

Revised 8-7-06

Memorandum of Understanding (MOU)  
To Develop An  
Integrated Regional Water Management Plan (IRWMP)  
In Santa Barbara County

This Memorandum of Understanding (MOU) is entered into by and between local government agencies and special districts within Santa Barbara County, as listed in Appendix A, and hereinafter referred to as "Cooperating Partners".

I. Purpose of this Agreement:

Under this agreement, the Cooperating Partners commit to participate in and make a financial contribution toward the successful development of a comprehensive County-wide Integrated Regional Water Management Plan (IRWMP) within Santa Barbara County. This agreement sets forth the mutual responsibilities of the Cooperating Partners in the development of an IRWMP, and it updates previous agreements and commitments made by some of the Cooperating Partners between 2002-2005.

II. Background:

The *Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002* [also known as Proposition 50] provides funding for a range of water related plans and projects. California's Prop 50 grant program represents a unique effort between the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) to promote integrated assessment and planning for both water quantity and water quality issues, especially on a hydrologic or watershed basis. Guidelines for Prop 50 grants were issued jointly by DWR and SWRCB in 2004, and grant funding for the development of IRWMP's was made available on a competitive basis in 2005. Those Guidelines require an adopted IRWM Plan as a prerequisite for receiving Prop 50 project implementation grant funds.

An IRWMP is increasingly a prerequisite for obtaining funds for water-related plans and projects in California. Along the Central Coast, those agencies having an IRWMP (or a proposal for developing an IRWMP) which scored high by DWR/SWRCB were also able to obtain Prop 50 *project implementation* grants in early 2006. In contrast, jurisdictions in Santa Barbara County, whose draft IRWMP did not receive high scores, were not awarded project implementation funds. A second cycle of Prop 50 IRWM grants is scheduled for 2007, when approximately \$220 million is anticipated to be made available statewide - - compared to \$160 million made available in 2005-06.

Moreover, pending State legislation and potential bond initiatives, as drafted, would require IRWMPs in order for water infrastructure and other water-related projects to be funded from State programs.

During 2002-2005, local governments and special districts within Santa Barbara County devoted significant time and effort to develop the requests for the two separate Prop 50 grants (for planning and for project implementation). That effort also produced a considerable amount of information, data, reports, and a preliminary plan that could serve as the basis for a future IRWMP.

III. Principles:

Recognizing the importance of a comprehensive IRWMP, the Cooperating Partners endorse the following *Principles* for integrated regional water management planning.

- A. Be consistent with the State's standards for IRWMPs, as specified in Chapter 8, Division 26.5 of California's Water Code, and meet or exceed the scoring criteria used by the State in its IRWMP approval process.
- B. Establish a process for on-going decision-making among cooperating partners, with inclusive and participatory public involvement to ensure meaningful input.
- C. Share the costs of IRWM planning, analysis, coordination, and product development through both monetary contributions and staff time.
- D. Adopt a *regional* approach which coordinates water planning across jurisdictional boundaries in Santa Barbara County, and which sets priorities on a regional basis.
- E. Adopt an *integrated* approach to address the complex inter-relationships across strategies for: water supply, demand management, water quality, source water protection, drought management, flood control, and other water management issues.
- F. Consider the State's "program preferences" (as specified in the California Water Code and implementing legislation) as well as "Statewide priorities" (as specified in the IRWM Guidelines) during the IRWM planning process.
- G. Incorporate an appropriate level of scientific watershed assessment information.
- H. Design the plan as an informational "roadmap" toward meeting objectives, but not as a regulatory or enforceable mandate.
- I. Recognize the need for a long-term perspective, which includes monitoring of project and plan implementation.
- J. Provide for adaptive management for future revisions to the Plan.

#### IV. Scope of an IRWM Plan:

The Cooperating Partners understand and accept that a final IRWMP must consider a range of water management strategies to meet the plan's objectives. These strategies must cover certain State-specified categories and may include other categories.

