



A Special Meeting of the
**BOARD OF DIRECTORS
 OF THE
 CENTRAL COAST WATER AUTHORITY**

will be held at 9:00 a.m., on Friday, September 13, 2024
 at 255 Industrial Way, Buellton, California
 and
 1021 Anacapa Street, Santa Barbara, California

Members of the public may participate by video call or telephone via
[Microsoft Teams Meeting ID: 291 638 914 395](#)
[Passcode: 7m9qME](#)

or by dialing 323-484-5095 and entering access Code/Meeting ID: 639523582#

Eric Friedman
 Chairman
 Jeff Clay
 Vice Chairman
 Ray A. Stokes
 Executive Director

Brownstein Hyatt
 Farber Schreck
 General Counsel
 Member Agencies

City of Buellton
 Carpinteria Valley
 Water District

City of Guadalupe
 City of Santa Barbara
 City of Santa Maria
 Goleta Water District
 Montecito Water District
 Santa Ynez River Water
 Conservation District,
 Improvement District #1

Associate Member
 La Cumbre Mutual
 Water Company

Public Comment on agenda items may occur via video call or telephonically, or by submission to the Board Secretary via email at lfw@ccwa.com no later than 8:00 a.m. on the day of the meeting. In your email, please specify (1) the meeting date and agenda item (number and title) on which you are providing a comment and (2) that you would like your comment read into the record during the meeting. If you would like your comment read into the record during the meeting (as either general public comment or on a specific agenda item), please limit your comments to no more than 250 words.

Every effort will be made to read comments into the record, but some comments may not be read due to time limitations. Please also note that if you submit a written comment and do not specify that you would like this comment read into the record during the meeting, your comment will be forwarded to Board members for their consideration.

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available on the CCWA internet web site, accessible at <https://www.ccwa.com>.

- I. **Call to Order and Roll Call**
- II. **Public Comment – (Any member of the public may address the Board relating to any matter within the Board’s jurisdiction. Individual Speakers may be limited to five minutes; all speakers to a total of fifteen minutes.)**
- III. **Closed Session**
 - A. **CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
 Government Code section 54956.8
 Property: Warren Act Contract
 Negotiating parties: Ray Stokes, CCWA Executive Director
- IV. **Return to Open Session**
 - A. Report on Closed Session Actions
- V. *** Resolution No. 24-08 for Approval of Temporary Warren Act Contract No. 24-WC-20 6310 with United States Bureau of Reclamation**
 Staff Recommendation: Approve and adopt Resolution No. 24-08 for Approval of Temporary Warren Act Contract No. 24-WC-20-6310 with United States Bureau of Reclamation
- VI. *** Correspondence from Board Chair to the United States Bureau of Reclamation re. Temporary Warren Act Contract No. 24-WC-20-6310**
 Staff Recommendation: Authorize Board Chair to finalize and send draft correspondence
- VII. **Date of Next Regular Meeting: September 26, 2024**
- VIII. **Adjournment**

255 Industrial Way
 Buellton, CA 93427
 (805) 688-2292
 Fax (805) 686-4700
www.ccwa.com

* Indicates attachment of document to original agenda packet.



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

September 9, 2024

TO: CCWA Board of Directors

FROM: Ray A. Stokes
Executive Director

SUBJECT: Resolution No. 24-08 for Approval of Temporary Warren Act Contract No. 24-WC-20-6310 with United States Bureau of Reclamation

SUMMARY

For consideration by the Board of Directors, Staff has prepared a Resolution (**Attachment A**) for approval of a second Temporary Warren Act Contract with the United States Bureau of Reclamation (**Reclamation**), Contract No. 24-WC-20-6310. The proposed second Temporary Warren Act Contract is necessary to continue the annual introduction, storage, and conveyance of up to 13,750 acre-feet of water acquired by or available to CCWA from or through the State Water Project (**CCWA Water**) into Cachuma Project facilities for delivery to CCWA's South Coast Participants¹ beyond September, 2024, when the first and current Temporary Warren Act Contract expires. The term of the second Temporary Warren Act Contract would commence on the date executed by Reclamation (the "**effective date**") and extend through June 14, 2027.

RECOMMENDATIONS

Staff recommends that the Board of Directors:

1. Approve and adopt Resolution No. 24-08 for Approval of Temporary Warren Act Contract No. 24-WC-20-6310 with United States Bureau of Reclamation;
2. Find that the Board of Directors' approval of Resolution No. 24-08 is exempt from the California Environmental Quality Act (**CEQA**) pursuant to CEQA Guidelines section 15301 (Class 1 exemption), for the reasons documented in the staff report; and
3. Authorize the Chair of the Board to execute the second Temporary Warren Act Contract in a form substantially similar to the document attached as **Exhibit 1** to the Resolution.

¹ Carpinteria Valley Water District, the City of Santa Barbara, Goleta Water District, Montecito Water District, La Cumbre Mutual Water Company, La Cumbre Mutual Water Company, Morehart Land Co., and Raytheon Systems Co.

DISCUSSION

1. Background

CCWA was formed as a Joint Powers Agency formed pursuant to Government Code section 6500 et seq. and the Joint Exercise of Powers Agreement dated August 1, 1991, as amended, to construct necessary facilities to deliver supplemental water supplies from the State Water Project to communities in San Luis Obispo and Santa Barbara Counties.

On January 3, 1995, Reclamation issued a 25-year Warren Act Contract to CCWA that allowed for the annual introduction, storage, and conveyance of up to 13,750 acre-feet of water acquired by or available to CCWA from or through the State into Cachuma Project facilities for delivery to the CCWA South Coast Participants for municipal and industrial uses (**1995 Contract**). The Coastal Branch and CCWA facilities were completed in 1997 and introductions of CCWA water under the 1995 Warren Act Contract began in 1997.

The 1995 Contract expired on June 22, 2022 and CCWA and Reclamation entered into the first Temporary Warren Act Contract, which became effective on June 21, 2022 and expires on September 30, 2024.

Because Reclamation has been in the process of reconsulting with the National Marine Fisheries Service regarding the Cachuma Project, Reclamation has elected to renew CCWA's Warren Act Contract on a temporary basis until such time as a new, long-term Warren Act Contract is negotiated and environmental compliance for that long-term contract is completed.

CCWA water has been and continues to be a much-needed supplemental water supply for the South Coast, especially during drought conditions. Without a new contract, CCWA will be unable to deliver State Water Project supplies to the South Coast Participants, potentially adversely impacting the ability of the South Coast Participants to meet their water supply needs.

CCWA has therefore requested that Reclamation enter into the second Temporary Warren Act Contract to continue the introductions, conveyance, and storage of CCWA Water into the Cachuma Project facilities for delivery to the CCWA South Coast Participants on the same terms and conditions as the first Temporary Warren Act Contract.

2. Second Temporary Warren Act Contract

The second Temporary Warren Act Contract is substantially similar to the first Temporary Warren Act Contract. The key terms are:

Term: The second Temporary Warren Act Contract will take effect upon execution by Reclamation's Contracting Officer and will continue until June 14, 2027. (§ 2.) The first Temporary Warren Act Contract expires on September 20, 2024. Accordingly, Reclamation's execution of the Temporary Contract should occur on or before September 20, 2024.

Quantity: The second Temporary Warren Act Contract authorizes CCWA to introduce up to 13,750 acre-feet per Year of Non-Project Water into Lake Cachuma and to store and/or convey that water to the Operating Non-Federal Entity for delivery to the South Coast Participants. (§ 3.)

Excess Capacity: CCWA's right to introduce Non-Project Water into Lake Cachuma is limited to the right to use Excess Capacity. (§ 7.) "Excess Capacity" means capacity in the Project Facilities in excess of that needed to meet the Project's authorized purposes, as determined

solely Reclamation. (§ 1(g).) In the event of Lake Cachuma spills, CCWA's Non-Project Water is the first to spill from the lake. CCWA's Non-Project Water is also subject to seepage and evaporation losses of 5%. (§ 3(a).)

The new (or different) terms are:

Automatic 3% Conveyance Loss: The second Temporary Warren Act Contract imposes an automatic 3% conveyance loss (deduction) on all CCWA Water delivered to the Project.

Abandonment of Water in Storage: There is no transition between the first and second Temporary Warren Act Contracts. The second Temporary Warren Act Contract provides that any CCWA water in storage at the termination of the first contract is deemed **abandoned** to the Project. Thus, it is important that all South Coast Participants take delivery of all CCWA water supplies in storage prior to termination.

Spill Definition: The definition of "spill" is expanded to include the period when releases are being made to avoid damage to the Project facilities or to downstream life and/or property.

Prohibition on Transfer of Conveyed Water: The sale, transfer or exchange of CCWA water conveyed through the Project to third parties (not the South Coast Participants) is prohibited without additional USBR approval.

Rate: The rate Reclamation proposes to charge pursuant to the second Temporary Warren Act Contract is less than the amount charged pursuant to the current/first Temporary Warren Act Contract. The rate does not include the \$43/acre-foot charge that CCWA pays to COMB pursuant to the 1995 Memorandum of Understanding for the Creation of a Trust Fund between CCWA and the Cachuma Project Authority and Reclamation.

