

Presentation to  
Santa Barbara County Board of Supervisors  
by the  
Central Coast Water Authority

January 19, 2010

# BUILDING A BETTER DROUGHT BUFFER

# Outline

- Our Request
- Background: How the SWP System Works
- What is Drought Buffer
- The Opportunity Before Us
- Benefits of Drought Buffer Enhancement
- Next Steps

# Our Request

The Board of Supervisors directs staff to:

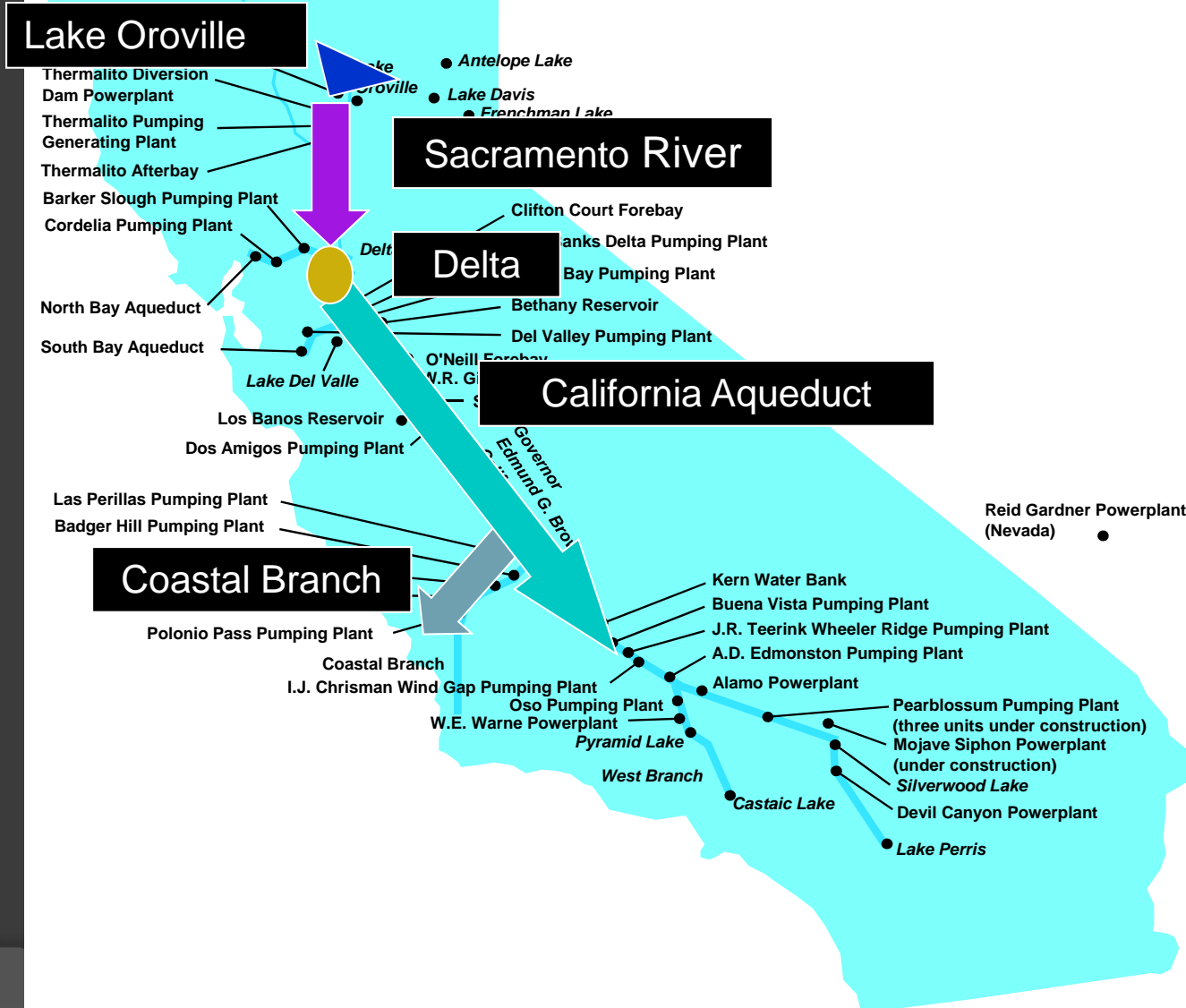
take the necessary and appropriate steps to reacquire 12,214 AFY of State Water Project allotment.