Consistent with the State's IRWM guidelines, the Plan must consider strategies for:

- A. Water supply reliability
- B. Storm water capture and management
- C. Groundwater management
- D. Water recycling
- E. Water conservation
- F. Flood management
- G. Water quality protection and improvement
- H. Ecosystem restoration
- I. Environmental and habitat protection and improvement
- J. Wetlands enhancement and creation
- K. Recreation and public access

The Plan may also consider, but not be limited to, the following categories:

- L. Conjunctive use
- M. Surface storage
- N. Non-point source pollution control
- O. Water and wastewater treatment

- P. Watershed planning
- Q. Desalination
- R. Imported water and water transfers
- S. Land use planning

V. Schedule:

The timeline for developing an IRWMP is largely driven by the need to submit water *project implementation* grant proposals to DWR/SWRCB for their second funding cycle, with a current deadline of April 2007. Since DWR and SWRCB expect project grant applications to be based on priorities in the IRWMP, the IRWMP planning process must start as soon as possible. The planning process will need to include a prioritization of major projects by the end of 2006 in order for an application for project implementation grants to be prepared and submitted by the April 2007 deadline.

VI. Cost Estimate:

Each of the Cooperating Partners will incur costs for staff time devoted to the development of an IRWMP. In addition, there will be extramural costs for hiring a consultant to serve as Project Manager for approximately one year, with duties for coordination, analysis, outreach and plan preparation, as outlined in the "Roles and Responsibilities" section of this MOU. These extramural costs are estimated to be approximately \$263,000, which would be funded by monetary contributions from Cooperating Partners.

VII. Roles and Responsibilities

In order to develop an effective IRWMP, the Cooperating Partners agree to resume the planning effort carried out between 2002 and 2005, which resulted in a preliminary plan and the application in 2005 to DWR/SWRCB for Prop 50 funding. The County Water Agency, in conjunction with the Cooperating Partners and a consultant, shall facilitate the formation of an Advisory Stakeholders Group to provide input to the Cooperating Partners in periodic meetings or in other forums.

A. For overall planning and coordination:

1. The County Water Agency shall devote an estimated 0.75 FTE of staff time, as necessary, toward overall coordination of this planning effort, including management of consultants.
2. The County Water Agency or a consultant shall prepare agendas and follow-up for meetings of the Cooperating Partners.
3. Cooperating Partners shall participate in meetings and the planning process, and in group decisions pertaining to development of the IRWMP.
4. The County Water Agency, in conjunction with the Cooperating Partners and a consultant, shall form an Advisory Stakeholders Group to provide input to the Cooperating Partners in periodic meetings or in other forums.
5. The County Water Agency shall engage an expert consultant to serve as Project Manager for IRWMP development, including data collection, analysis, coordinating stakeholder and public involvement, and overall coordination of plan preparation.

B. For Financial Management:

1. The County Water Agency shall establish an IRWMP account for handling the monetary contributions from Cooperating Partners.
  - i. Each Cooperating Partner shall contribute funds to this IRWMP account, with contributions as specified in Appendix B, recognizing that contributions are subject to specific approval by each Cooperating Partner's respective governing board.
  - ii. As indicated in Appendix B, the County Water Agency will contribute approximately 50% of the estimated cost for hiring a consultant for IRWMP preparation. The Water Agency will also contribute an estimated 0.75 FTE of staff time as, necessary, for management of the consultant and general IRWMP coordination.
  - iii. The County Water Agency shall terminate the account when: (1) the State approves or disapproves a grant request for the second round of Prop 50 IRWM grants; or (2) by August 31, 2007, whichever comes first.
2. Cooperating Partners shall pay their respective contributions to the County Water Agency no later than September 15, 2006. Payment will be sent to: Santa Barbara County Water Agency, 123 E. Anapamu St., Santa Barbara, CA 93101.
3. If funds received are in excess of the cost of actual plan coordination and preparation services, then the County Water Agency shall refund monies to Cooperating Partners on a pro-rated basis according to each partner's contribution.
4. If insufficient funds are collected to meet the estimated costs of coordination and plan preparation, then the County Water Agency may ask all Cooperating Partners to provide supplemental funds - - or the planning effort could be terminated with the concurrence of a majority of the Cooperating Partners. . The Steering Committee (as explained below) will determine whether to request additional funds or terminate the planning effort.