ENVIRONMENTAL REVIEW

1. Reclamation's Compliance with NEPA

Reclamation has determined that the environmental compliance requirements for execution of the second Temporary Warren Act Contract have been met by Reclamation's environmental compliance associated with the first Temporary Warren Act Contract.²

2. CCWA's Compliance with CEQA

Prior to execution of the second Temporary Contract, CCWA must comply with the California Environmental Quality Act ("CEQA"). Categorical exemptions from CEQA are set forth in Article 19 of Title 14 of the California Code of Regulations ("CEQA Guidelines"). CEQA Guidelines section 15301 sets forth an exemption from CEQA for the operation and permitting of existing facilities involving negligible or no expansion of existing or former use and CEQA Guidelines section 15304 further exempts projects that entail minor alterations in the condition of water.

² A copy of Reclamation's environmental compliance is located on CCWA's website at: <https://www.ccwa.com/files/d052f10bb/USBR+Environmental+Compliance.pdf>.

Staff has determined that CCWA's approval of the second Temporary Warren Act Contract is exempt from CEQA for the same reasons that the first Temporary Warren Act Contract was exempt from CEQA.

CEQA Guidelines section 15301 (Class 1 exemption) sets forth an exemption from CEQA for the operation and permitting of existing facilities involving negligible or no expansion of existing or former use. The second Temporary Warren Act Contract fits within this exemption because it will continue to allow the annual introduction, storage, and conveyance of up to 13,750 acre-feet of CCWA Water into Cachuma Project facilities for delivery to the CCWA South Coast Participants and will therefore not expand the use of Cachuma Project facilities beyond that permitted by the 1995 Warren Act Contract and the first Temporary Warren Act Contract. A water distribution system, like the Cachuma Project facilities, is an existing facility for the purpose of the Class 1 exemption. (*N. Coast Rivers All. v. Westlands Water Dist.* (2014) 227 Cal. App. 4th 832, 867 (citing *Turlock Irrigation Dist. v. Zanker* (2006) 140 Cal. App. 4th 1047, 1065–1066).)

None of the exceptions to use of an exemption set forth in CEQA Guidelines section 15300.2 apply and adoption of the second Temporary Warren Act Contract will not have a significant impact on the environment. The second Temporary Warren Act Contract will continue to allow the annual introduction, storage, and conveyance of the same quantity of CCWA Water into Cachuma Project facilities as has been authorized for the last 27 years. Under the second Temporary Warren Act Contract, CCWA water would continue to be introduced and conveyed through Cachuma Project facilities (i.e., Bradbury Dam outlet works, Stilling Basin, Lake Cachuma, North Intake of the Tecolote Tunnel, and the South Coast Conduit) to the CCWA contractors located along the South Coast Conduit. No modifications to existing infrastructure or construction would occur.

Staff's proposed Notice of Exemption re. the second Temporary Warren Act Contract is attached as **Attachment B**.

Attachments:

- A. Resolution No. 24-08 a Resolution of the Board of Directors of the Central Coast Water Authority Approving Temporary Warren Act Contract No. 24-WC-20-6310 with the United States Bureau of Reclamation
Exhibit 1: Temporary Warren Act Contract 24-WC-20-6310 Between Central Coast Water Authority and United States Bureau of Reclamation
- B. Notice of Exemption re. Temporary Warren Act Contract 24-WC-20-6310 Between Central Coast Water Authority and United States Bureau of Reclamation

RESOLUTION NO. 24-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CENTRAL COAST WATER AUTHORITY APPROVING TEMPORARY WARREN ACT CONTRACT NO. 24-WC-20-6310 WITH THE UNITED STATES BUREAU OF RECLAMATION

Recitals

- A. The Central Coast Water Authority (“**CCWA**”) is a Joint Powers Agency formed pursuant to Government Code section 6500 et seq. and that certain Joint Exercise of Powers Agreement dated August 1, 1991, as amended, to construct necessary facilities to deliver supplemental water supplies from the State Water Project (“**SWP**”) to communities in San Luis Obispo and Santa Barbara Counties; and
- B. On January 3, 1995, CCWA entered into a 25-year Warren Act Contract with the United States Bureau of Reclamation (“**Reclamation**”) that allowed the annual introduction, storage, and conveyance of up to 13,750 acre-feet of water acquired by or available to CCWA from or through the SWP (“**CCWA Water**”) into Cachuma Project facilities for delivery to Carpinteria Valley Water District, the City of Santa Barbara, Goleta Water District, Montecito Water District, La Cumbre Mutual Water Company, Morehart Land Co., and Raytheon Systems Co. (collectively “**CCWA’s South Coast Participants**”) for municipal and industrial uses. The 1995 Warren Act Contract expired on or about June 22, 2022.
- C. On June 9, 2022, CCWA’s Board of Directors approved and adopted Resolution No. 22-05 Approving Temporary Warren Act Contract No. 22-WC-20-5954 with the United States Bureau of Reclamation and subsequently CCWA and Reclamation executed said Temporary Warren Act Contract on June 21, 2022. Contract No. 22-WC-20-5954 (the “**first Temporary Warren Act Contract**”) expires by its terms on September 30, 2024.
- D. CCWA Water introduced, stored, and conveyed pursuant to the 1995 Warren Act Contract and the first Temporary Warren Act Contract has been and continues to be a much-needed supplemental water supply for the South Coast, especially during drought conditions. Without a new contract, CCWA will be unable to deliver State Water Project supplies to the South Coast Participants, potentially adversely impacting the ability of the South Coast Participants to meet their water supply needs.
- E. CCWA and Reclamation have agreed to enter into a new temporary Warren Act contract to continue the introductions, conveyance, and storage of CCWA Water into the Cachuma Project facilities for delivery to the CCWA South Coast Participants while Reclamation and CCWA develop and study a new long-term Warren Act Contract for the same purpose and while Reclamation and the National Marine Fisheries Service finalize the re-consultation on the Cachuma Project under the Endangered Species Act, which process is not anticipated to be completed before the expiration of the first Temporary Warren Act Contract in September, 2024.

- F. The proposed second temporary Warren Act Contract, Contract No. 24-WC-20-6310 (the “**second Temporary Warren Act Contract**”) is attached hereto as **Exhibit 1**.
- G. The second Temporary Warren Act Contract authorizes CCWA’s continued introduction, conveyance, and storage of CCWA Water in Cachuma Project facilities for the period commencing with the effective date and terminating on June 14, 2027.
- H. The second Temporary Warren Act Contract will continue to allow the annual introduction, storage, and conveyance of up to 13,750 acre-feet of water acquired by or available to CCWA from or through the SWP into Cachuma Project facilities for delivery to the CCWA South Coast Participants and will therefore not expand the use of Cachuma Project facilities beyond that permitted by the 1995 Warren Act Contract and the first Temporary Warren Act Contract.
- I. As described in the report to this Board dated September 9, 2024, Staff has determined that the Board’s approval of Resolution No. 2024-05 is exempt from California Environmental Quality Act (“**CEQA**”) pursuant to CEQA Guidelines section 15301 (Class 1 exemption), which sets forth an exemption from CEQA for the operation and permitting of existing facilities involving negligible or no expansion of existing or former use, and because none of the exceptions to use of an exemption set forth in CEQA Guidelines section 15300.2 apply and adoption of the Second Temporary Warren Act Contract will not have a significant impact on the environment.

NOW THEREFORE, THE BOARD OF DIRECTORS DOES HEREBY FIND AND RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. Based on the findings set forth herein, the Board of Directors approves the second Temporary Warren Act Contract attached hereto as **Exhibit 1**. This resolution constitutes complete and final agreement by CCWA to be bound by the terms of the second Temporary Warren Act Contract and this Resolution shall take effect immediately.

SECTION 3. The Board of Directors authorizes the Chair of the Board to execute the second Temporary Warren Act Contract in a form substantially the same as the document attached hereto as **Exhibit 1**. The Board of Directors further authorizes the Chair of the Board to negotiate and make such non-substantive amendments to the second Temporary Warren Act Contract as may be required to obtain the approval of Reclamation.

SECTION 4. The Board of Directors authorizes and directs the Executive Director to do and cause to be done any and all acts and things necessary or appropriate to carry out the intention of this Resolution, including executing any and all documents related to

the implementation of the second Temporary Warren Act Contract and carrying out the second Temporary Warren Act Contract in accordance with its terms.

SECTION 5. The Board of Directors has considered and agrees with Staff's CEQA determination and hereby finds that the Board's approval of the second Temporary Warren Act Contract falls within a categorical exclusion under CEQA and that none of the exceptions to use of an exemption set forth in CEQA Guidelines section 15300.2 apply and the Board of Director's approval of the second Temporary Warren Act Contract will not have a significant impact on the environment. The Board directs the Executive Director to file a Notice of Exemption re. the second Temporary Warren Act Contract as required by law.

I certify that the foregoing resolution was duly and regularly introduced and adopted by the Board of Directors of the Central Coast Water Authority on September 13, 2024.

