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December 10, 2015

Honorable Janet Wolf, Chair, and
Members, Board of Supervisors
County of Santa Barbara
105 East Anapamu Street
Santa Barbara 93101

Re: Goleta Water District Update on Drought and Short-Term Water Issues

Honorable Janet Wolf, Chair, and Members, Board of Supervisors:

The Goleta Water District (District) appreciates the opportunity to provide the Board of Supervisors with an update on the District's diverse water supply portfolio, demand management, and water shortage responses for the Board of Supervisors' meeting on December 15, 2015. As the region and much of the State enter a fifth consecutive year of drought, while we all hope for much-needed relief this winter, the District continues to take pro-active steps to meet the unique challenges presented by the drought, consistent with its Drought Preparedness and Water Shortage Contingency Plan (Drought Plan), adopted in July, 2014. Through the ongoing responsible management of its varied and unique water supply portfolio, as well as continued major water conservation and demand management efforts, the District will continue to meet the public health and safety needs of the community with a sustainable water supply.

Brief Background on the District

The District is a County Water District operating pursuant to the provisions of the California Water Code. The District was formed in 1944 to provide water to the Goleta Valley, and initially relied solely on local groundwater until the Federal Cachuma Project began making deliveries in 1955. Since that time, the Cachuma Project has been and continues to be the primary water supply source for the District and approximately 87,000 residents in the Goleta Valley. The District service area encompasses 29,000 acres, and includes the City of Goleta, University of California, and Santa Barbara Airport; the remainder is located in unincorporated Santa Barbara County. La Cumbre Mutual Water Company, El Capitan Mutual Water Company, and several other small private water purveyors are located within the District service area and manage their own supply portfolios, maintain separate water distribution facilities, and serve their respective and distinct customers.

District Drought Response

The District has one of the most diverse water supply portfolios of the South Coast water agencies. Current District water supplies include: (1) water delivered from Lake Cachuma; (2) groundwater pumped from the Goleta North-Central Groundwater Basin; (3) State Water Project (SWP) water; and (4) recycled water. The District carefully prioritizes the use of water from its supply portfolio according to its adopted Water Supply Management Plan, which has allowed the District to maximize each source over multi-year periods in the most cost effective and responsible manner. Each source of supply has its own nuances, and they are all inter-related as they collectively fulfill the District's total demand.

The District maintains an adaptive and dynamic water supply and demand model to forecast the potential for critical water supply challenges, a summarized copy of which is included as Attachment 1. The model uses supply and demand inputs to produce supply availability outputs for the following 12 and 24 month periods. This allows the District to determine whether a water supply shortage is anticipated in any given year, and the severity of a shortage based on the availability of the different sources of supply and trends in demand. The model is frequently updated with actual customer demand data, changes in customer conservation trends, and changes in the delivery timing or quantity of water supplies, including actual and projected groundwater production data.

These supply and demand amounts will trigger Water Shortage Emergency stages if certain shortfall thresholds are met, as specified in the District's Drought Plan. The District declared a Stage I Water Shortage Emergency in March 2014, and a Stage II Water Shortage Emergency in September 2014, in response to the District's supply projected to be less than 85% of normal under the District's modeling at that time.

On May 12, 2015, the District Board of Directors declared a Stage III Water Shortage Emergency. At that time, District modeling indicated that water supply for the subsequent twelve months would be approximately 74% of normal beginning in May 2015, which triggered Stage III pursuant to our Drought Plan.

The District is currently negotiating the acquisition of supplemental water that could delay the need to declare a Stage IV Water Shortage Emergency. Should the District not receive additional supply augmentation in the coming months, a Stage IV Water Shortage Emergency would be triggered, and the District would interrupt some agricultural water service where necessary to preserve sufficient water to meet the public health and safety needs of the community, which mainly includes domestic uses such as water for sanitary and drinking needs. Under a Stage IV Water Shortage Emergency, the District would ban sprinkler irrigation of lawns and overhead spray irrigation of crops, and impose strict additional watering regulations on landscapes. A Stage IV drought surcharge would also be applied to all customer classes.

Water Supply Update

As a result of the current 4-year drought, the District has increasingly relied on groundwater to augment supplies and preserve remaining surface water to the extent possible. This water supply management strategy, coupled with system-wide demand reductions, has allowed the District to stretch its surface water supplies during the current drought. Supply projections discussed below are very conservative, as they assume continued dry weather, no inflow or entitlement from Lake Cachuma, and no change in the initially low State Water allocation. Groundwater will serve as the District's primary source of supply in 2016 if dry conditions persist and supplemental State Water is being acquired. A detailed summary of each District supply source is provided below.

