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12 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
13 FOR THE COUNTY OF SANTA BARBARA

14 CENTRAL COAST WATER AUTHORITY,  
15 CARPINTERIA VALLEY WATER DISTRICT,  
16 CITY OF BUELLTON, CITY OF  
17 GUADALUPE, CITY OF SANTA BARBARA,  
18 CITY OF SANTA MARIA, GOLETA WATER  
DISTRICT, MONTECITO WATER DISTRICT,  
19 AND SANTA YNEZ RIVER WATER  
CONSERVATION DISTRICT,  
20 IMPROVEMENT DISTRICT NO. 1,  
Petitioners/Plaintiffs,  
v.  
21 SANTA BARBARA COUNTY FLOOD  
CONTROL AND WATER CONSERVATION  
22 DISTRICT, a special act district; SANTA  
BARBARA COUNTY BOARD OF  
23 SUPERVISORS, a governing body; ALL  
24 PERSONS INTERESTED IN THE MATTER OF  
THE VALIDITY OF SANTA BARBARA  
25 COUNTY FLOOD CONTROL AND WATER  
CONSERVATION DISTRICT'S RESOLUTION  
26 NO. 21-73; ROES 1 through 50, inclusive; and  
DOES 1 through 50, inclusive  
27 Respondents/Defendants.

CASE NO.  
**PETITION FOR WRIT OF  
MANDAMUS AND COMPLAINT**  
**(1) Reverse Validation to Determine the  
Invalidity of Resolution No. 21-73,  
Code Civ. Proc. § 860 et seq.**  
**(2) Writ of Mandate for Acting in  
Excess of Statutory Authority, Code  
Civ. Proc., § 1085**  
**(3) Breach of Contract**  
**(4) Breach of the Implied Covenant of  
Good Faith and Fair Dealing**  
**(5) Declaratory Relief, Code Civ. Proc.,  
§ 1060**

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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,  
IMPROVEMENT DISTRICT NO. 1

1 The Central Coast Water Authority (“**CCWA**”), the Carpinteria Valley Water District, the  
2 City of Buellton, the City of Guadalupe, the City of Santa Barbara, the City of Santa Maria, the  
3 Goleta Water District, the Montecito Water District, and the Santa Ynez River Water  
4 Conservation District, Improvement District No. 1, (each, a “**Petitioner/Plaintiff**” and  
5 collectively “**Petitioners/Plaintiffs**”) by and through their respective attorneys of record, allege  
6 as follows:

7 **INTRODUCTION**

8 1. Petitioner/Plaintiff CCWA is a joint powers agency formed by and for the benefit  
9 of its eight public agency members (individually, “**CCWA Member**” and collectively, the  
10 “**CCWA Members**”) which are the other Petitioners/Plaintiffs in this action. Each CCWA  
11 Member provides retail water service to customers (ratepayers) within its respective jurisdiction  
12 within Santa Barbara County.

13 2. Pursuant to a series of contracts executed in the mid-1980s and early 1990s  
14 (“**Transfer Agreements**”), Respondent/Defendant Santa Barbara County Flood Control and  
15 Water Conservation District (“**District**”) relinquished, and Petitioner/Plaintiff CCWA assumed,  
16 all of the rights to, and obligations under, the State Water Supply Contract (“**State Water**  
17 **Contract**”). The State Water Contract is the long-term water supply contract between the  
18 District and the California Department of Water Resources (“**DWR**”) that provides for the right  
19 to receive a portion of the water supply made available annually from California’s State Water  
20 Project (“**SWP**”). Because DWR did not consent to a full assignment of the State Water Contract  
21 from the District to CCWA at the time the Transfer Agreements were executed—for a reason that  
22 no longer applies—the District remains, in name only, the party to the State Water Contract, with  
23 the sole remaining obligation to levy a county-wide property tax to make up for any financial  
24 shortfall in the unlikely event that CCWA fails to make the payments required of it under its  
25 contractual obligations to the District and DWR. However, the Transfer Agreements include  
26 financial protections that render that remaining District obligation essentially moot. In the 30  
27 years since the District transferred its rights and obligations under the State Water Contract to  
28 CCWA, CCWA has never missed a single payment.

1           3.       Since 1991, CCWA has been entirely responsible, administratively and financially,  
2 for the State Water Contract. Additionally, wholly independent of the District, CCWA financed  
3 and constructed, and owns, operates and maintains, all of the local facilities that the treat, convey  
4 and deliver SWP water to the CCWA Participants in Santa Barbara County. As a result, CCWA,  
5 not the District, is solely responsible for Santa Barbara County’s participation in the SWP and the  
6 delivery of imported SWP water to Santa Barbara County.

7           4.       CCWA passes 100% of all of its costs on to the entities and agencies which have  
8 contracted with CCWA for the right to delivery of a portion of the SWP water supply: the eight  
9 CCWA Members and five other parties, including the federal government. Together these 13  
10 entities are referred to as the “**CCWA Participants.**”

11           5.       Together, the CCWA Participants deliver water or water service to more than 85%  
12 of the population of Santa Barbara County—approximately 380,000 customers. SWP water,  
13 made available to the CCWA Participants pursuant to the State Water Contract, and delivered to  
14 them by CCWA, constitutes 47% of Santa Barbara County’s average annual supply. By contrast,  
15 the District delivers no water supply of any kind and serves no water customers. It never has.

16           6.       Since 1991, the CCWA Participants have, collectively, expended more than **\$1**  
17 **billion** to receive delivery of SWP water from CCWA pursuant to the State Water Contract,  
18 including the costs to finance, construct, operate and maintain the CCWA-owned facilities that  
19 enable that delivery. These investments were made in reliance on the rights CCWA and the  
20 CCWA Participants acquired pursuant to the Transfer Agreements. The District, on the other  
21 hand, has not paid anything since 1991.

22           7.       From time to time, DWR requires the District, as the nominal contracting party, to  
23 execute certain documents and agreements, on behalf of CCWA, including but not limited to all  
24 amendments to the State Water Contract (“**DWR Agreement(s)**”). Under the Transfer  
25 Agreements, upon CCWA’s consent to a DWR Agreement, and request that the District execute  
26 such DWR Agreement on behalf of CCWA, the District’s execution of any such agreement  
27 should be automatic and ministerial. In fact, since 1991 and until recently, the District has  
28 executed six prior amendments to the State Water Contract in due course and without conditions.

1           8.       Now, after 30 years, the District, by and through its adoption of Resolution No.  
2 21-73 on April 20, 2021, has imposed unlawful and burdensome conditions and limitations on  
3 CCWA’s administration of the State Water Contract, on CCWA’s exercise of its rights pursuant  
4 to the State Water Contract, and on the CCWA Participants’ water supply and water management  
5 activities, including each CCWA Participants’ use of its SWP water supply and use of the  
6 CCWA-owned facilities, thereby depriving CCWA of its contractual rights to the State Water  
7 Contract and the CCWA Participants of the benefits of the State Water Contract, potentially at  
8 great additional costs to CCWA Participants and, as applicable, their customers. The CCWA  
9 Participants’ damages include, but are not limited to, frustration of water supply and water  
10 management planning efforts, increased administrative costs, lost sales of surplus water supplies,  
11 higher costs to manage water supplies, and increased costs of water service.

12           9.       The District has no *authority*—pursuant to its enabling legislation or any other  
13 law—to impose conditions and limitations on CCWA’s exercise of its rights to the State Water  
14 Contract or the CCWA Participants’ use of their SWP water supply. As a special act district, the  
15 District has no inherent police power, but only those powers conferred to it by its enabling  
16 legislation. In fact, the District is expressly prohibited from interfering in CCWA’s right and  
17 authority to deliver SWP water to the CCWA Members and from interfering in each CCWA  
18 Member’s right and authority to manage its water supply resources, including but not limited to  
19 its SWP water supply, as permitted by the State Water Contract, in the manner each determines,  
20 in its sole and absolute discretion, to be in the best interest of its customers, the ratepayers.  
21 Moreover, the District has no authority to impair the CCWA Members’ obligations to provide a  
22 reliable and adequate supply of clean and safe water to their customers. Accordingly, Resolution  
23 No. 21-73, which violates the District’s authorizing legislation, is invalid and unenforceable.

24           10.       Further, the District, even in its residual role as the nominal contracting party to  
25 the State Water Contract, has no *right* to impose conditions and limitations on CCWA’s  
26 contractual rights to the State Water Contract. Having assigned away and surrendered the  
27 administrative responsibilities, financial obligations, and the legal burdens of the State Water  
28 Contract to CCWA in the Transfer Agreements, the District does not now have the right to dictate

1 how CCWA should exercise its contractual rights to the State Water Contract, much less how  
2 CCWA Participants should use their SWP water supply. CCWA has fully satisfied its contractual  
3 obligations to the District and pursuant to the State Water Contract. The District's adoption of  
4 Resolution No. 21-73 improperly and unlawfully impairs the full exercise of CCWA's rights to  
5 the State Water Contract, and as a result deprives the CCWA Participants of the benefits of the  
6 State Water Contract for which they have paid.

7 **PARTIES**

8 11. Petitioner/Plaintiff CCWA is a public agency organized pursuant to the Joint  
9 Exercise of Powers Act (Gov. Code § 6500 et seq.) and operating in Santa Barbara County and  
10 San Luis Obispo County, in the State of California. Petitioners/Plaintiffs CCWA Members are  
11 also public agencies: (1) the Carpinteria Valley Water District; (2) the City of Buellton; (3) the  
12 City of Guadalupe; (4) the City of Santa Barbara; (5) the City of Santa Maria; (6) the Goleta  
13 Water District; (7) the Montecito Water District; and (8) the Santa Ynez River Water  
14 Conservation District, Improvement District No. 1. CCWA delivers imported SWP water to each  
15 CCWA Member and also to the other CCWA Participants: Vandenberg Air Force Base (recently  
16 renamed Vandenberg Space Force Base) of the United States Air Force; Golden State Water  
17 Company, a water utility regulated by the California Public Utilities Commission; La Cumbre  
18 Mutual Water Company, a mutual water company that serves more than 1,400 customers within  
19 the boundaries of the Goleta Water District; and two private entities.

20 12. Petitioner/Plaintiff, the Carpinteria Valley Water District is a County Water  
21 District authorized pursuant to Division 12 of the California Water Code, section 30000. The  
22 District is located in the southern coastal portion of Santa Barbara County and includes the City  
23 of Carpinteria. It provides retail potable water service to all residential, commercial and  
24 agricultural customers within its boundaries; approximately 15,494 people. The District is  
25 governed by a Board of Directors elected by the registered voters of the District.

