April 17, 2020

Subject: Assignment of State Water Project Contract to Central Coast Water Authority

Our WE Watch Water Issues Work Group has been studying water issues in the Santa Ynez Valley for more than three years and we are opposed to the assignment of the State Water Project contract from the County to the Central Coast Water Association (CCWA). We were planning to meet with the County Supervisors in March; however, the Corona Virus pandemic has precluded that. We are documenting the reasons for our opposition in the following attachment.

For background: At its regular meeting in June 2017, the CCWA Board of Directors authorized CCWA staff to pursue assignment of the Department of Water Resources’ State Water Project Contract to CCWA instead of remaining with the Santa Barbara County Flood Control and Water Conservation District (County). Since that time numerous meetings have been held between the parties, including DWR, and the issue is still to be resolved.

We hope you will concur with our reasoning, as shown in the attachment, and will continue to maintain the existing contract with the County. We believe the Board of Supervisors, with its overview of all Santa Barbara’s sources of water is the appropriate group to have ultimate responsibility for State Water. As the old saying goes: “If it ain’t broke, don’t fix it”.

Nancy Emerson
President, WE Watch

Attachment: WE Watch Position on Assignment of SWP Contract to CCWA
Copies (Via Email)

Fray Crease, Water Agency Manager, Santa Barbara County
Tom Fayram, Deputy Director, Santa Barbara County Public Works Department
Jon Frye, Engineering Manager, Santa Barbara Flood Control and Water Conservation District
Paeter Garcia, General Manager, ID No. 1
Rose Hess, Buellton Public Works Director
Matt van der Linden, Solvang Public Works Director
Holly Sierra, Mayor, City of Buellton
Ray Stokes, Executive Director, Central Coast Water Authority
Ryan Toussaint, Mayor, City of Solvang
WE Watch Position on Assignment of SWP Contract to CCWA

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**Background:** Since California’s Department of Water Resources (DWR) began to provide State Water Project (SWP) water in Santa Barbara County in the 1990’s, the County Flood Control and Water Conservation District has been DWR’s SWP contract holder. While the Central Coast Water Authority (CCWA) handles all aspects of SWP water in SB County, the County’s role is as a guarantor that DWR will be paid if CCWA fails to meet its fiduciary responsibility for the SWP.

**Current Issue:** CCWA members have proposed that DWR assign the SWP contract to CCWA. **WE Watch believes the contract should remain with SB County for the following 5 reasons.**

1. **To Ensure Oversight by Elected Officials Representing All County Residents.**
   All SB County residents deserve to have a representative involved in oversight of the SWP in the County, and the BOS is the only entity that can fulfill this role. Even residents of County areas that are not represented at CCWA (e.g., Lompoc or some unincorporated areas in the Santa Ynez Valley) need to have their County Supervisor involved in SWP issues because the availability of SWP water affects even those County residents who don’t directly receive it. *[For example, the extent to which water providers in north and south County do or don’t take SWP water in any year influences: Cachuma levels, Cachuma water releases, SY River flow, and recharge of groundwater in areas not represented at CCWA.]* Having the CCWA Director continue to report periodically to the BOS is in the public interest; and it won’t be required or meaningful if the SWP contract is assigned to CCWA.

2. **To Provide a Broader Perspective on Water Management than CCWA Can Provide.**
   As the 2017 SB County grand jury report stated, the County should be the lead on water issues in the County. While CCWA sees imported water only as a commodity to be supplied to purchasers, the County agencies and the BOS can provide a broader perspective that considers the inter-relationships between surface water, groundwater, and imported water, along with water’s economic, social, and ecological impacts. Just as the SB County Water Agency is the master contractor to USBR for the Cachuma Project, and as SBCWA staff play a key coordinating role in groundwater management under the SGMA, the County should remain the SWP contract holder in order for staff to stay involved with imported water.

3. **To Promote Transparency and Accountability in Decision-Making**
   The best level of government decision-making is often the one that is most transparent, accessible, and accountable. The County is relatively better at these factors than is CCWA which has almost no public outreach or involvement in its meetings or decision-making.
Moreover, even now with CCWA members’ votes being based on SWP water allocations, the City of Santa Maria and another member could constitute over 50% of the total vote, thereby allowing only 2 water agencies to decide important issues that affect all SWP users. If the County retains its role as SWP contract holder, then the BOS provides one level of government looking out for the interests of, and being accountable to, all residents.

4. **To Retain Fiduciary Responsibility**
CCWA’s 3/23/20 letter to the BOS contends that the County would be indemnified from any financial or other liability due to the SWP. However, the agreement refers only to the County’s Flood Control and Water Conservation District, thus potentially leaving other County entities on the hook for financial obligation. Even if DWR would indemnify all County entities, SB County should continue to retain this fiduciary role because this responsibility keeps pressure on the BOS and County water agencies to stay on top of SWP issues for the benefit of all County residents.

5. **To Maintain Effective Inter-Governmental Relationships**
The inter-governmental relationships in Santa Barbara County seem to be working well for the purpose of providing SWP water. To use an old saying: The current contract holder role “ain’t broke; so don’t fix it”.