Lake Cachuma

Preservation of water in Lake Cachuma has been critical, as the District and other Cachuma Member Agencies were notified by the United States Bureau of Reclamation (USBR) in July 2015 that no (zero) Cachuma water will be made available in the current water year (WY) 2015-16. As of the beginning of the current WY (October 1, 2015), the District is now utilizing Cachuma water carried over from previous years ("carryover" water) to meet customer demand above and beyond current groundwater production. The District started the WY 2015-16 with approximately 2,168 Acre Feet (AF) of carryover water, and roughly 1,100 AF remain as of the end of November 2016. Groundwater production is expected to meet the majority of customer demand beginning this month, which will help preserve the District's remaining

Cachuma water. Based on current production patterns and forecasts, however, the District does not anticipate experiencing the substantial decreases in agricultural demand that it typically sees in December.

The percent allocation of Cachuma water could change if rainfall and associated inflow to the lake occurs during the winter/spring of 2016, which would have a significant impact on the District's current projected drought stage triggering events. While current forecasts suggest that significant rainfall may be associated with the El Niño weather pattern in the rainy season, for the time being, the District continues to project a zero percent Cachuma allocation until its Lake Cachuma supply allocation is adjusted by the United States Bureau of Reclamation (USBR). Should the District receive an allocation of Lake Cachuma Project Water, even if preliminarily low (i.e. 20%, or 1,864 AF), the District could delay or even potentially avoid declaring more severe Water Shortage Emergencies and interrupting District agricultural water service for those particular agricultural water service customers who rely entirely upon Lake Cachuma water deliveries and private wells to irrigate their crops.

State Water

On December 1, 2015, California Department of Water Resources (DWR) announced the initial allocation of State water that would be made available to SWP contractors, including the District, for the 2016 calendar year. Due to current water supply conditions and key State reservoir levels being below 40% of capacity, the preliminary allocation issued by the State is 10%, which equates to a 745 AF allocation for the District. The State typically releases a revised allocation in January, February and March, which could be adjusted upward if the Sierra receives additional significant precipitation this winter beyond the substantial snowfall in late November-early December 2015. Half of the state's precipitation typically falls between December and February. For the year just concluding, the State issued two updates from an original 10% allocation; an increase to 15% in January 2015, and a second increase to 20% in March 2015. DWR has increased the initial allocation in 17 of the last 20 years (85%). However, until such time that a revised allocation may be released, the District Water Supply and Demand Model (Attachment 1) reflects a 10% SWP allocation for 2016.

The District is exploring opportunities for supply augmentation via the State Water Project and is currently negotiating the acquisition of 2,500 AF of State Water to augment District supplies near-term, thereby delaying the need to declare further stages of Water Shortage Emergency and interrupt agricultural water service on the Goleta West Conduit.

Groundwater

The District has six active groundwater wells currently delivering an average of 450 AF per month of water into the distribution system, a number projected to increase significantly this month and in January of 2016. Several well enhancement projects are planned or underway, as called for in the District's adopted Infrastructure Improvement Plan, to maximize the District's access to stored groundwater. The District expects to produce 6,115 AF in WY 2015-16 based on planned capital improvements.

Recycled Water

The District provides approximately 1,000 AF of recycled water per year, primarily for landscape irrigation uses. Recycled water remains a critical component of the District supply portfolio, particularly during drought, as every drop of recycled water used conserves potable water supplies. The District is actively working with the Goleta Sanitary District to ensure both the recycled water treatment plant and the distribution system receive the regular maintenance needed to ensure reliable delivery to recycled water customers. Additionally, the District stands ready to truck recycled water to District customers that are not on the existing recycled waterline, as well as to properties outside the District service area upon request by the area water provider.

In sum, based on the best available information, including the recently released State Water allocation and the pending acquisition of supplemental State Water, the District's available supplies for WY 2015-16 are projected to be 11,286 AF, or 72% of normal.

Demand Update

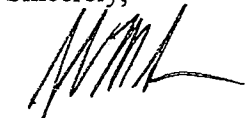
While supply augmentation and maintenance is vital, the need for continued conservation and demand management is equally important as part of the supply/demand equation. The District continues its efforts to facilitate customer demand reductions, including enforcing mandated Stage III Water Shortage restrictions, implementing conservation-related rebate programs, performing complimentary customer water audits, distributing water saving devices, and engaging in an expansive public outreach and community engagement campaign. Additionally, the District stopped issuing new water allocations on October 1, 2014, pursuant to the terms of the voter-adopted SAFE Water Supplies Ordinance.

