



OPERATIONS & ADMINISTRATION COMMITTEE MEETING

**MONTECITO WATER DISTRICT
583 SAN YSIDRO ROAD**

**Monday July 16, 2018
9:30 A.M.**

AGENDA

1) CALL TO ORDER, DETERMINATION OF COMMITTEE QUORUM

2) PUBLIC FORUM

NOTE: This portion of the agenda may be utilized by any person to address the Operations & Administration Committee on any matter within the jurisdiction of the Committee. No consideration or discussion shall be undertaken by Committee members at this time on any item not appearing on this agenda except as permitted by the Ralph M. Brown Act. Discussion items receiving recommendations by the Committee, and/or items requiring action will be placed on the agenda of a future meeting of the Montecito Water District Board of Directors.

3) ITEMS FOR COMMITTEE CONSIDERATION

- A. 2018/2019 Water Availability Charge (WAC) Program
- B. Memorandum of Understanding with the City of Santa Barbara for coordination related to the formation of a Groundwater Sustainability Agency for the Montecito Groundwater Basin
- C. Resolution declaring the District intent of become the Groundwater Sustainability Agency for the Montecito Groundwater Basin
- D. Quarterly Drought & Water Supply Update
- E. Jameson Lake Rebuild

4) ADJOURNMENT

Note: This agenda was posted at the Montecito Water District front counter and outside the front office at 9:30 a.m. on Friday, July 13, 2018. The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the District's programs, services or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at 805/969-2271. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements.

Materials related to an item on this agenda submitted to the Board's Operations and Administration Committee after distribution of the agenda packet are available for public inspection in the Montecito Water District offices located at 583 San Ysidro Road, Montecito, during normal business hours.

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-A

DATE: JULY 24, 2018

TO: OPERATIONS AND ADMINISTRATION COMMITTEE

FROM: GENERAL MANAGER

SUBJECT: 2018/19 WATER AVAILABILITY CHARGE (WAC) PROGRAM

RECOMMENDATION:

1. Recommend the Board of Directors conduct a Public Hearing at 2:00 PM, July 24, 2018 regarding continuation of the Water Availability Charge Program for the 2018/19 fiscal year;
2. Following consideration of public comments and protests (if any) from the Public Hearing, recommend adoption of Resolution No. 2168 establishing the Water Availability Charge for the fiscal year 2018/19;

DISCUSSION:

The Montecito Water District (District) is holding a public hearing to continue the Water Availability Charge (WAC) Program as originally established in 1996 in Resolution No. 1816, pursuant to California Water Code § 31032.1. On June 26, 2018, the District mailed a Notice of Public Hearing regarding the WAC to the owner(s) of all properties located within the District's service area boundary as required by California Water Code § 31032.2. As a requirement of a public hearing, the District also posted a public notice of the scheduled public hearing in the Montecito Journal on July 5 and July 12, 2018.

The WAC program assesses a charge of \$30 per acre or part thereof less than a full acre for the first five acres. For parcels 5-10, 10-20 and above 20 acres, the cost per acre or part thereof less than a full acre is \$25, \$20 and \$5, respectively. The charge is levied on all properties located within the District's service area boundary, including those properties without a District water meter. The District collects approximately \$300,000 from the WAC charge on an annual basis. The charge provides funding for the cost of replacing certain infrastructure to enhance the reliability of the District's water distribution system. The WAC is a vital revenue component of the District's ongoing capital improvement program focusing efforts on the replacement of vulnerable, aging, and undersized water mains and to improve the reliability of the District's distribution system.

The WAC was originally approved in 1996 and included a list of priority projects at an estimated cost of \$5.1M. The 39 original projects were identified in 1996 as high priority, either due to their poor condition or to improve the distribution of water to customers. Following a review and re-prioritization in 2006, the Board of Directors removed 10 projects from the list, leaving a total of 29 projects, shown in Table 1. To date, the District has completed 26 of the 29 projects from the original WAC project list. The District has plans to complete the Santa Rosa Lane Water Main Replacement project in FY2019/20.

Table 1 - WAC Project Completion Report

	Project	Year	Construction	Pipe
No.	Name	Installed	Cost	Length
COMPLETED 1996 WAC PROJECTS				
1	Chelham Way	1924	\$265,240	2348
2	Humphrey Road	1923	\$82,606	1460
3	Parra Grande Ln.	1924	\$101,801	900
4	Toro Canyon Road @ East Valley Rd.	1924	\$93,569	955
5	Picacho Lane	1924	\$371,325	4436
6	Pimiento Lane	1927	\$130,124	1480
7	Coast Village Circle	1923	\$145,587	1585
8	US 101 Crossing @ Ocean View	-	\$183,926	500
9	Hill Road (Butterfly Ln. to FH 47)	1923	\$94,485	1530
10	East Mountain Drive Main Extension	New	\$50,082	507
11	Lower Toro Canyon Road	1926	\$248,290	2418
12	South Jameson Ln.	New	\$55,108	603
13	Posilipo Lane	1945	\$89,881	250
14	Sheffield Drive	1924	\$147,275	1990
15	Lilac Drive (Romero to Oak Grove)	1927	\$285,000	2950
16	Hermosillo Road	1925	\$80,599	1051
17	Sycamore Cyn Rd (Stoddard to Dawlish)	1926	\$423,024	2451
18	Ortega Hill Road and regulator	-	\$71,707	720
19	Pressure Regulating Station Upgrades	-	\$47,460	0
20	E. Mtn Dr/Coyote Rd Pump Station	-	\$255,808	0
21	Virginia Road	1932	\$131,360	990
22	Alston Road	1923	\$132,500	2160
23	Varley and Colby Street	-	\$80,230	650
24	Hollister Avenue	-	\$66,776	352
25	Golden Gate Ave (Banner)	-	\$96,940	430
26	Tollis Ave & Olive Road	1927	\$348,880	2,270
	TOTAL COMPLETED		\$4,079,583	34,986

REMAINING 1996 WAC PROJECTS				
27	Toro Reservoir Outlet Main Upgrade	1937	\$270,000	1,780
28	Knollwood Drive	1927	\$210,000	1,200
29	Santa Rosa Lane (San Ysidro to Amapola)	1923	\$1,200,000	4,330
TOTAL REMAINING			\$1,680,000	7,310
GRAND TOTAL			\$5,759,583	42,296

Water Main Breaks Resulting from Aging Infrastructure

Water main breaks cause a loss of water, unscheduled water service outages, inconvenience to District customers and are an expensive allocation of District resources. The water main break frequency has increased in the last six years, likely attributed to a combination of aging infrastructure and the drought. District staff recommend continuing the replacement of aging infrastructure to maintain reliable water service to customers. **Table 2** provides a list of all main breaks during 2017. During 2017 there were 20 water main breaks, 11 of which were on 1920's pipelines.