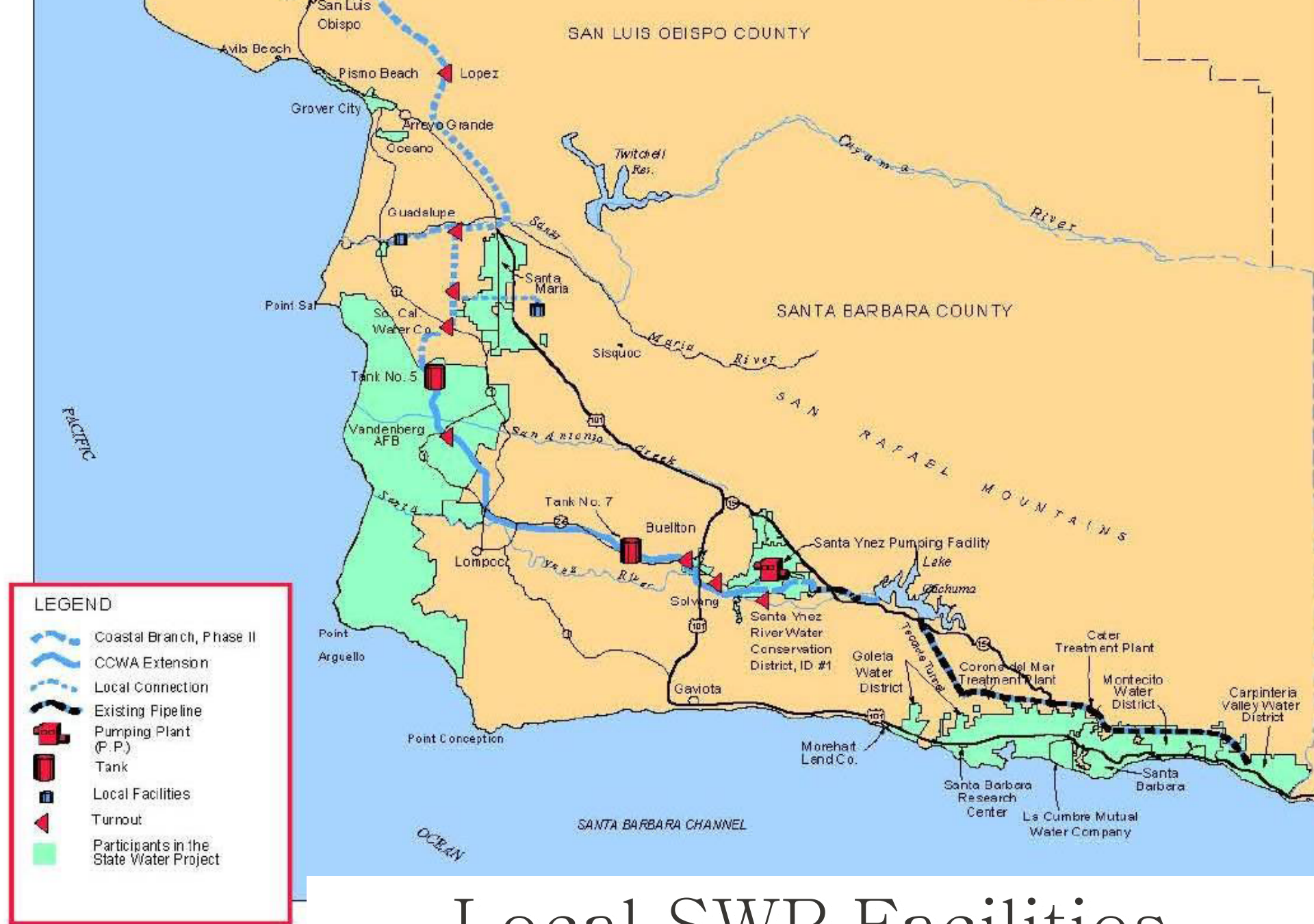
# State Water Project

- How Does the System Deliver Water to Santa Barbara County?
  - SWP facilities:
    - Capture and storage: dams and reservoirs
    - Transportation: rivers, delta, aqueducts, pumps and pipelines

# State Water Project Facilities

## Deliveries to Santa Barbara County





# Local SWP Facilities

# State Water Project

## Who Does the Project Serve?

- Statewide: 25 million people  
750,000 acres of farmland
- Santa Barbara: 13 water agencies  
382,331 residents

