



TO: Mayor and Councilmembers

FROM: Charles Ebeling, Public Works Director

CONTACT: John Gentry, Deputy Public Works Director

SUBJECT: Memorandum of Understanding (MOU) for Participation in the Integrated Regional Water Management (IRWM) Program

RECOMMENDATION:

Authorize the City Manager to Sign the Memorandum of Understanding (MOU) in Substantive Form for Participation in the State-wide and County-wide Integrated Regional Water Management (IRWM) Program activities in Santa Barbara County (Attachment).

BACKGROUND:

IRWM is a collaborative effort to identify and implement water management solutions on a regional scale that increase regional self-reliance, reduce conflict, and manage water to concurrently achieve social, environmental, and economic objectives. (*Definition according to the California Department of Water Resources [DWR]*). The Santa Barbara IRWM Region is coterminous with jurisdiction boundaries of Santa Barbara County. Santa Barbara IRWM is governed by an MOU among the Cooperating Partners. Cooperating Partners consists of 27 agencies county wide (water, wastewater, community services districts, all incorporated cities, Non-Governmental Organization (NGO), and county departments). The Santa Barbara IRWM Region is part of the Central Coast Funding Area (CCFA), which includes five (5) IRWM Regions:

1. San Luis Obispo County IRWM
2. Greater Monterey County IRWM
3. Monterey Peninsula IRWM
4. Pajaro River Watershed IRWM
5. Santa Cruz County IRWM

The stated goals of the IRWM program include:

- Help water infrastructure systems adapt to climate change,

- Assist communities of various socio-economic levels (Disadvantaged Communities (DAC), Severely Disadvantaged Communities (SDAC), Economically Distressed Areas (EDA)),
- Improve self-reliance/reduce reliance on the Sacramento San Joaquin Delta,
- Provide incentive for collaboration to:
 - Better manage water resources
 - Set regional priorities for water infrastructure.

In November 2006 California voters approved Proposition 84 (Prop 84), the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act. In August 2012 a Memorandum of Understanding (MOU) was approved by the City Council for the City's participation as a Cooperating Partner in the Santa Barbara Region Integrated Regional Water Management Plan (IRWMP) Round II. Participation in the IRWMP Round I from 2010 resulted in the City being awarded \$1.2 million in Prop 84 grant funding for the San Jose Creek Capacity Improvement and Fish Passage Project (9009).

In November 2014 California voters approved the Water Quality, Supply and Infrastructure Improvement Act (Prop. 1). In May 2017 a Memorandum of Understanding (MOU) was approved by the City Council for the City's participation in the development and implementation of a Santa Barbara County-Wide Integrated Stormwater Resource Plan.

Prior to the passage of Prop 1, the California Legislature adopted the Stormwater Resource Planning Act (SB 985), which amended the Water Code to require the development of a Stormwater Resource Plan to receive grants from a bond act approved after January 1, 2014 for stormwater and dry weather runoff capture projects. As such, a public agency is first required to develop a Stormwater Resource Plan before it can be eligible to receive Prop 1 funding.

In June 2016, the County of Santa Barbara Public Works Department was awarded a Proposition 1 Stormwater Planning Grant to fund the preparation of a Santa Barbara County-wide Integrated Stormwater Resource Plan. The grant application was submitted in collaboration with 10 Cooperating Entities comprised of six cities (Buellton, Carpinteria, Goleta, Guadalupe, Lompoc and Solvang), three water districts (Carpinteria Valley, Goleta, and Montecito), and the University of California at Santa Barbara (UCSB). The total grant was \$462,909.

Once the required Stormwater Resource Plan is approved by the State, and adopted by the Cooperating Entities, priority projects identified in the Resource Plan would be eligible to receive matching funds under subsequent rounds of Grant funding.

A new MOU has been prepared by Santa Barbara County Water Agency for participation in the continuing program of IRWM. This MOU will replace the August 2012 MOU. Under this MOU, the Cooperating Partners and Project Proponents commit to participate in, and make a financial and/or service oriented contribution toward, the

ongoing grant program. In the last three (3) fiscal years the City has paid the Santa Barbara County Water Agency a total of \$24,631.