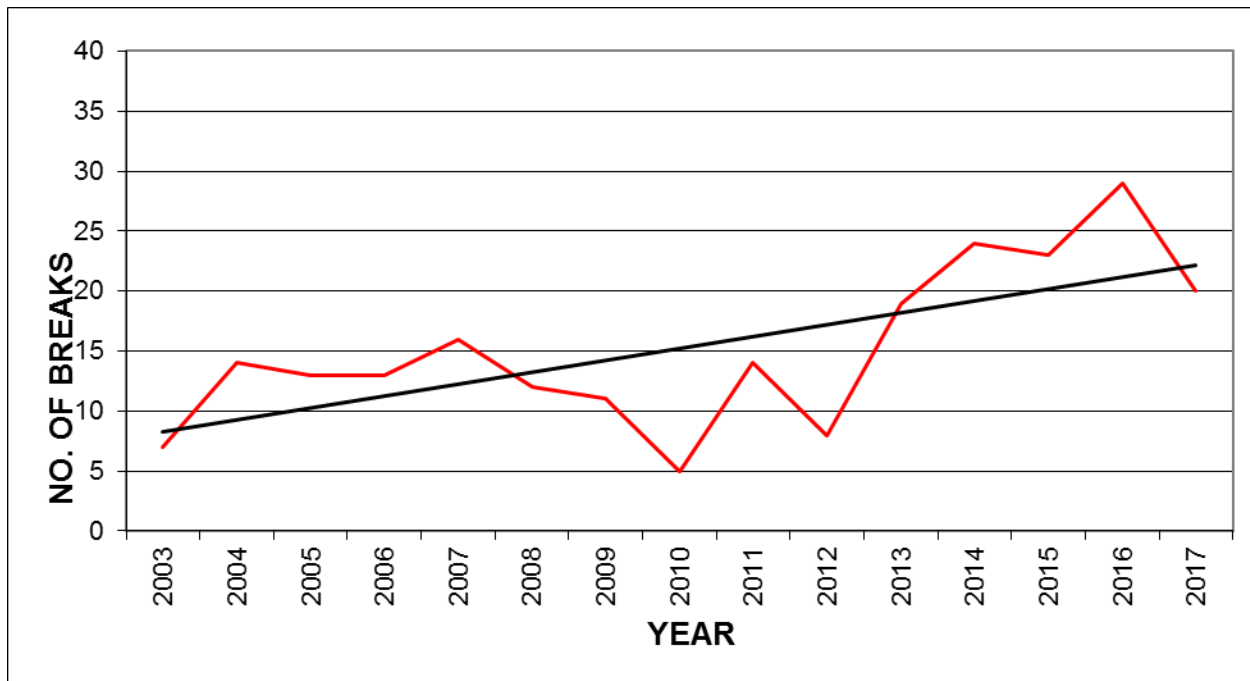
Table 2 - 2017 Water Main Breaks

#	Date	Add.	Street	Material	Diameter	Year	Type
1	01/01/17	2500	East Valley Road	CIP	10	1926	round
2	01/03/17	2899	Hidden Valley Ln	STL	12	1966	pinhole (on weld)
3	01/07/17	1415	School House Road	CIP	6	1923	round
4	01/26/17	2511	Olive Street	AC	6	1954	split
5	03/02/17	670	Lilac Drive	CIP	6	1927	round
6	03/04/17	1586	San Leandro Lane	STL	6	1923	pinholes
7	03/04/17	1579	San Leandro Lane	STL	6	1923	pinholes
8	04/05/17	2747	Macadamia Lane	CIP	6	1961	lead packing leak
9	05/17/17	2710	Sycamore Canyon Road	CIP	8	1923	split
10	05/23/17	351	Ridgecrest Lane	C900	4	1971	split
11	07/10/17	345	Ridgecrest Lane	C900	4	1971	split
12	07/21/17	583	San Ysidro Road	CIP	12	1964	joint failure
13	11/13/17	2536	Banner Avenue	AC	4	1954	round break
14	11/28/17		Monte Cristo at Channel Dr	CIP	6	1923	split
15	11/28/17	1499	Edgecliff Lane	CIP	4	1950	split
16	11/28/17	1399	School House Road	CIP	6	1923	round
17	12/13/17	1520	Las Tunas Road	CIP	6	1923	split
18	12/20/17	2440	Sycamore Canyon Road	CIP	8	1923	round
19	12/22/17	512	Santa Angela Lane	CIP	6	1951	round
20	12/27/17	895	Buena Vista Avenue	CIP	8	1924	round

CIP – Cast Iron Pipe, STL – Steel Pipe, AC – Asbestos Cement Pipe, C900 – Polyvinylchloride Pipe (PVC)

Figure 1 illustrates the number of water main breaks that have occurred on an annual basis in the last 15 years. The figure does not include pipes smaller than 3 inches in diameter. The trend shows a relatively low number of main breaks through 2012 with a steady increase from 2013 to present. This increase is likely a result of postponed water main replacements during drought conditions since 2012.

Figure 1 – Main Break Historical Trend



Capital Improvement Program

In 2012 the District adopted a 5-year Capital Improvement Program targeting the replacement of a portion of the District’s 1920’s pipelines. The 5-year CIP is still representative of the District’s targeted water mains for replacement. The timing of implementation of the 5-year CIP was delayed in 2012 due to the ongoing drought. District evaluation and ranking of the various pre-1930’s pipelines resulted in a five-year capital improvement pipeline replacement program shown in Table 3 below. These projects have been listed order of their priority. Based on the District’s continuing need for capital improvements and replacements, the District expects that it will fully utilize the WAC funding on an annual basis for the foreseeable future.

Table 3 - 5-Year CIP Program Project List

Project Name	Amount of Pipeline Replaced (ft)	Year Pipeline Originally Installed	Estimated Cost
Sycamore Canyon Road Main Replacement Project	4,900	1923	\$1,812,270
Santa Rosa Lane Main Replacement Project	4,330	1923	\$1,167,447
Ashley Road Main Replacement Project	1,520	1924	\$422,080
East Valley Road Main Replacement Project (Orchard to Freehaven)	6,300	1926	\$1,852,640
Middle Road Main Replacement Project	2,645	1923	\$827,294
San Ysidro Road Main Replacement Project	1,420	1924	\$365,038
East Valley Road Main Replacement Project (Park Lane to Orchard)	4,855	1924	\$1,260,207
Cold Springs Road Main Replacement Project	5,625	1924	\$2,058,478
Hot Springs Road Main Replacement Project	6,200	1923	\$1,814,546
Buena Vista Drive Main Replacement Project	4,050	1924	\$1,109,696
Riven Rock & Para Grande Road Main Replacement Project	4,000	1924	\$1,039,734
Sheffield Drive Main Replacement Project	3,970	1926	\$975,689
Eucalyptus Lane Main Replacement Project	1,350	1924	\$404,847
TOTAL	51,165		\$15,109,966

FY 2017/18 Completed Capital Improvements

In FY 2017/18, the District completed the following capital improvements as shown in **Table 4**.