# What Challenges Does the System Face?

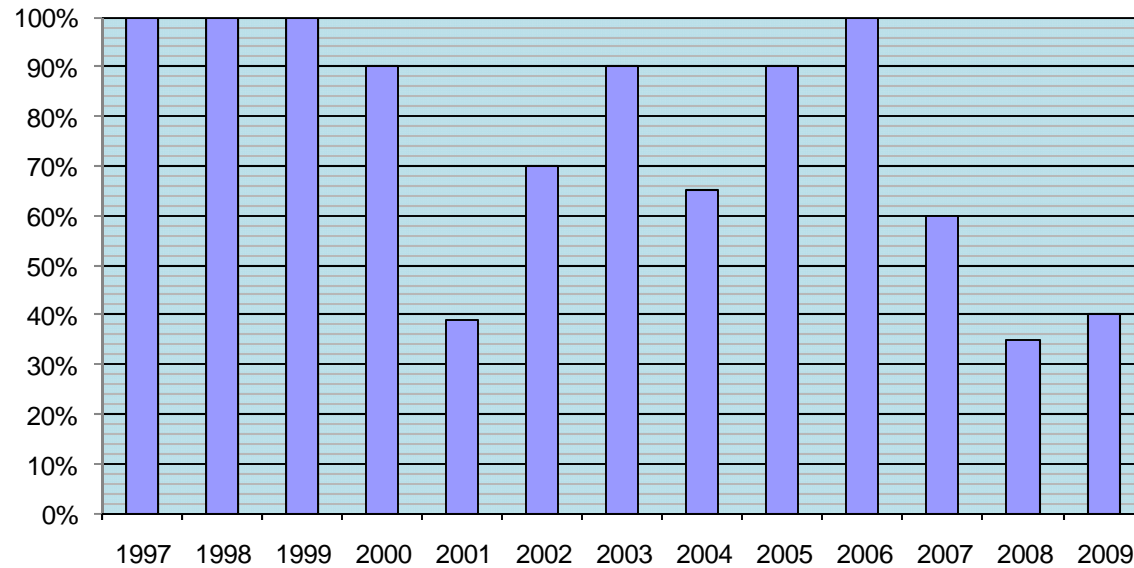
Delivery cutbacks caused by:

- Dry periods –
  - We are entering into a fourth year of drought
- Court- and agency-ordered delivery reductions –
  - Delta Smelt and Salmon populations in the Delta have plummeted
  - Regulatory agencies have reduced pumping in the Delta for nine months of the year



# SWP Reliability

**Percent of Table A Water  
Available**



# What is Drought Buffer?

- A portion of the source supply or a backup supply which is used to makeup deficiencies or reductions in the SWP deliveries.
- Drought buffers increase reliability by providing a greater amount of water at a given allocation percentage.
- No additional pipeline capacity or new facilities or have will be built for drought buffer sources, so maximum delivery amounts cannot increase.
- In wet years, surplus drought buffer supplies may be banked for use in future dry years.

# How does this new drought buffer compare to other CCWA drought buffers?

- The new drought buffer will be treated exactly the same way as CCWA's existing drought buffer except that project participants will have the option to opt in and control the amount of additional reliability they require.
- CCWA will own the drought buffer and will apply the benefits according to Board policy.
- CCWA will bill the opt in participants according to their level of participation.
- Goleta's special drought buffer differs only in that it is reserved as a reliability benefit for the Goleta Water District only.

# How will CCWA pay for the new drought buffer?

- At this time, CCWA intends to bond for the DWR past costs and then to charge project participants their portion of the annual bond principal and interest plus the ongoing DWR capital and O&M costs.
- CCWA will also allow interested project participants to pay their portion of the past costs in a lump sum or to bond separately if they wish
- CCWA will put financial protections (step up provisions) in place to ensure the financial investment is secure

# The Opportunity Before Us

- The State has held onto the 12,214 AFY since 1981.
- The State will allow Santa Barbara County to reacquire this water.
- The other State Water Contractors have indicated that they will consent.
- Santa Barbara County simply needs to send a letter to the State requesting that a contract amendment be prepared.
- CCWA will pay all costs required by the State.
- The process can be completed in time to help with 2010 deliveries.

# The Benefits of Drought Buffer Enhancement

- Stabilize long-term costs compared to purchasing on spot market
- Improved efficiency: better use of existing facilities
- Improved reliability; avoid drastic consumer delivery cutbacks

# The Benefits of Drought Buffer Enhancement (continued)

- Protect local groundwater and surface water supplies during drought years
- Better quality water for reclamation
- No construction needed
- No impact on taxpayers
- No cost to County; County is 100% protected

# Next Steps

- County and CCWA develop and sign agreement to ensure necessary financial and environmental protections
- County requests reacquisition from DWR
- CEQA compliance
- CCWA secures financing (bond issue)
- DWR and County sign amendment to State Water Contract.



# Elected Representative Comments

# Questions