

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 5-B

DATE: AUGUST 21, 2025

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: QUARTERLY WATER SUPPLY UPDATE

RECOMMENDATION:

Information only.

DISCUSSION:

Overview

The 2024/25 winter brought below average rainfall to much of the State, including Santa Barbara County. Despite these conditions, the District's 3-year water supply outlook remains favorable, meaning sufficient water supplies are available to meet projected customer needs over the next three water years assuming drought conditions persist. This favorable outlook is attributable to both the above-average rainfall conditions that occurred in Water Years (WY) 2023 and 2024, which filled and spilled reservoirs, some repeatedly, as well as the long term water supply reliability enhancements implemented in recent years, such as acquisition of ocean desalination supplies from the City of Santa Barbara and groundwater banking with Semitropic.

The US Drought Monitor indicates a worsening of drought conditions statewide through August 2025. In contrast to WY 2023 and 2024, the below average rainfall conditions have pushed over 75% of the State back into drought conditions. Drought conditions in Santa Barbara County vary from abnormally dry to severe, with the South Coast and most of the Santa Ynez River watershed being under severe drought conditions (Figure 1). Rainfall totals for WY 2025 across Santa Barbara County are about 50-60% of average.

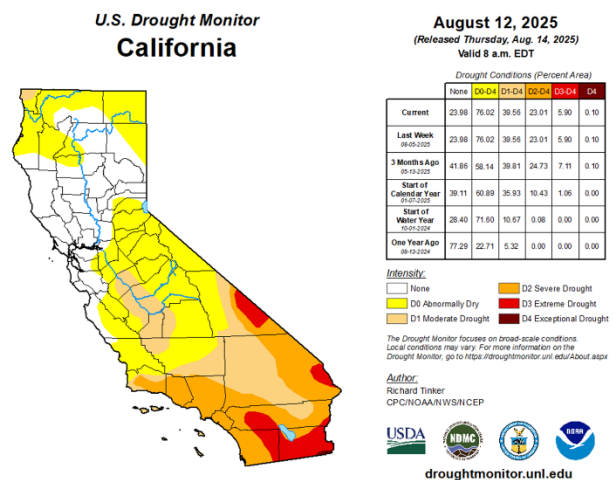


Figure 1: US Drought Monitor Map

The District's 3-year water supply outlook continues to indicate adequate water to meet projected customer water demand through Water Year (WY) 2028 without projected water shortages, or the need for imported water (i.e., State Water Project, supplemental, Semitropic). Total planned (or budgeted) water production for WY 2025 is 4,321 acre feet (AF), based on the average demand over the prior 5-years. As of July 31, 2025, actual water use is trending at about planned levels or 3% under budget.

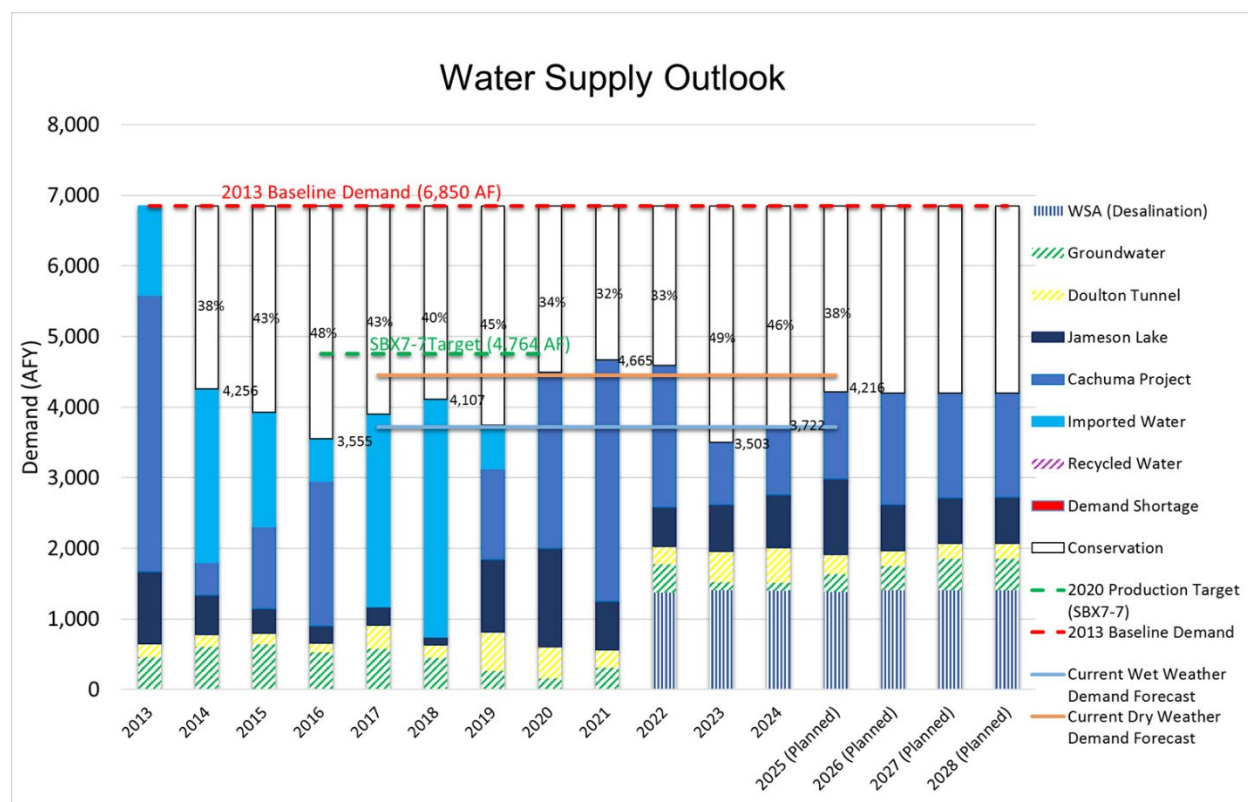


Figure 2: 3-Year Water Supply Outlook

Despite the favorable water supply outlook, efficient water use remains necessary to extend the availability of water supplies and to bolster long-term water supply reliability. Many water use efficiency-related initiatives continue including water use efficiency rebates, property specific water budgets, and utilization of automated metering infrastructure (AMI or smart meters). Additionally, the evaluation of various long-term water supply initiatives continues and includes the potential need for additional local rainfall independent water supplies, local groundwater banking, and the optimal use of surplus State Water Project supplies.

Update on Water Sources

The **Cachuma Project**, a United States Bureau of Reclamation (USBR) owned and operated surface water reservoir and a critical local surface water supply for the District, reached 100% of current full storage capacity in early 2024. With little to no inflow resulting from the 2024/25 winter, total storage in the Cachuma project has dropped to 81.5% of its current full storage

capacity as of July 31, 2025. The Cachuma Project has historically supplied about 40% of the District's annual water supply but this has reduced to between 25% and 30% since the acquisition of ocean desalination from the City of Santa Barbara. This reduction in reliance on the Cachuma Project enables this critically important supply to be preserved for later use, such as during dry periods or droughts. The District's full Cachuma Project contractual entitlement is 2,651 AF. On July 14, 2025, USBR issued a 100% allocation for the upcoming water year, WY 2026, which begins October 1, 2025. Total Cachuma Project water deliveries planned for WY 2025 are 1,111 AF.

As of July 31, 2025, the District's has 4,212 AF of Cachuma Project supplies available, which includes 2,651 AF of current year allocation, 293 AF of SYRWCD ID1 Exchange, and 1,268 AF of carryover water (Cachuma Project allocation from a prior water year). After October 1, 2025, this water will become carryover water and will be at risk of loss to spill next winter. The District's 3-year water supply outlook projects a 100% Cachuma Project allocation through WY 2028.

Jameson Lake, another critical local surface water supply for the District, is at 91% of the current full storage capacity (4,587 acre feet) as of July 31, 2025. The 2024/25 winter brought approx. 1,000 AF of inflow to Jameson Lake, near completely filling the reservoir for the third consecutive year. Jameson Lake is a District-owned and operated facility that serves as a longer-term drought supply with reduced deliveries available over an extended period. Projected annual deliveries are consistent with the District's 2020 modified rule curve for the reservoir, which plans for up to 2,000 acre feet of deliveries when the lake is full, reducing to between 500 to 800 acre feet per year thereafter as the lake level declines. The purpose of increased deliveries when the lake is full is to draw down the level from full to create available storage capacity to capture runoff, if any, in subsequent years. Total planned water deliveries from Jameson Lake for WY 2025 are 1,252 AF. Actual deliveries through July 31, 2025, are 10% below planned deliveries at 881 AF.