**Table 4
FY 2017/18 Completed Capital Improvements**

	Project Description	Costs
1	Ashley Road Water Main Replacement	\$401,306
2	Picacho Lane PRV Replacement	\$63,863
3	Sycamore Canyon Water Main Replacement	\$945,581
4	Ortega Fire Pump Replacement	\$26,333
5	Highline Transmission Main Repairs	\$108,000
	Total	\$1,545,083

FY 2018/19 Planned Capital Improvements

For the FY 2018/19, the District is scheduling the replacement/relocation of pipelines and other infrastructure as shown in **Table 5**.

Table 5
FY2018/19 FY Proposed Capital Improvements

	Project Description	Budget
1	Small (2") Main Replacements (4 locations)	\$200,000
2	US 101 Crossing @ Coast Village	\$200,000
3	Fernald Point Bridge Water Main Replacement	\$50,000
4	Doulton Treatment Plant Reclaim Tank	\$45,000
5	Buena Vista Reservoir Static Mixer	\$14,840
6	Casa Dorinda Pump Station	\$17,800
7	Highline Transmission Main Repairs	\$187,500
	Total	\$715,140

RESOLUTION NO. 2168

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTECITO WATER DISTRICT
ESTABLISHING A WATER AVAILABILITY CHARGE FOR
IMPLEMENTATION OF A WATER DISTRIBUTION
SYSTEM UPGRADE AND ORDERING THE
FILING WITH THE COUNTY AUDITOR
OF A REPORT FOR FISCAL YEAR 2018-2019
TO BE PLACED ON AND COLLECTED BY MEANS
OF THE COUNTY TAX ROLL**

WHEREAS, the Board of Directors has determined that a major program for upgrade and replacement of portions of the District’s water distribution system (“Upgrade Program”) is necessary; and

WHEREAS, Section 31032.1 of the California Water Code provides that the District may annually establish and collect a water availability assessment (“Availability Charge”) of not to exceed thirty dollars (\$30) per acre per year for each acre of land, or thirty dollars (\$30) per year for each parcel of land less than an acre within the District to which water is made available for any purpose by the District, whether the water is actually used or not; and

WHEREAS, the Board of Directors considered various other potential methods for financing the Upgrade Program and has determined that an Availability Charge as provided by this Resolution is an efficient and cost-effective method to apportion some of the costs of the upgrade program to all properties within the District; and

WHEREAS, on July 23, 1996, the Board of Directors adopted such an Availability Charge, which Availability Charge has been reimposed by the Board of Directors every year since that time; and

WHEREAS, the Board of Directors has determined that such an Availability Charge shall continue to be imposed by the District specifically for the purposes of replacing certain aged and deteriorated water mains and other water facilities in the District that do not provide adequate water distribution or incidental fire flow service, as listed in Exhibit A attached hereto and made a part hereof; and it is the intent of the Board in adopting this Resolution to continue to reconsider each year the imposition and collection of such charge based on the progress of the Upgrade Program; and

WHEREAS, pursuant to Section 31032.1 of the California Water Code, the Secretary of the District has prepared and filed with the District a Report

("Report") which describes each parcel of real property within the District and, for each such parcel, the charge for fiscal year 2018-2019, computed in conformity with the charges prescribed by this Resolution, which charges retain the rates and methodology of the previous approvals of the Availability Charge; and

WHEREAS, while, on August 20, 2008, the District revised its definition of "agriculture" and eliminated the "recreational" rate category, the District has determined that it will not this year increase the Availability Charge rate for affected properties; and

WHEREAS, as required by Water Code Section 31032.2, written notice was provided to each affected land owner of the consideration of the Availability Charge and the filing of the Report; and

WHEREAS, pursuant to Water Code Section 31032.3 a hearing on the Report was set for 2:00 p.m., or as soon thereafter as the item could be heard, on the 24th day of July, 2018, at the Montecito Water District office, 583 San Ysidro Road, Montecito, California; and

WHEREAS, notice of said hearing was given by mailing and newspaper publication as required by Water Code Section 31032.2, and Affidavit of Mailing is on file with the District; and

WHEREAS, the District has held a noticed hearing on July 24, 2018 at the time and place set forth above to receive public comment and any objections concerning the imposition of this charge; and

WHEREAS, at said hearing, the Board of Directors of the Montecito Water District heard and considered all objections or protests to said Report; and

WHEREAS, Section 21080 (b) (8) of the Public Resources Code is contained in and is a part of the California Environmental Quality Act (CEQA), which Act is in Division 13 of the Public Resources Code, commencing at Section 21000.

Section 21080 (b) (8) of said Act provides that CEQA does not apply to "(8) The establishment, modification, structuring, restructuring or approval of rates, tolls, fares or other charges by a public agency which the public agency finds are for the purpose of (1) meeting operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment or materials, (3) meeting financial reserve needs or requirements, or (4) obtaining funds for capital projects necessary to maintain service within existing service areas."

It is hereby found and determined that none of the charges fixed and established by this Resolution are for any purposes other than the purposes set forth in Section 21080 (b) (8) and are therefore, pursuant to said Section, exempt from the requirements of CEQA. This Resolution constitutes the written findings of the record of the proceedings claiming the aforesaid exemption.

NOW, THEREFORE, BE IT RESOLVED:

1. That all of the recitals contained in the preamble to this Resolution are true;
2. The District does hereby establish and fix an annual Availability Charge, imposing it on all lands in the District according to the following schedule:
 - (a) For all parcels, \$30 per acre or part thereof less than a full acre for the first 5 acres.
 - (b) For parcels greater than 5 acres in size, \$25 per acre or part thereof less than a full acre for the portion of the parcel between 5 and 10 acres.
 - (c) For parcels greater than 10 acres in size, \$20 per acre or part thereof less than a full acre for the portion of the parcel between 10 and 20 acres.
 - (d) For parcels greater than 20 acres in size, \$5 per acre or part thereof less than a full acre for the portion of the parcel in excess of 20 acres.
 - (e) For parcels owned by the Santa Barbara County Flood Control District, (“Flood Control”) there shall be no charge so long as such parcels are held and used by Flood Control solely for the purpose of flood ways and/or flood control debris basins.
3. For those parcels on which the District had determined that the land use was “agricultural” or “recreational” for the Water Availability Charge collected in Fiscal Year 2008/09, based on a valid agricultural or recreational service connection to the parcel, and which contain no dwelling unit, the charge shall be 47 percent of the above-referenced charge for agricultural parcels and 59 percent of the above-referenced charge for recreational parcels.
4. For those aforementioned agricultural and recreational parcels on which there are one or more dwelling units, the charge will be determined as follows:

- (a) A base charge shall be established by applying the formula provided by Paragraph 2 above;
- (b) That base charge will then be reduced by the sum of \$30 times the number of dwelling units on the parcel;
- (c) The resulting amount will then be multiplied by the 47 percent rate for agricultural or 59 percent rate for former recreational parcels, respectively, as established in Paragraph 3 above; and
- (d) The charge will then be increased by \$30 per dwelling unit on the parcel.