C. For development of a draft IRWM Plan:

1. Cooperating Partners shall provide existing plans, data and information as deemed appropriate by the Partners.
2. The Cooperating Partners shall assess existing information and data gaps and analyze issues, programs and projects for incorporation into the IRWMP.
3. The County Water Agency shall engage expert consultants for analysis of data, information or issues, and to manage overall development of the IRWMP. Upon its completion by the consultants, the County Water Agency shall forward to all Cooperating Partners a draft IRWMP which contains all of the elements required by statute and by State IRWMP guidelines, as well as containing any voluntary components as agreed by the Cooperating Partners. Since time is of the essence, the Water Agency shall exercise its best efforts to forward the draft IRWMP sufficiently in advance of the State's 2007 grant funding cycle to allow time for Cooperating Partners' review and approvals.
4. The Cooperating Partners, with input from the Advisory Stakeholders Group, shall jointly identify priorities for project implementation, with priority

projects serving as the basis for a Prop 50 project implementation grant application due in April 2007.

5. The Cooperating Partners shall coordinate appropriate IRWMP reviews and approvals by their senior managers, boards, or other decision-making bodies, as appropriate.

#### VIII. Decisions Related to Development of the IRWMP

In development of an IRWMP, the Cooperating Partners shall establish a Steering Committee to provide overall guidance and decision making. Any signatory to the MOU may join the Steering Committee by providing written intent to attend Steering Committee meetings on a regular basis and to act as a Steering Committee member. The Steering Committee will be comprised, at a minimum, of each of the following agencies or organizations: Santa Barbara County, represented by the Water Agency (Chair); Two Incorporated Cities; One Joint Power Authority (representing at least two special districts, such as water districts, sanitary districts, and/or community service districts); and Two Special Districts (water districts, sanitary districts, and/or community service districts).

County staff shall act as Chair of the Steering Committee. Decisions by the Steering Committee will be based on consensus whenever possible, or by a vote of a simple majority of all members participating in a meeting.

Steering Committee responsibilities will include:

- A. Developing IRWMP objectives and criteria for ranking projects; input shall be obtained from all Cooperating Partners, and the Steering Committee will seek to obtain consensus among all Partners on the objectives and ranking criteria.
- B. Advising the County Water Agency (as the agency holding the contract with the consultant) on guidance and direction to be provided to the contractor.
- C. Reviewing and commenting on the scope, content and timing of contractor products and deliverables.
- D. Providing guidance on planning and implementing the public involvement process and stakeholder outreach.

The Steering Committee shall carry out all of its proceedings in accordance with the Brown Act. Pursuant to this Act, a majority of Steering Committee members must be present to constitute a quorum for decision-making.

#### IX. Termination of Participation

Any signatories to the MOU may terminate their participation in this MOU with 30 days written notification to all other signatories. The agreement shall become effective only upon its execution by a majority of the parties listed in Appendix "A".

Any entity terminating participation which later wishes to participate in this MOU shall first make payment of any funding due from such party at the time of its termination, and also pay its share of any expenses for which it otherwise would have been obligated absent such termination, as determined by the Cooperating Partners.

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X. Defend and Hold Harmless

Each Cooperating Partner shall cooperate in the defense of and hold harmless each other from all actions, claims or judgments by, or in favor of, third parties arising out of any act or omission of such Cooperating Partner, its officers, employees, or agents in connection with the performance of this agreement.

XI. Notices

All notices or other official correspondence relating to MOU matters between the Cooperating Partners shall be addressed to:  
Robert Almy, Manager, Santa Barbara County Water Agency, 123 E. Anapamu St., Santa Barbara, CA 93101

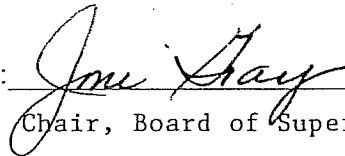
In witness whereof, the Cooperating Partners hereto have executed this MOU effective on the dates provided hereof. This MOU may be executed in one or more counterparts and each counterpart shall be evidence of participation by all signatories.