Doulton Tunnel is a 2.2-mile tunnel through the Santa Ynez Mountains allowing for the passage of Jameson Lake deliveries to the South Coast for delivery to the District's service area. The tunnel itself experiences water intrusion (water entry from the surrounding soil and rock) which contributes to water deliveries from Jameson Lake. Tunnel intrusion is groundwater and is highly dependent on hydrology. Deliveries have historically ranged from 50 gallons per minute (gpm) to 1,500 gpm, but typically average between 150 gpm to 350 gpm. As of July 31, 2025, tunnel intrusion is trending at about 160 gpm and is expected to continue to gradually decrease through the summer. In contrast to the prior two winters, the 2024/25 winter brought below-average rainfall conditions which resulted in no meaningful increase in tunnel intrusion. Planned deliveries from Doulton Tunnel for WY 2025 are 330 AF.

Desalination deliveries began in January 2022, with the District receiving 117.4 AF of water per month from the City of Santa Barbara, in accordance with the September 2020 *Water Supply Agreement* (WSA). These deliveries are made possible by the City's operation of its ocean desalination facility. This local, rainfall independent water supply is nearly 100% reliable and serves as a baseline supply for the District, helping to mitigate the impact of ongoing and future

regulatory, environmental, and climatic challenges affecting other water sources. Deliveries, pursuant to the WSA occur irrespective of hydrologic conditions. Under most circumstances, any portion of the monthly delivery not accepted by the District is lost, such as when customer demand is low during wet conditions. The District's 3-year water supply outlook projects regular monthly deliveries of 117.4 AF. Planned deliveries of desalinated water for WY 2025 are 1,409 AF, or approx. 33% of total annual production.

Groundwater serves as an important drought supply for the District. During average or wet conditions, the District rests its potable wells, allowing for increased groundwater basin recovery. During below average or dry periods, the District increases groundwater production from the basin. The District has six potable and six non-potable active groundwater wells capable of pumping a combined total of approximately 700 acre feet per year (AFY), depending on groundwater levels. The District's 3-year water supply outlook projects groundwater production to be between 100 and 450 AFY through WY 2028, depending on hydrologic conditions. Planned groundwater deliveries for WY 2025 are 220 AF, which is primarily non-potable production. The District is currently rotating operation of its potable wells to ensure they remain operable and that water quality meets standards.

The **State Water Project (SWP)** is a supplemental surface water source supplying water from Northern California. The District's full Table A entitlement is 3,300 acre feet, which includes a 300 acre foot drought buffer. The Department of Water Resources reviews SWP water availability monthly and releases allocation updates, with the first annual allocation typically released around December 1 for the upcoming calendar year and a final annual allocation typically released around May 1. The final SWP Table A allocation for 2025 is 50% or 1,650 AF for the District. SWP supplies continue to be surplus to the District's needs and deliveries are not anticipated through WY 2028. The District has a number of options available for managing this supply including (a) storage in SWP San Luis Reservoir, (b) delivery to the Cachuma Project for storage, (c) storage or banking in the Semitropic Groundwater Banking and Exchange Program, and/or (d) transfer (sell) to Homer LLC. On May 27, 2025, the Board of Directors considered these options and directed the transfer of all surplus 2025 SWP Table A water, estimated to be 1,000 AF, to Homer LLC pursuant to the 2024 *Water Management Program Agreement*.

The District participates in the **Semitropic Groundwater Banking and Exchange Program**. During average or wet conditions, the District may store surplus SWP water in a groundwater basin located in the Central Valley of California for future use or delivery during below average or dry conditions. Participation in this program provides a guaranteed right to withdraw or recover up to 1,500 AFY of District-stored water and store up to 4,500 AF at any time. The District's contract with Semitropic allows for the storage of water in excess of the stored water right of 4,500 AF if Semitropic has available capacity within their groundwater banking program. To date, the Semitropic banking program is at approximately 50-60% of capacity and has never in its history reached the program storage capacity limit. The District maximized storage of surplus SWP water in Semitropic through the end of 2024. As of July 31, 2025, the District has 5,782 AF of its surplus

SWP water stored in Semitropic and available for use. Storing surplus SWP supplies in Semitropic bolsters the District’s drought supplies and reduces the risk of its loss due to conditions, such as spill at the SWP San Luis Reservoir. The District does not plan to place additional water in storage in Semitropic in 2025.

Customer Water Use (Demand)

Since Fall 2022, customer demand has trended generally below budget, a result of continued cooler, foggy and/or wetter conditions. While customer demand increased this past November through January due to dry conditions, modest rainfall conditions returned in February lowering customer demands below planned levels where they have remained through July 2025 (see Figure 3). Customer water use thus far in WY 2025 (through July 31, 2025) is at planned levels. Annual budgeted water ‘sales’ align with the 5-year average customer use or approx. 3,950 AF.

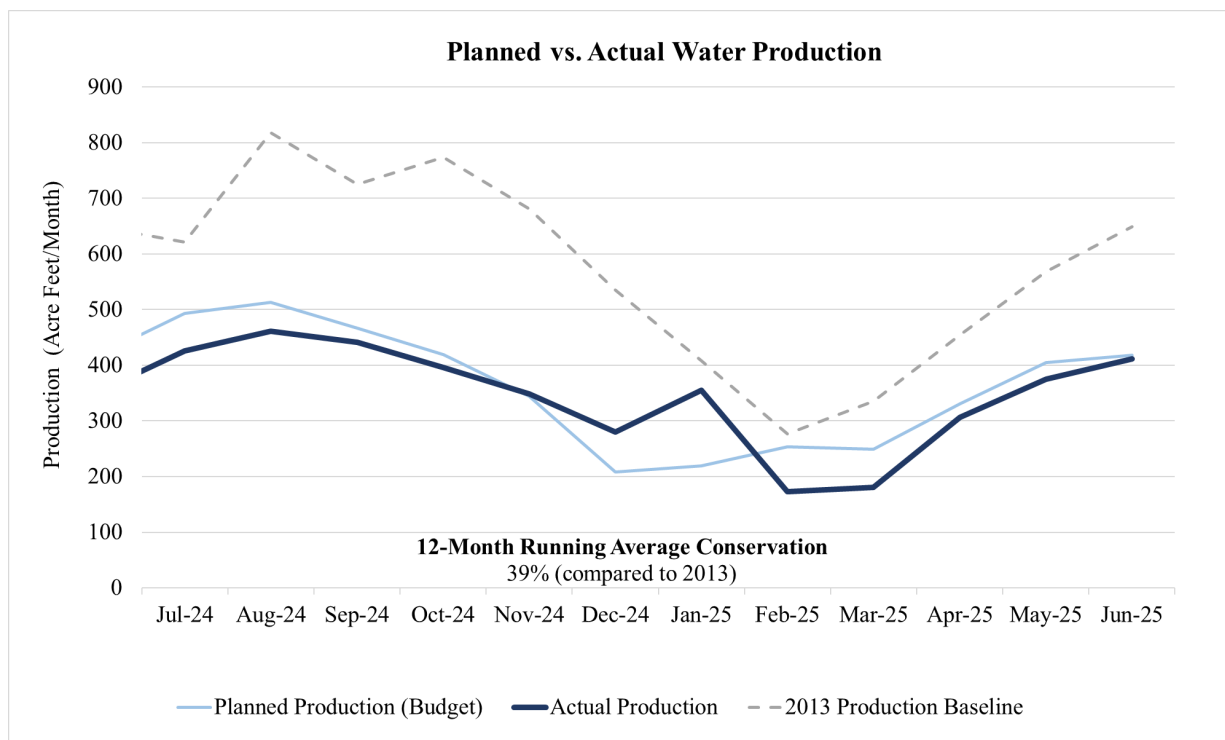


Figure 3: Actual vs. Planned Water Production

In December 2022, the District adopted its first *Water Use Efficiency Plan* (WUEP) which is a long-term plan targeting permanent changes in customer use water, consistent with the State’s goal of *Making Conservation a California Way of Life*. The Plan includes a variety of recommended actions to encourage and help achieve a permanent long-term reduction in water use. Implementation of the WUEP continues with water conservation programs such as water use efficiency rebates, property specific water budgets, demonstration garden, and other actions. More information is available on the District’s website.