26 13. Petitioner/Plaintiff, the City of Buellton is a general law city located in the Santa  
27 Ynez Valley area of Santa Barbara County. It provides water service to residential, commercial,  
28 and industrial customers within its boundaries, approximately 4,950 people. The City is governed

1 by a City Council comprised of a directly-elected Mayor and four Council Members, all of whom  
2 are elected by the registered voters of the City.

3 14. Petitioner/Plaintiff, the City of Guadalupe is located in the northwest portion of  
4 Santa Barbara County near the border with San Luis Obispo County. It provides retail potable  
5 water service to all residential, commercial and industrial customers within its boundaries;  
6 approximately 7,451 people (as of 2019). The City of Guadalupe is a general law city governed  
7 by a City council composed of 5 members who are elected by the registered voters of the city.

8 15. Petitioner/Plaintiff, the City of Santa Barbara, is a California charter city, that  
9 provides water for agricultural, domestic, and municipal and industrial uses within in its service  
10 territory pursuant to California Constitution article 11, section 9 and the City’s charter and laws.

11 16. Petitioner/Plaintiff, the City of Santa Maria, is a California charter city, that  
12 provides water for agricultural, domestic, and municipal and industrial uses within in its service  
13 territory pursuant to California Constitution article 11, section 9 and the City’s charter and laws.

14 17. Petitioner/Plaintiff, the Goleta Water District is a County Water District authorized  
15 pursuant to Division 12 of the California Water Code, section 30000 et seq. The District is  
16 located in the southern coastal portion of Santa Barbara County and includes the City of Goleta  
17 and unincorporated portions of Santa Barbara County, including the University of California-  
18 Santa Barbara campus. It provides retail potable water service to all residential, commercial and  
19 agricultural customers within its boundaries, approximately 87,000 people. The District is  
20 governed by a Board of Directors elected by the registered voters of the District.

21 18. Petitioner/Plaintiff, the Montecito Water District is a County Water District,  
22 organized pursuant to Division 12 of the California Water Code section 30000 et seq. and  
23 operating in Santa Barbara County in the State of California. It provides retail potable water  
24 service to all residential, commercial, institutional, and agricultural customers within its  
25 boundaries; serving approximately 11,440 customers through 4,600 service connections. The  
26 Montecito Water District is governed by a Board of Directors elected by the registered voters of  
27 the District.

28



1           19.     Petitioner/Plaintiff, the Santa Ynez River Water Conservation District,  
2 Improvement District No. 1 is a Special Improvement District authorized pursuant to Water  
3 Conservation District Law of 1931 of the California Water Code, section 74000 et seq. The  
4 District is located in the Santa Ynez Valley serving the communities of Santa Ynez, Los Olivos,  
5 Ballard, the Santa Ynez Band of the Chumash Indians, and the City of Solvang on a limited basis.  
6 With a population of approximately 6,737 (excluding the City of Solvang), the District currently  
7 provides water service to 2,598 municipal and industrial customers and approximately 97  
8 agricultural customers. The District encompasses an area of approximately 10,850 acres  
9 (including approximately 1,300 acres within Solvang). The District is governed by a Board of  
10 Trustees elected by the registered voters of the District.

11           20.     Respondent/Defendant, the District, is a special act district created by the  
12 legislature pursuant to the Santa Barbara County Flood Control and Water Conservation District  
13 Act (Water Code App. § 74-1 et seq., Chapter 1057 of the Statutes of 1955.) As a special act  
14 district, the District is limited to the powers the Legislature identified in creating it.

15           21.     Respondent/Defendant, the Board of Supervisors, is the governing body—Board  
16 of Directors—of the District, as stated in the legislation creating the District. The ordinances,  
17 resolutions, and other actions of the District are adopted by the Board of Supervisors sitting as the  
18 Board of Directors of the District and are certified, recorded, and published in generally the same  
19 manner as other actions of the Board of Supervisors.

20           22.     Respondents/Defendants referred to herein as ALL PERSONS INTERESTED IN  
21 THE MATTER OF THE VALIDITY OF SANTA BARBARA COUNTY FLOOD CONTROL  
22 AND WATER CONSERVATION DISTRICT RESOLUTION NO. 21-73 are all persons  
23 interested in the validity of Resolution No. 21-73.

24           23.     The true names and capacities of those individuals and entities, corporate or  
25 otherwise, named as Does 1 through 50, inclusive, and Roes 1 through 50, inclusive, are unknown  
26 to Petitioners/Plaintiffs at this time. However, Petitioners/Plaintiffs allege, upon information and  
27 belief, that each of the fictitiously designated Respondents/Defendants is responsible in some  
28 manner for the events and occurrences alleged in this pleading, or conspired in some manner with

1 the named Respondents/Defendants and/or each other, or was the alter ego of the named  
2 Respondents/Defendants and/or each other, and that Plaintiffs'/Petitioners' damages were  
3 proximately caused by their conduct. Petitioners/Plaintiffs will seek leave of court to amend this  
4 pleading to state the true names and capacities of such Doe defendants/Roe respondents once they  
5 have been ascertained.

6 **JURISDICTION AND VENUE**

7 24. This Petition and Complaint is brought pursuant to the Code of Civil Procedure  
8 sections 860 et seq., 1060, and 1085, and the California Constitution, Article X, Section 2. This  
9 Court has subject matter jurisdiction over this action pursuant to the above provisions because the  
10 District is a local agency operating within the jurisdictional limits of Santa Barbara County.

11 25. This Court has jurisdiction over this matter with respect to the First Cause of  
12 Action (Reverse Validation) pursuant to Code of Civil Procedure sections 860 et seq., including  
13 863.

14 26. This Court has jurisdiction to review Resolution No. 21-73 and to issue a writ of  
15 mandate and declaratory and injunctive relief pursuant to Code of Civil Procedure sections 1060  
16 and 1085 on the Second through Fifth Causes of Action.

17 27. Venue in this Court is proper pursuant to Code of Civil Procedure sections 392,  
18 393 and 394 because the District and the Board of Supervisors have their principal places of  
19 business in Santa Barbara County.

20 **STANDING**

21 28. Pursuant to the Joint Exercise of Powers Agreement creating CCWA, and each of  
22 the Water Supply Agreements between CCWA and each of the CCWA Participants, CCWA has  
23 the right to bring suit on behalf of itself and the CCWA Participants.

24 29. CCWA is a party to, or the assignee of, the Transfer Agreements at issue in this  
25 Petition and Complaint, namely: the 1991 Transfer of Financial Responsibility Agreement with  
26 the District; the 1993 Assignment Agreement with the District; and the 19 Water Supply  
27 Retention Agreements that the District executed during the mid-1980s with retail water providers  
28 and water users in Santa Barbara County, including the CCWA Participants.



1 retail water supply agencies and irrigation, municipal and industrial water supply customers  
2 throughout Northern California, the San Francisco Bay Area, the San Joaquin Valley, the Central  
3 Coast and Southern California. The State Water Contractors receive water deliveries from the  
4 SWP in exchange for paying all costs that are associated with planning, constructing, operating,  
5 and maintaining the SWP facilities that are used to deliver the SWP water supply to them. As  
6 alleged herein, the District is one of the State Water Contractors in name only, whereas CCWA,  
7 pursuant to its contractual rights and obligations, functions as the State Water Contractor in Santa  
8 Barbara County on behalf of the CCWA Participants. SWP water supplements local water  
9 supplies from other sources within the State Water Contractors' respective service areas,  
10 including groundwater, local surface water, other imported water supplies, recycled water, and  
11 desalinated water.

12 **B. District Role: 1963 to mid-1980s**

13 32. In 1963, the District and DWR entered into the State Water Contract.<sup>1</sup> The State  
14 Water Contract, as amended, provides for the right to delivery of up to 45,486 acre-feet<sup>2</sup> per year  
15 of water, when available, to areas within Santa Barbara County. To date, the State Water  
16 Contract has been amended 21 times, most recently on April 20, 2021, as further described  
17 herein. Since 1991, when CCWA became responsible for the State Water Contract, the District  
18 has approved and executed Amendment Nos. 14 through and including 21.<sup>3</sup>

19 33. Pursuant to the State Water Contract, SWP water is transported through the SWP  
20 from northern California through pumping, storage, conveyance and delivery facilities owned by  
21 the State of California. The portion of the SWP that delivers water to Santa Barbara County is  
22 known as the Coastal Branch Aqueduct and pipeline (collectively, the “**Coastal Branch**”) of the  
23 SWP.

24 <sup>1</sup> The 29 State Water Contractors' contracts with DWR are all nearly identical to the District State  
25 Water Contract.

26 <sup>2</sup> One acre-foot equals about 325,851 gallons, or enough water to cover an acre of land, about the  
27 size of a football field, one foot deep. An average California household uses approximately one-  
28 third acre-foot of water per year for indoor and outdoor use.

<sup>3</sup> For reasons not pertinent to this Petition/Complaint, Amendment No. 20 (The Contract  
Extension Amendment) to the State Water Contract has been approved for execution, but is not  
yet executed.

1           34.     In 1968, DWR completed construction of Phase 1 of the Coastal Branch, which  
2 included two pumping plants and a 15-mile canal extending from the California Aqueduct—the  
3 backbone of the SWP—near the Kings-Kern County line westerly to Devil’s Den Pumping Plant  
4 in north-western Kern County. However, construction of the remaining Coastal Branch facilities  
5 that would permit the treatment and delivery of SWP water to San Luis Obispo County and to  
6 Santa Barbara County were postponed.

7           35.     Since SWP water is delivered from sources hundreds of miles away, the largest  
8 part of the delivery costs are “fixed” in the form of costs to finance, build and operate the dams,  
9 reservoirs, aqueducts and pipelines to conserve and transport the SWP water. DWR recoups  
10 these costs, whether or not water is actually delivered. Accordingly, the State Water Contract is a  
11 “take or pay” contract —i.e., fixed costs must be paid each year, irrespective of whether or how  
12 much SWP water DWR can deliver to any State Water Contractor, and irrespective of whether  
13 and how much water the State Water Contractor actually needs and requests in a given year.

14           36.     In 1979, Santa Barbara County voters considered, but rejected, a ballot measure  
15 authorizing the issuance of revenue bonds to construct the facilities needed to import SWP water  
16 to, and distribute it within, Santa Barbara County. Nevertheless, because the State Water  
17 Contract is a “take or pay” contract, the District remained obligated to make all payments to  
18 DWR for the construction, maintenance and operation of all SWP facilities throughout the state  
19 that would be required to deliver SWP water to Santa Barbara County, even though there was no  
20 physical way to deliver any SWP water to Santa Barbara County at that time. The District made  
21 these payments by imposing an ad valorem tax on all non-exempt property within Santa Barbara  
22 County. During the period 1963 to 1991, the District levied and collected from Santa Barbara  
23 County property owners approximately \$8.6 million to retain the right to delivery of 45,486 acre-  
24 feet per year of SWP water pursuant to the State Water Contract.