[Seal]

Eric Friedman, Chairman

Attest:

Elizabeth Watkins
Secretary to the Board of
Directors

APPROVED AS TO FORM:
Brownstein Hyatt Farber Schreck LLP

Stephanie Osler Hastings

	VOTING PERCENTAGE	AYE	NAY	ABSTAIN	ABSENT
City of Buellton	2.21%	_____	_____	_____	_____
Carpinteria Valley Water District	7.64%	_____	_____	_____	_____
Goleta Water District	17.20%	_____	_____	_____	_____
City of Guadalupe	1.15%	_____	_____	_____	_____
Montecito Water District	9.50%	_____	_____	_____	_____
City of Santa Barbara	11.47%	_____	_____	_____	_____
City of Santa Maria	43.19%	_____	_____	_____	_____
Santa Ynez River Water Conservation District, Improvement District No. 1	7.64%	_____	_____	_____	_____

Exhibit:

1. Temporary Warren Act Contract No. 24-WC-20-6310 Between Central Coast Water Authority and United States Bureau of Reclamation

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Cachuma Project, California

TEMPORARY CONTRACT BETWEEN THE UNITED STATES
AND
THE CENTRAL COAST WATER AUTHORITY
PROVIDING FOR STORAGE AND CONVEYANCE OF NON-PROJECT WATER

Table of Contents

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
	Preamble	1
	Explanatory Recitals	1
1	Definitions.....	4
2	Term of Contract.....	7
3	Introduction, Storage, Conveyance, and Delivery of Non-Project Water	7
4	Measurement of Non-Project Water	12
5	Operation, Maintenance, and Replacement by Operating Non-Federal Entity	14
6	Payments and Adjustments.....	15
7	Excess Capacity	16
8	Receipt and Distribution of Non-Project Water – Sale, Transfer, or Exchange of Non-Project Water	17
9	United States Not Liable.....	18
10	Charges for Delinquent Payments	19
11	General Obligation – Benefits Conditioned Upon Payment.....	19
12	Notices	20
13	Contingent upon Appropriations or Allotment of Funds.....	20
14	Officials Not to Benefit.....	20
15	Changes in Contractor’s Organization.....	20
16	Assignment Limited – Successors and Assigns Obligated.....	20
17	Books, Records, and Reports	20
18	Rules, Regulations, and Determinations.....	21
19	Protection of Water and Air Quality	21
20	Water Conservation	22
21	Equal Employment Opportunity	23
22	Compliance with Civil Rights Laws and Regulations	25
23	Certification of Non-Segregated Facilities	25

Table of Contents – continued

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
24	Medium for Transmitting Payments	26
25	Contract Drafting Considerations	26
26	Incorporation of Exhibits	26
	Signature Page	27
	Exhibit A – Contractor’s Boundary Map	
	Exhibit B – Storage and Conveyance Rates	
	Exhibit C – Source(s) of Contractor’s Non-Project Water	
	Exhibit D – Water Quality Standards	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Cachuma Project, California

TEMPORARY CONTRACT BETWEEN THE UNITED STATES
AND
THE CENTRAL COAST WATER AUTHORITY
PROVIDING FOR STORAGE AND CONVEYANCE OF NON-PROJECT WATER

1 THIS CONTRACT, made this _____ day of _____, 2024, pursuant to
2 the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto,
3 including the Act of February 21, 1911 (36 Stat. 925), and Section 305 of the Reclamation
4 States Emergency Drought Relief Act of 1991, enacted March 5, 1992 (106 Stat. 59), all
5 collectively hereinafter referred to as the Federal Reclamation laws, between the UNITED
6 STATES OF AMERICA, hereinafter referred to as the United States, represented by the officer
7 executing this Contract, hereinafter referred to as the Contracting Officer, and the CENTRAL
8 COAST WATER AUTHORITY, hereinafter referred to as the Contractor;

9 WITNESSETH, That:

10 EXPLANATORY RECITALS

11 [1st] WHEREAS, the United States has constructed and is operating the Cachuma
12 Project (Project), California, for diversion, storage, carriage, and distribution of waters of the
13 Santa Ynez River and its tributaries for irrigation, municipal, domestic, and industrial uses; and

14 [2nd] WHEREAS, on September 12, 1949, the United States and the Santa Barbara
15 County Water Agency, hereinafter referred to as the Agency, entered into Contract No. I75r-
16 1802, which was renewed by Contract No. I75r-1802R dated April 14, 1996, and amended by

17 Contract No. I75r-1802RA dated September 28, 2020 and Contract No. I75r-1802RB dated
18 September 29, 2023, pursuant to which water from the Project is furnished to Carpinteria Valley
19 Water District, the City of Santa Barbara, Goleta Water District, Montecito Water District, and
20 Santa Ynez River Water Conservation District Improvement District No. 1, hereinafter
21 collectively referred to as the Member Units; and

22 [3rd] WHEREAS, on July 6, 1995, the Contractor and the Cachuma Project Authority,
23 currently known as Cachuma Operation and Maintenance Board (COMB), a joint exercise of
24 powers authority comprised of the Member Units, and the United States entered into a
25 Memorandum of Understanding (MOU) for the creation of a trust fund dedicated to developing
26 and supporting water management programs and projects beneficial to the Project, in conjunction
27 with entering into a contract permitting the Contractor’s use of the Project for the Storage and/or
28 Conveyance of Non-Project Water; and

29 [4th] WHEREAS, on July 25, 1995, the United States and the Contractor entered into
30 Contract No. 5-07-20-W1282, to Store and/or Convey through the Project a supply of Non-
31 Project Water for municipal and industrial uses; and

32 [5th] WHEREAS, on June 2, 1997, the United States and the Contractor entered into an
33 amendment to Contract No. 5-07-20-W1282 for the purpose of adjusting the definition of “Year”
34 in Contract No. 5-07-20-W1282 from March 15 to March 14, to March 1 through last day of
35 February; and

36 [6th] WHEREAS, on June 21, 2022, the United States and the Contractor entered into
37 Contract No. 22-WC-20-5954 to Store and/or Convey through the Project a supply of Non-
38 Project Water for municipal and industrial uses; and

39 [7th] WHEREAS, Contractor asserts rights in a long-term contract with the California
40 Department of Water Resources, dated February 26, 1963, for the delivery of water from and/or
41 through the State Water Project (SWP) to the County of Santa Barbara (SWP contract water).
42 This SWP contract water is the source of Non-Project Water under this Contract and is foreign
43 to, and imported into, the Santa Ynez River. Therefore, without this Contract, the SWP contract
44 water would not otherwise inure to the Project; and

45 [8th] WHEREAS, Contractor holds contracts with public water providers, including the
46 Member Units and parties collectively referred to as the Contractor Participants for the delivery
47 of water from and/or through State Water Project to each of the Contractor Participants; and

48 [9th] WHEREAS, pursuant to the above-referenced contracts, the Contractor is
49 independently obligated to deliver water to Lake Cachuma for Carpinteria Valley Water District,
50 the City of Santa Barbara, Goleta Water District, Montecito Water District, and other Contractor
51 Participants, hereinafter collectively referred to as the South Coast Participants. This Contract
52 will facilitate Contractor's independent obligations under those contracts; and

53 [10th] WHEREAS, pursuant to Contract No. 5-07-20-W1282 and Contract No. 22-WC-
54 20-5954, the Contractor has Stored and/or Conveyed Non-Project Water in and/or through the
55 Project since 1997; and

56 [11th] WHEREAS, pursuant to amended Contract No. 14-06-200-5222RB, and as
57 amended, the United States transferred responsibility for the operation and maintenance (O&M)
58 of a portion of the Project Facilities and the costs of such O&M to the designated Operating
59 Non-Federal Entity; and

60 [12th] WHEREAS, the Contractor has a continuing need for the Storage and/or
61 Conveyance of Non-Project Water from and/or through the Project to the extent allowed by law
62 and that Excess Capacity is available in Project Facilities; and

63 [13th] WHEREAS, the United States is willing to store and convey said Non-Project
64 Water through Excess Capacity in said Project Facilities in accordance with law and the terms
65 and conditions hereinafter stated; and

66 [14th] WHEREAS, it is the intention of the parties that this Contract will result in no
67 change to the quantity of water diverted by the United States from the Santa Ynez River for the
68 Project (Project water), the point of diversion, the quantities of the Project water made available
69 to water purveyors who receive Project water or the rights and responsibilities of the Member
70 Units concerning operation and maintenance; and

71 [15th] WHEREAS, the environmental compliance requirements for the execution of this
72 Contract have been met by Environmental Assessment CGB-EA-2022-023, entitled “Central
73 Coast Water Authority Temporary Warren Act Contract,” which resulted in a Finding of No
74 Significant Impact, dated June 14, 2022.