Since declaring a Stage III Water Shortage in May 2015, the District has seen an aggregate system-wide demand reduction of 27% over the seven-month period (May-October). Notably, the District's State-mandated water use reduction from 2013 levels is 12%, which the District has consistently surpassed since the requirement was adopted by the State Water Resources Control Board (SWRCB) in May 2015. Current residential use is approximately 52 gallons per capita per day (R-GPCD), which is the 4th lowest among the 28 water suppliers reporting in the Central Coast Region, and 25th among 409 suppliers reporting state-wide.

Summary

The District continues to work around the clock to ensure that it will always have sufficient water to meet the basic public health and safety needs of the community, and every District action discussed herein is in furtherance of that goal. The District is constantly evaluating additional opportunities for water savings and new sources of supply as part of its ongoing planning efforts and drought preparedness under its Drought Plan, including evaluations of potable reuse projects and opportunities for augmentation via stormwater capture projects. The District appreciates opportunities to provide the Board of Supervisors with specific information on the status of its drought management activities and looks forward to working collaboratively with the County in a manner that supports the District's ability to continue to provide all residents within the Goleta Valley with safe and reliable water service for their health and safety needs.

Sincerely,



John McInnes
General Manager

Encl: Water Supply & Demand Model Summary

Cc: Goleta Water District Board of Directors

10% State Water

10% State Wa

Groundwater

Lake Cachuma

State Water

Total Supplies Available	5,692	5,108	4,640	4,060	3,402	2,880	1,599	1,772	2,099	2,460	2,686	2,843	2,854	2,717	2,416
Total Supplies Used (including adjustments)	1,033	923	1,037	1,119	1,054	1,054	934	734	502	542	646	723	838	912	885
Total Remaining Supplies	4,659	4,186	3,602	2,941	2,348	1,826	1,154	865	1,370	1,557	1,814	2,115	2,019	1,805	980

Drought Stage

2017																											
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec													
Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
100.0	95.0	48.1	22.0	38.2	79.0	90.0	139.3	164.4	146.5	165.1	168.3	148.0	136.9	48.1													
110.0	110.0	110.0	110.0	110.0	110.0	118.4	124.0	127.3	143.3	153.9	152.9	150.7	132.1	110.0													
7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9													
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0													
102.9	141.7	98.4	6.9	25.2	44.7	71.2	128.5	125.4	170.1	140.5	149.9	92.6	141.7	98.4													
43.6	42.8	33.2	33.2	35.7	39.3	35.4	45.3	50.2	36.7	38.8	38.9	43.6	42.8	33.2													
15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0													
137.1	154.0	126.8	126.8	126.8	126.8	126.8	137.6	142.7	128.9	166.7	147.0	137.1	154.0	126.8													
285.1	283.6	185.1	149.7	164.5	182.2	216.5	277.1	308.5	293.3	326.5	328.6	280.3	250.6	185.1													
801.7	850.0	624.5	471.5	523.4	605.0	681.4	874.8	941.3	941.7	1,014.3	1,008.5	875.4	881.0	624.5													
527	510	510	549	519	558	517	520	587	676	685	674	574	605	639													
0	0	0	0	0	0	0	0	0	0	0	(175)	0	0	0													
527	510	510	465	498	558	517	520	587	676	685	499	574	605	620													
1,189	905	568	463	464	459	434	383	275	280	131	136	141	147	61													
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
1,189	905	568	463	464	459	434	383	275	280	131	136	141	147	61													
275	340	114	7	14	34	60	117	5	159	5	5	5	96	5													
(9)	3	9	9	9	9	9	9	10	10	10	10	10	10	11													
284	337	106	(2)	5	25	51	108	0	149	0	0	0	86	0													
905	568	463	464	459	434	383	275	280	131	136	141	147	61	67													
0	0	0	0	414	826	1,234	1,548	1,727	1,468	1,354	1,012	491	181	0													
0	0	0	425	425	425	425	425	110	0	0	0	0	0	0													
0	0	0	425	839	1,251	1,659	1,973	1,837	1,468	1,354	1,012	491	181	0													
0	0	0	11	11	13	105	238	361	106	336	515	308	180	0													
0	0	0	0	0	(2)	(4)	(6)	(8)	(9)	(7)	(5)	(2)	(1)	0													
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
0	0	0	11	13	17	111	245	369	114	343	520	310	181	0													
0	0	0	414	826	1,234	1,548	1,727	1,468	1,354	1,012	491	181	0	0													
1,716	1,415	1,078	1,437	1,822	2,268	2,610	2,876	2,700	2,424	2,170	1,822	1,207	933	700													
802	850	624	483	523	605	681	875	953	942	1,026	1,020	887	881	624													
915	565	454	954	1,299	1,663	1,928	2,001	1,747	1,483	1,144	803	320	52	76													
III	III	III	III	III	III	III	III	III	III	III	III	III	III	III	III												