The resulting charge shall be adjusted as necessary to provide that the total charge to a parcel does not exceed \$30 per acre or part thereof less than a full acre.

- 5. The General Manager is directed to maintain a separate budget account record for the Water Availability Charge, and to report to the Board quarterly, the District's progress in accomplishing the Upgrade Program.
- 6. The Report shall be and is hereby adopted and it is determined that each charge as set forth in said Report is proper and that each parcel shall benefit from District water availability by at least the charge to that parcel as set forth in said Report;
- 7. That the Secretary of this Governing Board and of the District shall, on or before the 10th day of August, file or cause to be filed with the Auditor of the County of Santa Barbara a copy of said Report, together with a statement endorsed thereon that said written Report has been adopted by the Governing Board of the Montecito Water District;
- 8. That pursuant to Water Code Sections 31032.1 and 31032.4, the Auditor of the County of Santa Barbara, State of California, shall enter the amounts of the charges against the respective lots or parcels of land as they appear on the current assessment roll;
- 9. That the amount of the charges shall constitute a lien against the lot or parcel of land against which the charge has been imposed per Water Code 31032.5;
- 10. That, pursuant to California Constitution Article XIII D, Section 5, and Section 53750 of the Government Code, it is hereby found and determined that the charges involve charges which were existing on November 6, 1996, imposed to

finance the capital costs or maintenance and operation expenses for water systems, and the rate is not increased beyond the level previously approved by the District, and the methodology previously approved by the District is not revised so as to result in an increase in the amount being levied on any person or parcel.

11. That, pursuant to Section 66013 of the Government Code, it is hereby found and determined that none of the charges exceed the estimated reasonable cost of providing the service for which the charges are made.

12. That the hearing is hereby concluded.

Voted on the resolution by roll call resulted as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

PASSED AND ADOPTED THIS 24th day of July, 2018.

APPROVED:

ATTEST:

W Douglas Morgan, President

Nicholas Turner, P.E., Secretary

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-B

DATE: JULY 16, 2018

TO: OPERATIONS & ADMINISTRATION COMMITTEE

FROM: GENERAL MANAGER

SUBJECT: MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SANTA BARBARA FOR COORDINATION RELATED TO THE FORMATION OF A GROUNDWATER SUSTAINABILITY AGENCY FOR THE MONTECITO GROUNDWATER BASIN

RECOMMENDATION:

Recommend to the Board of Directors approval of the Memorandum of Understanding with the City of Santa Barbara for coordination related to the formation of a Groundwater Sustainability Agency for the Montecito Groundwater Basin.

DISCUSSION:

In October 2016, at a regular meeting, the District's Board of Directors authorized staff to move forward with the formation of a Groundwater Sustainability Agency (GSA) in accordance with the Sustainable Groundwater Management Act (SGMA) for the Montecito Groundwater Basin. Since that time, staff has been working with the local community as well as public agency staff within adjacent basins, namely the City of Santa Barbara (City) and the Carpinteria Valley Water District, to resolve any and all issues related to the shared resources and basin boundary issues.

The Montecito Groundwater Basin boundary, depicted in the Department of Water Resources' (DWR) Bulletin 118, in general, does not coincide with the District's jurisdictional boundary on the east and westerly sides of the basin. This misalignment poses potential challenges for the effective future management of the basin. In addition, groundwater management activities conducted in adjacent basins may physically affect each basin because there does not exist complete groundwater barriers between them. Therefore, staff from both the District and the City have developed a non-binding Memorandum of Understanding (MOU) to ensure collaboration towards completion of GSA filing, and Groundwater Sustainability Plan (GSP) preparation and implementation for the Montecito Groundwater Basin.

This MOU memorializes the working relationship between the District and the City for the following purposes: 1) Coordination between agencies in the implementation of

SGMA within the Montecito Groundwater Basin, and the Santa Barbara Basin if pursued by the City; 2) Provide a framework for such coordinated efforts to ensure that SGMA is implemented effectively, efficiently, and fairly in both the Montecito and Santa Barbara Groundwater Basins; 3) Address any issues concerning properties and infrastructure located between the basins with overlapping jurisdictional boundaries, services areas and/or groundwater basins and 4) District to support the City with its efforts to prepare and submit to DWR a Basin Boundary Modification to adjust the existing basin boundary for both basins to the jurisdictional boundary.

Attached is a copy of the proposed MOU for consideration. This MOU has been reviewed by the District's legal counsel and approved in concept by City of Santa Barbara staff.

ATTACHMENTS

1. Proposed Memorandum of Understanding (MOU) between the District and the City of Santa Barbara

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE MONTECITO WATER DISTRICT AND THE CITY OF SANTA BARBARA
RELATED TO SGMA IMPLEMENTATION IN
THE MONTECITO GROUNDWATER BASIN**

This Memorandum of Understanding (MOU) is made and effective as of _____, 20__, by and between the Montecito Water District, and the City of Santa Barbara, collectively referred to herein as “The Parties”.

A. In 2014, California enacted the Sustainable Groundwater Management Act (“SGMA”), pursuant to which local agencies may become a Groundwater Sustainability Agency (GSA) and adopt a Groundwater Sustainability Plan (GSP) in order to manage and regulate groundwater in underlying groundwater basins.

B. Montecito Water District (MWD) is a County Water District, organized pursuant to California Water Code §§30000 et seq. with water supply and water management responsibilities within its service area. MWD is also a local agency pursuant to California Water Code §10721(n) with water supply and water management responsibilities within the Montecito Groundwater Basin, DWR Basin Number 3-49 (“Montecito Basin”). As a DWR designated medium priority basin, SGMA requires GSA formation and development of a GSP in the Montecito Basin. The MWD Board of Directors has determined it to be in the best interest of the MWD, its service area, and the public, to act as the GSA for the Montecito Basin in accordance with the requirements of SGMA, and is undertaking necessary steps under SGMA to assume that responsibility.

C. The City of Santa Barbara (City) is a charter city organized pursuant to Government Code §§34000 et seq with water supply, water management and land use responsibilities within its service area. City is also a local agency pursuant to California Water Code §10721(n) with water supply, water management and land use responsibilities within the Santa Barbara Groundwater Basin, DWR Basin Number 3-17. (“Santa Barbara Basin”).

D. The Parties wish to coordinate in the implementation of SGMA within the Montecito Basin and provide a framework to ensure that SGMA is implemented effectively, efficiently, and fairly.