25     **C.     District Assigns State Water Contract Rights to Local Contractors**

26           37.     Between 1985 and 1988, the District entered into 19 separate Water Supply  
27 Retention Agreements with retail water agencies and water users within Santa Barbara County  
28 (“**Local Contractors**”), a subset of which later became the CCWA Participants. (See discussion

1 below in paragraph 41.) The purpose of the Water Supply Retention Agreements was to shift the  
2 obligation for ongoing State Water Contract payments to DWR from the countywide taxpayers to  
3 those retail water agencies and other entities that wanted to preserve the right to obtain SWP  
4 water and ultimately to receive SWP water. The recitals in each Water Supply Retention  
5 Agreement express the District’s intention to “relieve the taxpayers of the payment of taxes  
6 related [to the State Water Contract]” and further state that the Local Contractors are “authorized  
7 to contract with the DISTRICT to assume the obligations and rights under the State Water  
8 Contract.” A true and correct copy of a representative<sup>4</sup> Water Supply Retention Agreement with  
9 the District is attached hereto as **Exhibit A**.

10 38. Each Water Supply Retention Agreement contains the following key terms:

11 “The CONTRACTOR agrees to pay the DISTRICT the amount  
12 required to be paid by the DISTRICT under the State Water  
13 Contract to retain annual entitlement and capacity rights of \_\_\_ acre  
14 feet, **and all rights associated therewith under the State Water  
Contract (“Retained Rights”) . . . .**” (§ 2(a) [emphasis added].)

15 “The DISTRICT hereby **assigns** to CONTRACTOR **all rights and  
16 obligations** under the State Water Contract relating to the Retained  
Rights.” (§ 3(a) [emphasis added].)

17 “[T]he CONTRACTOR will assume the primary fiscal obligations  
18 of the DISTRICT in regard to the Retained Rights and will  
19 exercise, within its boundaries, any rights of the DISTRICT  
20 enabling it to meet such obligations; however, nothing contained  
herein shall be construed to . . . change the obligation of the  
DISTRICT to make the payments required by the State Water  
Contract.” (§ 3(b).)

21 “**The DISTRICT shall take all necessary action**, whether positive  
22 or negative, **to preserve and protect all Retained Rights and  
23 shall not amend the State Water Contract in any way  
inconsistent with the provisions of this Agreement.** The  
24 termination, sale, or assignment of non-retained rights is hereby  
25 declared not to be inconsistent with this Agreement.” (§ 5(b)  
[emphasis added].)

26  
27  
28 <sup>4</sup> With the exception of the agreement with Vandenberg Space Force Base, which has a different  
format, all 19 Water Supply Retention Agreements are nearly identical.

1           39.     On June 4, 1991, elections required by the Water Supply Retention Agreements  
2 were held in 14 Santa Barbara County cities and water districts on a SWP water ballot measure.  
3 The measure asked whether voters in each city or water district would approve issuance of  
4 revenue bonds to finance construction of the local (non-SWP) facilities needed to treat and  
5 deliver SWP water once DWR completed construction of the Coastal Branch. Voters in 11 cities  
6 and water districts approved the bond measures.

7     **D.     CCWA Created and Assumes Responsibility for the State Water Contract**

8           40.     Following the voter authorization to finance revenue bonds, eight of the Local  
9 Contractors (the CCWA Members) organized and formed CCWA as a joint exercise of powers  
10 agency pursuant to Government Code Section 6500 et seq. and executed the Joint Exercise of  
11 Powers Agreement, dated August 1, 1991, to finance, construct, operate and maintain the  
12 facilities that would be required to convey, treat and deliver SWP water to the CCWA  
13 Participants. CCWA is governed by an eight-member Board of Directors representing each of the  
14 eight CCWA Members.

15           41.     Upon formation of CCWA, each of the CCWA Participants executed Water  
16 Supply Agreements with CCWA and assigned their rights and obligations under the Water  
17 Supply Retention Agreements with the District to CCWA. Some Local Contractors elected not to  
18 continue to participate in the SWP and simply assigned their rights and obligations under their  
19 respective Water Supply Retention Agreements to CCWA.

20           42.     As a result of the Water Supply Agreements, CCWA became obligated to pay all  
21 DWR costs charged to the District under the State Water Contract, to finance, construct, operate  
22 and maintain all of the local facilities required to deliver SWP water to each CCWA Participant,  
23 and to deliver annually to each CCWA Participant its pro rata share of the available SWP water  
24 supply made available by DWR. In return, each CCWA Participant agreed to pay its pro rata  
25 share of all: (a) DWR costs pursuant to the State Water Contract, and (b) CCWA costs associated  
26 with administering the State Water Contract and financing, constructing, operating and  
27 maintaining the CCWA-owned facilities.

28

1           43. Having assumed all of the Local Contractors’ rights to the State Water Contract  
2 under the Water Supply Retention Agreements, on November 12, 1991, the District and CCWA  
3 entered into the Transfer of Financial Responsibility Agreement to transfer to CCWA the  
4 remainder of the District’s rights and obligations pursuant to the State Water Contract. A true and  
5 correct copy of the Transfer of Financial Responsibility Agreement is attached hereto as **Exhibit**  
6 **B**. The Transfer of Financial Responsibility Agreement includes the following key terms:

7                   “CCWA was formed for the purpose of planning, designing,  
8 financing, constructing, and operating the facilities needed to  
9 deliver water from the State Water Project to the various entities  
10 entitled to receive that water in Santa Barbara County, and to  
11 collect funds from each such entity for that entity’s share of  
12 payments due to the State of California under the SWP Contract.  
13 Each entity that will receive that water (hereinafter referred to as a  
14 “CCWA Contractor”) has executed, or will execute, a Water Supply  
15 Agreement (hereinafter “WSA”) with CCWA under which the  
16 CCWA Contractor assigns its rights under its [Water Supply  
17 Retention Agreement] to CCWA and receives from CCWA an  
18 agreement to deliver water on specified terms and conditions.”  
19 (Recital E.)

20                   “The WSAs entered into by CCWA and the CCWA Contractors  
21 contain provisions intended to ensure that the District will be fully  
22 and completely reimbursed by the CCWA for all of its costs,  
23 liabilities and obligations in connection with the implementation of  
24 the SWP Contract as to the CCWA Contractors.” (Recital F.)

25                   “A principal purpose of this Agreement is to ensure that the  
26 District’s financial obligations under the SWP Contract attributable  
27 to a CCWA Contractor will be completely and fully assumed and  
28 satisfied by CCWA, **and that the District will be fully and  
completely reimbursed by the CCWA for all of its costs,  
liabilities and obligations in connection with implementation of  
the SWP Contract as to each CCWA Contractor. The terms of  
this Agreement shall therefore be interpreted in order to  
achieve that purpose, whenever interpretation is required.**  
(Recital J [emphasis added].)

SWP Contract Provisions. CCWA agrees to be bound by all the  
terms and conditions contained in the SWP Contract with respect to  
the rights held by CCWA under or in connection with the SWP  
Contract, the [Water Supply Retention Agreement] of each entity  
which has executed a WSA with CCWA, and the various WSAs.”  
(§ 2.D)



1                   “Agreement to Expedite Action: Delegation of Responsibility. **The**  
2                   **District agrees to promptly transmit to DWR all**  
3                   **communications, directions, requests and other documents**  
4                   **from CCWA upon receipt of a letter from CCWA requesting**  
5                   **such action.** The District further agrees to designate an appropriate  
6                   official for this purpose.” (§ 5 [emphasis added].)

7                   “Representation at State Water Contractors’ Meetings. In  
8                   recognition of the fact that CCWA is comprised of entities which  
9                   have been assigned the District’s rights under the SWP Contract,  
10                  District authorizes CCWA to participate in lieu of the District in  
11                  proceedings of the State Water Contractors.” (§ 6.)

12                  44.     At the time the District and CCWA entered into the Transfer of Financial  
13                  Responsibility Agreement, it was not clear whether CCWA, a joint powers authority, had the  
14                  power to levy a property tax, as would be required by Article 34 of the State Water Contract in  
15                  the event CCWA defaulted on its payments to DWR. Accordingly, DWR did not consent to a  
16                  complete assignment of the State Water Contract from the District to CCWA and the District  
17                  remained the contracting party with its sole residual obligation to levy a property tax in the event  
18                  of a CCWA default under the State Water Contract. Nevertheless, the Transfer of Financial  
19                  Responsibility Agreement declares the parties’ mutual intentions “to secure from DWR an  
20                  agreement to release the District from its obligations under the SWP Contract to the extent those  
21                  obligations have been assumed by CCWA.” (Transfer of Financial Responsibility Agreement,  
22                  Recital C.)

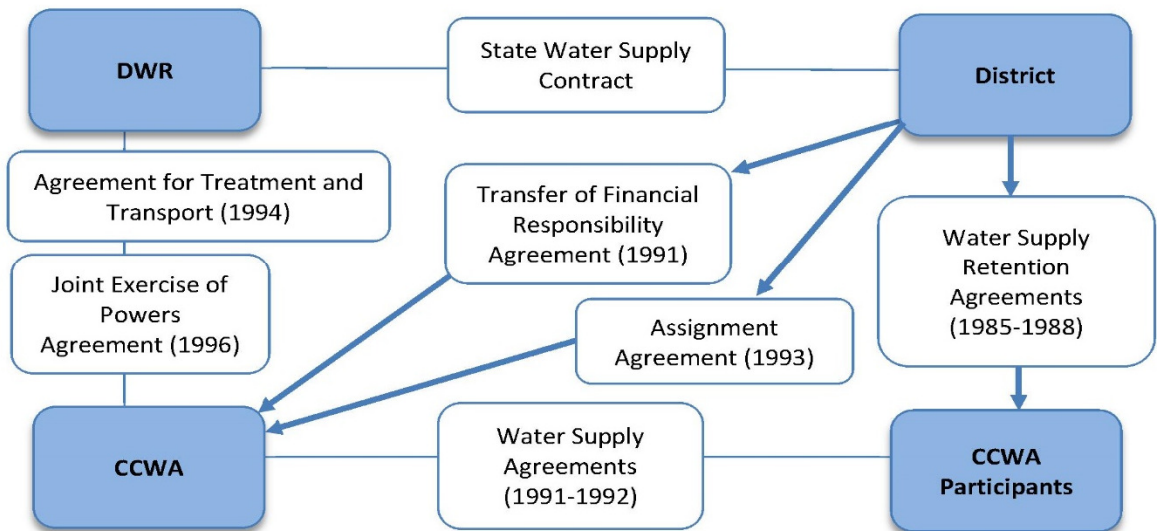
23                  45.     A 2014 amendment of the Joint Exercise of Powers Act clarified that joint powers  
24                  authorities like CCWA unequivocally have the power to levy a property tax. (Gov Code § 6502,  
25                  as amended by Stats. 2014, Ch. 386, Sec. 2. (AB 2170) Effective January 1, 2015.)  
26                  Consequently, the District’s residual role as a result of its taxing authority is no longer necessary  
27                  and since 2015, CCWA has repeatedly asked the District to complete the full assignment as  
28                  expressed by the Transfer of Financial Responsibility Agreement.