Fiscal Year	Amount
FY 17/18 *	\$1,990
FY 16/17	\$3,951
FY 15/16	\$18,690
Total	\$24,631

* covering period 07/01/17 – 12/31/17

The above expenditures are based on the percentage participation of all cooperating partners. The City's actual cost share could be reduced or increased depending upon other agency participation.

DISCUSSION:

As a Cooperating Partner, the City will need to participate in regular meetings and take part in decisions pertaining to the IRWM planning process, project finances, consultant selection, revision of the IRWMP, and planning grant proposals. Cooperating Partners are also eligible to become Project Proponents who have projects selected for inclusion in an IRWM Implementation Application and become eligible to be funded by an IRWM Implementation Grant.

Entering into this MOU will allow the City to continue to participate in the IRWM Program and potentially qualify for future grant funding, if projects are presented and approved. Capital Improvement Projects (CIP) currently listed in the approved City budget that may be candidates for grants made available through IRWMP include:

- CIP 9064 Reclaimed Water Service to Evergreen Park
- CIP 9065 Reclaimed Water Service to Bella Vista Park

Each of the Cooperating Partners will be responsible for a portion of the extramural costs associated with the IRWM Plan development and for general IRWM Program costs for administrative services including accounting services, web services, project oversight and legal services as necessary. The County of Santa Barbara Water Agency will continue to contribute 50% of the extramural costs and the Cooperating Partners as a whole will contribute 50%. The City of Goleta is one of four participating agencies in the Goleta area. The other three agencies include the Goleta Water District, the Goleta Sanitary District, and the Goleta West Sanitary District. The percentage of the cost distribution is allocated by approximate service area population. This cost is then split between all the agencies participating for that area.

FISCAL IMPACTS:

If all agencies participate, it is proposed for Fiscal Year 2018/19 that the City of Goleta participating costs will be 2.2% of the Cooperating Partners costs which equates to approximately \$3,987. Staff included this estimate in the proposed FY2018/19 budget under Public Works Department – Capital Improvement Program. The first half of FY

2017/18 was \$1,990. It is estimated that there are currently sufficient funds to cover the second half of Fiscal Year 2017/18. However, if costs were to increase, staff may need to return to City Council for additional funding.

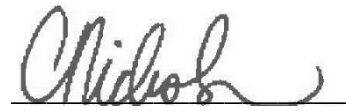
ALTERNATIVES:

The City Council may choose not to continue participation IRWM Program. However, not participating would limit the City's eligibility and success in obtaining Prop 1 Grant and any future grant funding obtained through the IRWM Program. Any signatory to the MOU may terminate its participation in the MOU after 30 days written notification to all other signatories.

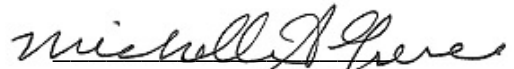
Reviewed By:

Legal Review By:

Approved By:


Carmen Nichols
Deputy City Manager


Michael Jenkins
City Attorney


Michelle Greene
City Manager

ATTACHMENTS:

1. Memorandum of Understanding (MOU) to participate in the State-wide and County-wide Integrated Regional Water Management (IRWM) Program in Santa Barbara County.

ATTACHMENT 1

Memorandum of Understanding (MOU) to participate in the State-wide and County-wide Integrated Regional Water Management (IRWM) Program in Santa Barbara County

Memorandum of Understanding (MOU)
To participate in the Statewide and Countywide
Integrated Regional Water Management (IRWM) Program
In Santa Barbara County

This Memorandum of Understanding (MOU) is entered into by and between local government agencies, special districts, and non-governmental organizations (NGOs), organizations qualified under 501 (c) (3), 501 (c) (4) or 501 (c) (5) as defined by the Internal Revenue Code) within Santa Barbara County, as listed in Appendix A, and hereinafter referred to as “Cooperating Partners.”