75 NOW, THEREFORE, in consideration of the covenants herein contained, the parties
76 agree as follows:

77 DEFINITIONS

78 1. When used herein unless otherwise distinctly expressed, or manifestly
79 incompatible with the intent of the parties as expressed in this Contract, the term:

80 (a) “Calendar Year” shall mean the period January 1 through December 31,
81 both dates inclusive;

82 (b) “Contracting Officer” shall mean the Secretary of the Interior’s duly
83 authorized representative acting pursuant to this Contract or applicable Reclamation law or
84 regulation;

85 (c) “Contractor’s Boundaries” shall mean the geographic area within which
86 the Contractor is authorized to serve Non-Project Water as set forth on Exhibit A, which may be
87 modified in accordance with Article 16, without amendment of this Contract;

88 (d) “Conveyance or Convey” shall mean the transportation of Non-Project
89 water through any or all of the following: (i) Lake Cachuma, if the water is released from Lake
90 Cachuma within 30 days of its introduction, or (ii) other Project facilities;

91 (e) “CCWA Participants” shall mean water providers and water users in Santa
92 Barbara County that contract with CCWA for the delivery of SWP contract, imported water from
93 CCWA;

94 (f) “CCWA’s South Coast Participants” shall mean Carpinteria Valley Water
95 District, City of Santa Barbara, Goleta Water District, Montecito Water District, La Cumbre
96 Mutual Water Company, Morehart Land Co. and Raytheon Systems Co.;

97 (g) “Excess Capacity” shall mean capacity in the Project Facilities in excess
98 of that needed to meet the Project’s authorized purposes, as determined solely by the Contracting
99 Officer, which may be made available to store, convey, and deliver Non-Project Water;

100 (h) “Member Units” shall mean Carpinteria Valley Water District, City of
101 Santa Barbara, Goleta, Water District, Montecito Water District and Santa Ynez River Water
102 Conservation District Improvement District No. 1;

103 (i) “Municipal and Industrial (M&I) Water” shall mean Non-Project Water
104 used for municipal, industrial, and miscellaneous other purposes not falling under the definition
105 of “Irrigation Water” or within another category of water use under an applicable Federal
106 authority;

107 (j) “Non-Project Water” shall mean water acquired by or available to the
108 Contractor from the source(s) identified in Exhibit C that has not been appropriated or acquired
109 by the United States;

110 (k) “Operating Non-Federal Entity” shall mean the Cachuma Operation and
111 Maintenance Board or COMB, its successors or assigns, a non-Federal entity that has the
112 obligation pursuant to a separate agreement with the United States to operate and maintain all or
113 a portion of the Project Facilities, and which may have funding obligations with respect thereto;

114 (l) “Project” shall mean the Cachuma Project including but not limited to
115 Bradbury Dam, Lake Cachuma (Lake), Tecolote Tunnel (Tunnel), Lauro Reservoir, and the
116 South Coast Conduit (Conduit) facilities, owned by the United States and managed by the
117 Department of the Interior, Bureau of Reclamation;

118 (m) “Project Facilities” shall mean the associated facilities, constructed as
119 features of the Cachuma Project;

120 (n) “Project Water” shall mean all water that is developed, diverted, stored, or
121 delivered by the Secretary in accordance with the statutes authorizing the Project and in
122 accordance with the terms and conditions of water rights acquired pursuant to California law;

123 (o) “Rates” shall mean the amount to be paid to the United States by the
124 Contractor, as set forth in Exhibit B, for the use of Excess Capacity in the Project Facilities made
125 available pursuant to this Contract;

126 (p) “Secretary” shall mean the Secretary of the Interior, a duly appointed
127 successor, or an authorized representative acting pursuant to any authority of the Secretary and
128 through any agency of the Department of the Interior; and

129 (q) "South Coast Member Units" shall mean Carpinteria Valley Water
130 District, City of Santa Barbara, Goleta Water District and Montecito Water District;

131 (r) "Spill" shall mean an event during which (i) the Lake surface is above the
132 Maximum Conservation Storage Pool Elevation and releases are being made through the
133 spillway, or (ii) releases are being made to avoid damage to Project facilities or to downstream
134 life and/or property.

135 (s) "Maximum Conservation Storage Pool Elevation" is the elevation above
136 which water may not be stored for the purpose of conservation under applicable law, regulation,
137 or operating criteria and procedures. As of the effective date of this Contract, the Maximum
138 Conservation Storage Pool Elevation is 750.0 feet above Mean Sea Level;

139 (t) "Storage or Store" shall mean the retention of Non-Project Water in the
140 Lake Cachuma for a period in excess of 30 days;

141 (u) "Year" shall mean the period from and including October 1 of the
142 Calendar Year through the last day of September of the following Calendar Year.

143 TERM OF CONTRACT

144 2. This Contract shall become effective on the date hereinabove written and shall
145 remain in effect through June 14, 2027: Provided, That upon written notice to the Contractor,
146 this Contract may be terminated by the Contracting Officer at an earlier date, if the Contracting
147 Officer determines that the Contractor has not been complying with one or more terms or
148 conditions of this Contract.

149 INTRODUCTION, STORAGE, CONVEYANCE, AND DELIVERY OF NON-PROJECT
150 WATER

151 3. (a) During the term of this Contract, the Contractor may introduce and Store
152 up to 13,750 acre-feet each Year of Non-Project Water from the source(s) identified in Exhibit C

153 into the Project Facilities at Lake Cachuma. Contractor may also carryover Non-Project Water
154 from the previous Year introduced during the term of this Contract, subject to subsections (f) and
155 (g) of this Article, below. The United States or the designated Operating Non-Federal Entity
156 shall convey Non-Project Water through Excess Capacity in the Project Facilities from said
157 point(s) of introduction for delivery to the Contractor's South Coast Participants at the Tecolote
158 Tunnel or other location(s) mutually agreed to in writing by the Contracting Officer, acting by or
159 through its agent the designated Operating Non-Federal Entity, and the Contractor, acting by or
160 through the Contractor's South Coast Participants, in accordance with an approved schedule
161 submitted by the Contractor pursuant to subdivision (d) of this Article: Provided, That the
162 quantity of Non-Project Water to be Stored and/or Conveyed on behalf of the Contractor's South
163 Coast Participants in/through Project Facilities shall not exceed the quantity of Non-Project
164 Water previously introduced into the Project Facilities by the Contractor at said point(s) of
165 introduction, less 3% for conveyance losses.

166 (b) In the event the quantity of water taken by the Contractor's South Coast
167 Participants exceeds the quantity of Non-Project water introduced by the Contractor pursuant to
168 subdivision (a) of this Article, that additional amount of water shall be deemed Project water
169 delivered to the Contractor's South Coast Participants, and an equivalent quantity of water shall
170 be deducted from the Contractor's South Coast Participants Project water supply available
171 thereafter under that certain "Second Amendment to Contract Between the United States and
172 Santa Barbara County Water Agency for Water Service from the Project," designated Contract
173 No. I75r-1802RB, with an effective date of September 29, 2023, as amended, and payment shall
174 be made at the applicable rate identified on Exhibit A to said contract. In the alternative, the
175 Contractor in coordination with its South Coast Participants shall immediately take all reasonable

176 actions to make available a like amount of water, plus conveyance loss, into the Project Facilities
177 for use by the United States for Project purposes. The provisions of this subdivision are not
178 exclusive and shall not prohibit the United States from exercising any other remedy under
179 existing law, including the early termination of this Contract pursuant to Article 2 of this
180 Contract.

181 (c) Exhibit C may be modified or replaced by mutual agreement of the
182 Contractor and the Contracting Officer to reflect changes to the source(s) of Non-Project water
183 without amendment of this Contract: Provided, however, That no such modification or
184 replacement shall be approved by the Contracting Officer absent the completion of all
185 appropriate environmental documentation, including but not limited to documents prepared
186 pursuant to the National Environmental Policy Act of 1969 (NEPA) and the Endangered Species
187 Act of 1973 (ESA), as amended.

188 (d) All Non-Project Water Stored and/or Conveyed and delivered to the
189 Contractor's South Coast Participants pursuant to this Contract shall be used for Municipal and
190 Industrial purposes.

191 (e) Prior to the introduction of Non-Project Water into the Project Facilities,
192 the Contractor shall submit a schedule to the Contracting Officer and the designated Operating
193 Non-Federal Entity showing the quantities of Non-Project Water to be introduced into the
194 Project Facilities, Provided That the desired time or times for delivery of said Non-Project Water
195 will be scheduled by the Contractor's South Coast Participants with the Operating Non-Federal
196 Entity: Provided further, That the Contractor's South Coast Participants are not required to
197 initially schedule delivery of the maximum quantity of Non-Project Water for which the
198 Contractor desires Storage and/or Conveyance during the term of this Contract. The initial

199 schedule and any revision(s) thereof shall be in a form acceptable to the Contracting Officer and
200 shall be submitted at such times and in such manner as determined by the Contracting Officer.

201 The Contractor shall not introduce Non-Project Water into the Project Facilities unless and until
202 the schedule and any revision(s) thereof have been approved by the Contracting Officer.

203 (f) All Non-Project Water remaining in the Project Facilities upon expiration
204 or termination of this Contract shall be deemed to be unused water donated to the United States
205 for Project purposes. Further, all Non-Project Water introduced by Contractor into the Project
206 Facilities and made available for delivery to the Contractor's South Coast Participants from the
207 Project Facilities and not accepted by the Contractor's South Coast Participants shall be deemed
208 to be unused water donated to the United States for Project purposes and ineligible for carryover
209 under subsection (a) above.

210 (g) If Spill occurs from the Lake, the first water Spilled shall be deemed to be
211 the Non-Project Water then in the Lake. No Non-Project Water shall be introduced into the Lake
212 during a Spill: Provided, That the Contracting Officer will, to the extent possible, inform the
213 Contractor by written notice, or otherwise, of any impending Spill from the Lake: and Provided
214 further, That to the extent Non-Project Water is enroute to and/or Stored in the Lake, when the
215 Contractor has been so informed, such Non-Project Water shall, at the Contractor's South Coast
216 Participants' request, be released into the Tunnel or into the Santa Ynez River, to the extent the
217 United States is able to do so as conclusively determined by the Contracting Officer.