In 2018, the California Legislature enacted two key policy bills – Senate Bill 606 (SB 606) and Assembly Bill 1668 (AB 1668) – to implement a new framework for long-term water conservation and drought planning for water suppliers. AB 1668 and SB 606 build on the State’s ongoing efforts *Making Conservation a California Way of Life*, including Senate Bill X7-7, creating a new foundation for long-term improvements in water conservation and drought planning. SB 606 and AB 1668 establish guidelines for efficient water use and a framework for the implementation and oversight of the new standards. Among other provisions, the legislation includes establishing urban water use objectives (UWUO) and long-term standards for efficient water use that apply to urban retail water suppliers. The UWUO is an estimate of aggregate efficient water use from the previous year based on adopted water use efficiency service area characteristics for that year. All UWUO requirements became effective in 2024, and compliance must be achieved by 2027. An urban supplier that does not meet its UWUO may be required by the State to enact policies and projects that result in a reduction in water use. The District’s reporting indicates it is currently in compliance with its UWUO.

Supporting compliance with the UWUO legislation, in October 2022, the District initiated the development of water budgets. A Water Budget is a property-specific monthly water use target that promotes efficient indoor and outdoor water use while preserving existing landscaping and semi-rural atmosphere of the community. Water budgets account for seasonal changes in water use such as irrigation in winter versus summer and provide flexibility to customers to choose how they use water on their property while discouraging water waste and excessive use. The development of water budgets was completed and rolled out for customer use in April 2025 on monthly water bills. More details are available on the District’s website at <https://www.montecitowater.com/conservation/water-budgets/>.

Water Supply Outlook

Based on available information, including assumed below-average hydrologic conditions in WY 2026 through WY 2028, the District’s 3-year water supply outlook indicates adequate water to meet planned customer use without anticipated water shortages or the need for imported water. Despite the favorable water supply condition, efficient water use remains essential to the long-term reliability of the District’s water supply. Demand management is necessary to ensure alignment with planned use continues.

Focus continues to be on efficient water use, in particular the implementation of the *2022 Water Use Efficiency Plan* and associated water conservation rebates, property specific water budgets, and utilization of automated metering infrastructure (AMI or smart meters). These actions provide Customers and the District with tools to effectively manage water use, including avoiding water waste and loss.

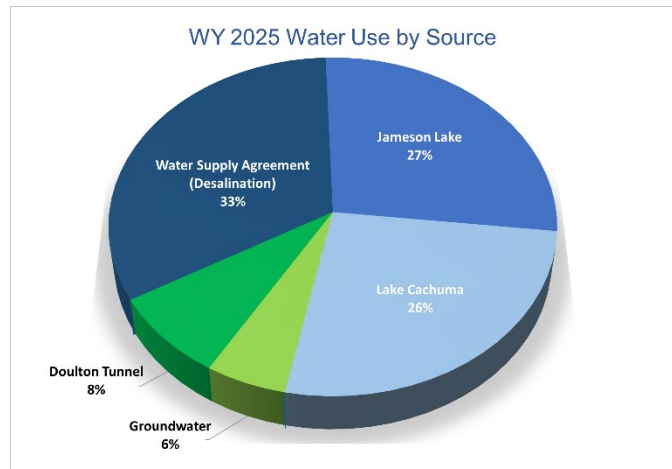
Additionally, the District continues to evaluate other means of bolstering water supply reliability including the acquisition of new sources of local reliable water supplies and local groundwater banking.

Since 2018, the District has evaluated the feasibility of implementing a **Recycled Water** project. The District's *2023 Enhanced Recycled Water Feasibility Study*, prepared in collaboration with the Montecito Sanitary District (MSD), recommended a regional indirect potable reuse (IPR) project involving multiple special districts and benefiting multiple urban water purveyors and groundwater basins. The project proposed to treat secondary wastewater effluent from the MSD Wastewater Treatment Plant (WWTP), implement advanced treatment at the MSD WWTP site, and convey purified water south to the Carpinteria Groundwater Basin for injection. The District would recover the injected water either through supply exchanged with the Carpinteria Valley Water District or direct pump back to the District's distribution system. In September 2023, the District was selected for a \$1M grant through the USBR WaterSmart: Water Recycling and Desalination Planning Program to fund preliminary design (30% design) and environmental review for this project. Unfortunately, capital costs for public works projects had increased significantly since 2021 due to extraordinary inflation and other factors. This resulted in an estimated 40% increase in the projected cost of the District's contemplated IPR project. Due to cost increases and a reduction in available State and Federal funding programs, at its March 25, 2024, meeting, the District's Board of Directors placed the recycled water project on hold until further notice including forgoing the USBR WaterSMART Planning Grant. If additional planning and construction grant funding opportunities become available and/or the anticipated unit cost of advanced treated water decreases making a recycled water project financially viable, the District will consider reinitiating a recycled water project.

In May 2025, the District completed separate evaluations of Aquifer Storage and Recovery (ASR) in the Montecito and Carpinteria Groundwater Basins. These evaluations assessed the feasibility of implementing ASR projects for storage of surplus water and to bolster the District's drought supplies. Despite identified challenges obtaining regulatory approval, the evaluations determined the ASR projects to be feasible, cost effective, and a water supply reliability benefit. Further evaluation or development of an ASR project in the Montecito Groundwater Basin is continuing with some additional groundwater quality sampling to be performed before the District pursues regulatory approval of an ASR program with the Regional Water Quality Control Board. Further evaluation or development of an ASR project in the Carpinteria Groundwater Basin, in collaboration with Carpinteria Valley Water District (CVWD) and the Carpinteria Groundwater Sustainability Agency, is subject to CVWD's development schedule which remains unknown.

Primary sources of water supply planned for use to meet customer demands in WY 2025 include the Water Supply Agreement with the City of Santa Barbara (desalination), Jameson Lake and the Cachuma Project. Drought supplies including groundwater, and banked water stored in the Semitropic will remain in reserve for future use.

The District continuously evaluates water supply conditions and the need for additional supplement water and/or demand-management measures to ensure water supply availability over a three-year planning period and beyond.