E. The Parties wish to cooperate in processing a basin boundary modification such that the contiguous boundaries of the Montecito Basin and the Santa Barbara Basin according to the existing Department of Water Resources (“DWR”) Bulletin 118 boundary correspond in general to the jurisdictional boundary of the MWD, said boundary being shown in Exhibits A-1 and A-2 attached to this MOU.

F. The Parties acknowledge that there are certain areas of the City within the territory of the MWD that are provided water service by City. At the time the City annexed these areas, a detachment from the MWD was not simultaneously processed. The Parties intend to cooperate in accomplishing detachment of these areas from MWD and contemplate that those areas would also be excluded from the Montecito Basin and included in the Santa Barbara Basin. These areas are referred to as the Detachment Areas.

G. The Parties acknowledge that there are certain areas of the City within the territory of the MWD that are provided water service by the MWD. These areas are referred to in this MOU as the Coast Village Road Area and the Barker Pass Area.

NOW THEREFORE, the Parties agree as follows:

1. Purposes

The purposes of this MOU include:

a. Cooperative Working Relationship

To memorialize a cooperative, coordinated, and ongoing working relationship between the Parties that will facilitate SGMA implementation efforts within the Montecito Basin. This includes, but is not limited to, cooperation and coordination concerning the exploration, study and evaluation of approaches and strategies related to the formation of a GSA and preparation and implementation of a GSP for said basin.

b. Basin Boundary Modification

The DWR existing Bulletin 118 boundary between the Montecito Basin and the Santa Barbara Basin does not correlate with the jurisdictional boundary of the Parties. This MOU reflects the desire of the Parties to modify the existing Bulletin 118 boundary at the contiguous boundary between Montecito Basin and Santa Barbara Basin to correlate in general with the jurisdictional boundary of MWD. The areas of current overlap are shown on Exhibits A-1 and A-2 attached to this MOU (“Overlap Area”). The Exhibits also show the Detachment Areas, the Barker Pass Area, and the Coast Village Road Area.

2. Basin Boundary Modification

a. Application

Consistent with paragraph 1.b., the City will apply to DWR to modify the existing Bulletin 118 boundary at the contiguous boundary of the Montecito Basin and Santa Barbara Basin to coincide in general with the jurisdictional boundary of the MWD. The basin boundary will in general reflect the current jurisdictional boundary of the MWD, except for the Detachment area which will be included in the Santa Barbara Basin. The Barker Pass Area and Coast Village Road Area which will remain in the Montecito Basin. The application for modification will be submitted by the City as soon as possible through DWR’s Basin Boundary Modification Process. The City and MWD agree that the contemplated basin boundary modification is in the best interest of the parties. MWD will support the City in its pursuit of a basin boundary modification along jurisdictional boundaries.

b. The Parties agree that any failure or inability to obtain a boundary modification of the Montecito Basin and Santa Barbara Basin, will not serve to preclude MWD from forming a GSA or preparing a GSP for the Montecito Basin.

However, in the event of failure or inability to obtain a boundary modification, MWD agrees that it will not impose or include as part of a GSP for the Montecito Basin a requirement on property within the territory of the City without the City's consent, which consent will not be unreasonably withheld.

c. No impact on current water service

Within the Overlap Area, MWD has facilities and provides water service to property located within the jurisdiction of the City, and the City has facilities and provides water service to property located within the jurisdiction of MWD, as shown on the Exhibits. Neither the GSP nor the boundary modification contemplated by this MOU are intended to affect or alter existing water service.

3. Formation of Groundwater Sustainability Agency

a. The Parties contemplate that MWD will be the local agency that elects to be the GSA, and file said election with DWR pursuant to Water Code § 10723.8, for the Montecito Basin.

b. Neither MWD, nor City, currently contemplate the City's representation on the Montecito Basin GSA because they have agreed that the Overlap Area is relatively small in comparison to the overall size of the Montecito Basin.

4. SGMA Activities

a. The Parties shall regularly confer on activities to be performed under this MOU, and nothing in this MOU is intended to restrict the range of activities that may be discussed or pursued concerning the implementation of SGMA in the Montecito Basin.

b. The Parties intend that this MOU govern any necessary activities while they are exploring, evaluating and developing GSAs and GSPs for the Montecito Basin. If the Parties identify an activity that they wish to jointly implement, they shall develop the appropriate agreement(s) governing such activity.

5. Costs

Each Party will bear all costs it incurs with respect to its activities under this MOU.

6. Staff

Each Party shall designate a principal contact person for that Party, who may be changed from time to time, and such other appropriate designees, staff members and consultants to participate on such Party's behalf in activities undertaken pursuant to this MOU. The principal contact person for each Party shall be responsible for coordinating meetings and other activities under this MOU with the principal contact person for the other Party. Each Party shall make its staff and resources reasonably available for activities under this MOU.

The mutual principal contacts are:

Montecito Water District
Nicholas Turner, General Manager
583 San Ysidro Road,
Santa Barbara, CA 93108
Phone:805-969-2271
Email:nturner@montecitowater.com

City of Santa Barbara
Public Works Department
Kelley Dyer, Water Supply Manager
P.O. Box 1990
Santa Barbara, CA 93102
Phone: 805-564-5571
Email kdyer@santabarbaraca.gov

7. Entire Agreement

This MOU incorporates the entire and exclusive agreement of the Parties with respect to the matters described herein and supersedes all prior negotiations and agreements (written, oral or otherwise) related thereto. This MOU may be amended only by a writing executed by the Parties.

8. Termination

This MOU shall remain in effect unless terminated by the mutual written consent of the Parties, or upon 30 days written notice of termination delivered by one Party to the other that is not withdrawn prior to the specified termination date. No Party shall be liable to the other if it elects to terminate this MOU.

9 Assignment

No rights and/or duties of any Party under this MOU may be assigned or delegated without the express prior written consent of the other Party, and any attempt to assign or delegate such rights or duties without such consent shall be null and void.

10. Indemnification

To the fullest extent permitted by law, the Parties shall defend indemnify, and hold each other (including the directors, officers, employees and authorized volunteers of each party) free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of every kind, in law or equity (collectively "Claims") in any manner arising out of, pertaining to, or incident to this Agreement and/or the work and/or services to be performed hereunder. This includes, without limitation, the payment of all actual damages, consequential damages, expert witness fees and attorney's fees and other related costs and expenses, including but not limited to legal costs and expense incurred by the parties in connection with any Claims or in enforcing this mutual indemnification. This indemnity does not include Claims that arise out of the sole active negligence or willful

misconduct of the party request indemnification. Indemnity requirements are not limited to the amount of any insurance available to either party and survive the termination of this Agreement for any reason.