Signatures of Cooperating Partners

SANTA BARBARA COUNTY WATER AGENCY

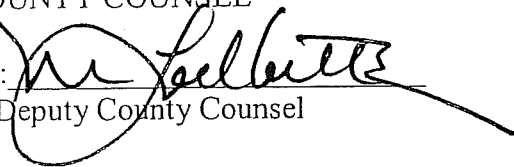
COUNTY OF SANTA BARBARA

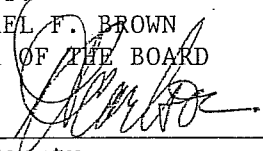
By:   
Chair, Board of Directors

By:   
Chair, Board of Supervisors

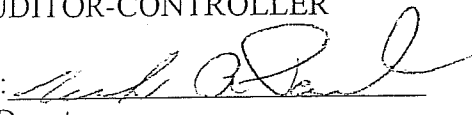
APPROVED AS TO FORM:  
STEPHEN SHANE STARK  
COUNTY COUNSEL

ATTEST:  
MICHAEL F. BROWN  
CLERK OF THE BOARD

By:   
Deputy County Counsel

By:   
Deputy

APPROVED AS TO FORM:  
ROBERT W. GEIS, CPA  
AUDITOR-CONTROLLER

By:   
Deputy

## Appendix A: List of Cooperating Partners

*NOTE: What follows is a list of potential partners. A final list will be prepared based on the actual signatories to the MOU.*

### County Agencies:

- Santa Barbara County Water Agency
- SB County Public Works Department, Laguna Sanitation
- SB County Parks Department

### Cities:

- City of Buellton
- City of Carpinteria
- City of Goleta
- City of Guadalupe
- City of Lompoc
- City of Santa Barbara
- City of Santa Maria
- City of Solvang

### Water Districts:

- Carpinteria Valley Water District
- Goleta Water District
- Montecito Water District
- Santa Maria Valley Water Conservation District
- Santa Ynez River Water Conservation District, ID#1

### Water Companies:

- Golden State Water Company
- La Cumbre Mutual Water Company

### Sanitary Districts:

- Carpinteria Sanitary District
- Goleta Sanitary District
- Goleta West Sanitary District
- Montecito Sanitary District
- Summerland Sanitary District

### Community Service Districts:

- Casmalia Community Service District
- Cuyama CSD
- Los Alamos CSD
- Mission Hills CSD
- Vandenberg Village CSD
- Santa Ynez CSD

### Joint Powers Agencies:

- Cachuma Conservation and Release Board
- Cachuma Operations and Maintenance Board
- Central Coast Water Authority

## Appendix B: Expected Contributions from Cooperating Partners

### Potential IRWMP Partner Funding - - by Population Service Area

AREA	Allocations
<b>Montecito area*</b>	<b>\$ 8,000</b>
Montecito WD	
Montecito SD	
Summerland SD	
<b>Carpinteria area*</b>	<b>8,000</b>
Carpinteria VWD	
Carpinteria SD	
City of Carpinteria	
<b>City of Santa Barbara</b>	<b>20,000</b>
<b>La Cumbre Mutual</b>	<b>1,000</b>
<b>Goleta area*</b>	<b>20,000</b>
Goleta WD	
Goleta SD	
Goleta West SD	
City of Goleta	
<b>City of Lompoc</b>	<b>14,000</b>
<b>Vandenberg Village CSD</b>	<b>3,000</b>
<b>Mission Hills CSD</b>	<b>1,000</b>
<b>Buellton</b>	<b>1,000</b>
<b>Solvang</b>	<b>3,000</b>
<b>Santa Ynez area*</b>	<b>3,000</b>
SYRWCD, ID#1	
Santa Ynez CSD	
<b>Los Alamos CSD</b>	<b>500</b>
<b>Guadalupe</b>	<b>3,000</b>
<b>Santa Maria</b>	<b>20,000</b>
<b>Orcutt area*</b>	<b>8,000</b>
Golden State Water Co.	
County Laguna Sanitation	
<b>SM Valley Water Conservation Dist</b>	<b>500</b>
<b>Casmalia CSD</b>	<b>0</b>
<b>Cuyama CSD</b>	<b>0</b>
<b>Cachuma (COMB &amp; CCRB)</b>	<b>10,000</b>
<b>Santa Barbara County (+ ¼ Staff)</b>	<b>134,000</b>
<b>Central Coast Water Authority</b>	<b>5,000</b>
<b>Total =</b>	<b>\$263,000</b>

\*Amount to be divided among agencies as determined by local agencies.

Service areas grouped by population:

- Group A: (1) Santa Barbara; (2) Santa Maria; (3) Goleta area
- Group B: (1) Lompoc; (2) Golden States/Laguna (Orcutt area)
- Group C: (1) Carpinteria area; (2) Montecito area
- Group D: (1) Solvang; (2) Guadalupe; (3) Vandenberg Village; (4) Santa Ynez area
- Group E: (1) La Cumbre Mutual; (2) Buellton; (3) Mission Hills
- Group F: (1) Los Alamos
- Group G: (1) Casmalia; (2) Cuyama