ATTACHMENTS

1. Quarterly Water Supply Update Presentation

Item 5-B

Quarterly Water Supply Update

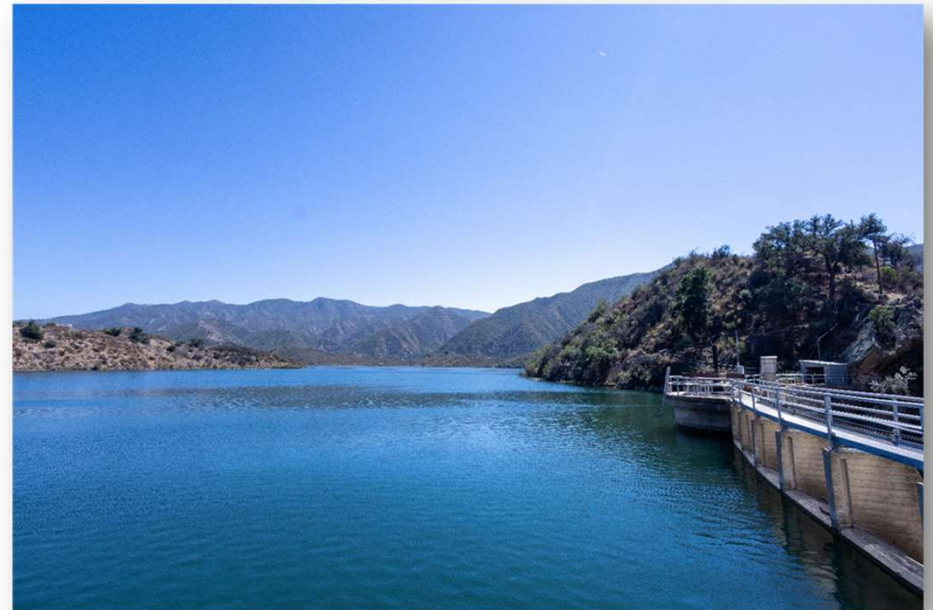


Meeting of the Board of Directors

August 21, 2025

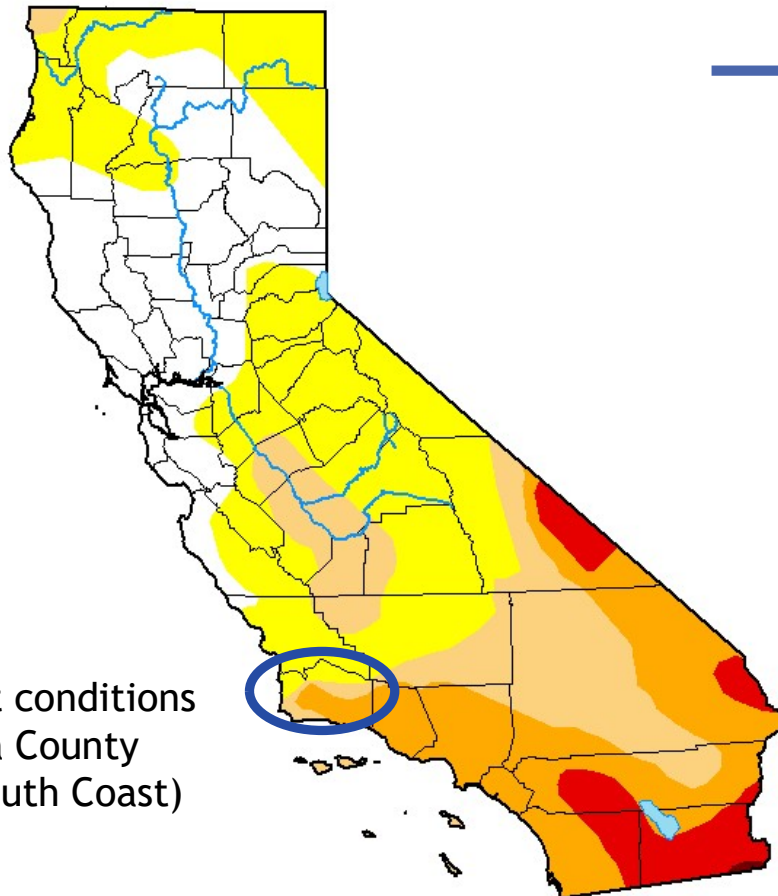
Outline

1. Hydrologic Conditions
2. Water Use Trends
3. Water Supply Status
4. Water Supply Outlook
5. Supporting Initiatives



U.S. Drought Monitor California

August 12, 2025
(Released Thursday, Aug. 14, 2025)
Valid 8 a.m. EDT



Ongoing drought conditions
in Santa Barbara County
(40% Severe - South Coast)

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	23.98	76.02	39.56	23.01	5.90	0.10
Last Week 08-05-2025	23.98	76.02	39.56	23.01	5.90	0.10
3 Months Ago 05-13-2025	41.86	58.14	39.81	24.73	7.11	0.10
Start of Calendar Year 01-07-2025	39.11	60.89	35.93	10.43	1.06	0.00
Start of Water Year 10-01-2024	28.40	71.60	10.67	0.08	0.00	0.00
One Year Ago 08-13-2024	77.29	22.71	5.32	0.00	0.00	0.00

Intensity:

None	D2 Severe Drought
D0 Abnormally Dry	D3 Extreme Drought
D1 Moderate Drought	D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions.
Local conditions may vary. For more information on the
Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

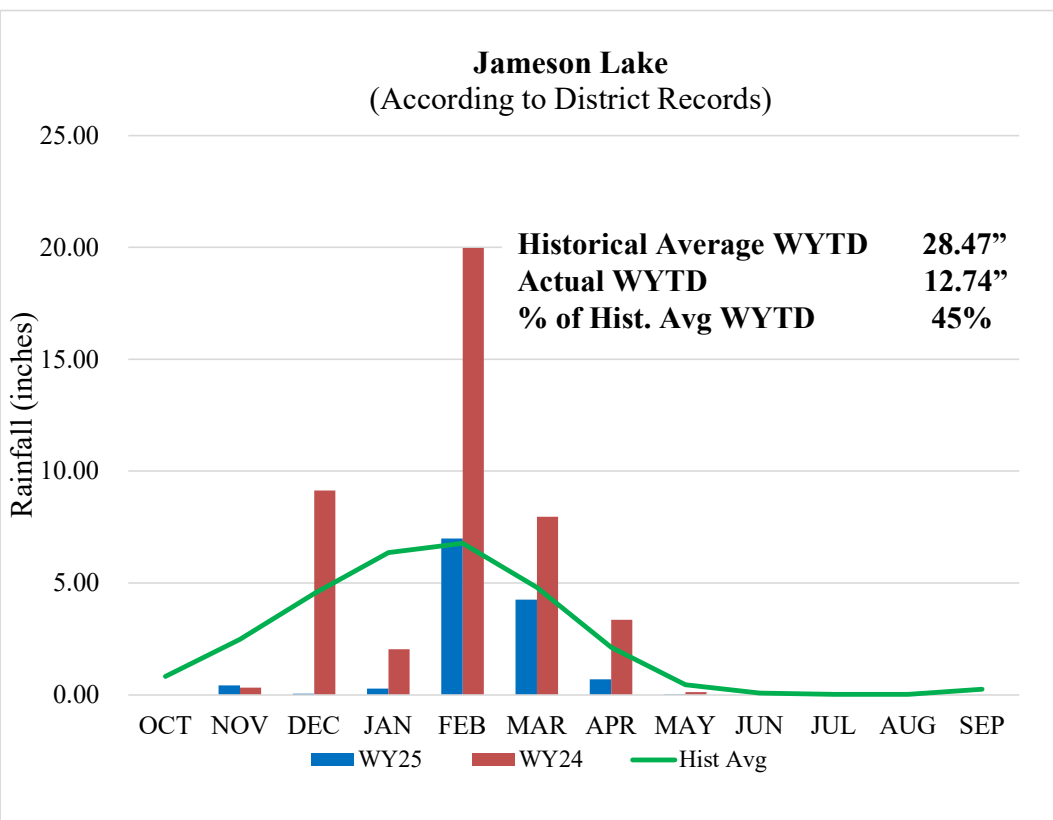
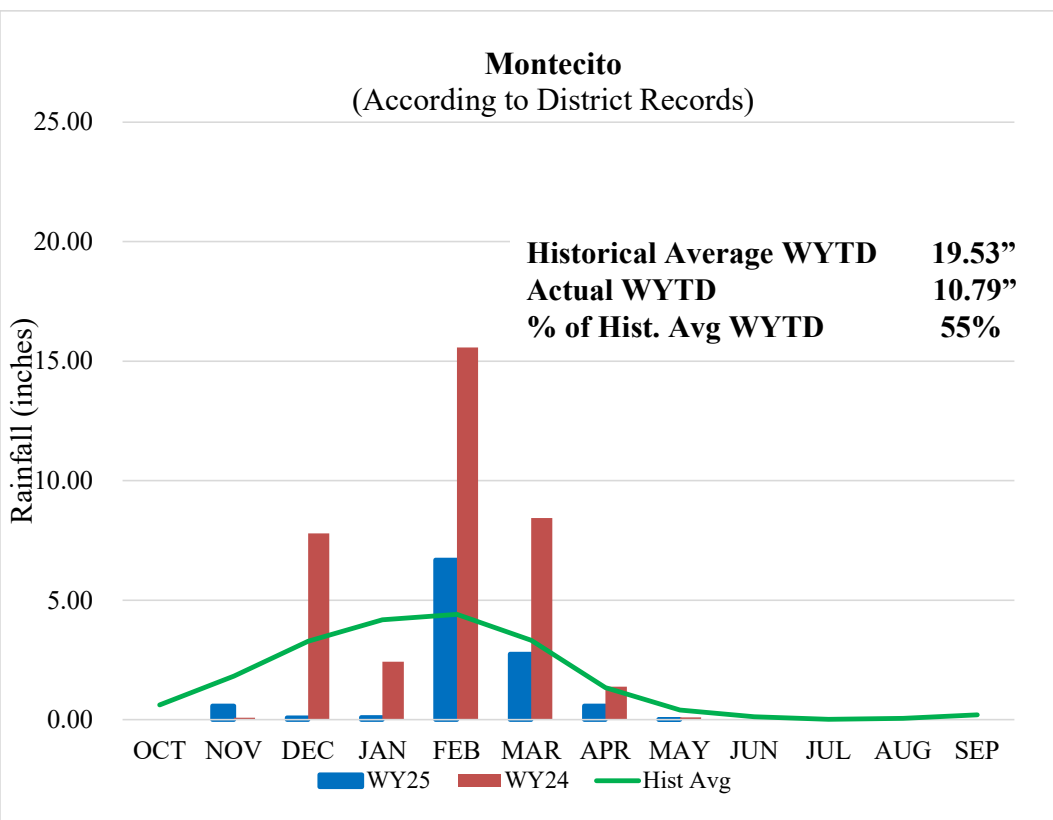
Richard Tinker
CPC/NOAA/NWS/NCEP