218 (h) The quantity of Non-Project Water shall be subject to seepage and/or
219 evaporation loss when Stored in the Lake. The quantity of water which seeps or evaporates from
220 the Lake shall be determined by the Contracting Officer in coordination with the Operating Non-

221 Federal Entity and prorated between the Non-Project Water and Project Water on a monthly
222 basis.

223 (h) Unless otherwise agreed to in writing by the Contracting Officer, the Non-
224 Project Water shall be introduced into the Lake and delivered to the Contractor's South Coast
225 Participants through existing Project Facilities. If temporary inflow or delivery facilities are
226 required to effectuate the introduction of Non-Project Water into the Project Facilities or the
227 delivery of the Non-Project Water to the Contractor's South Coast Participants from the Project
228 Facilities, the Contractor shall, at its own cost and expense obtain all appropriate environmental
229 documents, necessary rights-of-way for such facilities, including the appropriate right of-use
230 agreement(s) or other authorizations issued by the United States for any such facilities located on
231 right-of-way for existing Project Facilities. The Contractor, at its own cost and expense, shall be
232 responsible for providing, installing, operating, maintaining, repairing, replacing, and removing
233 said inflow and delivery facilities. The Contractor hereby grants to the Contracting Officer and
234 the Operating Non-Federal Entity access, for the purpose of this Contract, to all temporary
235 inflow and delivery facilities installed by the Contractor.

236 (i) The introduction of Non-Project Water into the Project Facilities by the
237 Contractor shall be conditioned upon compliance by the Contractor with the environmental
238 measures described in the environmental documentation prepared in connection with the
239 execution of this Contract and with the terms of the applicable operations procedures approved
240 by the Contracting Officer.

241 MEASUREMENT OF NON-PROJECT WATER

242 4. (a) The quantity of Non-Project Water shall be measured and recorded prior
243 to the point(s) of introduction into the Lake and at the point(s) of delivery from the Lake as
244 provided in this Article.

245 (b) The Non-Project Water introduced into the Lake shall be measured and
246 recorded at the Santa Ynez Pumping Plant by the Contractor with devices approved by the
247 Contracting Officer. The Contractor shall examine, test and service the measuring and recording
248 devices. Upon the written request of either party or at least once a Calendar Year, the Contractor
249 and the Contracting Officer shall investigate the accuracy of the measuring and recording
250 devices required by this Contract and the Contractor shall promptly correct any errors in
251 measurement or recording disclosed by such investigation. If such device is found to be
252 defective or inaccurate, it shall be adjusted, repaired, or replaced without expense to the United
253 States. In the event the Contractor neglects or fails to make such repairs or replacements within
254 a reasonable time and to the reasonable satisfaction of the Contracting Officer, the Contracting
255 Officer shall determine the appropriate measurements to be used to implement this Contract
256 pending the Contractor’s completion of the necessary repairs or replacements.

257 (c) The Contractor shall maintain accurate records of the quantity of Non-
258 Project Water, expressed in acre-feet, introduced into and delivered from Project Facilities at
259 said authorized point(s) of introduction and delivery and shall provide such records to the
260 Contracting Officer and the Operating Non-Federal Entity at such times and in such manner as
261 determined by the Contracting Officer.

262 (d) The Non-Project water delivered from the Lake to the South Coast
263 Participants shall be measured and recorded at the Tunnel. The South Coast Participants

264 currently provide for measurement and recordation of water delivered by or through a portion of
265 the Project Facilities including the Tunnel, and are responsible for the accuracy and servicing of
266 the measuring and recording devices at the Tunnel, which responsibilities are carried out through
267 COMB. Therefore, the Contractor and/or the Contractor's South Coast Participants shall seek to
268 engage the services of COMB or any successor entity thereof designated by the South Coast
269 Member Units to measure and record the quantity of Non-Project Water at the Tunnel. If COMB
270 or any successor entity declines or is unable to perform such service, the Contractor and/or the
271 Contractor's South Coast Participants shall otherwise provide for measurement and recordation
272 of Non-Project Water diverted from the Lake including the accuracy of measuring and recording
273 devices in a manner similar to that described in paragraph 4(b) above.

274 (e) Upon the request of either party to this Contract, the Contracting Officer
275 shall investigate, or cause to be investigated by the Operating Non-Federal Entity, the accuracy
276 of all measurements of Non-Project Water required by this Contract. If the investigation
277 discloses errors in the recorded measurements, such errors shall be promptly corrected. If the
278 investigation discloses that measurement devices are defective or inoperative, the Contracting
279 Officer shall take any necessary actions to ensure that the responsible party makes the
280 appropriate adjustments, repairs, or replacements to the measurement devices. In the event the
281 Contractor, as the responsible party, neglects or fails to make such adjustments, repairs, or
282 replacements to the measurement devices within a reasonable time and to the reasonable
283 satisfaction of the Contracting Officer, the Contracting Officer may cause such adjustments,
284 repairs, or replacements to be made and the costs thereof shall be charged to the Contractor and
285 the Contractor shall pay said charges to the United States immediately upon receipt of a detailed
286 billing. For any period of time during which accurate measurements of the Non-Project Water

287 have not been made, the Contracting Officer shall consult with the Contractor and the Operating
288 Non-Federal Entity prior to making a determination of the quantity of Non-Project Water
289 introduced, Stored and/or Conveyed and delivered for that period of time and such determination
290 by the Contracting Officer shall be final and binding on the Contractor.

291 OPERATION, MAINTENANCE, AND REPLACEMENT
292 BY OPERATING NON-FEDERAL ENTITY

293 5. (a) The operation, maintenance, and replacement (OM&R) of a portion of the
294 Project Facilities to be used to introduce, Store and/or Convey and deliver the Non-Project Water
295 to the Contractor’s South Coast Participants, and responsibility for funding a portion of the costs
296 of such OM&R, have been transferred from the United States to COMB, the designated
297 Operating Non-Federal Entity, pursuant to a separate agreement, identified as Contract No. 14-
298 06-200-5222RB, dated September 29, 2023. That separate agreement shall not interfere with or
299 affect the rights or obligations of the Contractor or the United States hereunder.

300 (b) The Contractor or the Contractor’s South Coast Participants may pay
301 directly to COMB, or to any successor approved by the Contracting Officer under the terms and
302 conditions of the separate agreement described in subdivision (a) of this Article 5, all rates,
303 charges, or assessments of any kind, including any assessment for reserve funds, that COMB or
304 such successor determines, sets, or establishes for the operation and maintenance of the portion
305 of the Project Facilities operated and maintained by COMB or such successor used to Store
306 and/or Convey and deliver the Non-Project Water to the Contractor’s South Coast Participants.

307 (c) For so long as the OM&R of any portion of the Project Facilities used to
308 Store and/or Convey and deliver the Non-Project Water to the Contractor’s South Coast
309 Participants is performed by COMB, or any successor thereto, the Contracting Officer shall
310 adjust those components of the Rates for the Non-Project Water Stored and/or Conveyed under

311 this Contract by deleting the costs associated with the activity being performed by COMB or its
312 successor.

313 (d) In the event the United States reassumes OM&R of any portion of the
314 Project Facilities from the Operating Non-Federal Entity, the Contracting Officer shall so notify
315 the Contractor, in writing, and shall revise the Rates on Exhibit B to include the costs associated
316 with the OM&R activities reassumed by the United States. The Contractor shall, thereafter, in
317 the absence of written notification from the Contracting Officer to the contrary, pay the Rates,
318 specified in the revised Exhibit B directly to the United States in compliance with Article 6 of
319 this Contract.

320 PAYMENTS AND ADJUSTMENTS

321 6. (a) At the time the Contractor submits a schedule, or any revision(s) thereof
322 pursuant to subdivision (d) of Article 3 of this Contract, the Contractor shall make an advance
323 payment to the United States equal to the total amount payable pursuant to the applicable Rates
324 shown on Exhibit B, revised each Year, for each acre-foot of Non-Project Water to be introduced
325 into the Project Facilities. Non-Project Water shall not be introduced into Project Facilities by
326 the Contractor prior to such payment being received by the United States.

327 (b) The amount of any overpayment by the Contractor by reason of the
328 quantity of Non-Project Water introduced into the Project Facilities and Stored and/or Conveyed
329 pursuant to this Contract, as conclusively determined by the Contracting Officer, having been
330 less than the quantity which the Contractor otherwise under the provisions of this Contract would
331 have been required to pay for, shall be applied first to any accrued indebtedness arising out of
332 this Contract then due and owing to the United States by the Contractor. Any amount of such
333 overpayment then remaining shall be refunded to the Contractor: Provided, however, That no

334 refund shall be made by the United States to the Contractor for any quantity of Non-Project
335 Water deemed to be unused water donated to the United States for Project purposes pursuant to
336 subdivision (e) of Article 3 of this Contract.

337 (c) All payments made by the Contractor pursuant to subdivision (a) of this
338 Article 6 shall be covered into the Reclamation Fund pursuant to Section 3 of the Act of
339 February 21, 1911 (36 Stat. 925).

340 (d) The payment of the Rates set forth in this Article 6 for the use of Excess
341 Capacity are exclusive of OM&R costs to be paid directly to the Operating Non-Federal Entity
342 by the Contractor, and any additional charges that the Contractor may assess its water users. In
343 accordance with the Act of February 21, 1911 (36 Stat. 925), the Contractor may not impose on
344 its water users any charge for the use of Excess Capacity that exceeds the total amount paid to
345 the United States and to the Operating Non-Federal Entity: Provided, That the Contractor may
346 also charge its water users such additional amounts as are necessary to cover the Contractor's
347 reasonable administrative costs in contracting with the United States for the use of Excess
348 Capacity in the Project Facilities.

