

FIRST AMENDMENT TO TRANSFER OF FINANCIAL RESPONSIBILITY AGREEMENT

THE TRANSFER OF FINANCIAL RESPONSIBILITY AGREEMENT (hereinafter TFRA) between the Santa Barbara County Flood Control and Water Conservation District, a political subdivision of the State of California (hereafter District), and the Central Coast Water Authority, a joint powers agency (hereafter CCWA), is hereby amended as follows:

RECITALS

WHEREAS, the District and the California Department of Water Resources (DWR) entered into a Water Supply Contract (SWP Contract) for the State Water Project (SWP) in 1963;

WHEREAS, based on the SWP Contract, the District and CCWA entered into the Transfer of Financial Responsibility Agreement (TFRA) to provide for the continued delivery of State Water Project water to CCWA on the terms and conditions of the WSC;

WHEREAS, the SWP Contract currently expires on February 26, 2038, and DWR has proposed an amendment, Amendment 20, to the SWP Contract to extend the term to December 31, 2085 or the period ending with the latest maturity date of any SWP bond;

WHEREAS, CCWA supports Amendment 20 and has requested the District execute Amendment 20 to the SWP Contract with DWR; and

WHEREAS, this First Amendment to the Agreement seeks to extend the Agreement to match the term of the SWP Contract, as extended, and clarify that CCWA remains responsible for compliance with terms of the SWP Contract, as may be amended, for the extended term and shall continue to indemnify the District as provided in the TFRA for the extended term.

NOW, THEREFORE, it is hereby mutually agreed by the parties as follows:

A. Paragraph 1 of the TFRA is amended to read as follows:

1. Term. This Agreement shall be in effect for the same term as the SWP Contract, as may be extended or amended, pursuant to Articles II and IV thereof, and shall terminate upon the later of termination of the SWP Contract or termination of all liability of the District thereunder.

B. Paragraph 2, E of the TFRA is amended to read as follows:

- E. Covenant to Raise Funds. CCWA agrees to take all actions authorized under the JPA Agreement, as amended, and the WSAs to raise the funds required to satisfy its obligations to the District under this agreement. Such actions shall include, but not be limited to, enforcement by CCWA of any provisions of WSAs requiring that CCWA Contractors increase their payments to CCWA in order to assure that a failure to pay CCWA by a defaulting CCWA Contractor does not impair CCWA's ability to make payments to the District hereunder, and imposing a tax.

C. In all other respects, the TFRA remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to the TFRA to be effective on the date executed by DISTRICT.

ATTEST:

By: _____

CENTRAL COAST WATER AUTHORITY:

By: _____
Chair, Board of Directors

Date _____

SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT:

By: _____

Date _____

APPROVED AS TO FORM:
Ray Aromatorio, ARM, AIC
Risk Manager

By: _____

APPROVED AS TO FORM:
Michael C. Ghizzoni
County Counsel

By: _____
Deputy

APPROVED AS TO ACCOUNTING FORM:
Betsy M. Schaffer, CPA
Auditor-Controller

By: _____
Deputy