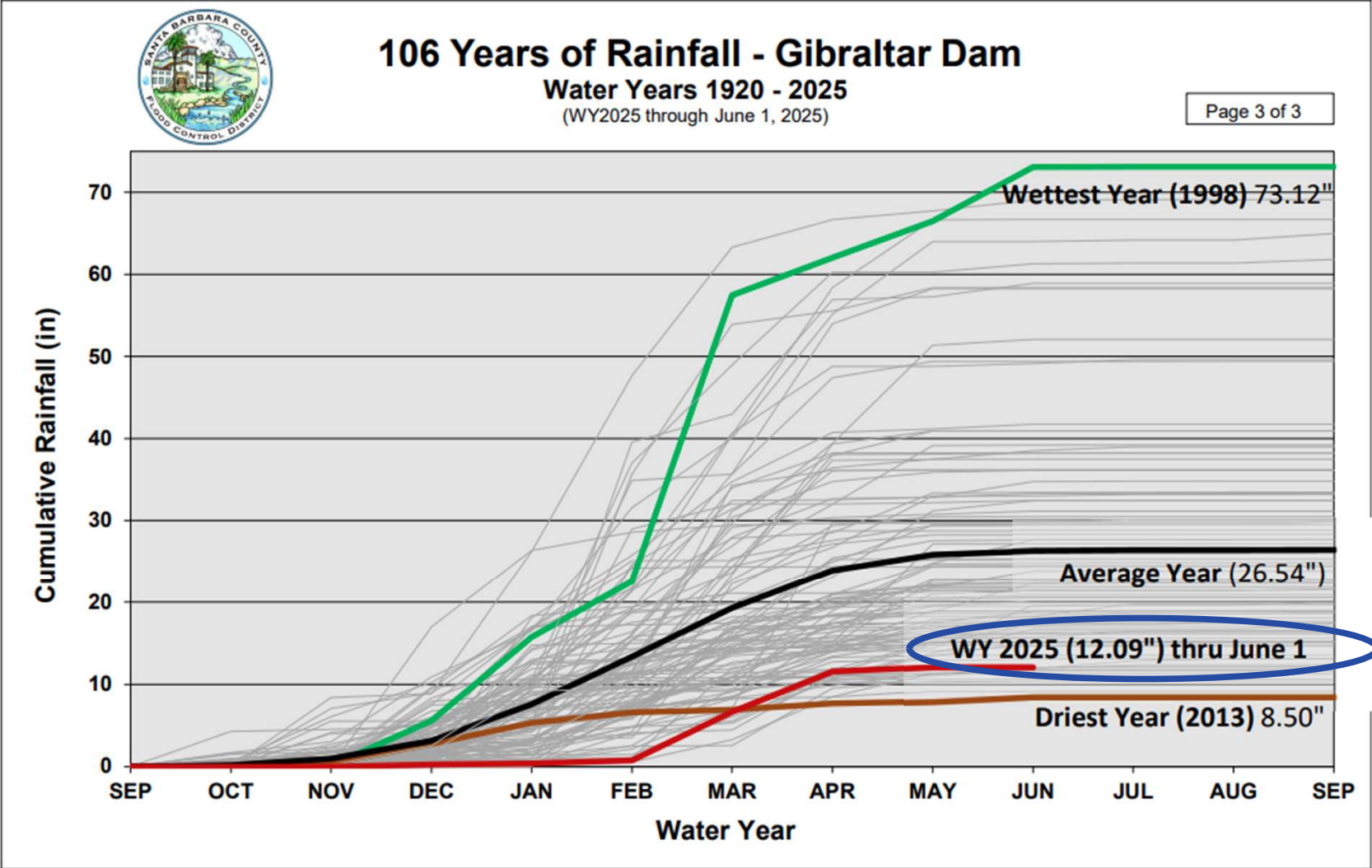


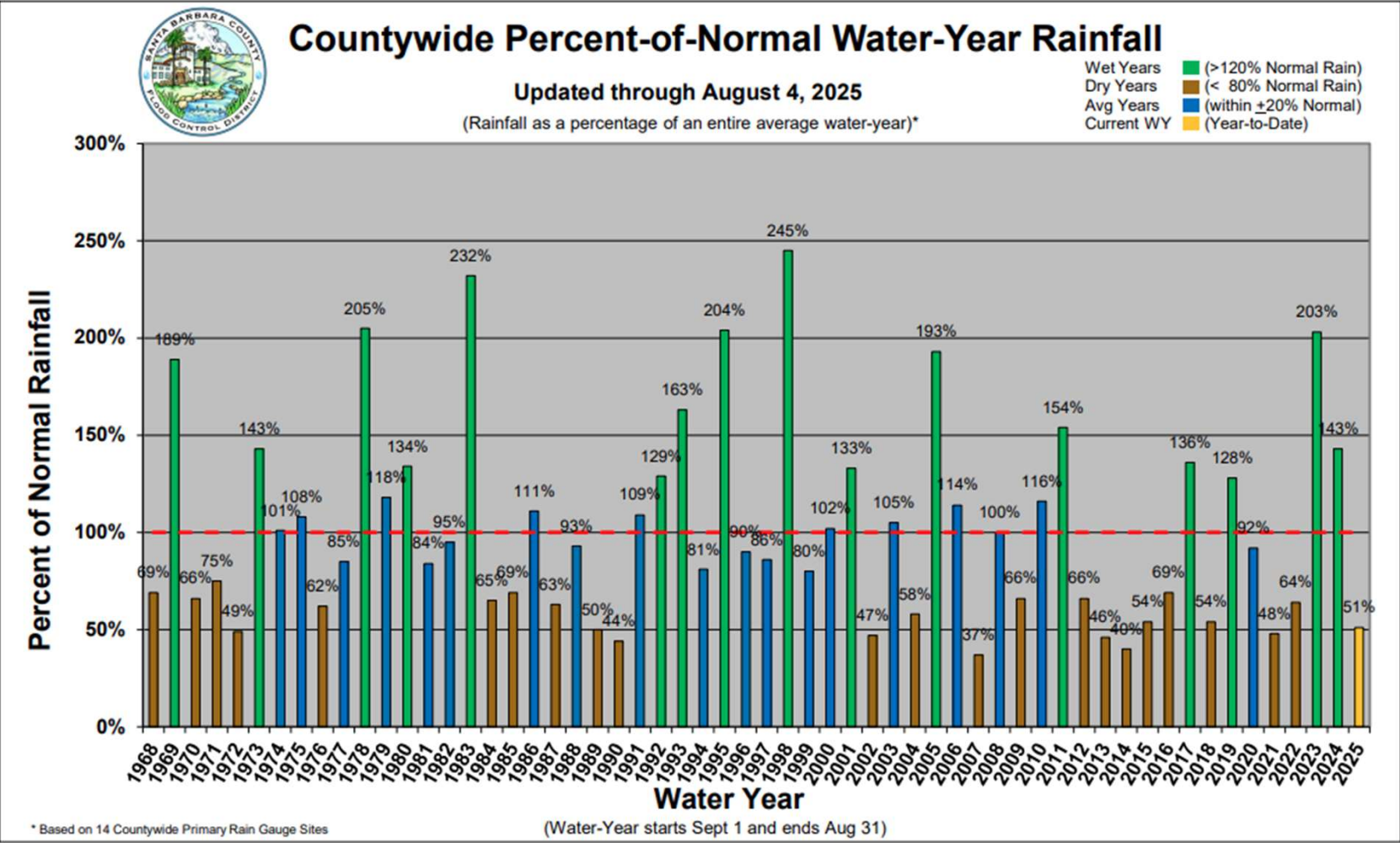
droughtmonitor.unl.edu