349 EXCESS CAPACITY

350 7. (a) The availability of Excess Capacity shall be determined solely by the
351 Contracting Officer. Nothing contained in this Contract shall limit or preclude the United States
352 from utilizing available capacity in the Project Facilities for the storage and conveyance of
353 Project Water pursuant to Federal law, Reclamation law or policy, and existing contract(s); or for
354 using Excess Capacity in the Project Facilities for the storage and conveyance of any other
355 supplies of Non-Project Water.

356 (b) The Contracting Officer and the Operating Non-Federal Entity shall not be
357 obligated to convey Non-Project Water during periods of maintenance or for other operating
358 requirements.

359 (c) If at any time the Contracting Officer determines that there will not be
360 Excess Capacity in the Project Facilities sufficient to allow the Non-Project Water to be
361 introduced into, Stored and/or Conveyed, and delivered in accordance with an approved schedule
362 submitted by the Contractor, the Contracting Officer shall so notify the Contractor in writing.
363 Within 24 hours of said notice, the Contractor shall revise its schedule accordingly.

364 (d) No provision of this Contract shall be construed in any way as a basis for
365 the Contractor to establish a priority to or a permanent right to the use of Excess Capacity in the
366 Project Facilities nor to set a precedent to obligate the United States to enter into contracts with
367 any other entities or individuals for the conveyance or storage of Non-Project Water.

368 RECEIPT AND DISTRIBUTION OF NON-PROJECT WATER SALE, TRANSFER, OR
369 EXCHANGE OF NON-PROJECT WATER

370 8. (a) The parties hereto acknowledge that this Contract does not grant any
371 permission or entitlement to the Contractor to extract and/or divert Non-Project Water from the
372 source(s) described on Exhibit C or to change the nature or place of use of its rights to said Non-
373 Project Water in any way. It is the responsibility of the Contractor to comply with all applicable
374 Federal, State, and local laws, rules and regulations, including, but not limited to, State water law
375 in relation to the Non-Project Water. It is expressly understood by the parties that the United
376 States is only providing Storage and Conveyance capacity for the Non-Project Water and neither
377 the Contracting Officer nor the Operating Non-Federal Entity claims any interest in the
378 acquisition or use of the Non-Project Water beyond the terms specifically set forth in this
379 Contract.

380 (b) Neither the Contracting Officer, nor the Operating Non-Federal Entity,
381 makes any representations as to the accuracy of the description or of the validity of the
382 Contractor’s rights to the Non-Project Water described in Exhibit C.

383 (c) Non-Project Water conveyed under this Contract may not be sold,
384 transferred, or exchanged with any party other than CCWA’s South Coast Participants without
385 the prior written approval of the Contracting Officer.

386 UNITED STATES NOT LIABLE

387 9. (a) The United States, its officers, agents and employees, including the
388 Operating Non-Federal Entity, shall not be responsible for the control, care, or distribution of the
389 Non-Project Water before it is introduced into or after it is delivered from the Project Facilities.
390 It is specifically understood by the parties hereto that the United States is only providing Storage
391 and/or Conveyance capacity for the Non-Project Water. The United States and the Operating
392 Non-Federal Entity does not claim any interest in the Non-Project Water beyond the terms
393 specifically set forth in this Contract.

394 (b) The Contractor shall indemnify and hold harmless the United States, its
395 officers, agents and employees, and the Operating Non-Federal Entity, from any loss or damage
396 and from any liability on account of personal injury, death, or property damage, or claims for
397 personal injury, death, or property damage, of any nature whatsoever arising out of any actions
398 or omissions of the Contractor, its directors, officers, agents, contractors, and employees, under
399 this Contract, including the manner or method in which the Non-Project Water identified on
400 Exhibit C is introduced into and delivered from the Project Facilities. The Contractor further
401 releases the United States, its officers, agents and employees, and the Operating Non-Federal
402 Entity, from every claim for injury to persons, death, or property damage, direct or indirect,

403 resulting from the Contracting Officer’s determination of the quantity of Excess Capacity
404 available in the Project Facilities for the Storage and/or conveyance of the Contractor’s Non-
405 Project Water, the determination that the Non-Project Water introduced into Project Facilities
406 must be terminated, and the elimination from Exhibit C of any source(s) of Non-Project Water.
407 Nothing contained in this Article shall be construed as an assumption of liability by the
408 Contractor with respect to such matters.

409 CHARGES FOR DELINQUENT PAYMENTS

410 10. (a) The Contractor shall be subject to interest, administrative, and penalty
411 charges on delinquent payments. If a payment is not received by the due date, the Contractor
412 shall pay an interest charge on the delinquent payment for each day the payment is delinquent
413 beyond the due date. If a payment becomes 60 days delinquent, the Contractor shall pay, in
414 addition to the interest charge, an administrative charge to cover additional costs of billing and
415 processing the delinquent payment. If a payment is delinquent 90 days or more, the Contractor
416 shall pay, in addition to the interest and administrative charges, a penalty charge for each day the
417 payment is delinquent beyond the due date, based on the remaining balance of the payment due
418 at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt
419 collection services associated with a delinquent payment.

420 (b) The interest rate charged shall be the greater of either the rate prescribed
421 quarterly in the Federal Register by the Department of the Treasury for application to overdue
422 payments, or the interest rate of 0.5 percent per month. The interest rate charged will be
423 determined as of the due date and remain fixed for the duration of the delinquent period.

424 (c) When a partial payment on a delinquent account is received, the amount
425 received shall be applied first to the penalty charges, second to the administrative charges, third
426 to the accrued interest, and finally to the overdue payment.

427 GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

428 11. (a) The obligation of the Contractor to pay the United States as provided in
429 this Contract is a general obligation of the Contractor notwithstanding the manner in which the
430 obligation may be distributed among the Contractor’s water users and notwithstanding the
431 default of individual water users in their obligation to the Contractor.

432 (b) The payment of charges becoming due pursuant to this Contract is a
433 condition precedent to receiving benefits under this Contract. The United States shall not make
434 Non-Project Water available to the Contractor through “Cachuma” project facilities during any
435 period in which the Contractor is in arrears in the advance payment of rates and charges due the
436 United States. The Contractor shall not deliver Non-Project Water under the terms and

437 conditions of this Contract for lands or parties that are in arrears in the advance payment of rates
438 and charges as levied or established by the Contractor.

439 NOTICES

440 12. Any notice, demand, or request authorized or required by this Contract shall be
441 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
442 delivered to Bureau of Reclamation, Area Manager, South-Central California Area Office, 1243
443 N Street, Fresno, California 93721, and on behalf of the United States, when mailed, postage
444 prepaid, or delivered to General Manager of the Contractor, 255 Industrial Way, Buellton,
445 California 93427. The designation of the addressee or the address may be changed by notice
446 given in the same manner as provided in this Article for other notices.

447 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

448 13. The expenditure or advance of any money or the performance of any obligation of
449 the United States under this Contract shall be contingent upon appropriation or allotment of
450 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
451 obligations under this Contract. No liability shall accrue to the United States in case funds are
452 not appropriated or allotted.

453 OFFICIALS NOT TO BENEFIT

454 14. No Member of or Delegate to the Congress, Resident Commissioner, or official of
455 the Contractor shall benefit from this Contract other than as a water user or landowner in the
456 same manner as other water users or landowners.

457 CHANGES IN CONTRACTOR’S ORGANIZATION

458 15. While this Contract is in effect, no change may be made in the Contractor’s
459 organization, by inclusion or exclusion of lands or by any other changes which may affect the
460 respective rights, obligations, privileges, and duties of either the United States or the Contractor
461 under this Contract including, but not limited to, dissolution, consolidation, or merger, except
462 upon the Contracting Officer’s written consent.

463 ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

464 16. The provisions of this Contract shall apply to and bind the successors and assigns
465 of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein
466 by either party shall be valid until approved in writing by the other party.

467 BOOKS, RECORDS, AND REPORTS

468 17. (a) The Contractor shall establish and maintain accounts and other books and
469 records pertaining to administration of the terms and conditions of this Contract, including the
470 Contractor’s financial transactions; water supply data; Project operation, maintenance, and
471 replacement logs; Project land and rights-of-way use agreements; the water users’ land-use (crop
472 census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting
473 Officer may require. Reports shall be furnished to the Contracting Officer in such form and on

474 such date or dates as the Contracting Officer may require. Subject to applicable Federal laws
475 and regulations, each party to this Contract shall have the right during office hours to examine
476 and make copies of the other party's books and records relating to matters covered by this
477 Contract.

478 RULES, REGULATIONS, AND DETERMINATIONS

479 18. (a) The parties agree that the delivery of water or the use of Federal facilities
480 pursuant to this Contract is subject to Federal reclamation law, as amended and supplemented,
481 and the rules and regulations promulgated by the Secretary of the Interior under Federal
482 reclamation law.

483 (b) The Contracting Officer shall have the right to make determinations
484 necessary to administer this Contract that are consistent with its expressed and implied
485 provisions, the laws of the United States and the State of California, and the rules and regulations
486 promulgated by the Secretary of the Interior. Such determinations shall be made in consultation
487 with the Contractor.