                  46.     Additionally, on June 30, 1993, the District assigned to CCWA “all of its retained  
rights to 250 acre feet of annual entitlement” to CCWA. A true and correct copy of the 1993

1 Assignment Agreement between the District and CCWA is attached hereto as **Exhibit C**. Since it  
2 entered the Assignment Agreement, the County has had no right to delivery of any SWP water.

3 47. As a result of the Water Supply Retention Agreements between the District and the  
4 Local Contractors (now, the CCWA Participants), the 1991 Transfer of Financial Responsibility  
5 Agreement between the District and CCWA, and the 1993 Assignment Agreement between the  
6 District and CCWA, the District assigned or transferred away all of its rights and obligations  
7 under the State Water Contract, with the narrow exception of the District's obligation to levy a  
8 property tax on all non-exempt lands within Santa Barbara County if CCWA defaults on its  
9 payments to DWR. The Water Supply Retention Agreements, the Transfer of Financial  
10 Responsibility Agreement and the Water Supply Agreements all include protections to preclude  
11 any default in payment by CCWA, effectively eliminating any potential that the District would be  
12 required to levy the tax.

13 48. The following schematic illustrates the above-referenced parties and agreements  
14 and highlights (with blue arrows) the assignments and transfers that the District made during the  
15 period 1985 to 1993 to divest itself of responsibility for the State Water Contract. The later in  
16 time agreements between DWR and CCWA are described below in paragraphs 50 and 51.



1 **E. CCWA Constructs a Portion of the Coastal Branch and the CCWA-Owned Facilities**  
2 **and Operates Both the Coastal Branch and CCWA-Owned Facilities**

3 49. When CCWA was formed in 1991, no facilities existed in either Santa Barbara  
4 County or San Luis Obispo County for the delivery of SWP water. DWR, as the owner of the  
5 SWP, was responsible for construction, management and operation of Phase II of the Coastal  
6 Branch—a 101-mile long buried pipeline extending from Kern County to Vandenberg Space  
7 Force Base, a CCWA Participant, in northern Santa Barbara County—that would permit the  
8 delivery of SWP water to Santa Barbara County and San Luis Obispo County.

9 50. In early 1994, delays in DWR project construction of the Coastal Branch were  
10 resulting in significant additional costs to the CCWA Participants. CCWA thus proposed to  
11 DWR that CCWA construct the remaining portions of the Coastal Branch pipeline and associated  
12 facilities. DWR agreed and, pursuant to the 1994 Agreement Between DWR and CCWA for  
13 Treatment and Transportation of Municipal Water Supplies Within Coastal Branch, Phase II of  
14 the California Aqueduct, CCWA became the only State Water Contractor to have been authorized  
15 by DWR to construct a portion of DWR’s own facilities, which was unprecedented at the time.

16 51. On October 1, 1996, DWR and CCWA entered into the Joint Exercise of Powers  
17 Agreement Relating to the Operation and Maintenance of the Coastal Branch, Phase II whereby  
18 CCWA was authorized by DWR to operate and maintain all SWP facilities within San Luis  
19 Obispo County and Santa Barbara County.

20 52. Additionally, CCWA financed, designed and constructed, and now owns, operates  
21 and maintains, the additional facilities that convey, treat and deliver SWP water to CCWA  
22 Participants within Santa Barbara County and users within San Luis Obispo County, specifically:  
23 a pipeline (the “**CCWA Extension**”) connecting the Coastal Branch of the SWP to Lake  
24 Cachuma, a federally owned and operated reservoir at which CCWA Participants in southern  
25 Santa Barbara County take delivery of their SWP water supply,<sup>5</sup> and the Polonio Pass Treatment  
26

27 \_\_\_\_\_  
28 <sup>5</sup> CCWA and CCWA Participants have contracts with the United States Bureau of Reclamation  
for this purpose.

1 Facility at which CCWA treats all SWP water it delivers to Santa Barbara County and San Luis  
2 Obispo County.

3 53. A true and correct copy of CCWA’s project map, which depicts the Coastal  
4 Branch of the SWP, the CCWA-owned facilities (including the CCWA Extension and the Polonio  
5 Pass Water Treatment Plant), and Lake Cachuma is attached hereto as **Exhibit D**.

6 54. On August 11, 1997, CCWA made its initial deliveries to the CCWA Participants  
7 in northern Santa Barbara County with turnouts along the CCWA Extension. On November 20,  
8 1997, CCWA made its first deliveries to Lake Cachuma, which allowed CCWA Participants in  
9 southern Santa Barbara County to take delivery of their SWP water supplies.

10 55. On June 25, 1998, the CCWA Board of Directors took formal action to declare the  
11 CCWA project complete. The estimated cost of the project, including construction of Phase II of  
12 the Coastal Branch and the CCWA-owned facilities was \$595 million. CCWA financed a portion  
13 of these costs with revenue bonds that will be paid off on October 1, 2021. In addition, CCWA  
14 provided \$27 million in financing for the CCWA Participants’ turnouts and local projects and  
15 miscellaneous other project-related costs.

16 56. The District does not have, and never has had, any responsibility for the financing,  
17 construction, operation or maintenance of any SWP or CCWA-owned facilities required for the  
18 delivery of SWP water to and within Santa Barbara County or San Luis Obispo County.

19 **F. CCWA’s Administration of the State Water Contract**

20 57. Since execution of the Transfer of Financial Responsibility Agreement in 1991,  
21 CCWA has been entirely responsible for the administration of the State Water Contract, including  
22 but not limited to the payment of all DWR costs.

23 58. Since 1991, pursuant to the Transfer of Financial Responsibility Agreement,  
24 CCWA, not the District, has been the authorized representative for Santa Barbara County and San  
25 Luis Obispo County to the State Water Contractors Association. The State Water Contractors  
26 Association is an association of 27 of the 29 State Water Contractors that serves as the liaison  
27 between and among the member State Water Contractors, represents the interests of the State  
28

1 Water Contractors vis-à-vis DWR and in litigation implicating the interests of the State Water  
2 Contractors, and provides policy direction regarding statewide, regional and local water issues.

3 59. Since March 2003, CCWA’s representative to the State Water Contractors has  
4 been a member of the State Water Contractors Association Board of Directors, representing both  
5 Santa Barbara and San Luis Obispo Counties, and has served as Board Chair three times,  
6 including the present term that commenced on May 20, 2021.

7 60. In recent years, the State Water Contractors and DWR have successfully  
8 negotiated three significant amendments to the State Water Project Contract: The “Contract  
9 Extension Amendment” which among other things, extends the term of the State Water Contract  
10 by an additional 50 years to the year 2085; the “Water Management Amendment,” which  
11 provides additional tools and flexibility to manage water supplies among the State Water  
12 Contractors (and is discussed in detail beginning at paragraph 77 below); and the “Delta  
13 Conveyance Project Amendment,” which allocates the costs and benefits of the proposed delta  
14 conveyance tunnel project among participating State Water Contractors. CCWA, not the District,  
15 has participated in all of these amendment negotiations on behalf of SWP water users in Santa  
16 Barbara County and San Luis Obispo County.

17 61. Since 1991, CCWA, not the District, has been party to numerous lawsuits  
18 involving the State Water Contract whereby CCWA has asserted and defended the rights of  
19 CCWA and the CCWA Participants pursuant to the State Water Contract.

20 62. During the historic California drought of 2011-2019, when DWR deliveries of  
21 SWP water were reduced to an historic low of 5% of the State Water Contractors’ SWP water  
22 allocation, CCWA aggressively negotiated and executed numerous purchase and exchange  
23 agreements to supplement the reduced SWP supplies and then successfully delivered that water  
24 through the SWP and CCWA-owned facilities to individual CCWA Participants. CCWA’s  
25 actions, together with the fact that the CCWA Participants had funded and constructed the  
26 necessary infrastructure which provided for the delivery of imported supplies, is widely credited  
27 for ensuring that CCWA Participants could meet their critical water supply demands in those  
28

1 years. The District, other than executing various DWR Agreements pertaining to those transfers  
2 and exchanges on behalf of CCWA, had no role in those activities.

3 63. As a matter of course, when DWR requires the District’s execution of a DWR  
4 Agreement, CCWA has freely and willingly agreed to fully release and indemnify the District  
5 from any and all liability associated with those transactions and has never attempted to attach  
6 conditions on the District.

7 **G. Financial Responsibility for the State Water Contract**

8 64. On average, CCWA’s proportionate share of all DWR costs pursuant to the State  
9 Water Contract and all CCWA costs, including CCWA’s operation and maintenance of the  
10 CCWA-owned facilities, is between \$65 to \$75 million per year. CCWA passes 100% of these  
11 costs on to the CCWA Participants. Because the State Water Contract is a “take or pay” contract,  
12 and DWR is obliged to operate and maintain the SWP facilities and CCWA is obliged to operate  
13 and maintain the CCWA-owned facilities, even when no State Water is available, the CCWA  
14 Participants are responsible for their allocated portion of all of these costs, irrespective of whether  
15 they elect to, or are able to, take delivery of SWP water in any year.

16 65. Since 1991, the CCWA Participants have together paid more than **\$1 billion** for  
17 the right to purchase SWP water and for the delivery of that water through the SWP and the  
18 CCWA-owned facilities to their respective communities throughout Santa Barbara County,  
19 thereby ensuring the continued availability of SWP water to water users, and as applicable,  
20 ratepayers in Santa Barbara County.<sup>6</sup>

21 66. CCWA is solely responsible for the payment of all State Water Contract costs.  
22 DWR’s invoices for State Water Contract costs are delivered to CCWA directly, and CCWA pays  
23 DWR directly. CCWA has never missed a single payment to DWR.