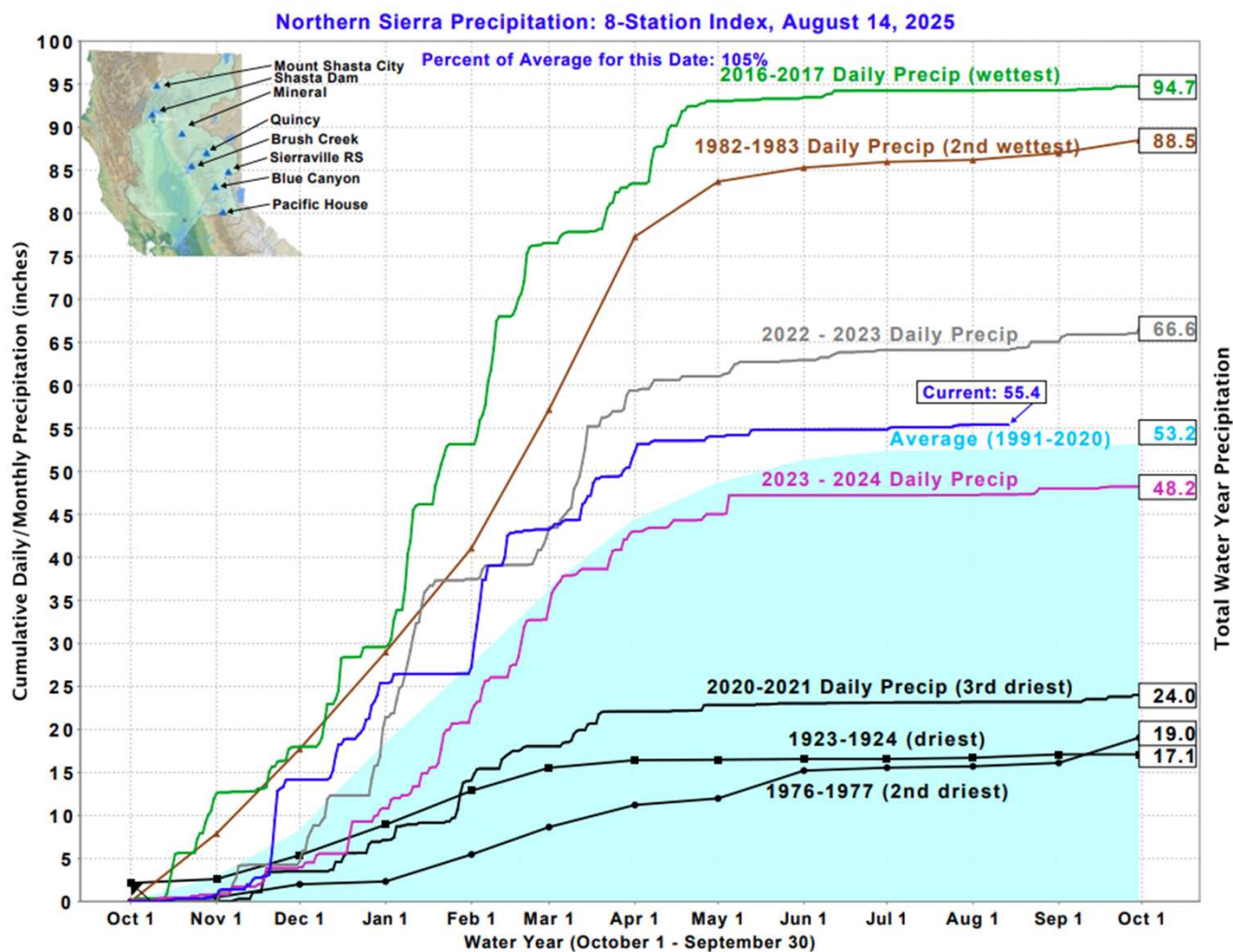
Rainfall



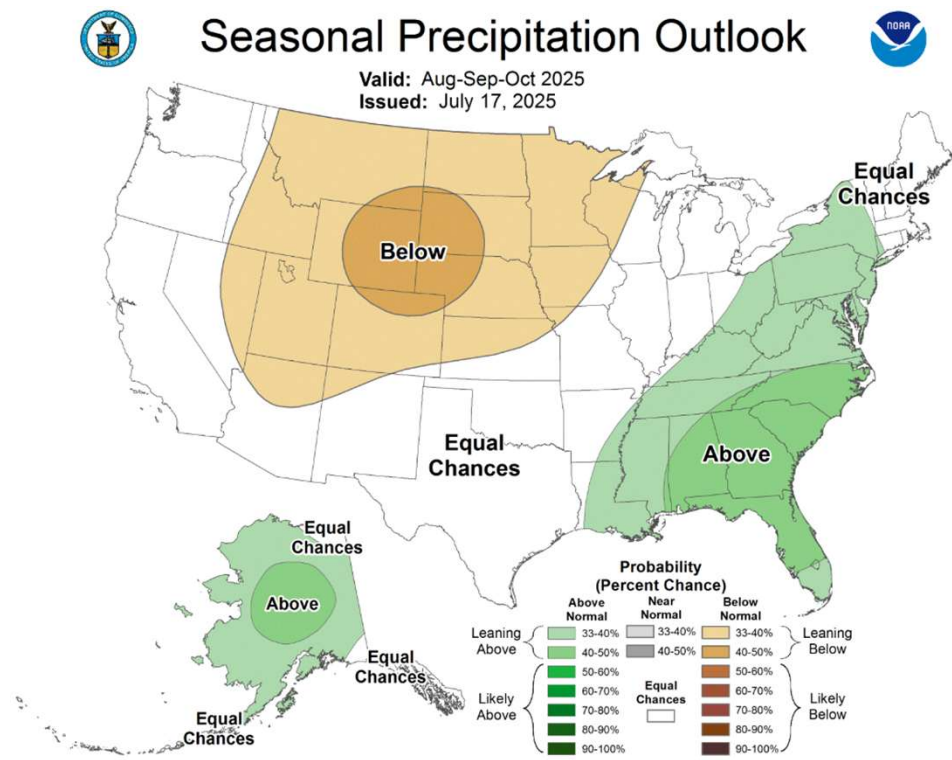
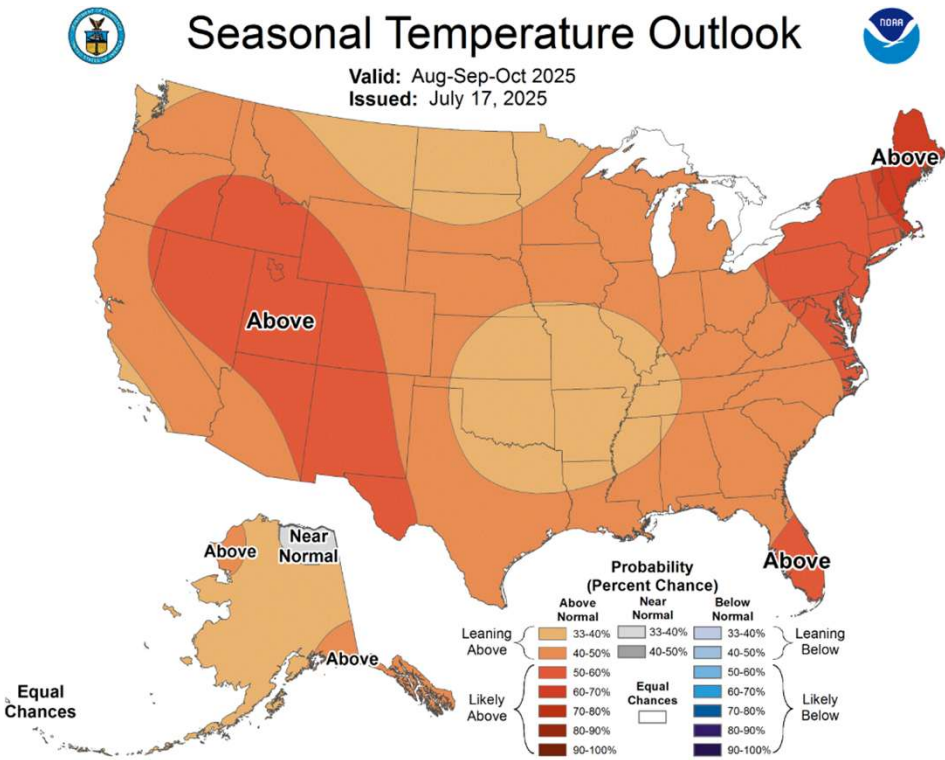




