



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.: 054-04-07
For Agenda Of: 07/06/10
Placement: Administrative
Estimated Time: 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
Contact Info: Jon Frye, Interim Deputy Public Works Director, 568-3436

SUBJECT: **Adopt Resolutions to apply for Planning Grant Funds and Implementation Grant Funds from the Integrated Regional Water Management Program (Prop 84) and Approve Agreements for Grant Application Services**

County Counsel Concurrence

As to form: yes

Auditor-Controller Concurrence

As to form: yes

Other Concurrence: yes

As to form: Risk Management

Recommended Actions: That the Board of Directors:

- a) Adopt the attached Resolution entitled "*In the Matter of Supporting the Grant Application for the Prop 84 IRWM Planning Grant*" to apply for **Planning Grant** funding from the Regional Water Management Program (Prop 84); and
- b) Adopt the attached Resolution entitled "*In the Matter of Supporting the Grant Application for the Prop 84 IRWM Implementation Grant, Round 1*" to apply for **Implementation Grant** funding from Regional Water Management Program (Prop 84); and
- c) Approve and authorize the Chair to execute an agreement with CH2MHill (not a local vender) in the amount of \$322,178 for the period of July 6, 2010 through September 30, 2012 to provide grant application services for the Proposition 84 Planning and Implementation Grants; and
- d) Authorize a contingency in the amount of \$48,327 with CH2MHill for additional work that may be needed to complete the application.
- e) Approve and authorize the Chair to execute an agreement with Dudek (a local vender) in the amount of \$94,150 for the period of July 6, 2010 through September 30, 2012 to provide administrative support for Proposition 84 Planning and Implementation grant application efforts and continuing administrative services related to the Integrated Regional Water Management efforts; and

- f) Authorize a contingency in the amount of \$14,123 with Dudek for additional work that may be needed to complete Proposition 84 administrative tasks.

Summary Text:

The Department of Water Resources (DWR) administers Proposition 84 which provides for grant funding of a variety of water related projects in accordance with an Integrated Regional Water Management Plan (IRWMP). Santa Barbara County's existing IRWMP was completed in May of 2007.

Proposition 84 guidelines require that the existing plan be updated to include projects proposed for funding through a Proposition 84 Implementation grant. Proposition 84 also provides grant funds for revision of the existing IRWMP.

The Santa Barbara County Partners cooperating in the IRWM process have applied for, and been accepted as, an IRWM region in accordance with DWR's Regional Acceptance Process. In addition, the Santa Barbara County IRWM Partners have, under the leadership of the Water Agency, conducted an extensive evaluation, ranking, and selection of a group of projects to be included in the IRWMP and in an application for Implementation funding through Proposition 84.

The Board adoption of the attached resolutions will provide the documentation required by DWR establishing the Water Agency as the authorized representative of the Santa Barbara IRWM Region and the entity authorized to file an application and enter into agreements with the State for Planning and Implementation Grants through Proposition 84. In addition, the Board action requested herein will allow for the contracting of the professional services necessary to complete the comprehensive applications for Proposition 84 and the ongoing coordination efforts with local entities participating in the IRWM efforts.

CH2MHill was selected for application development services based on their extensive work on Santa Barbara's IRWM efforts including development of the existing IRWMP, successful application for the Proposition 50 Implementation Grant, development of the Regional Application Process document for Proposition 84, and conducting the Project Selection Process for Proposition 84. Dudek was selected for similar reasons, having been instrumental in local administrative efforts for the IRWM program since the initiation of Proposition 50 efforts.

Background: As described by DWR, the IRWM program *"is a collaborative effort to manage all aspects of water resources in a region. IRWM crosses jurisdictional, watershed, and political boundaries; involves multiple agencies, stakeholders, individuals, and groups; and attempts to address the issues and differing perspectives of all the entities involved through mutually beneficial solutions."*

The Integrated Regional Water Management (IRWM) Grant Program includes a competitive grant program first created under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50). With your Boards' approval, the Water Agency acted as lead agency and Grantee for Proposition 50, through which 14 water projects within Santa Barbara County were awarded \$25 million. That grant is administered by the State Water Resources Control Board (SWRCB).