24 67. CCWA is solely responsible for ensuring DWR’s charges allocated to CCWA  
25 through annual and quarterly invoices are accurate. When CCWA has detected errors in DWR  
26 invoices, CCWA has filed formal protests pursuant to the State Water Contract. From 1997 to

27 \_\_\_\_\_  
28 <sup>6</sup> Each CCWA Participant has incurred additional costs for the facilities required to convey and deliver SWP water within its boundaries.

1 date, CCWA has protested and successfully obtained DWR corrections in excess of \$25 million,  
2 resulting in a direct financial benefit to the CCWA Participants and, as applicable, their respective  
3 water customers.

4 68. Annually, CCWA publishes its budget, both for SWP and CCWA costs and  
5 expenditures. Every year since 1996—23 consecutive years—CCWA has received the  
6 Government Finance Office Association’s “Distinguished Budget Presentation Award” for its  
7 annual budget and the “Certificate of Achievement for Excellence in Financial Reporting” for its  
8 Comprehensive Annual Financial Report.

9 69. CCWA has refinanced CCWA’s bonds for the CCWA-owned facilities on several  
10 occasions, resulting in significant interest savings associated with the revenue bond issuances  
11 over the past 30 years to those CCWA Participants who participated in the financing. CCWA has  
12 a credit rating of A1 from Moody’s Investors Services. All CCWA bonds will be paid off in  
13 October 2021. CCWA has never missed a single payment of any financial obligation.

14 70. The District has no responsibility for any State Water Contract costs. The District  
15 does not review any DWR invoices, nor does any money related to SWP water pass through the  
16 District. Moreover, any District staff time or other costs incurred in the District’s exercise of its  
17 nominal role in executing DWR Agreements, is billed to, and reimbursed by, CCWA.

18 **H. CCWA Members Manage Their Own Water Supply Portfolios**

19 71. Each CCWA Member is a public agency and each is governed by a council or  
20 board of elected officials who are responsible to their constituents. Each CCWA Member is a  
21 retail water service provider that delivers water to its customers and is obliged to provide a  
22 reliable and adequate supply of pure, wholesome, healthful, and potable water. Each CCWA  
23 Member has its own portfolio of water supply resources and is responsible for managing all of  
24 those sources, including the SWP water supply and other resources such as groundwater, surface  
25 water, desalinated water and recycled water, for the benefit of its customers.

26 72. Each CCWA Member that is a city derives authority to provide water service from  
27 Article XI, Section 9 of the California Constitution and Government Code section 38730 et seq.  
28 Each CCWA Member that is a water district derives authority to provide service from its enabling

1 legislation. Among other things, the CCWA Members are expressly authorized to buy and sell  
2 water and water rights (see, e.g., Gov. Code §§ 38730, 38742, 39792; see, e.g., Water Code §§  
3 31021–31023, 31042 and 74520 – 74527, 75165) related to the provision of water service to their  
4 respective customers.

5 73. The California Safe Drinking Water Act requires that operators of public water  
6 systems provide a reliable and adequate supply of pure, wholesome, healthful, and potable water  
7 (Health & Saf. Code, § 116555, subd. (a)(4)), and thus all CCWA Members must both ensure that  
8 they have an adequate supply to serve their customers and that the water they supply meets all  
9 applicable water quality standards.

10 74. At the direction of each CCWA Member’s governing body, and with input from  
11 the CCWA Member’s respective ratepayers, each CCWA Member undertakes regular  
12 management of its water supply resources and other assets to ensure that the CCWA Member can  
13 provide an adequate water supply to serve the demands of all of its customers. Examples include  
14 using multiple water resources at various times depending on availability and cost, selling excess  
15 water when it might otherwise be lost such as spills at a reservoir, acquiring water to meet  
16 shortages, constructing improvements to better manage, storing water in reservoirs and  
17 groundwater banks for later use, implementing long and short range planning, establishing  
18 arrangements with other agencies, developing shared water resources with other agencies,  
19 participating in water advocacy associations, advancing and supporting legislation, etc. The  
20 CCWA Members are authorized by law to collect rates and charges in amounts sufficient to pay  
21 their operating expenses, including these management activities.

22 75. Each CCWA Members also undertakes long-term planning to ensure that the  
23 Member can provide an adequate water supply to serve the demands of all of its customers in the  
24 future. For example, for those CCWA Members that qualify as an “urban water suppliers,” the  
25 CCWA Member is required by law (Water Code §10610 et seq.) to prepare an Urban Water  
26 Management Plan and to update that plan every five years. These plans support the applicable  
27 CCWA Member’s long-term resource planning to ensure that adequate water supplies are  
28 available to meet existing and future water needs. Among other things, these plans must assess



1 the reliability of the CCWA Member’s water supply sources over a 20-year planning time frame,  
2 describe demand management measures such as conservation, and include water shortage  
3 contingency plans that include authority and actions that are to be implemented when one or more  
4 supplies are not available, such as during drought conditions. These plans are made available for  
5 review and public comment and adopted at a public meeting. Each CCWA Member is solely  
6 responsible for determining the water management actions required to respond to changing  
7 circumstances, including hydrology, water supply availability and cost, that is in the best interest  
8 of its customers and ratepayers.

9 76. The District’s enabling act, the Santa Barbara County Flood Control and Water  
10 Conservation District Act (State Statutes of 1955, Ch. 1057), expressly recognizes the authority  
11 of CCWA, an independent public agency, to deliver SWP water to the CCWA Members and the  
12 authority of the CCWA Members, all independent public agencies, to solely and exclusively  
13 manage their respective water supplies for the benefit of the customers who rely on those  
14 supplies, free from condition, interference or restriction by the District:

15 Nothing in this act contained shall be construed as in any way  
16 affecting the plenary power of any existing city and county or  
17 municipal utility district or other district or public agency to  
18 provide for a water supply for such city and county or municipal  
19 utility district, or as affecting the absolute control of any properties  
20 of such city and county or municipal utility district necessary for  
21 such water supply and nothing herein contained shall be construed  
22 as vesting any power of control over such properties in such Santa  
23 Barbara County Flood Control and Water Conservation District or  
24 in any officer thereof, or in any person referred to in this act.

25 (Stats. 1955, ch. 1057, §5(12); West’s Ann. Water Code Appen. § 74-5(12) (2020 ed.).)

26 **I. The Water Management Amendment to the State Water Contract**

27 77. In early 2018, DWR and the State Water Contractors (including CCWA’s  
28 Executive Director on behalf of CCWA) began negotiations of a further amendment to the State  
Water Contract that would supplement and clarify the existing water transfer and exchange  
provisions of the State Water Contract. The parties’ intent was to provide improved water  
management tools and improve water supply reliability, with the goal of maximizing the  
efficiencies of SWP water distribution through the SWP system. According to DWR:

1 Water transfers between willing sellers and willing buyers can help  
2 stretch California's water supplies in dry times and move water to  
3 places of critical need. Each year hundreds of water transfers occur  
4 in California. The majority of these transfers are between  
5 agricultural water users in the same basin. A water transfer is  
6 proposed and initiated by willing sellers who have legal rights to a  
7 supply of water of interest to a potential buyer. . . . Water transfers  
8 can be one of the water management tools to enhance flexibility in  
9 the allocation and use of water in California. Transfers are  
10 particularly useful for meeting critical needs during drought  
11 periods.<sup>7</sup>

12 78. At the time these negotiations began, water transfers were permitted only in a  
13 limited and very specific manner, resulting in their infrequent use, and the parameters for  
14 exchanges of water, while allowed, lacked specificity and clear guidance, which impeded  
15 planning by State Water Contractors and their respective member agencies which are responsible  
16 for delivering SWP water to users throughout California. In June 2019, the State Water  
17 Contractors and DWR achieved an “Agreement in Principle,” which included specific provisions  
18 to clarify and enhance the terms of the State Water Contract related to water transfers and  
19 exchanges to improve water management capabilities and State Water Contractor options for  
20 water management, especially in response to climate change.

21 79. In September 2020, DWR offered the Water Management Amendment, which is  
22 based on the Agreement in Principle, to the State Water Contractors. The Water Management  
23 Amendment allows State Water Contractors to transfer and exchange annual allocations of SWP  
24 water supplies between and among themselves subject to conditions designed to promote  
25 transparency, protect the rights of third parties, and protect the environment.<sup>8</sup> The recitals of the  
26 Water Management Amendment declare that it was negotiated and developed by DWR and the  
27 State Water Contractors “in an effort to manage water supplies in a changing environment” and  
28 “to provide greater flexibility in managing [SWP] water supplies.” The Water Management

<sup>7</sup> DWR, Water Transfers, <https://water.ca.gov/Programs/State-Water-Project/Management/Water-Transfers> (May 26, 2021).

<sup>8</sup> Permanent sales of a State Water Contractor’s *right* to purchase SWP water annually, as distinguished from sales of the *water supply*, are not addressed by the Water Management Amendment and require other approvals.

1 Amendment required each State Water Contractor to execute the amendment by April 29, 2021 or  
2 lose the opportunity to participate.

3 80. On October 22, 2020, the CCWA Board of Directors considered and unanimously  
4 approved the Water Management Amendment and adopted Resolution 20-01 agreeing to be  
5 bound by it. By letter dated October 28, 2020, CCWA transmitted Resolution 20-01 and the  
6 Water Management Amendment to the District and requested that the District, pursuant to the  
7 Transfer of Financial Responsibility Agreement, execute the amendment on behalf of CCWA.

8 81. Instead of simply executing the Water Management Amendment, on several  
9 occasions between January and April 2021, the District declared its intent to impose numerous  
10 unauthorized conditions on its execution of the Water Management Amendment even though it  
11 had no right or authority to do so. For example, first, the District proposed a tax on all out-of-  
12 county transfers.<sup>9</sup> Then it proposed that all out-of-county transfers be prohibited altogether. The  
13 Board of Supervisors, in its capacity as the Board of Directors of the District, considered the  
14 matter on three separate occasions, each time expressing shifting concerns with the transfers and  
15 exchanges the Water Management Amendment would allow.

16 82. Between January and April, 2021, CCWA sent four letters to the District and the  
17 Board of Supervisors, in its capacity as the Board of Directors of the District, making clear  
18 CCWA's objections to any such conditions, articulating the benefits of the Water Management  
19 Amendment to the CCWA Participants, explaining the significant adverse impacts that would  
20 result to the CCWA Participants if the District did not execute the Water Management  
21 Amendment or imposed conditions that limited CCWA's ability to fully participate in the  
22 amendment, and implored the Board of Supervisors to authorize the District to execute the Water  
23 Management Amendment without conditions and as soon as possible, but under no circumstances  
24 later than April 29, 2021.