HYDROLOGIC CONDITIONS – NORTHERN CALIFORNIA

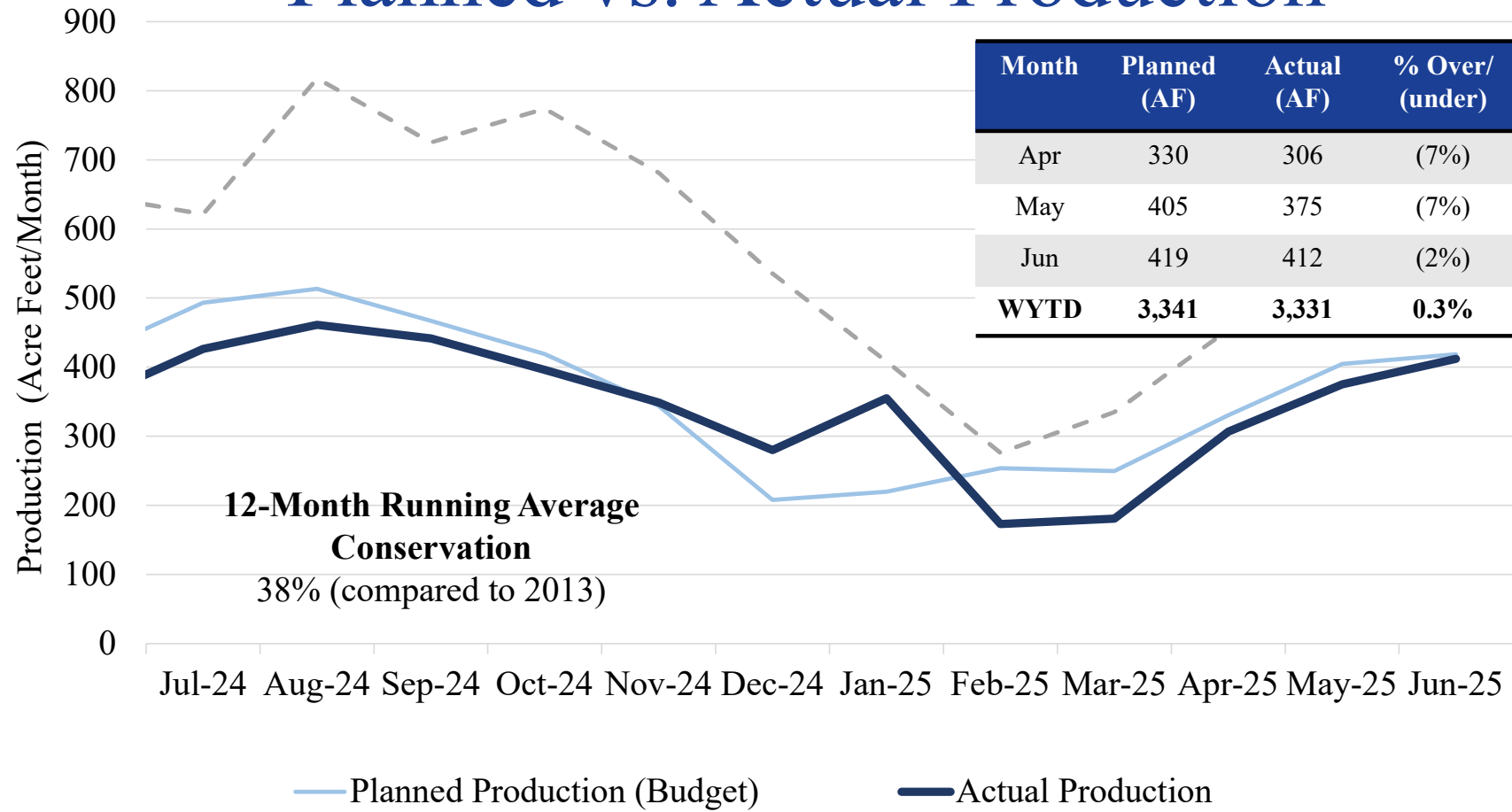


NWS Prediction





Planned vs. Actual Production



Cachuma Project

As of July 31, 2025

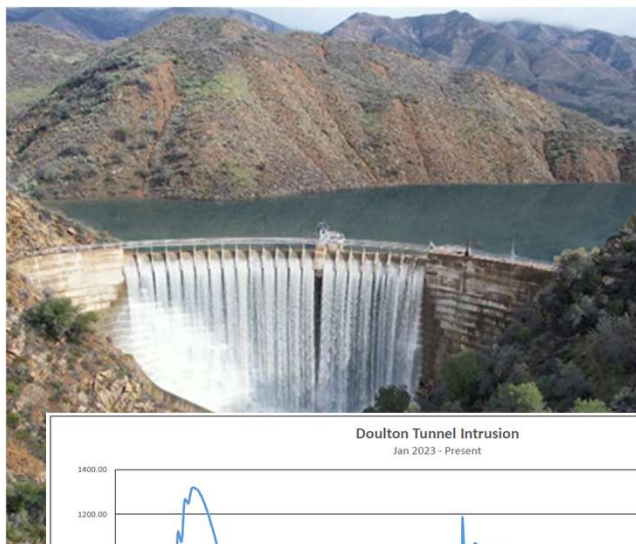
1. 81.5% (157,186 AF*) of full storage capacity
2. Water available in Cachuma
 - WY25 allocation 2,651 AF
 - ID1 Exchange (WYTD) 293 AF
 - Carryover 1,268 AF
 - SWP/Supplemental 0 AF
 - Total 4,212 AF**
3. USBR approves 100% allocation for WY26, beginning October 1, 2025



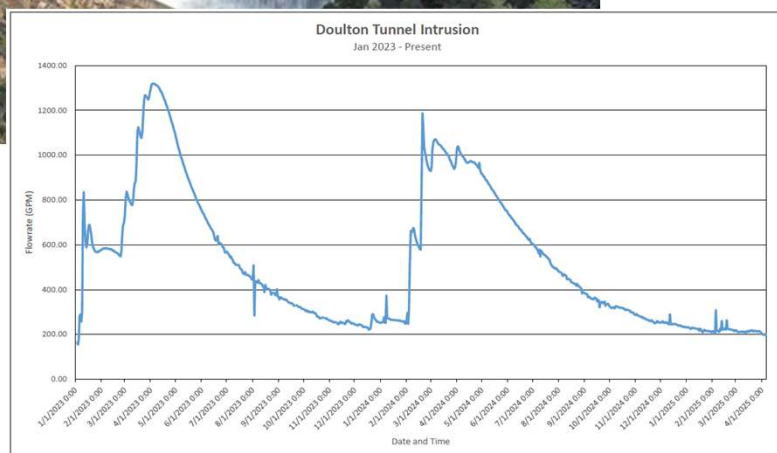
* Data obtained from County of Santa Barbara Flood Control District – *Rainfall and Reservoir Summary*

Jameson Lake

As of July 31, 2025



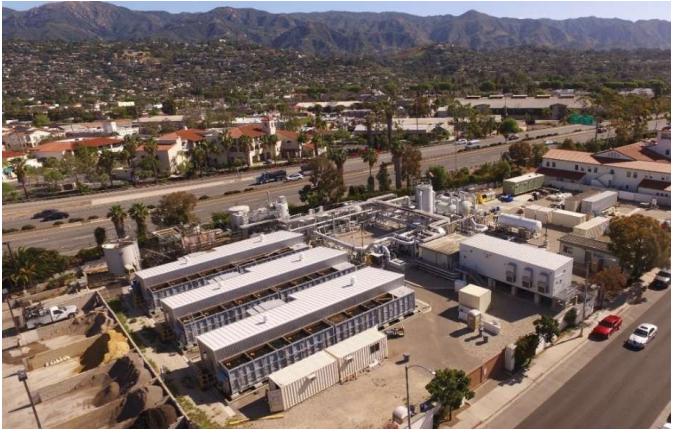
1. Current storage 4,193 AF (91% of current capacity)
2. Approx 1,000 AF inflow this past winter
3. Continue to maximize deliveries
 - Pursuant to modified rule curve
 - Targeting $\pm 1,250$ AF thru end of WY2025
4. Water quality remains excellent; low organic loading
5. Doultou Tunnel Intrusion (160 gpm or 0.73 AFD)