IN WITNESS WHEREOF, the parties have executed this MOU as of the date first above written

MONTECITO WATER DISTRICT

By:_____

W. Douglas Morgan
President, Board of Directors

CITY OF SANTA BARBARA

By:_____

Rebecca J. Bjork
Public Works Director, City of Santa Barbara

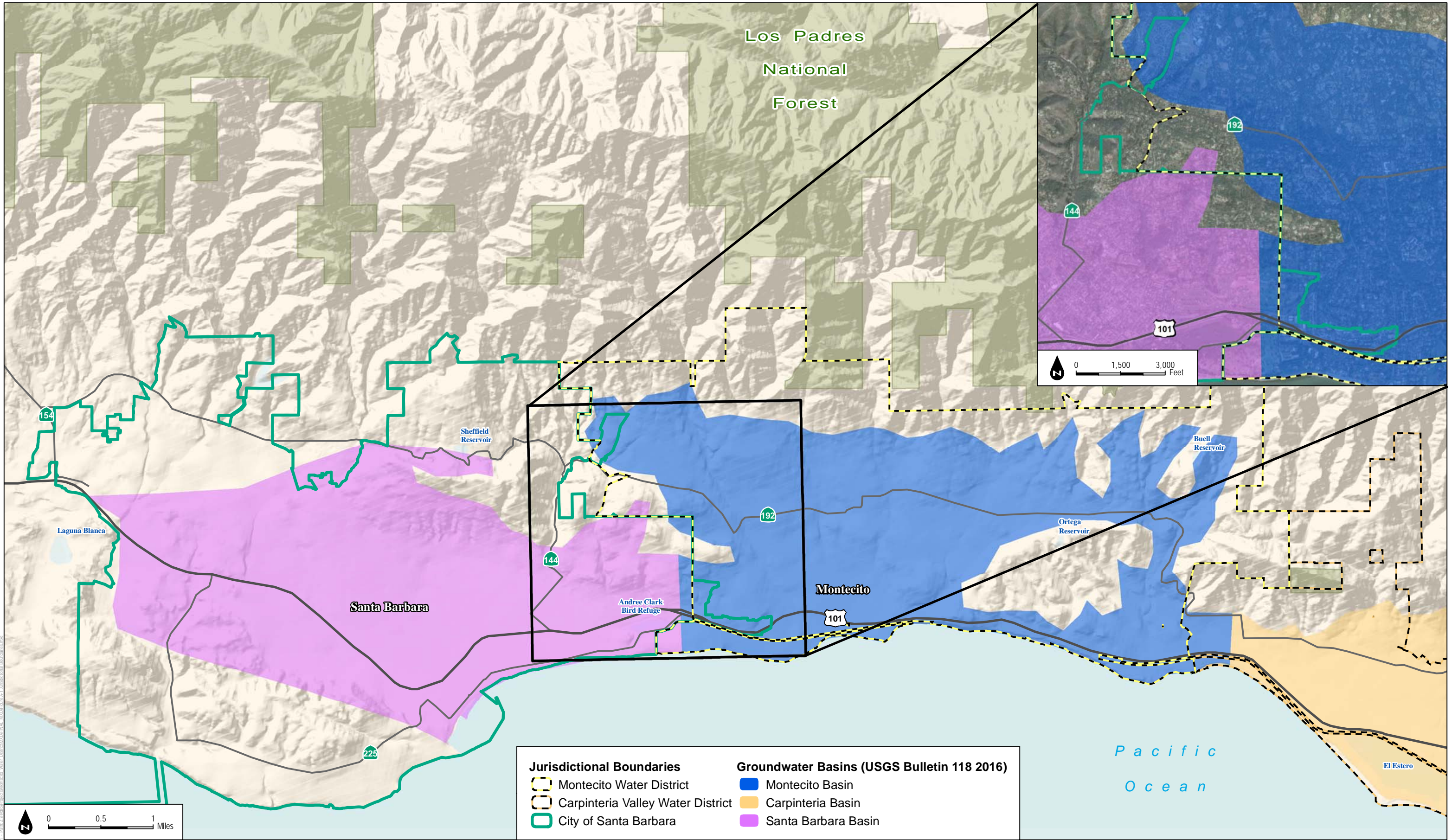
APPROVED AS TO FORM

By:_____

Robert M. Cohen
COHEN & BURGE, LLP
General Counsel, Montecito Water District

By:_____

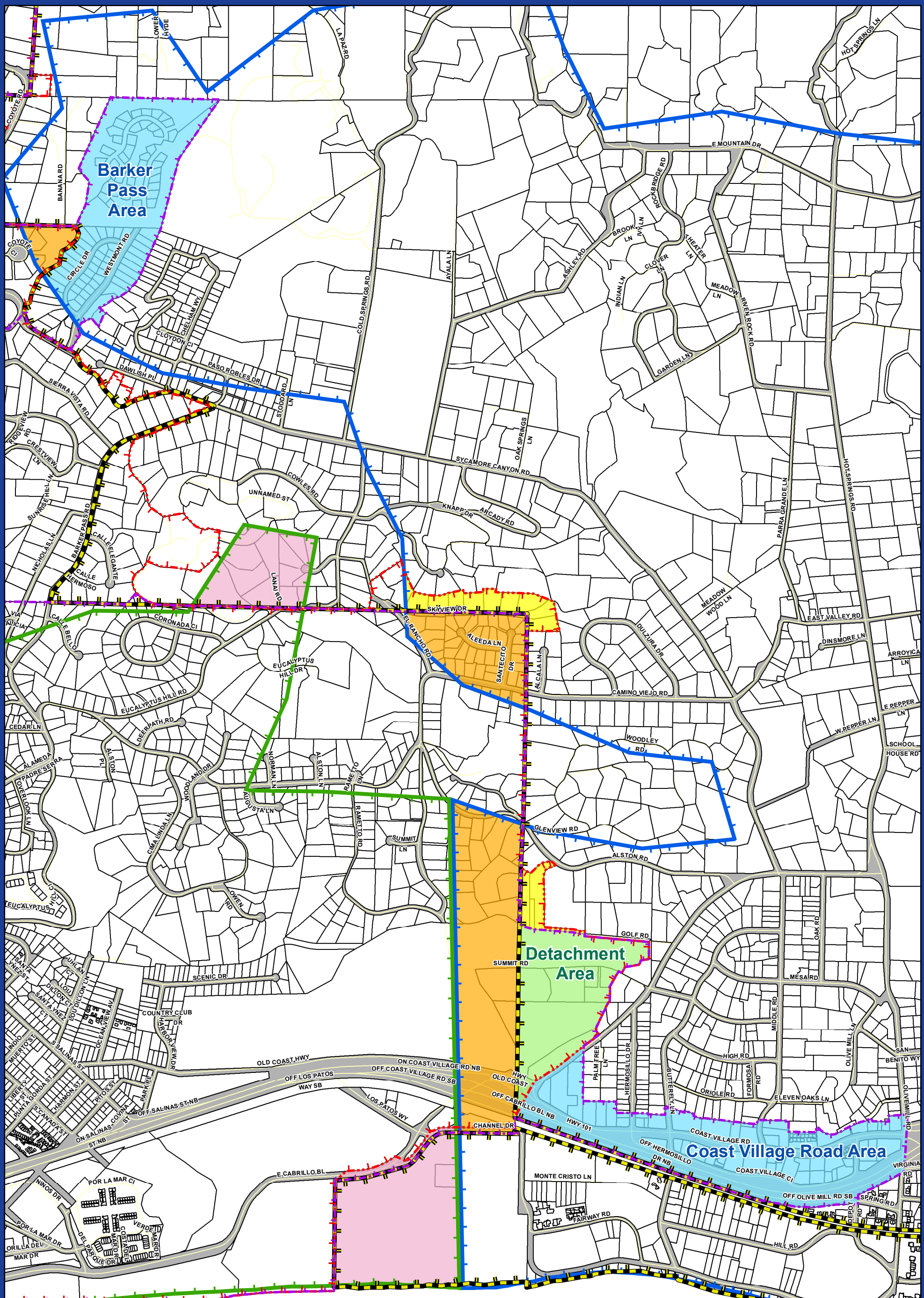
Daniel S. Hentschke
Assistant City Attorney
City of Santa Barbara