25 83. Several of the CCWA Members (the City of Santa Barbara, the Goleta Water  
26 District, and the Montecito Water District) sent similar letters to the Board of Supervisors, urging

27 \_\_\_\_\_  
28 <sup>9</sup> As a condition of its approval, the District proposed a "revenue sharing and water sales  
agreement" between CCWA and the District.

1 the District to execute the Water Management Amendment without conditions and as soon as  
2 possible. At Board of Supervisors' meetings in February and March 2021, representatives of five  
3 CCWA Members spoke in support of CCWA's request for the District's execution of the Water  
4 Management Amendment without conditions and as soon as possible.

5 84. On February 17, 2021, consistent with the obligations already incorporated into  
6 each CCWA Participant's Water Supply Agreement with CCWA pertaining to the sale of any  
7 CCWA Participant's right to purchase SWP water, and to assuage the District's purported  
8 concerns about the availability of SWP water supplies within Santa Barbara County, CCWA  
9 adopted Resolution No. 21-01. CCWA Resolution No. 21-01 grants to all CCWA Participants  
10 the right of first refusal to purchase any SWP water proposed to be transferred out of the county  
11 by another CCWA Participant, thus ensuring that the needs of all CCWA Participants will be  
12 satisfied before any transfer of SWP water out of Santa Barbara County.

13 85. By February 28, 2021, the Water Management Amendment became effective and  
14 by March 2, 2021, 26 of the 29 State Water Contractors had executed the Water Management  
15 Amendment. Two of the remaining State Water Contractors, which are located in northern  
16 California, had indicated that they would not execute the Water Management Amendment prior to  
17 executing another amendment regarding the Delta Conveyance Project. As a result, the District  
18 was the last State Water Contractor to execute the amendment, but only pursuant to its related  
19 action to impose conditions on CCWA and the CCWA Participants that restrict their abilities to  
20 fully participate in the Water Management Amendment.

21 86. On March 23, 2021, in light of developing drought conditions throughout  
22 California, DWR notified CCWA and other State Water Contractors that SWP deliveries would  
23 be reduced to 5% of each State Water Contractor's annual allocation of the SWP water supply for  
24 the upcoming water year, which matches the lowest annual allocation in the history of the SWP  
25 (DWR also issued a 5% allocation in 2014). Immediately, two CCWA Participants notified  
26 CCWA that they would need to purchase supplemental water supplies from other State Water  
27 Contractors to meet their critical water supply needs in 2021. However, without the Water  
28 Management Amendment, CCWA would be unable to use the new tools made available by the

1 Water Management Amendment and would be forced to utilize DWR’s outdated rules—i.e., no  
2 transfers and exchanges only on a restricted basis. This would have put CCWA at a significant  
3 disadvantage when negotiating with other State Water Contractors for the purchase of SWP water  
4 supplies on behalf of the CCWA Participants. CCWA notified the District that without the Water  
5 Management Amendment, CCWA would be unable to purchase the supplemental water supplies  
6 the CCWA Participants needed because no other State Water Contractor would deal with CCWA  
7 without CCWA’s participation in the Water Management Amendment. In other words, the  
8 District’s failure to execute the Water Management Amendment prior to April 29, 2021 had the  
9 potential to cause a water supply emergency for the CCWA Participants and, as applicable, their  
10 customers and ratepayers.

11 **J. District’s Adoption of Resolution No. 21-73**

12 87. Finally, on April 20, 2021, a full six months after CCWA requested the District’s  
13 execution of the Water Management Amendment and nine days before DWR’s execution  
14 deadline, the Board of Directors authorized the District to execute the Water Management  
15 Amendment. A true and correct copy of the fully executed Water Management Amendment,  
16 which is Amendment No. 21 to the State Water Contract between the District and DWR, is  
17 attached hereto as **Exhibit E**. At the same time, the Board of Directors also adopted Resolution  
18 No. 21-73, a true and correct copy of which is attached hereto as **Exhibit F**.

19 88. Because DWR requires the District’s execution of all DWR Agreements (due to  
20 the District’s failure to make the full assignment of the State Water Contract to CCWA, as  
21 contemplated by the Transfer of Financial Responsibility Agreement), CCWA must obtain the  
22 District’s execution of any such agreements required to implement transfers and exchanges  
23 pursuant to the Water Management Amendment. However, in violation of the Transfer of  
24 Financial Responsibility Agreement, Resolution No. 21-73 declares that District staff, in some  
25 cases, or the Board of Supervisors, acting in its capacity as its Board of Directors, in other cases,  
26 may unilaterally condition, refuse to consider, or reject certain transfers and exchanges by CCWA  
27 under the Water Management Amendment by conditioning or withholding the District’s  
28 execution of any required DWR Agreements, notwithstanding the fact that the proposed transfer

1 or exchange is permitted by the Water Management Amendment which CCWA is bound to  
2 uphold.

3 89. Resolution No. 21-73 improperly impose significant conditions, limitations and  
4 restrictions on CCWA’s—and thus CCWA Participants’—rights to engage in water transfers and  
5 exchanges that are expressly authorized by the Water Management Amendment. These  
6 conditions include: prohibition on “unbalanced” exchanges, sales price approval, and  
7 requirements to develop additional local water supplies as a condition of any out-of-county  
8 transfer or exchange, as further described below.

9 90. The Water Management Amendment provides that “[DWR] hereby consents to the  
10 [State Water Contractor] exchanging Project Water outside its service area consistent with this  
11 Article” and permits exchange ratios of up to 5 to 1 (an “unbalanced exchange”)<sup>10</sup> under specified  
12 conditions. (Water Management Amendment, Article 56(f); 56(f)(1).) Yet Resolution No. 21-73  
13 purports to prohibit unbalanced exchanges. CCWA has regularly engaged in unbalanced  
14 exchanges in the past. Moreover, given that one-way transfers are now permitted by the Water  
15 Management Amendment, it is highly improbable that any other State Water Contractor would  
16 agree to a balanced exchange (1 to 1), thereby depriving CCWA of one of the most important  
17 tools it needs to help meet the critical water supply needs of the CCWA Participants, especially in  
18 drought conditions.

19 91. The Water Management Amendment provides that “[DWR] hereby consents to the  
20 [State Water Contractor] transferring Project Water outside its service area” and that “the  
21 participating contractors shall determine the duration and compensation for all water transfers.”  
22 (Water Management Amendment, Article 56(d).) Yet Resolution No. 21-73 purports to prohibit a  
23 CCWA Participant that has determined that it has surplus SWP water available for sale in any  
24 year, for reasons specific to that CCWA Participant and, if applicable, the needs of **its** customers,  
25 and that has complied with CCWA Resolution No. 2021-01 (described in paragraph 84 above),  
26

27 <sup>10</sup> An unbalanced exchange occurs when one State Water Contractor agrees to purchase and take  
28 delivery of a specified quantity of water in the current year and then to return a different (greater  
or less) quantity of water in a future year.

1 from transferring that supply to another State Water Contractor *unless*: (a) the District agrees that  
2 the price of the water offered for sale to other CCWA Participants is “reasonable,” and (b) the  
3 transferring CCWA Participant first develops “an equivalent replacement of a new local supply.”  
4 The District has no right or authority to dictate the terms of any CCWA Participant’s proposed  
5 transfer or exchange of SWP water, nor does the District have any right or authority to dictate that  
6 any CCWA Participant develop a new water supply. The terms and conditions of Resolution No.  
7 21-73 are nonsensical, infeasible, and inconsistent with the purpose and intent of the Water  
8 Management Amendment—to give State Water Contractors additional tools and options for  
9 flexibly managing their supplies in response to dynamic and changing climatic conditions. First,  
10 CCWA Participants must comply with CCWA Resolution 21-01 granting all CCWA Participants  
11 the right of first refusal to any transfer proposed by another CCWA Participant on the same terms  
12 and conditions, including price. Second, development of new local water supplies, such as  
13 desalinated water or recycled water, is a long-term planning effort that is entirely inconsistent  
14 with the types of short-term transfers permitted by the Water Management Amendment.  
15 Moreover, the development of new local water supplies, may not be feasible for all CCWA  
16 Participants or desirable to their respective customers and ratepayers. Such conditions are far  
17 beyond the purview and authority of the District and the Board of Supervisors, acting in its  
18 capacity as the District’s Board of Directors.

19 92. Additionally, obtaining the District’s and/or its Board of Directors’ approval of  
20 transfers and exchanges permitted by the Water Management Amendment, in the manner dictated  
21 by Resolution No. 21-73, is inconsistent with and frustrates CCWA’s administration of the State  
22 Water Contract and will impair the rights of each CCWA Participant to maximize beneficial use  
23 of their SWP supplies. Periodically, DWR notifies the State Water Contractors of SWP water  
24 that is available for delivery, in addition to the contractors’ annual supplies. For example, if a  
25 State Water Contractor did not take delivery of its annual supply in the prior year and instead  
26 stored that supply in SWP facilities, but there is not sufficient capacity to store the supply in the  
27 current year, it will be lost. DWR will notify CCWA of its option to take delivery of the supply  
28 in storage or, as is now permitted by the Water Management Amendment, to transfer it to another

1 State Water Contractor. If the CCWA Participant whose supply is subject to loss is not able to  
2 take delivery of it, transferring the supply to another State Water Contractor will allow the  
3 CCWA Participant to recover some or all of the DWR costs associated with that supply.  
4 CCWA’s election about whether to take delivery of the supply or transfer it must be made  
5 promptly, potentially within a few days. Obtaining the District’s approval of such a transfer, let  
6 alone complying with the conditions set forth in Resolution 21-73—developing a new local water  
7 supply, etc.—could take months or years, if even feasible and desired by a CCWA Participant. In  
8 the meantime, these additional SWP supplies could be lost, thus preventing the CCWA  
9 Participants from making beneficial use of that supply, a waste and unreasonable use of valuable  
10 SWP supplies.

11 93. By imposing conditions on CCWA’s implementation of the Water Management  
12 Amendment, Resolution 21-73 deprives CCWA of its rights to the State Water Contract and the  
13 CCWA Participants’ of their rights to engage in transfers and exchanges of their SWP water  
14 supply as permitted by the State Water Contract, as amended by the Water Management  
15 Amendment. Moreover, Resolution 21-73 infringes on the CCWA Members’ authority and  
16 obligations to provide reliable, safe water supplies for their customers.

17 94. The District has taken its vestigial role as the nominal party to the State Water  
18 Contract and vastly exceeded its statutory powers and any remaining rights it may have under the  
19 State Water Contract. The District’s conduct is an improper and overreaching attempt to  
20 transform the District’s contractual *obligation* to execute DWR Agreements, on behalf of CCWA,  
21 into a *right* to dictate how CCWA should administer the State Water Contract, how the CCWA  
22 and the CCWA Participants should exercise their rights pursuant to the State Water Contract and  
23 to their use of the CCWA-owned facilities—rights the CCWA Participants, not the District, have  
24 paid for, exclusively, for more than 30 years.

