

# LOS ALAMOS COMMUNITY SERVICES DISTRICT

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LOS ALAMOS, CALIFORNIA 93440

June 14, 2016

Board of Supervisors  
County of Santa Barbara  
105 E. Anapamu Street  
Santa Barbara, CA 93101

***Re: San Antonio Groundwater Basin GSA***

Dear Honorable Supervisors:

We are writing to advise you that, at its meeting on May 25, 2016, the Board of Directors of the Los Alamos Community Services District ("LACSD") decided that LACSD will not, at this time, participate as one of the local agency members of the groundwater sustainability agency ("GSA") for the San Antonio Groundwater Basin pursuant to the Sustainable Groundwater Management Act as set forth in Water Code Section 10720 et seq. Although LACSD qualifies for GSA membership as a local agency overlying the Basin, LACSD's Board of Directors is concerned that funding will not be available to cover the costs associated with its participation, and that those costs could impose an undue financial burden on LACSD and its ratepayers.

The structuring and formation of a Joint Powers Agency or the drafting of a Memorandum of Understanding to establish the GSA, define its membership, and address its governance will require a significant investment of time by LACSD's staff, as well as the involvement of LACSD's legal counsel. It is also expected that, following the formation of the GSA, fulfilling LACSD's responsibilities as a GSA member would require a considerable commitment of time by LACSD staff and other resources. It was previously LACSD's understanding that grant funds or other sources of revenue would be available to cover some or all of the costs incurred by LACSD in connection with the formation of the GSA and the carrying out of its responsibilities as a member. However, it now appears that available funding has already been distributed to the County through the Stressed Basins Grant and will be used by the County to pay for the services of Dudek to facilitate GSA formation meetings. As such, those funds will not be available to cover costs incurred by LACSD or other GSA members.

Because LACSD is a small agency with limited resources, if significant costs are incurred in connection with the GSA process, LACSD could be forced to increase rates. It is not clear to LACSD at this point that the benefits to its ratepayers from LACSD's participation as a GSA member would justify the costs associated with such participation. This is of particular concern at this time because LACSD is currently in the process of raising its water rates based on a recently completed rate study. The rate increase is needed, in part, to address revenue reductions attributable to decreased water production which has resulted from continuing drought conditions and the water conservation restrictions that the District has, pursuant to State mandate, imposed on its customers. An additional rate increase to cover costs associated with LACSD's participation as a GSA member could represent a serious hardship for those customers.

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LACSD anticipates that it will continue to be a participant in connection with the GSA's activities and in the development of a Groundwater Sustainability Plan for the San Antonio Groundwater Basin. Depending on the structure that is decided on for the GSA, there may be a formal roll for LACSD to play (e.g., filling a position on the GSA's Board of Directors). In addition, LACSD remains open to revisiting its decision regarding GSA membership if funding becomes available in the future.

LACSD looks forward to working cooperatively with the County of Santa Barbara, as well as the other GSA members and stakeholders in connection with the development and implementation of a Groundwater Sustainability Plan for the San Antonio Groundwater Basin.

Sincerely,



Kevin Barnard  
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cc Elizabeth Farnum, District Representative for Supervisor Doreen Farr  
Tom Fayram, Deputy Director, Santa Barbara County Water Agency  
Anne Coates, Executive Director, Cachuma Resource Conservation District