488 PROTECTION OF WATER AND AIR QUALITY

489 19. (a) The Contractor, without expense to the United States, will care for,
490 operate and maintain the transferred works in a manner that preserves the quality of the water at
491 the highest feasible level as determined by the Contracting Officer.

492 (b) The United States will care for, operate and maintain reserved works in a
493 manner that preserves the quality of the water at the highest feasible level as determined by the
494 Contracting Officer. The United States does not warrant the quality of the Non-Project Water
495 delivered to the Contractor and is under no obligation to furnish or construct water treatment
496 facilities to maintain or improve the quality of the Non-Project Water delivered to the
497 Contractor.

498 (c) The Contractor will comply with all applicable water and air pollution
499 laws and regulations of the United States and the State of California; and will obtain all required
500 permits or licenses from the appropriate Federal, State, or local authorities necessary for the
501 delivery of Non-Project Water by the Contractor; and will be responsible for compliance with all
502 Federal, State, and local water quality standards applicable to surface and subsurface drainage
503 and/or discharges generated through the use of Project Facilities or Contractor facilities or Non-
504 Project Water provided by the Contractor within the Contractor's Boundaries.

505 (d) This Article 19 will not affect or alter any legal obligations of the
506 Secretary to provide drainage or other discharge services.

507 (e) The Non-Project Water introduced into the Project Facilities shall be of
508 such quality, as determined solely by the Contracting Officer, as to not significantly degrade the
509 quality of the Project Water. If it is determined by the Contracting Officer that the quality of the

510 Non-Project Water from any source(s) identified in Exhibit C will significantly degrade the
511 quality of Project Water in or introduced into the Project Facilities, the Contractor shall, upon
512 receipt of a written notice from the Contracting Officer, arrange for the immediate termination of
513 the introduction of Non-Project Water from such sources(s) into the Project Facilities, and
514 Exhibit C shall be modified to delete such sources(s) of Non-Project Water.

515 (f) Exhibit D identifies the minimum water quality standards for monitoring
516 the quality of Non-Project Water introduced by the Contractor into Project Facilities. Exhibit D
517 identifies the laboratories approved by the Contracting Officer that are to be used for conducting
518 water quality analyses. The Contractor is responsible for sampling and analytical costs
519 associated with evaluating quality of the Non-Project Water. Non-Project Water introduced into
520 Project Facilities for purposes of water quality testing is considered Project water.

521 (g) At all times during the term of this Contract, the Contractor shall be in
522 compliance with the requirements of the then-current Quality Assurance Project Plan (Plan)
523 approved by the Contracting Officer to monitor Non-Project Water introduced into and conveyed
524 through the Project Facilities. The Plan describes the sample collection procedures, water testing
525 methods, and data review process, including quality control/quality assurance protocols, to verify
526 analytical results.

527 (h) The Contracting Officer reserves the right to require additional analyses to
528 ensure the Non-Project Water meets the Bureau of Reclamation's water quality acceptance
529 criteria.

530 WATER CONSERVATION

531 20. (a) Prior to the delivery of water provided from or conveyed through federally
532 constructed or federally financed facilities pursuant to this Contract, the Contractor's South
533 Coast Participants shall develop a water conservation plan, as required by subsection 210(b) of

534 the Reclamation Reform Act of 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and
535 Regulations).

536 (b) The parties hereto acknowledge and agree that pursuant to Contract No.
537 I75r-1802RB, “Second Amendment to Contract Between the United States and Santa
538 Barbara County Water Agency for Water Service from the Project,” with an effective date of
539 September 29, 2023, as amended, the Contractor’s South Coast Participants have implemented
540 an effective water conservation plan/program that has been approved by the Contracting Officer.
541 Said water conservation plan/program shall be deemed to meet the requirements of subdivision
542 (a) of this Article 21: Provided, That the Contractor, prior to execution of this Contract,
543 documents to the satisfaction of the Contracting Officer that the quantity of Non-Project Water to
544 be conveyed pursuant to this Contract has been included in its South Coast Participants approved
545 water conservation plan(s)/program(s) and that all Non-Project Water conveyed pursuant to this
546 Contract shall be subject to the same water conservation requirements as the Project Water under
547 Contract No. I75r-1802RB.

548 EQUAL EMPLOYMENT OPPORTUNITY

549 The following language is required by Executive Order No. 11246 of September 24, 1965, in all
550 government contracts unless and until it is superseded or amended.

551 21. During the performance of this Contract, the Contractor agrees as follows:

552 (a) The Contractor will not discriminate against any employee or applicant for
553 employment because of race, color, religion, sex, sexual orientation, gender identity, or national
554 origin. The Contractor will take affirmative action to ensure that applicants are employed, and
555 that employees are treated during employment, without regard to their race, color, religion, sex,
556 sexual orientation, gender identity, or national origin. Such action shall include, but not be
557 limited to the following: employment, upgrading, demotion, or transfer; recruitment or
558 recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and
559 selection for training, including apprenticeship. The Contractor agrees to post in conspicuous
560 places, available to employees and applicants for employment, notices to be provided by the
561 Contracting Officer setting forth the provisions of this nondiscrimination clause.

562 (b) The Contractor will, in all solicitations or advertisements for employees
563 placed by or on behalf of the Contractor, state that all qualified applicants will receive

564 consideration for employment without regard to race, color, religion, sex, sexual orientation,
565 gender identity, or national origin.

566 (c) The Contractor will not discharge or in any other manner discriminate
567 against any employee or applicant for employment because such employee or applicant has
568 inquired about, discussed, or disclosed the compensation of the employee or applicant or another
569 employee or applicant. This provision shall not apply to instances in which an employee who
570 has access to the compensation information of other employees or applicants as a part of such
571 employee's essential job functions discloses the compensation of such other employees or
572 applicants to individuals who do not otherwise have access to such information, unless such
573 disclosure is in response to a formal complaint or charge, in furtherance of an investigation,
574 proceeding, hearing, or action, including an investigation conducted by the employer, or is
575 consistent with the Contractor's legal duty to furnish information.

576 (d) The Contractor will send to each labor union or representative of workers
577 with which it has a collective bargaining agreement or other contract or understanding, a notice,
578 to be provided by the Contracting Officer, advising the labor union or workers' representative of
579 the Contractor's commitments under Section 202 of Executive Order No. 11246 of September
580 24, 1965, and shall post copies of the notice in conspicuous places available to employees and
581 applicants for employment.

582 (e) The Contractor will comply with all provisions of Executive Order No.
583 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of
584 Labor.

585 (f) The Contractor will furnish all information and reports required by
586 Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of
587 the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and
588 accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to
589 ascertain compliance with such rules, regulations, and orders.

590 (g) In the event of the Contractor's noncompliance with the nondiscrimination
591 clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be
592 canceled, terminated or suspended in whole or in part and the Contractor may be declared
593 ineligible for further Government contracts in accordance with procedures authorized in
594 Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and
595 remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule,
596 regulation, or order of the Secretary of Labor, or as otherwise provided by law.

597 (h) The Contractor will include the provisions of paragraphs (a) through (h) in
598 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
599 Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September
600 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The
601 Contractor will take such action with respect to any subcontract or purchase order as may be
602 directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions
603 for noncompliance: *Provided, however*, that in the event the Contractor becomes involved in, or
604 is threatened with, litigation with a subcontractor or vendor as a result of such direction, the

605 Contractor may request the United States to enter into such litigation to protect the interests of
606 the United States.

607 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

608 22. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
609 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as
610 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135,
611 Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub.
612 L. 101-336; 42 U.S.C. § 12131, et seq.) and any other applicable civil rights laws, and with the
613 applicable implementing regulations and any guidelines imposed by the U.S. Department of the
614 Interior and/or Bureau of Reclamation.

615 (b) These statutes prohibit any person in the United States from being
616 excluded from participation in, being denied the benefits of, or being otherwise subjected to
617 discrimination under any program or activity receiving financial assistance from the Bureau of
618 Reclamation on the grounds of race, color, national origin, disability, or age. By executing this
619 Contract, the Contractor agrees to immediately take any measures necessary to implement this
620 obligation, including permitting officials of the United States to inspect premises, programs, and
621 documents.

622 (c) The Contractor makes this agreement in consideration of and for the
623 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other
624 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of
625 Reclamation, including installment payments after such date on account of arrangements for
626 Federal financial assistance which were approved before such date. The Contractor recognizes
627 and agrees that such Federal assistance will be extended in reliance on the representations and
628 agreements made in this Article and that the United States reserves the right to seek judicial
629 enforcement thereof.

630 (d) Complaints of discrimination against the Contractor shall be investigated
631 by the Contracting Officer’s Office of Civil Rights.