25 ///

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**FIRST CAUSE OF ACTION**

**(Cal. Code Civ. Procedure § 863 - Reverse Validation)**

**(By All Petitioners/Plaintiffs Against All Respondents/Defendants)**

1  
2  
3  
4 95. Petitioners/Plaintiffs incorporate by reference and reallege as if fully set forth  
5 herein, each and every allegation contained in paragraphs 1 through 94, inclusive.

6 96. The Validation Statues, commencing with Code of Civil Procedure (“CCP”) § 860,  
7 outline the various rights and procedures associated with a validation action. CCP § 860 states:  
8 “A public agency may upon the existence of any matter which under any other law is authorized  
9 to be determined pursuant to this chapter, and for 60 days thereafter, bring an action in the  
10 superior court of the county in which the principal office of the public agency is located to  
11 determine the validity of such matter. The action shall be in the nature of a proceeding in rem.”  
12 Government Code § 6516.6(e) authorizes an action to determine the respective rights and  
13 obligation of a joint powers authority and any party with whom a joint powers authority may  
14 contract pursuant to the Joint Exercise of Powers Act (Government Code § 6500 et seq.). If the  
15 relevant agency does not file such an action, any interested person may file an action to determine  
16 the validity of the agency’s conduct. (CCP § 863.)

17 97. The District has no right or authority to impose conditions on, much less withhold  
18 its approval of, any DWR Agreement for which CCWA has approved and agreed to be bound,  
19 including but not limited to the Water Management Amendment or any other amendment to the  
20 State Water Contract.

21 98. Resolution No. 21-73 violates CCWA’s rights under the Transfer of Financial  
22 Responsibility Agreement and each and all of the 19 Water Supply Retention Agreements, which  
23 rights were assigned to CCWA, because the District has no right to impose conditions on  
24 amendments to the State Water Contract or CCWA’s transfer or exchange of SWP water pursuant  
25 to the State Water Contract.

26 99. In enacting Resolution No. 21-73, the District acted in excess of statutory authority  
27 under the Santa Barbara County Flood Control and Water Conservation District Act (State  
28 Statutes of 1955, Ch. 1057), which prohibits the District from affecting, in any way, the water

1 management authority and obligations of public water suppliers within Santa Barbara County,  
2 including CCWA and the CCWA Members.

3 100. Resolution No. 21-73 will deprive the CCWA Participants' of their ability to  
4 maximize beneficial use of their SWP water supplies and will result in a waste of water and  
5 therefore violates Article X, Section 2 of the California Constitution.

6 101. Petitioners/Plaintiffs are informed and believe and on that basis allege that the  
7 District has not filed a validation action to determine the validity of Resolution No. 21-73.

8 102. Each Petitioner/Plaintiff qualifies as an interested person under the Validation  
9 Statutes and is thus authorized to bring this action to determine the validity of Resolution No. 21-  
10 73 and the respective rights of the District, CCWA and the CCWA Members under the Water  
11 Supply Retention Agreements and the Transfer of Financial Responsibility Agreement. Each  
12 Petitioner/Plaintiff is furthermore directly impacted and prejudiced by the actions of the  
13 Defendants/Respondents as alleged above.

14 103. Petitioner/Plaintiff CCWA, acting in its own capacity and on behalf of all the  
15 CCWA Participants, has exhausted all applicable non-judicial remedies through, among other  
16 actions, the submittal of written comment letters to the District prior to the adoption of Resolution  
17 No. 21-73. This reverse validation action is timely pursuant to CCP §§ 860 and 863.

18 104. Based on the foregoing, Petitioners/Plaintiffs are entitled to judgment and to a  
19 declaration pursuant to the Validation Statutes determining that Resolution No. 21-73 is invalid  
20 and unenforceable.

21 **SECOND CAUSE OF ACTION**

22 **(Writ of Mandate — Code of Civil Procedure § 1085)**

23 **(By All Petitioners/Plaintiffs Against All Respondents/Defendants)**

24 105. Petitioners/Plaintiffs incorporate by reference and reallege as if fully set forth  
25 herein, each and every allegation contained in paragraphs 1 through 104, inclusive.

26 106. A writ of mandate under Code of Civil Procedure § 1085 may be used to challenge  
27 a quasi-legislative action as invalid on the grounds that the action exceeds the scope of the  
28 agency's authority, constitutes an abuse of discretion, and/or was arbitrary and capricious.

1           107. In adopting Resolution No. 21-73, and interfering with CCWA’s exercise of its  
2 rights pursuant to the State Water Contract and the CCWA Participants’ rights to manage their  
3 water supply resources for the benefit of their customers, including their SWP water supply, the  
4 District exceeded the scope of its statutory authority under the Santa Barbara County Flood  
5 Control and Water Conservation District Act (State Statutes of 1955, Ch. 1057). In attempting to  
6 regulate the discretionary water supply activities and property rights (i.e., SWP water supply) of  
7 Petitioners/Plaintiffs, each a public agency, Respondents/Defendants are interfering with the  
8 CCWA rights and obligations to deliver SWP water supply to the CCWA Participants and the  
9 CCWA Members’ rights to manage their respective SWP water supplies for their benefit of the  
10 customers within their respective service areas.

11           108. Article X, Section 2 of the California Constitution provides, in part, “that the water  
12 resources of the State be put to beneficial use to the fullest extent of which they are capable, and  
13 that the waste or unreasonable use or unreasonable method of use of water be prevented, and that  
14 the conservation of such waters is to be exercised with a view to the reasonable and beneficial use  
15 thereof in the interest of the people and for the public welfare.” The conditions and restrictions  
16 imposed by Resolution No. 21-73 will prevent the CCWA Participants from maximizing  
17 beneficial use of the SWP water supply available to them pursuant to the State Water Contract,  
18 thereby causing that water to be wasted. Accordingly, Resolution No. 21-73 will cause a waste  
19 and unreasonable use of water in violation of Article X, Section 2 of the California Constitution  
20 and is invalid for that reason.

21           109. Respondents’/Defendants’ adoption of Resolution No. 21-73 therefore constituted  
22 an abuse of discretion in that it was in excess of the District’s statutory authority, was arbitrary  
23 and capricious, and violated Article X, Section 2 of the California Constitution.

24           110. Petitioners/Plaintiffs have no plain, speedy, or adequate remedy at law.

25           111. Petitioners/Plaintiffs have exhausted all applicable non-judicial remedies through,  
26 among other actions, the submittal of written comment letters to the District prior to the adoption  
27 of Resolution No. 21-73.  
28



1 Management Amendment without condition and instead adopting Resolution No. 21-73, thereby  
2 depriving Petitioners/Plaintiffs’ ability to fully exercise their rights to the State Water Contract,  
3 including the benefits of the Water Management Amendment, as may be in the best interest of  
4 their respective customers, the ratepayers throughout Santa Barbara County who have funded  
5 their portion of the State Water Contract for more than 30 years.

6 118. The District’s actions, including adoption of Resolution No. 21-73, have damaged  
7 and will damage CCWA by impairing its rights pursuant to the Transfer of Financial  
8 Responsibility Agreement and the 19 Water Supply Retention Agreements to the benefits of the  
9 State Water Contract, as amended by the Water Management Amendment, including but not  
10 limited to CCWA’s administration of the State Water Contract. The District’s actions, including  
11 adoption of Resolution No. 21-73, have damaged and will damage the CCWA Participants by  
12 disrupting their existing and future plans for the implementation of the Water Management  
13 Amendment and other water management activities, including but not limited to engaging in  
14 transfers or exchanges of their SWP water supplies as expressly authorized by the Water  
15 Management Amendment. The CCWA Participants’ damages include, but are not limited to,  
16 frustration of water supply and water management planning efforts, increased administrative  
17 costs, lost sales of surplus water supplies, higher costs to manage water supplies, and increased  
18 costs of water service.

19 119. Future damages will also accrue as the CCWA Participants will be deprived of the  
20 benefits of the Water Management Amendment as a direct and proximate cause of the conditions,  
21 restrictions and limitations imposed by Resolution No. 21-73. Resolution No. 21-73 prohibits  
22 CCWA Participants from engaging in certain transfers and exchanges of SWP water supplies  
23 permitted by the State Water Contract they would otherwise undertake, requiring them to  
24 undertake additional actions and incur additional expenses to develop additional local water  
25 supplies that may not otherwise be beneficial or even needed or desired by the customers and  
26 ratepayers of a CCWA Participant. Resolution No. 21-73 also deprives the CCWA Participants’  
27 of their rights and obligations to manage their SWP water supplies, including the transfer and  
28 exchange of those supplies, in a manner that serves the interests of their customers, leading to

1 increased costs of water supply and water service for their customers. When such future damages  
2 accrue, Petitioners/Plaintiffs may amend or supplement this Petition/Complaint.

3 120. Respondents’/Defendants’ breach cannot reasonably or adequately be  
4 compensated in damages at this time, CCWA is therefore entitled to injunctive relief and to  
5 specific performance requiring Respondents/Defendants to comply with their contractual  
6 obligations pursuant to the Transfer of Financial Responsibility Agreement and the Water Supply  
7 Retention Agreements by rescinding Resolution No. 21-73 and to henceforth conform their  
8 activities to the order of the Court by abstaining from any future impairment to the rights of  
9 CCWA or the CCWA Participants under the Transfer of Financial Responsibility Agreement and  
10 the Water Supply Retention Agreements.

11 **FOURTH CAUSE OF ACTION**

12 **(Breach of Implied Covenant of Good Faith and Fair Dealing)**

13 **(By Petitioner/Plaintiff CCWA Against All Respondents/Defendants)**

14 121. Petitioner/Plaintiffs incorporate by reference and reallege as if fully set forth  
15 herein, each and every allegation contained in paragraphs 1 through 120, inclusive.

16 122. Implied in the Transfer of Financial Responsibility Agreement and each of the 19  
17 Water Supply Retention Agreements is a covenant of good faith and fair dealing that neither party  
18 would do anything to injure the right of the other to receive the benefits of the contract.