Jurisdictional Boundaries		Groundwater Basins (USGS Bulletin 118 2016)	
	Montecito Water District		Montecito Basin
	Carpinteria Valley Water District		Carpinteria Basin
	City of Santa Barbara		Santa Barbara Basin

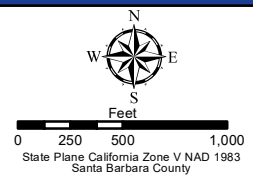
0 0.5 1 Miles

0 1,500 3,000 Feet



- - - SB City Limits
- - - SB City Water Boundary
- MWD Boundary
- B118 Santa Barbara Basin Boundary
- B118 Montecito Basin Boundary
- Area Served By SB City/B118 MB/SB City Limits/MWD Boundary
- Area Served By MWD/B118 MB/SB City Limits/MWD Boundary
- Area Served By SB City/B118 MB/MWD Boundary
- Area Served By MWD/B118 SBB/MWD Boundary
- Area Served By SB City/B118 MB/SB City Limits
- Assessor Parcels

*****DISCLAIMER*****
 This map is for reference only. Although every effort has been made to ensure the accuracy of information, errors and conditions originating from physical sources used to develop the database may be reflected on this map. ZWORLD GIS shall not be liable for any errors, omissions, or damages that result from inappropriate use of this document. No level of accuracy is claimed for the boundary lines shown here on and lines should not be used to obtain coordinate values, bearings or distances.



Basin, Jurisdiction, & Service Area Overlap
FIGURE A-2



**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-C

DATE: JULY 16, 2018

TO: OPERATIONS & ADMINISTRATIVE COMMITTEE

FROM: GENERAL MANAGER

**SUBJECT: RESOLUTION NO. 2169 DECLARING THE DISTRICT'S INTENTION TO
BECOME THE GROUNDWATER SUSTAINABILITY AGENCY
PURSUANT TO THE SUSTAINABLE GROUNDWATER MANAGEMENT
ACT FOR THE MONTECITO GROUNDWATER BASIN**

RECOMMENDATION:

1. Recommend the Board of Directors conduct a public hearing at 2:00 pm, July 24, 2018 regarding the formation of a Groundwater Sustainability Agency for the Montecito Groundwater Basin;
2. Following consideration of public comments and protests (if any) from the Public Hearing, recommend the Board of Directors adopt Resolution 2169 declaring the District's intent to become the Groundwater Sustainability Agency pursuant to the Sustainable Groundwater Management Act for the Montecito Groundwater Basin and authorize the submittal of all applicable information required to form a Groundwater Sustainability Agency to the Department of Water Resources;

BACKGROUND:

In September 2014, Governor Brown signed legislation, SB 1168, SB 1319, and AB 1739, collectively referred to as the Sustainable Groundwater Management Act (SGMA) enacting Water Code §§10720 – 10737.8 requiring local agencies to sustainably manage groundwater resources within their jurisdictions over the long term by forming Groundwater Sustainability Agencies (GSA) and developing/implementing Groundwater Sustainability Plans (GSP). Water Code Section 10721(n) defines local agency as “a local public agency that has water supply, water management, or land use responsibilities within a groundwater basin.”

A GSA is required to assess the conditions in its local groundwater basin and to adopt a locally-based GSP. A GSP must be designed to achieve basin sustainability within 20 years of adoption. SGMA defines sustainable management as managing and using groundwater in a way that can be sustained over the long term. Sustainable yield is defined as the amount of groundwater that can be withdrawn annually without causing

"significant and unreasonable impacts" related to any undesirable results, including: (1) chronically lowering groundwater levels; (2) unreasonable reduction in groundwater storage; (3) seawater intrusion; (4) degrading water quality; and (5) land subsidence and (6) depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water.

The Montecito Water District (District) is a County Water District, organized pursuant to Water Code §30000 et seq, with water supply and water management responsibilities within its service area. The District is a local agency overlying the Montecito Groundwater Basin (DWR Basin Number 3049 herein referred to as "Basin").

Therefore, the District qualifies as a "local agency" under the SGMA and may elect to become the Montecito Groundwater Basin GSA pursuant to Water Code §10723(a) in order to sustainably manage and regulate the Basin.

In 2016, recognizing the benefits of groundwater to its overall water supply portfolio and the need to ensure long-term sustainability of the Basin, the District's Board of Directors (Board) voted unanimously in support of pursuing, on a voluntarily basis, the formation of a GSA for the Basin.

SGMA requires all medium and high priority groundwater basins, as designated by Bulletin 118 issued by the California Department of Water Resources ("DWR"), to comply with the requirements of SGMA. In 2014, as part of the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, DWR prioritized all groundwater basins across the State, with the Montecito Groundwater Basin receiving a priority ranking of "very low". As a very low priority basin, implementation of SGMA in the Montecito Groundwater Basin was not mandated but instead only encouraged by DWR.

In May 2018, following a review of the groundwater basin priority rankings, DWR re-designated, among other basins, the Montecito Groundwater Basin from "very-low" to "medium" priority based on updated basin information. This change now mandates the implementation of SGMA for the Basin. The deadlines associated with SGMA compliance have been extended approximately two years for the reprioritized basins. The revised deadlines require GSA formation by two years after the reprioritization deadline and management of the Basin under a GSP by 5 years after the date of reprioritization. Basin prioritization is expected to be finalized by February of 2019.