1. Purpose of this MOU

Under this MOU, the Cooperating Partners commit to participate in, and make a financial and/or service oriented contribution toward, the ongoing participation in the process established for the purposes of ongoing program development and Integrated Regional Water Management (IRWM) Plan updates pursuant to the Countywide IRWM Program.

The Countywide IRWM Program, administered by the Department of Water Resources (DWR), requires an adopted IRWM Plan that meets the statewide guidance requirements and legislative requirements and provides funding for projects that support goals, which include, but are not limited to, the following:

- Help water infrastructure systems adapt to Climate Change;
- Assist communities of various socio-economic levels (Disadvantaged Communities (DAC), Severely Disadvantaged Communities (SDAC), Economically Distressed Areas (EDA));
- Improve self-reliance/reduce reliance on the Sacramento San Joaquin Delta;
- Provide incentives for collaboration to:
 - Better manage water resources;
 - Set regional priorities for water infrastructure.

2. Background

Through voter-approved bond measures, the DWR provides funding for a range of water related plans and projects. Santa Barbara Countywide interests successfully prepare and update IRWM Plans. The Santa Barbara Region is with the Central Coast Funding Area and works in collaboration with this funding region through a Memorandum of Agreement (MOA) for the equitable allocation of IRWM Funding as well as to address the water management needs of the Central Coast Hydrologic Area.

3. Principles

Recognizing the importance of a comprehensive IRWM Program, and consistent with previous MOUs for the IRWM Plan and Program, the Cooperating Partners endorse the following *Principles* for integrated regional water management planning.

- 3.1 Be consistent with the State of California’s (State’s) standards for IRWM Plans, as specified in Division 43 of the Public Resources Code and related guidelines, and meet or exceed the expected scoring criteria used by the State in its IRWM Plan approval process.
- 3.2 Establish a process for on-going decision-making among cooperating partners, with inclusive and participatory public involvement to ensure meaningful input.

- 3.3 Share the costs of IRWM planning, analysis, coordination, and product development through both monetary contributions and staff time/in-kind services. NGOs, as specified herein, meeting certain time commitment requests, will be exempted from the monetary contributions afforded all other members of the Cooperating Partners.
- 3.4 Adopt a regional approach which coordinates water planning across jurisdictional boundaries in Santa Barbara County, sets priorities on a regional basis, and considers issues common to regionally shared watersheds.
- 3.5 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 as well as sensitivity to water provision and resources in the context of global climate change.
- 3.6 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.
- 3.7 Incorporate an appropriate level of scientific watershed assessment information.
- 3.8 Modify the IRWM Plan to continue as an informational "roadmap" toward meeting objectives, but not as a regulatory or enforceable mandate.
- 3.9 Recognize the need for a long-term perspective, which includes monitoring of project and plan implementation.
- 3.10 Provide for adaptive management for future revisions to the IRWM Plan.
- 3.11 Provide for coordination with other IRWM planning efforts in the Central Coast Region.
- 3.12 Provide an inclusive process which seeks involvement from, and opportunities to collaborate with, a wide range of interests including the general public, agriculture, environmental groups, watershed groups, wetlands groups, academic institutions, adjacent region representatives, and non-governmental organizations (NGOs).

4. Scope of an IRWM Plan

The Cooperating Partners understand and accept a final IRWM Plan must consider a range of water management strategies to meet the IRWM Plan's objectives. These strategies must cover certain State-specified categories and may include other categories. Consistent with the State's expected IRWM guidelines, the IRWM Plan must consider strategies that:

- 4.1 Reduce Water Demand
- 4.2 Improve Operational Efficiency & Transfers
- 4.3 Increase Water Supply
- 4.4 Improve Flood Management
- 4.5 Improve Water Quality
- 4.6 Practice Resource Stewardship
- 4.7 Address Climate Change (Reduce and/or minimize any adverse impact to the climate)