19 123. Pursuant to the Transfer of Financial Responsibility Agreement each of the 19  
20 Water Supply Retention Agreements, Respondents/Defendants have a duty to refrain from:  
21 interfering with CCWA’s administration of the State Water Contract; doing anything to deprive  
22 CCWA and the CCWA Participants of their respective rights to receive all of the benefits of the  
23 State Water Contract, including but not limited to the Water Management Amendment, which the  
24 CCWA Participants have paid for in the amount of approximately \$1 billion since 1991; and to do  
25 everything that the Water Supply Retention Agreements and the Transfer of Financial  
26 Responsibility Agreement presuppose that the District will do to accomplish its purpose,  
27 including but not limited to executing the Water Management Amendment and other DWR  
28

1 Agreements, without conditions, that CCWA has agreed to be bound by, when presented to the  
2 District.

3 124. By adopting Resolution No. 21-73, which resolution imposes limits and conditions  
4 on CCWA's implementation of the State Water Contract, as amended by the Water Management  
5 Amendment, and deprives and threatens to deprive CCWA and the CCWA Participants of the full  
6 benefits the State Water Contract, as amended by the Water Management Amendment,  
7 Respondents/Defendants are unfairly and without good faith interfering with CCWA's rights  
8 pursuant to the Transfer of Financial Responsibility Agreement and each of the 19 Water Supply  
9 Retention Agreements assigned to it.

10 125. CCWA has performed all of its obligations pursuant to the Transfer of Financial  
11 Responsibility Agreement and each of the 19 Water Supply Retention Agreements assigned to it.

12 126. As a proximate result of Respondents'/Defendants' actions, as described herein,  
13 CCWA, and thus the CCWA Participants, have suffered damages, are suffering damages and will  
14 suffer additional future damages.

15 127. Further, CCWA and the CCWA Participants face irreparable harm for which  
16 money damages are inadequate and they are therefore entitled to specific performance of the  
17 Transfer of Financial Responsibility Agreement and each of the 19 Water Supply Retention  
18 Agreements. Adequate relief would include, but is not limited to: requiring  
19 Respondents/Defendants to rescind Resolution No. 21-73 and to henceforth conform their  
20 activities to the order of the Court by abstaining from any future impairment to the rights of  
21 CCWA or the CCWA Participants under the Transfer of Financial Responsibility Agreement and  
22 the Water Supply Retention Agreements.

23 **FIFTH CAUSE OF ACTION**

24 **(Declaratory Relief — Code of Civil Procedure § 1060)**

25 **(By All Petitioners/Plaintiffs Against All Respondents/Defendants)**

26 128. Petitioners/Plaintiffs incorporate by reference and reallege as if fully set forth  
27 herein, each and every allegation contained in paragraphs 1 through 127, inclusive.  
28

1           129. A dispute has arisen between Petitioners/Plaintiffs and Respondents/Defendants in  
2 that Petitioners/Plaintiffs contend that Respondents/Defendants:

3                   (1) do not have the authority or right to adopt Resolution No. 21-73, which is  
4 invalid and unenforceable;

5                   (4) do not have the authority or right to require the CCWA Participants to  
6 engage only in balanced exchanges of SWP water;

7                   (5) do not have the authority or right to dictate the price of SWP water  
8 transferred or exchanged by the CCWA Participants;

9                   (6) do not have the authority or right to require the CCWA Participants to  
10 show an equivalent replacement of a new local water supply as a condition of engaging in any  
11 transfer or exchange of SWP water;

12                   (7) do not have the authority or right to deprive CCWA and the CCWA  
13 Participants of the benefits of the State Water Contract, as amended by the Water Management  
14 Amendment, by imposing conditions on CCWA's and the CCWA Participants' exercise of their  
15 rights under the State Water Contract; and

16                   (8) do not have the authority or right to impose conditions on, much less  
17 withhold approval of, any DWR Agreement to which CCWA has consented, including but not  
18 limited to the Water Management Amendment or any other amendment to the State Water  
19 Contract.

20           130. Respondents/Defendants dispute each and all of Petitioners/Plaintiffs' contentions,  
21 intend to enforce Resolution No. 21-73, and intend to impose conditions on the District's  
22 execution of future DWR Agreements and/or refuse to execute future DWR Agreements,  
23 notwithstanding the fact that CCWA has agreed to be bound by such agreements and has  
24 requested the District's execution of such agreements on behalf of CCWA.

25           131. Petitioners/Plaintiffs have no plain, speedy or adequate remedy at law for the harm  
26 resulting from Resolution No. 21-73.

27           132. This declaration is necessary and appropriate at this time in order to set at rest the  
28 continuing rights, duties, and obligations of the parties with respect to each other, and to allow



1 CCWA to exercise its rights pursuant to the Transfer of Financial Responsibility Agreement and  
2 the Water Supply Retention Agreements and to allow the CCWA Participants to make such plans  
3 and engage in such activities with respect to their respective SWP water supplies as are in the best  
4 interests of their customers, without improper and unwarranted obstruction by  
5 Respondents/Defendants.

6 **PRAYER FOR RELIEF**

7 WHEREFORE, Petitioner/Plaintiffs pray for a judgment in Plaintiffs'/Petitioners'  
8 favor and against Respondents/Defendants as follows:

9 1. As to the First Cause of Action (Reverse Validation), for a declaration that  
10 Resolution No. 21-73 is void, invalid and unenforceable;

11 2. As to the Second Cause of Action (Writ of Mandate), for a peremptory writ of  
12 mandate directing the District to rescind Resolution No. 21-73.

13 3. As to the Third Cause of Action (Breach of Contract), for such equitable relief as  
14 the Court deems proper, including specific performance and preliminary and permanent  
15 injunctive relief barring Respondents/Defendants, and each of them, from implementing and  
16 enforcing Resolution 21-73; and economic relief according to proof.

17 4. As to the Fourth Cause of Action (Breach of Implied Covenant of Good Faith and  
18 Fair Dealing), for such equitable relief as the Court deems proper, including specific performance  
19 and preliminary and permanent injunctive relief barring Respondents/Defendants, and each of  
20 them, from implementing and enforcing Resolution 21-73; and economic relief according to  
21 proof.

22 5. As to the Fifth Cause of Action (Declaratory Relief), for a declaration that  
23 Respondents/Defendants:

24 (1) do not have the authority or right to adopt Resolution No. 21-73, which is  
25 invalid and unenforceable;

26 (2) have breached their obligations under the Transfer of Financial  
27 Responsibility Agreement and each and all of the 19 Water Supply Retention Agreements;  
28

1                   (3)     have breached the implied covenant of good faith and fair dealing required  
2 by the Transfer of Financial Responsibility Agreement and by each and all of the 19 Water  
3 Supply Retention Agreements;

4                   (4)     do not have the authority or right to require the CCWA Participants to  
5 engage only in balanced exchanges of SWP water;

6                   (5)     do not have the authority or right to dictate the price of SWP water  
7 transferred or exchanged by the CCWA Participants;

8                   (6)     do not have the authority or right to require the CCWA Participants to  
9 show an equivalent replacement of a new local water supply as a condition of engaging in any  
10 transfer or exchange of SWP water;

11                   (7)     do not have the authority or right to deprive CCWA and the CCWA  
12 Participants of the benefits of the State Water Contract, as amended by the Water Management  
13 Amendment, by imposing conditions on CCWA's and the CCWA Participants' exercise of their  
14 rights under the State Water Contract; and

15                   (8)     do not have authority or right to impose conditions on, much less withhold  
16 approval of, any DWR Agreement for which CCWA has approved and agreed to be bound,  
17 including but not limited to the Water Management Amendment or any other amendment to the  
18 State Water Contract.

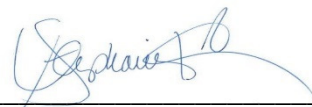
19                 6.     For costs of suit incurred, including attorney's fees pursuant to Code of Civil  
20 Procedure § 1021.5 or as may be permitted by any other law; and

21                 7.     For any and all such other and further relief as the Court deems just and proper.  
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Dated: June 18, 2021

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By:   
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Dated: June \_\_\_\_, 2021

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Dated: June \_\_\_\_, 2021

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Dated: June \_\_\_\_, 2021

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Dated: June \_\_\_\_, 2021

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Dated: June \_\_\_\_, 2021

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Dated: June \_\_\_\_, 2021

BROWNSTEIN HYATT FARBER  
SCHRECK, LLP

By: \_\_\_\_\_

STEPHANIE OSLER HASTINGS  
MARCUS S. BIRD  
CHRISTOPHER R. GUILLEN  
JESSICA L. DIAZ  
Attorneys for Petitioner/Plaintiff  
CENTRAL COAST WATER AUTHORITY

Dated: June \_\_\_\_, 2021

MYERS, WIDDERS, GIBSON, JONES &  
FEINGOLD, LLP

By: \_\_\_\_\_

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Attorneys for Petitioner/Plaintiff  
CARPINTERIA VALLEY WATER  
DISTRICT

Dated: June 17, 2021

BURKE, WILLIAMS & SORENSEN, LLP



By: \_\_\_\_\_

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CITY OF BUELLTON

Dated: June \_\_\_\_, 2021

THE LAW OFFICE OF PHILIP F. SINCO

By: \_\_\_\_\_

PHILIP F. SINCO  
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CITY OF GUADALUPE

Dated: June \_\_\_\_, 2021

CITY OF SANTA BARBARA, OFFICE OF  
THE CITY ATTORNEY

By: \_\_\_\_\_

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Attorneys for Petitioner/Plaintiff  
CITY OF SANTA BARBARA

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By: 

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Dated: June \_\_\_\_, 2021

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CARPINTERIA VALLEY WATER  
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Dated: June \_\_\_\_, 2021

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CITY OF GUADALUPE

Dated: June 18, 2021

CITY OF SANTA BARBARA, OFFICE OF  
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By: Daniel S. Hentschke

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Dated: June 17, 2021

CITY OF SANTA MARIA, OFFICE OF THE  
CITY ATTORNEY

By:   
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Attorneys for Petitioner/Plaintiff  
CITY OF SANTA MARIA

Dated: June \_\_\_\_\_, 2021

COLANTUONO, HIGHSMITH &  
WHATLEY, PC

By: \_\_\_\_\_  
RYAN THOMAS DUNN  
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GOLETA WATER DISTRICT

Dated: June \_\_\_\_\_, 2021

COHEN AND BURGE LLP

By: \_\_\_\_\_  
ROBERT M. COHEN  
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MONTECITO WATER DISTRICT

Dated: June \_\_\_\_\_, 2021

BROWNSTEIN HYATT FARBER  
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GARY M. KVISTAD  
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SANTA YNEZ RIVER WATER  
CONSERVATION DISTRICT,  
IMPROVEMENT DISTRICT NO. 1



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CITY OF SANTA MARIA, OFFICE OF THE  
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CITY OF SANTA MARIA

Dated: June 18, 2021

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GOLETA WATER DISTRICT

Dated: June \_\_\_\_, 2021

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