>	<b>Pajaro River</b>	<b>Greater Monterey</b>	<b>Monterey Peninsula</b>	<b>San Luis Obispo</b>	<b>Santa Barbara</b>	<b>Total CCFA</b>
<b>Allocation - DACI Funds</b>	\$ 472,670	\$ 670,054	\$ 887,517	\$ 465,983	\$ 938,570	\$ 865,207	\$ 4,300,000

In addition to this Proposition 1 DACI grant, the Santa Barbara IRWM Region expects to receive approximately \$6.3M in Proposition 1 Project Implementation Round funding in FY 18/19 or FY 19/20.

The DACI Round is being administered by the Regional Water Management Foundation on behalf of Santa Cruz County. They have entered into a Grant Agreement with the Department of Water Resources (Attachment B, Exhibit A) on behalf of the Santa Barbara IRWM Region and the other five members of the CCFA, who are each participating as partners in this round through a Local Project Sponsor Agreement (Attachment B).

The Santa Barbara IRWM Region will then execute Local Agency Partner Agreements with the Cuyama Community Services District (Cuyama CSD), City of Guadalupe, and University of California, Santa Barbara (UCSB) (Attachment C). The DACI Project Descriptions are as follows:

- Cuyama CSD: Community Outreach and Engagement; Facilities Optimization Master Plan and Hydrogeologic Study (\$319,896)

- City of Guadalupe: Water Distribution, Sewer Collection, and Wastewater Treatment System Improvements (\$440,337)
- UCSB: Cuyama Valley Needs Assessment (\$104,974)

### **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 and another plan update is expected this year in response to DWR's 2016 IRWM Guidelines.

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 IRWM Grants. In accordance with the Memorandum of Understanding (MOU) 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 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: Yes

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total Project Cost</u></b>
DWR DACI Grant Funds	\$ 865,207.00		\$ 865,207.00
Matching Funds			\$ -
Water Agency Funds	\$ 10,000.00		\$ 30,000.00
Cooperating Partners	\$ 10,000.00		\$ 30,000.00
Total	\$ 885,207.00		\$ 925,207.00

### **Narrative:**

The revenue from the grant and pass through expenditures to the Local Agency Partners is included in the adopted FY 2017-18 budget in the Water Resources Division in the Public Works Department as shown on page D-325 in the budget book.

Approximately \$60,000 will be paid to the Regional Water Management Foundation for the Santa Barbara IRWM Region's share of Grant Administration costs for the duration of the DACI Grant. These costs, including costs borne by the Water Agency for grant administration, will be shared with the Cooperating Partners as set forth in the MOU.

**Key Contract Risks:**

Key contract risks for these agreements are low.

**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:**

- Attachment A: Minute Order for Memorandum of Agreement for Proposition 1 Regional Water Management Planning and Funding in the Central Coast Funding Area
- Attachment B: Local Project Sponsor Agreement with Regional Water Management Foundation
  - o Exhibit A Prop 1 DACI Grant Agreement between DWR and Regional Water Management Foundation
- Attachment C: Local Agency Partner Agreements with UCSB, Cuyama CSD, and City of Guadalupe

**Authored by:**

Bret Stewart, IRWM Manager, 568-3041