As part of its development, the IRWM Plan should consider, but not be limited to, the

following strategy elements:

- 4.8 Water supply reliability
- 4.9 Storm water capture and management
- 4.10 Groundwater management
- 4.11 Water recycling
- 4.12 Water conservation
- 4.13 Flood management
- 4.14 Water quality protection and improvement
- 4.15 Ecosystem restoration
- 4.16 Environmental and habitat protection and improvement
- 4.17 Wetlands enhancement and creation
- 4.18 Recreation and public access
- 4.19 Conjunctive use
- 4.20 Surface storage
- 4.21 Non-point source pollution control
- 4.22 Low impact development
- 4.23 Water and wastewater treatment
- 4.24 Watershed planning
- 4.25 Desalination
- 4.26 Imported water and water transfers
- 4.27 Land use planning

5. Roles and Responsibilities

In order to develop an effective IRWM Plan, the Cooperating Partners agree to continue the ongoing planning effort initiated formally in 2006, and reaffirmed and recommitted to in 2010 and 2012. The Santa Barbara County Water Agency (Agency) shall again act as the single eligible contracting entity. The Agency may engage a consultant to serve as Project Manager for IRWM Plan development, including data collection, analysis, coordinating stakeholder and public involvement, and overall coordination of plan and grant application preparation. Prior to hiring the consultant, the Agency will obtain advance concurrence of a majority of the Cooperating Partners as to the consultant qualifications and terms of contract.

The IRWM planning and implementation process will include the Project Manager, Cooperating Partners and Stakeholders. Each will be responsible for, and participate in the IRWM Program and any application processes as follows:

5.1 Project Manager

The Agency shall act as or engage a Project Manager to provide overall coordination of the IRWM Program and Plan efforts. The Project Manager shall prepare agendas and chair the Cooperating Partners meetings. In addition, the Project Manager shall implement a public participation process that shall include regular workshops for stakeholders and other interested parties as well as establishing and maintaining a website pertaining to the various funding Propositions that is accessible to the Cooperating Partners and the public. The project manager shall be responsible for the monitoring of

State Propositions involving IRWM and informing the Cooperating Partners regarding developments.

The Project Manager will participate in the interagency process involving DWR and/or Central Coast interests relating to the IRWM Program as appropriate. This participation may include review and comment on draft guidelines for PSPs, Guidelines program changes, attendance at DWR workshops and meetings and meetings with other Central Coast Region IRWM planning areas. The Project Manager will keep the Cooperating Partners apprised of relevant issues and developments.

5.2 Cooperating Partners

The Cooperating Partners shall consist of those local government agencies, special districts, and non-governmental organizations (NGOs) within the Santa Barbara County IRWM Region, listed in Appendix A. Appendix A may be revised from time to time to reflect current membership. Cooperating partners' meetings are open to the public. A forum for public comment will be provided at each Cooperating Partners meeting. Decisions by the Cooperating Partners will be based on consensus whenever possible, or, at a minimum, by a vote of a simple majority of all members participating in a meeting, with each entity that is signatory to this MOU having one vote. Cooperating Partners shall participate in regular meetings and take part in decisions pertaining to the IRWM planning process, project finances, consultant selection, revision of the IRWM Plan, and planning grant proposals.

5.3 Stakeholders

Stakeholders shall be defined as all interested parties that are not participating in the process as Cooperating Partners. Stakeholders may fall into the following categories as defined in IRWM legislation: (1) Wholesale and retail water purveyors, including a local agency, mutual water company, or a water corporation as defined in Section 241 of the Public Utilities Code; (2) wastewater agencies; (3) flood control agencies; (4) municipal and county governments and special districts; (5) electrical corporations, as defined in Section 218 of the Public Utilities Code; (6) Native American tribes that have lands within the region; (7) self-supplied water users, including agricultural, industrial, residential, park districts, school districts, colleges and universities, and others; (8) environmental stewardship organizations, including watershed groups, fishing groups, land conservancies, and environmental groups; (9) community organizations, including landowner organizations, taxpayer groups, and recreational interests; (10) industry organizations representing agriculture, developers, and other industries appropriate to the region; (11) State, federal, and regional agencies or universities, with specific responsibilities or knowledge within the region; (12) Disadvantaged Community members and representatives, including environmental justice organizations, neighborhood councils, and social justice organizations; (13) any other interested groups appropriate to the region.

