



September 28, 2016

Chair Peter Adam and Members of the Board of Directors  
Santa Barbara County Flood Control and Water Conservation District  
County of Santa Barbara  
123 E. Anapamu Street  
Santa Barbara, CA 93101

Jack Boysen  
Chairman

Richard Shaikewitz  
Vice Chairman

Ray Stokes  
Executive Director

Brownstein Hyatt  
Farber Schreck  
General Counsel

*Member Agencies*

City of Buellton

Carpinteria Valley  
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water  
Conservation District,  
Improvement District #1

*Associate Member*

La Cumbre Mutual  
Water Company

RE: Reacquisition of Relinquished State Water

Dear Chair Adam and Members of the Board of Directors:

As you know, the Central Coast Water Authority, (CCWA) has previously requested approval to reacquire 12,214 acre-feet (AF) of state water allotment that was "suspended" by Santa Barbara County in 1981. The Department of Water Resources (DWR) recently sent a letter indicating its approval to allow CCWA, through the County of Santa Barbara, to reacquire all 12,214 AF of the suspended water.

This additional water will be used by the five agencies listed in Table 1, to help firm up their state water deliveries in those years in which the DWR delivery allocation percentage is below 100%.

It is estimated that the costs to reacquire the suspended water will be about \$36 million, comprised of an approximate \$30 million payment to DWR and \$6 million to Santa Barbara County for reimbursement of costs paid by the County between 1963 and 1984.

The annual costs are estimated to be around \$1.6 million, or about \$132/AF, as shown in Table 1. This amount represents a 5% increase in the total annual payments CCWA currently makes to DWR; a relatively small increase in costs, for a 27% increase in water available from the State Water Project for CCWA and its member agencies.

The annual costs of the suspended water is significantly lower than the costs of the baseline contract water allotment because the Coastal Branch facilities were not sized to carry this additional 12,214 AF. Therefore, the additional water will be treated as a drought buffer and will only be available to be delivered in those years in which there is available pipeline capacity (i.e., a year of less than a 100% deliveries).

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**TABLE 1**

	<u>Acre-Feet</u> <u>Requested</u>	<u>Estimated Cost</u> <u>to Reacquire</u>	<u>Estimated</u> <u>Annual Costs</u>
City of Santa Maria	9,814	\$ 28,926,150	\$ 1,295,448
Carpinteria Valley Water District	1,000	2,947,437	132,000
City of Guadalupe	600	1,768,462	79,200
Santa Ynez Imp. District #1	500	1,473,719	66,000
City of Solvang	300	884,231	39,600
TOTAL:	<u>12,214</u>	<u>\$ 36,000,000</u>	<u>\$ 1,612,248</u>

The CCWA board of directors voting percentages will not change as a result of reacquiring this water.

We respectfully request that the Santa Barbara County Flood Control and Water Conservation District approve the CCWA request to reacquire the 12,214 AF of suspended state water project allotment.

Thank you for your consideration.

Sincerely,



Ray A. Stokes  
Executive Director

RAS

cc: Tom Fayram, Water Resources Deputy Director, County of Santa Barbara  
Jack Boysen, Chairman of the CCWA Board of Directors  
Shad Springer, Director of Utilities, City of Santa Maria  
Robert McDonald, General Manager, Carpinteria Valley Water District  
Jerry Beatty, Council Member, City of Guadalupe  
Chris Dahlstrom, General Manager, Santa Ynez River Water Conservation  
District, Improvement District No. 1  
Brad Vidro, City Manager, City of Solvang