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CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 22, 2020

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Authorization Of The First Amendment To The Cachuma Project Member Unit Agreements

RECOMMENDATION:

That Council adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Approving And Authorizing Execution Of The First Amendment To The Cachuma Project Member Unit Contract Between The Santa Barbara County Water Agency And The City Of Santa Barbara.

DISCUSSION:

The Cachuma Master Contract between the United State Bureau of Reclamation (USBR) and the Santa Barbara County Water Agency (SBCWA) is scheduled to expire on September 30, 2020. After its final Master Contract negotiation on July 13, 2020, USBR published its draft Contract Amendment that provides a simple three-year extension of the existing Master Contract terms. As required under Reclamation law, notice was posted in a newspaper of general circulation (Santa Barbara News Press) and on the USBR website for public review. USBR also completed its environmental review process and issued a notice of categorical exemption under the National Environmental Policy Act (NEPA).

On August 25, 2020, the Santa Barbara County Board of Supervisors, acting as the Board of the SBCWA, adopted a resolution authorizing the Santa Barbara County Public Works Director to execute the Master Contract extension with USBR. At the same meeting, the SBCWA Board authorized the County Public Works Director to execute first amendments to the existing Cachuma Project Member Unit Agreements (sub-contracts) that SBCWA holds with the individual Cachuma Member Units. The sub-contracts share the same terms and conditions of the Master Contract.

Upon execution of the Master Contract extension and the Cachuma Project Member Unit Agreements by SBCWA, the three-year extensions will go into effect beginning October 1, 2020, with no interruption to the Member Units' water supply agreements from Lake Cachuma. USBR indicated on August 27, 2020, that it would work to finalize the contract

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extension by October 1, 2020, after the public comment period closes on September 17, 2020.

After completion of these simple extensions, USBR, SBCWA as contract-holder, and the Member Units as the express beneficiaries of the Master Contract will continue to negotiate the terms of a long-term contract renewal. Under the terms of the Master Contract, the formal request for long-term renewal must be made no later than September 30, 2021.

Approval and execution of the amendment extension is not a project under the California Environmental Quality Act (CEQA) because it is a continuation organizational or environmental activity that will not result in a direct or change to the environment and further, is not subject to and is exempt from the requirements of CEQA under Guidelines Section 15061(b)(3), no possibility that the activity may have a significant effect on the environment, Section 15261(a), the project was approved prior to November 23, 1970, and Section 15301, operation of existing facilities. Staff recommends that Council adopt a resolution, by reading of title only, approving and authorizing execution of a first amendment to the Cachuma Project Member Unit Agreement.

This item was presented to Water Commission at its September 17, 2020 meeting.

BUDGET/FINANCIAL INFORMATION:

The associated costs will be included in future Water Fund annual budgets.

ENVIRONMENTAL REVIEW:

This action is not a project under the California Environmental Quality Act (CEQA) because it is a continuation organizational or environmental activity that will not result in a direct or change to the environment and further, is not subject to and is exempt from the requirements of CEQA under Guidelines Section 15061(b)(3), no possibility that the activity may have a significant effect on the environment, Section 15261(a), the project was approved prior to November 23, 1970, and Section 15301, operation of existing facilities.

PREPARED BY: Joshua Haggmark, Water Resources Manager/CT/rb

SUBMITTED BY: Brian D'Amour, Acting Public Works Director

APPROVED BY: City Administrator's Office

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RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AND AUTHORIZING EXECUTION OF THE FIRST AMENDMENT TO THE CACHUMA PROJECT MEMBER UNIT CONTRACT BETWEEN THE SANTA BARBARA COUNTY WATER AGENCY AND THE CITY OF SANTA BARBARA

WHEREAS, in 1949, the United States Bureau of Reclamation (“USBR”) entered into Contract No. 175r-1802 (“Original Master Contract”) with the Santa Barbara County Water Agency (“SBCWA”) for water supply from the Cachuma Project for the use and benefit of Goleta Water District, City of Santa Barbara, Montecito Water District, Carpinteria Valley Water District, and the Santa Ynez River Water Conservation District Improvement District No. 1 (collectively “Member Units”); and

WHEREAS, also in 1949, SBCWA entered into substantially identical agreements with each of the Member Units for the furnishing of a water supply made available under the Original Master Agreement; and

WHEREAS, in 1996, USBR and SBCWA entered into Contract No. 175r-1802R (“Current Master Contract”), for continued water service from the Cachuma Project for the use and benefit of the Member Units following expiration of the Original Master Contract; and

WHEREAS, also in 1996, SBCWA entered into substantially identical agreements with each of the Member Units for the furnishing of a water supply made available under the Current Master Agreement (“Member Unit Contracts”); and

WHEREAS, both the Current Master Contract and the Member Unit Contracts are scheduled to expire September 30, 2020; and

WHEREAS, USBR and SBCWA have stated their intention to execute a Contract Amendment for Contract No. 175r-1802R that extends the term of the Current Master Contract until September 30, 2023 before the Current Master Contract is scheduled to expire on September 30, 2020; and

WHEREAS, SBCWA and each of the Member Units desire to extend the terms of their respective Member Unit Contracts; and

WHEREAS, the City of Santa Barbara and SBCWA wish to extend the terms of the existing Santa Barbara Member Unit Contract until September 30, 2023 on the same fundamental terms and conditions;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA THAT:

1. The Public Works Director is authorized and directed to execute an amendment to the Santa Barbara Member Unit Contract, in a form approved by the City Attorney, to extend the existing contract on the same fundamental terms and conditions and with substantially identical terms as amendments to the other Member Unit Contracts.

2. Approval and execution of the amendment extension is not a project under the California Environmental Quality Act (CEQA) because it is a continuation organizational or environmental activity that will not result in a direct or change to the environment and further, is not subject to and is exempt from the requirements of CEQA under Guidelines Section 15061(b)(3), no possibility that the activity may have a significant effect on the environment, Section 15261(a), the project was approved prior to November 23, 1970, and Section 15301, operation of existing facilities.

3. This resolution is effective upon adoption.