Stakeholder involvement will be actively solicited through web-sites, media noticing, personal contact, and the posting of notices. Solicitation of Stakeholders shall be among the responsibilities of Cooperating Partners members.

6. Financial Considerations

Each of the Cooperating Partners, respectively except for NGOs that qualify for an exemption from monetary participation, agree to in-kind time and materials commitments, and shall be solely responsible for costs for staff time devoted to the revision of an IRWM Plan and potentially for making application for grant funding. In addition, there will be extramural costs for hiring a Project Manager and/or consultants for at least one year, with duties for coordination, analysis, outreach, plan revision and updates pursuant to DWR guidelines, and grant applications as outlined in the “Roles and Responsibilities” section of this MOU. There will also be extramural costs for administrative services including those conducted by the Santa Barbara County and Water Agency staff including accounting services, web services, project oversight, and legal services, as necessary. Extramural costs, after deduction of funds remaining in the IRWM account and the County’s **50%** cost share.

The Cooperating Partners agree to generally allocate costs by approximate service area population and services. The Cooperating Partners agree to actively encourage participation by all public agencies with a direct or indirect interest in water resources.

6.1 Non-Governmental Organizations

It is recognized some organizations that wish to participate in the as Cooperating Partners may not have the means by which to make a financial contribution. In lieu of a financial contribution, these organizations may make an “in kind” contribution consisting of the commitment of time and labor in support of the IRWM process. Pursuant to language codified in DWR’s IRWM Program Guidelines, Integrated Regional Water Management, Nonprofit Organizations are defined as "any nonprofit corporation qualified to do business in California, and qualified under Section 501 (c) 3, 501 (c) (4) or 501 (c) (5) of the Internal Revenue Code." The option of “in-kind” service in lieu of a financial contribution will extend only to those meeting this definition.

Examples of “In-kind” contributions include but are not limited to:

- 6.1.1 Attendance at and participation in Cooperating Partners meetings.
- 6.1.2 Organization and/or conducting of informational, workshops and meetings.
- 6.1.3 Production and/or distribution of written materials necessary to conduct business relevant to the IRWM process.
- 6.1.4 Solicitation of involvement by Stakeholders.
- 6.1.5 Review of, and comment on, documents produced as part of the IRWM process.

6.2 Financial Management

- 6.2.1 The Agency has established an IRWM Administration account for handling the monetary contributions from those Cooperating Partners responsible for making a financial contribution (Financially Responsible Cooperating Partners). Each Financially Responsible Cooperating Partner shall contribute funds to this IRWM account. Subject to appropriation by the Board of Supervisors, the Agency will contribute **50%** of the cost for hiring consultants for IRWM Plan preparation and grant application which may include, but is not limited to, project selection, project management, and administrative support. The Agency will also contribute **50%** of the cost of its staff time for project management and administration for general IRWM Plan coordination and grant application. The Cooperating Partners shall reimburse the Agency for the remaining **50%** of all of the costs as described above.
- 6.2.2 Financially Responsible Cooperating Partners shall pay their respective contributions to the Agency.
- 6.2.3. Each year the Agency will provide an accounting of the IRWM fund. If funds received are in excess of the cost of actual plan coordination and preparation services, then the Agency will carry forward the balance for use in the next year's IRWM activities. If the IRWM process is completed or terminated, then the Agency will refund monies to Cooperating Partners on a pro-rated basis according to each partner's contribution.
- 6.2.4. If the estimated costs of coordination and plan preparation exceed the funds available to the Agency under this MOU, then the Agency may ask all Cooperating Partners to provide supplemental funds. If individual Partners refuse to provide the supplemental funds, then the shortfall will be spread over the remaining partners on a voluntary basis. If such shortfalls are not made up, then all planning efforts and obligations shall automatically terminate. The planning effort may also be terminated with the concurrence of a majority of the Cooperating Partners.