632 CERTIFICATION OF NONSEGREGATED FACILITIES

633 23. The Contractor hereby certifies that it does not maintain or provide for its
634 employees any segregated facilities at any of its establishments and that it does not permit its
635 employees to perform their services at any location under its control where segregated facilities
636 are maintained. It certifies further that it will not maintain or provide for its employees any
637 segregated facilities at any of its establishments and that it will not permit its employees to
638 perform their services at any location under its control where segregated facilities are
639 maintained. The Contractor agrees that a breach of this certification is a violation of the Equal
640 Employment Opportunity clause in this Contract. As used in this certification, the term
641 “segregated facilities” means any waiting rooms, work areas, rest rooms and wash rooms,
642 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,
643 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing
644 facilities provided for employees which are segregated by explicit directive or are in fact

645 segregated on the basis of race, creed, color, or national origin, because of habit, local custom,
646 disability, or otherwise. The Contractor further agrees that (except where it has obtained
647 identical certifications from proposed subcontractors for specific time periods) it will obtain
648 identical certifications from proposed subcontractors prior to the award of subcontracts
649 exceeding \$10,000 which are not exempt from the provisions of the Equal Employment
650 Opportunity clause; that it will retain such certifications in its files; and that it will forward the
651 following notice to such proposed subcontractors (except where the proposed subcontractors
652 have submitted identical certifications for specific time periods):

653 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
654 CERTIFICATIONS OF NONSEGREGATED FACILITIES

655 A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract
656 exceeding \$10,000 which is not exempt from the provisions of the Equal Employment
657 Opportunity clause. The certification may be submitted either for each subcontract or for all
658 subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for
659 making false statements in offers is prescribed in 18 U.S.C. § 1001.

660 MEDIUM FOR TRANSMITTING PAYMENTS

661 24. (a) All payments from the Contractor to the United States under this Contract
662 shall be by the medium requested by the United States on or before the date payment is due. The
663 required method of payment may include checks, wire transfers, or other types of payment
664 specified by the United States.

665 (b) Upon execution of this Contract, the Contractor shall furnish the
666 Contracting Officer with the Contractor’s taxpayer’s identification number (TIN). The purpose
667 for requiring the Contractor’s TIN is for collecting and reporting any delinquent amounts arising
668 out of the Contractor’s relationship with the United States.

669 CONTRACT DRAFTING CONSIDERATIONS

670 25. This Contract has been negotiated and reviewed by the parties hereto, each of
671 whom is sophisticated in the matters to which this Contract pertains. The double-spaced articles
672 of this Contract have been drafted, negotiated, and reviewed by the parties, and no one party
673 shall be considered to have drafted the stated articles. Single-spaced articles are standard articles
674 pursuant to Reclamation policy.

675 INCORPORATION OF EXHIBITS

676 26. Exhibits A through D are attached hereto and incorporated herein by reference.

677 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of
678 the day and year first above written.

679 UNITED STATES OF AMERICA

680 By: _____
681 Michael P. Jackson, Area Manager
682 South-Central California Area Office
683 California-Great Basin Region
684 Bureau of Reclamation

685 CENTRAL COAST WATER AUTHORITY
686 (SEAL)

687 By: _____
688 President of the Board of Directors
689 Attest:

690 By: _____
691 Secretary of the Board of Directors



Contractor's Boundary	Local Connection	Conduit	Pumping Plant
California Aqueduct	CCWA Extension	Dam	Tank
Coastal Branch, Phase II	Tunnel	Water Treatment Plant	Turnout

0 5 10 20 Miles

EXHIBIT B
CENTRAL COAST WATER AUTHORITY
WATER YEAR 2024
STORAGE AND CONVEYANCE RATES
(PER ACRE-FOOT)

O&M Cost Component	Water
Water Marketing	\$23.57
Storage	\$52.96
XO&M	\$0.00
Conveyance	\$0.00
O&M Sub-Total	\$76.53
Capital Component	\$0.00
Deficit Rate	\$0.00
Total Water Rate:	\$76.53

EXPLANATORY NOTES

***Used the original cost to develop Cachuma Warren Act Rate. XM/Replacement component on Storage Cost pool may be charged, if applicable.**

****For Conveyance, XM/Replacement costs would be recovered thru COMB.**

EXHIBIT C

SOURCE(S) OF CONTRACTOR’S NON-PROJECT WATER CENTRAL COAST WATER AUTHORITY

SOURCE: “Non-Project Water” means water not appropriated by the United States for the Project which is acquired by or available to the Contractor from or through the State Water Project from the following sources:

State Water Project water acquired by or available to the Contractor from the State Water Project, including but not limited to State Water Project water previously stored in a surface water reservoir or groundwater bank; and water from sources other than the State Water Project, including but not limited to the Sacramento River watershed and the San Joaquin-Sacramento Delta, acquired by or available to the Contractor and conveyed to the Contractor through the State Water Project, which conveyance requires the approval of DWR pursuant to the Water Supply Contract.

POINTS OF INTRODUCTION AND DELIVERY: Non-Project water introduced into Lake Cachuma shall be measured and recorded at the Santa Ynez Pumping Plant. Non-Project water diverted from Lake Cachuma shall be measured and recorded at the Tecolote Tunnel and conveyed through the South Coast Conduit for delivery to the South Coast Member Units.

EXHIBIT D

WATER QUALITY STANDARDS

CCWA monitors water quality within its facilities. Prior to its introduction into Lake Cachuma, CCWA water is treated in CCWA's Polonio Pass Water Treatment Plant in San Luis Obispo County to applicable drinking water standards. This treatment process includes adding chloramine (a mix of chlorine and ammonia) to the water. From the Polonio Pass Water Treatment Plant, CCWA's water is conveyed to the Santa Ynez Pumping Facility where it is treated with sodium bisulfite to remove the chloramine before the water is conveyed to Bradbury Dam for introduction into Cachuma Project facilities.

Built-in safety systems at the Santa Ynez Pumping Facility automatically shut off the pumps if a chlorine concentration ≥ 0.05 mg/L is detected, or if residual sodium bisulfite concentrations drop to 0.1 mg/L or rise above 1 mg/L. Slightly more sodium bisulfite is added to the water than needed to completely neutralize the chlorine, which results in a small amount of unreacted sodium bisulfite left in the water (i.e. >0.1 mg/L and ≤ 1 mg/L). Based on the chemistry of the chemical reaction between sodium bisulfite and chloramine, as long as there is a detectable sodium bisulfite concentration in the water there is no free chlorine left in the water (i.e., chlorine residual is 0 mg/L).



September 13, 2024

Mr. Michael Jackson
Area Manager
U.S. Bureau of Reclamation
South-Central California Area Office
1243 N Street
Fresno, CA 93721-1813

Eric Friedman
Chairman

Jeff Clay
Vice Chairman

Ray A. Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

RE: Temporary Warren Act Contract – Year 2024-2027 (Contract No. 24-WC-20-6310) and Future Warren Act Contract

Dear Mr. Jackson,

Today, the Central Coast Water Authority (CCWA) approved the above-referenced temporary contract with the United States Bureau of Reclamation authorizing CCWA to continue its use of the Cachuma Project for the storage and conveyance of CCWA's supplemental water supplies for delivery to CCWA's South Coast Participants.

As you know, access to the Cachuma Project is vital to CCWA and its South Coast Participants—it provides the only physical connection between CCWA's conveyance facilities and the State Water Project and the South Coast Conduit, which delivers both Cachuma Project and CCWA's supplemental water supplies to the south coast of Santa Barbara County. Given the very short time available to finalize this second temporary contract to ensure continued access to the Cachuma Project after expiration of the current temporary contract on September 30, 2024, CCWA's Board of Directors approved the second temporary contract, notwithstanding its objection to Paragraph 3(a), which imposes a loss of 3% of all CCWA water introduced into the Cachuma Project.

CCWA appreciates that Reclamation must ensure that CCWA's use of the Cachuma Project does not adversely impact the Project or its beneficiaries and for this reason, CCWA agrees that *actual* conveyance and other (i.e., evaporative) losses must be deducted from all CCWA water deliveries. However, CCWA continues to be concerned that the Reclamation's assumed 3% conveyance loss exceeds the actual measured losses and therefore is not warranted or justified.

It will soon be time for our respective agencies to commence negotiations of a long-term contract for CCWA's continued storage and conveyance in the Cachuma Project. As part of that process, CCWA requests that Reclamation, Cachuma Operations and Management Board (COMB) and CCWA staffs collaborate to develop the technical and legal analyses necessary to support a contract that ensures both that CCWA's use of the Cachuma Project does not adversely impact the Project and its beneficiaries and that does not result in an arbitrary contribution of CCWA water to the Project or downstream users. Given the significant expense (\$2,400 per acre-foot) of CCWA water, and the importance of its availability to the South Coast Participants, especially during droughts, it is critical that we account for every acre-foot of CCWA's water supply.

Finally, in recent negotiations between CCWA and Reclamation staffs, you made clear Reclamation's intention that the assumed conveyance losses included in this second temporary contract will not accrue to the Project's "ANA" and "BNA" accounts that

Mr. Michael Jackson
September 13, 2024
Page 2

benefit downstream water users. However, it is not clear to CCWA how this intention will be implemented in the day-to-day operations of and accounting for the Cachuma Project. CCWA requests that our respective agency staffs, together with the COMB staff, meet as soon as possible to develop the accounting procedures that will be needed to ensure this result. CCWA staff will follow up with you directly to schedule one or more meetings for this purpose.

On behalf of the CCWA Board of Directors, I appreciate the time you and your staff have already dedicated to this important issue for CCWA and its South Coast Participants. CCWA looks forward to the continued cooperation of our agencies to ensure the availability of CCWA's long-term supplemental water supplies for Santa Barbara County.

Sincerely,

Eric Friedman, Board Chair
Central Coast Water Authority

DRAFT