Continuing funding is provided by the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coast Protection Bond Act of 2006 (Proposition 84) which authorizes \$5.388 billion in

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general obligation bonds to fund safe drinking water, water quality and supply, flood control, waterway and natural resource protection, water pollution and contamination control, state and local park improvements, public access to natural resources, and water conservation efforts.

Proposition 84 is administered by the Department of Water Resources (DWR) and awards funds to local public agencies for projects and programs, consistent with an IRWM Plan to improve water supply reliability and improve and protect water quality. Proposition 84 also makes grant funds available to agencies for the purpose of developing new IRWM Plans or revising existing plans. All projects to be included in the Implementation grant application must be included in the existing IRWM plan or added to a revised plan.

The initial funding areas designated by DWR coincided with Regional Water Quality Control Board (RWQCB) boundaries which extend from northern Santa Cruz County to southern Santa Barbara County. Due to the diverse nature of water resources and needs within that area, Proposition 84 Guidelines allowed for the definition of "Regions" within which water management interests are shared. The Santa Barbara County Region applied for and was accepted by DWR and consists of a region defined by Santa Barbara County boundaries.

Draft guidelines for Proposition 84 Planning and Implementation grants were released by DWR in March of 2010. Although similar to those for Proposition 50, the requirements of Prop 84 application and planning guidelines require a greater level of coordination and analysis than those for Prop 50. Differences include greater outreach to Non-Governmental Agencies and the public, clear governance structure for the IRWM Planning Group, inclusion of climate change analysis in planning efforts, and economic cost-benefit analyses of the projects requesting grant funding. Accordingly, a modified MOU was developed and approved by the Board of Supervisors on April 13, 2010.

It is anticipated that DWR will release the final grant proposal solicitation packages in mid-July, 2010 and allow from 10 to 12 weeks for submission of both planning and Implementation grant applications.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Participants	\$ 239,389.00		
Water Agency	\$ 239,389.00		
Total	\$ 478,778.00	\$ -	\$ -

Narrative:

General planning and Planning Grant application costs for this project are shared 50 – 50 with the Project Participants as was the development of the initial IRWM Plan under Proposition 50. Future costs for application for Implementation Grant and administration of any grant funds awarded will be to the responsibility of the agencies that have projects in the Grant. In addition, while the County Water Agency has provided the lead with developing the IRWM process, ongoing costs associated with future

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IRWMP work will need to provide a greater cost share from the agencies that benefit from the Grant process. The Water Agency has not had a project, nor has planned any projects for this IRWMP. If the Water Agency has a project in the future, it would naturally pay a proportional cost associated with the project. The actual costs split for an IRWMP update in the future will have to be negotiated with the agencies involved at that time. As specified in the attached Dudek proposal, approximately 20% of the contract cost will be used toward the completion of Proposition 84 applications. The remainder will be used for subsequent administrative efforts for IRWM Plan preparation and other grant management services if appropriate for a period of approximately two years.

Costs and revenue associated with this phase of Prop 84 were included in the adopted 2010-11 budget under the Water Agency cost center of the Water Resources Division of the Public Works Department as shown on page D-366 in the budget book.

Staffing Impacts:

Legal Positions:

FTEs:

Special Instructions:

Direct the Clerk of the Board to send the following to the Water Agency office, Attn: Christina Lopez.:

- copy of both Resolutions
- two originals of Agreement w/CH2MHILL
- two originals of Agreement w/Dudek
- copy of minute order

Attachments:

1. Resolution entitled "*In the Matter of Supporting the Grant Application for the Prop 84 IRWM Planning Grant*"
2. Resolution entitled "*In the Matter of Supporting the Gran Application for the Prop 84 IRWM Implementation Grant, Round 1*"
3. Agreement with CH2MHill ((3 originals)
4. Agreement with Dudek (3 originals)

Authored by: Matt Naftaly, Water Agency Manager, 568-3542