7. Termination of Participation

Any signatory to the MOU may terminate its participation in this MOU after 30- days' written notification to all other signatories. Any entity terminating participation that 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.

8. Addition of Parties

Entities may join the Proposition 1/IRWM Cooperating Partners by submitting a written request to the Cooperating Partners and receiving their approval following a majority vote of approval. Entities joining the Cooperating Partners will be subject to all of the

provisions of, and be required to make a financial or in-kind contribution in accordance with this MOU. Each paying participant's financial obligation will be reduced proportionally with the addition of funds from any joining entity and applied as a credit to the existing participant's account.

9. Defend and Hold Harmless

Tort Liability. Government Code Section 895.2 imposes certain tort liability jointly upon public agencies solely by reason of such public agencies being parties to an agreement as defined in Government Code Section 895. Therefore, the Parties hereto, as between themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, each assumes the full liability imposed upon it or any of its officers, agents, representatives or employees by law for injury caused by a negligent or wrongful act or omission occurring in the performance of this MOU, to the same extent such liability would be imposed in the absence of Government Code Section 895.2. To achieve this purpose, each Party indemnifies and holds harmless each other Party for any loss, cost, or expense, including reasonable attorneys' fees that may be imposed upon or incurred by such other Party solely by virtue of Government Code Section 895.2.

10. Term of this MOU

The provisions of this MOU will end when Cooperating Partners sign a new MOU that specifically covers ongoing coordination of the IRWM Program process.

11. Counterparts

This MOU may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

12. Notices

All notices or other official correspondence relating to MOU matters between the Cooperating Partners shall be addressed to:

Fray A. Crease, Manager
Santa Barbara County Water Agency
130 E. Victoria Street, Suite 200
Santa Barbara, CA 93101

13. Severability

If any section, paragraph, sentence, clause or provision of this MOU shall, for any reason, be held to be invalid or unenforceable, then the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this MOU.

14. Applicable Law

This MOU shall be governed by and construed in accordance with the laws of the State of California.

15. Amendments

This MOU may only be amended in a writing approved and signed by all Parties.

In witness whereof, the Cooperating Partners hereto have executed this MOU effective at the time a majority of the parties listed in Appendix A have approved and executed this MOU.

SANTA BARBARA COUNTY WATER AGENCY
SCOTT D. MCGOLPIN
PUBLIC WORKS DIRECTOR
BY: _____

DATE: _____

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

BY: _____
Deputy

APPROVED AS TO INSURANCE:
RAY ARMATORIO, ARM, AIC
RISK PROGRAM ADMINISTRATOR

BY: _____
Risk Management

APPROVE AS TO ACCOUNTING:
THEODORE A. FALLATI, CPA
AUDITOR-CONTROLLER

BY: _____
Deputy

SIGNATURE OF COOPERATING PARTNER

BY: _____

NAME: _____

TITLE: _____

AGENCY/ORGANIZATION: _____

DATE: _____

Appendix A: List of Cooperating Partners

The list below is of potential Cooperating Partners. A final list will be prepared based on the actual signatories to the MOU.

County Agencies:

- Flood Control and Water Conservation District - Santa Barbara County
- Water Agency – Santa Barbara County
- Laguna County Sanitation District – Santa Barbara County

Cities:

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

Water Districts:

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

Non Governmental Organizations:

- Heal the Ocean

Sanitary Districts:

- Carpinteria Sanitary District
- Goleta Sanitary District
- Goleta West Sanitary District

Community Services Districts:

- Cuyama Community Services District
- Santa Ynez Community Services District
- Vandenberg Village Community Services District

Joint Powers Agencies:

- Cachuma Operations and Maintenance Board (COMB)
- Central Coast Water Authority (CCWA)