Desalination

As of July 31, 2025

1. 2020 Water Supply Agreement with City of Santa Barbara
 - 50-year water supply contact
 - Contracted amount 1,430 AFY
 - Deliveries occur irrespective of hydrologic conditions
 - Deliveries commenced January 1, 2022
 - Serves as base supply
2. 117.38 AF delivered monthly
 - Except in February 2025 due to low demand



*City of Santa Barbara, Charles E. Meyer
Desalination Facility*

Groundwater

As of July 31, 2025

1. Limited recovery of groundwater levels following the below average rainfall conditions this past winter.
2. Currently rotating potable well operation to ensure operable status, and water quality meets standards
3. Evaluation of groundwater injection was completed in June
4. Groundwater Management (Montecito GSA)
 - A. GSP adopted in May 2023 and DWR approval received in Feb. 2025
 - B. GSP implementation underway: well registry, GW monitoring, Annual Reporting
 - C. Upcoming Meetings
 - Board of Directors – September 4



Paden Well

Imported Water

As of July 31, 2025



1. State Water Project (SWP) Water
 - a. 2025 Table A Allocation 50%
 - b. SWP Water Accounting

• 2025 Table A Allocation (50%)	1,650 AF
• 2025 Table A Deliveries	0 AF
• Projected ID1 Exchange (293 AF WYTD)	(551 AF)
• Art 56 Carryover Water	0 AF
• Prior year adjustment	<u>(84 AF)</u>
Total Available	1,015 AF
 - c. SWP water remains surplus; no planned deliveries in 2025
 - d. Initialed transfer of 1,000 AF surplus SWP Table A water to Homer pursuant to the 2024 *Water Management Program Agreement*
 - DWR approved multi-year transfer agreement with KCWA and Santa Barbara County on August 6
2. Supplemental Water – no anticipated need through WY2028

Stored Water

As of July 31, 2025

Semitropic Groundwater Banking & Exchange Program

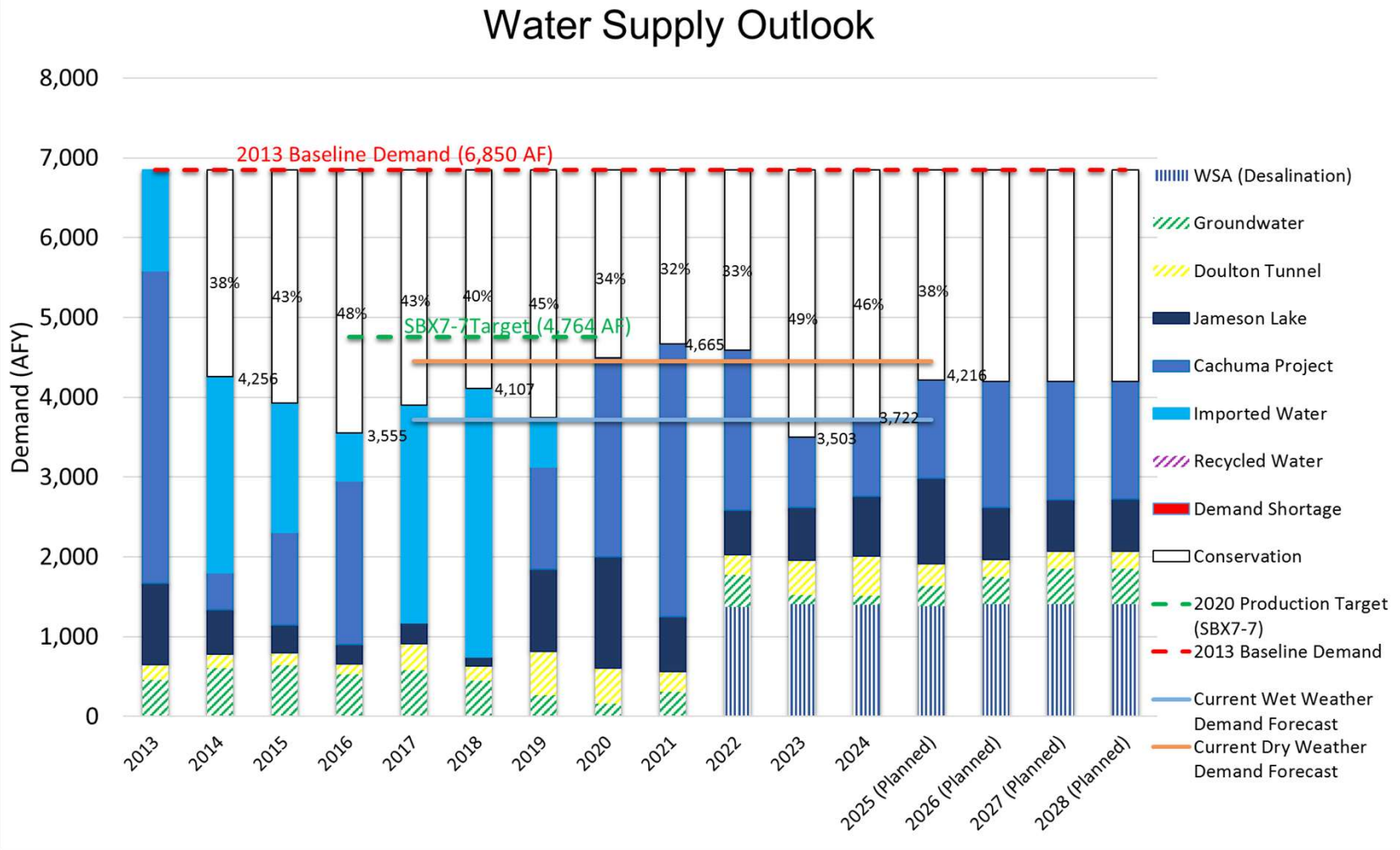
- a. General terms of participation
 - 2nd priority right to bank up to 1,500 AFY
 - 1st priority right to withdraw 1,500 AFY
 - Guaranteed storage up to 3x shares 4,500 AF
 - Storage in excess of 3x shares permitted if Semitropic has unused storage capacity available in the program
- b. Water stored (after 10% leave behind)
 - 2018-2025 (YTD) 5,782 AF
- c. Key Dates
 - (April) Request water to be stored in current CY
 - (May 1) Request water to be recovery in current CY
- d. No planned water banking in 2025





Water Supply Summary

Source	Total Supplies Available as of 07/31/25 (AF)	Total WY25 Planned (AF)	WY25 Planned Production thru 07/31/25 (AF)	WY25 Actual Production thru 07/31/25 (AF)
1. Cachuma Project	4,212	1,111	765	787
2. Jameson Lake	4,193	1,252	974	881
3. Doulton Tunnel Infiltration	23 AF/mo	330	312	313
4. Potable/NP Groundwater	80 AF/mo	220	153	163
5. Imported (SWP /Supple.)	1,267	0	0	0
6. WSA (Desalination)	117.4 AF/mo	1,409	1,174	1,145
7. Stored (Semitropic)	5,782	0	0	0
Total		4,321	3,378	3,289





Supporting Actions

1. Transfer (sale) of surplus 2025 SWP Table A water to Homer in August 2025
2. Continuing initiatives supporting efficient water use
 - Water use efficiency rebates
 - Water Budgets rolled out on customer water bills in April 2025
 - New Demonstration Garden nearing construction
3. Finalized evaluations of ASR (Aquifer Storage and Recovery) programs in Montecito and Carpinteria Groundwater Basins in May 2025
 - Montecito ASR program development continues with additional groundwater quality sampling before pursuing regulatory approval
 - Carpinteria ASR program development requires collaboration with Carpinteria Valley Water District (CVWD) and Carpinteria Groundwater Sustainability Agency, and is subject to CVWD’s development schedule which remains uncertain.