Since the Board's October 2016 action, District Staff with the assistance of a consulting firm, Dudek, have been working with the Board of Directors, local community and other public agency staff towards the formation of a GSA for the Basin. The work performed to date includes:

1. DWR Bulletin 118 Basin Boundary Modification with the Carpinteria Valley Water District to realign the shared boundary line between the Montecito and Carpinteria Groundwater Basins with the jurisdictional boundary line.
2. Memoranda of Understanding with both the Carpinteria Valley Water District and the City of Santa Barbara for coordination related to the formation of a GSA for the Montecito Groundwater Basin.

3. Formation documentation including a notice of intent, resolution, bylaws and certain other information required for GSA formation.
4. Ongoing public outreach, including: (1) a dedicated web page; (2) a SGMA email list; (3) community workshops; (4) committee and board meeting discussions; (5) meetings with affected public agencies; and (6) frequent progress updates via mail, email, and postings in local publications. See the attached list of public outreach related activities performed to date.

The area proposed to be included within the Montecito Groundwater Basin GSA is the area shown as *B118 Montecito Groundwater Basin* on the attached map with following exceptions:

- Approx. 1/4 square mile area located on the southeasterly most portion of the Basin positioned outside the District's service area boundary. Through DWR's Basin Boundary Modification (BBM) process, this area, if approved by DWR, will become a part of the Carpinteria Groundwater Basin and be managed by the GSA for that basin. This BBM will align the basin boundary with jurisdictional boundaries, thereby simplifying management of the basins.
- Several small areas located on the westerly most portion of the Basin, where the jurisdictional boundaries of the District and the City of Santa Barbara do not currently coincide with the Montecito and Santa Barbara Groundwater Basin boundaries. Management of groundwater within this overlap area is being addressed via a Memorandum of Understanding currently being finalized between the two agencies.

ENVIRONMENTAL REVIEW

Adoption of Resolution No. 2169 does not constitute a "Project" under the California Environmental Quality Act Guidelines Sections 15378; including 15378(b)(5) which excludes from the definition of "project" organizational and administrative activities of government, that will not result in direct or indirect physical changes in the environment.

FISCAL IMPACT

The District's FY 2018/19 budget includes \$200,000 for anticipated work activities associated with the beginning stages of GSP development. An equivalent amount is forecasted to be budgeted each year thereafter for several years before completion of the GSP. The District will be considering this cost increase resulting from implementation of SGMA when preparing its current updated water rate study.

If the District elects to form a GSA, it must hold a public hearing and submit a Notice of Intent and certain other information to the DWR within 30-days of electing to be the GSA for the Basin. DWR has 15-days to post the Notice of Intent to their website and

following a 90-day public comment period, the District is presumed to be the GSA unless the filing is contested. As of the date of this memorandum, no formation notices have been posted for the Montecito Groundwater Basin.

Attached is a copy of the proposed Resolution No. 2169 for consideration. This resolution has been reviewed by the District's legal counsel.

ATTACHMENTS

1. Proposed Resolution No. 2169
2. Public Outreach Summary
3. Map of the proposed Montecito Groundwater Sustainability Agency

RESOLUTION NO. 2169

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE MONTECITO WATER DISTRICT DECLARING ITS INTENTION
TO BECOME THE GROUNDWATER SUSTAINABILITY AGENCY
PURSUANT TO THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT
FOR THE MONTECITO GROUNDWATER BASIN**

WHEREAS, in September 2014, California passed the Sustainable Groundwater Management Act (“SGMA”) enacting Water Code §§10720 – 10737.8; and

WHEREAS, SGMA requires all high and medium priority groundwater basins, as designated by Bulletin 118 issued by the California Department of Water Resources (“DWR”), to be managed by Groundwater Sustainability Agencies (“GSAs”); and

WHEREAS, the Montecito Groundwater Basin/DWR Basin Number 3049 (“Basin”) has been designated by DWR as a medium priority basin in its 2018 draft prioritization; and

WHEREAS under the SGMA a local agency or combination of local agencies may elect to become a GSA pursuant to Water Code §10723(a) in order to sustainably manage and regulate a groundwater basin; and

WHEREAS, pursuant to the SGMA, sustainable groundwater management is intended to occur pursuant to Groundwater Sustainability Plans that are created and adopted by GSAs; and

WHEREAS, Montecito Water District is a County Water District, organized pursuant to Water Code §30000 et seq, with water supply and water management responsibilities in its service area; and

WHEREAS, Montecito Water District is a local agency, with water supply and water management responsibilities, overlying the Basin and is therefore also a local agency as defined within Water Code §10721(n); and

WHEREAS, the Montecito Water District desires to form a GSA for the Basin;
and

WHEREAS, the Montecito Water District gave notice pursuant to Water Code §10723(b) and Government Code §6066, and a public hearing was held on July 24, 2018 in the County overlying the Basin; and

WHEREAS, after said notice, hearing, and consideration of groundwater conditions for the Basin, the Board of Directors of the Montecito Water District has determined it to be in the best interest of the Montecito Water District, its service area, and the public to act as the GSA for the Basin, and to thereby provide for the sustainable management of the basin; and

WHEREAS, adoption of this resolution does not constitute a “project” under California Environmental Quality Act Guidelines Section 15378; including 15378(b)(5) which excludes from the definition of “project” organizational and administrative activities of government, that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Montecito Water District as follows:

1. Montecito Water District shall become the Groundwater Sustainability Agency (GSA) for the Montecito Groundwater Basin, DWR Basin Number 3049 and shall have all the powers granted to a GSA pursuant to the SGMA;
2. That the GSA hereby created shall consider the interests of all beneficial uses and users of groundwater, as required by Water Code section §10723.2
3. The General Manager of Montecito Water District is authorized to: (a) notify the Department of Water Resources (DWR) of the action taken by this resolution, (b) to develop and file with DWR the all applicable information required to be submitted as listed in Water Code §10723.8(a); and (c) to take such further actions as are necessary to carry out the intent of this resolution.

PASSED AND ADOPTED by the Board of Directors of the Montecito Water District this 24th day of July, 2018 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

W. Douglas Morgan,
President Board of Directors

ATTEST:

Nicholas Turner
Secretary

Montecito Water District Groundwater Sustainability Agency
Summary of Pre-Groundwater Sustainability Agency Public Outreach

Montecito Water District’s Community Engagement Plan Outline for GSA Formation adheres to these points:

1. Set Goals and Desired Outcomes: To inform the public on SGMA at a high level.
 - a. Provide description of the GSA and subsequent GSP
 - i. Introduce and explain the GSA formation process
 - b. Communicate overarching goals/desired outcomes of GSP development
 - c. Communicate objectives to support the GSP
 - d. Share overriding concerns, major concerns or challenges
2. For Phase 1, GSA Formation and Coordination, the District has fulfilled and exceeded the basic engagement requirements which are as follows:
 - a. Establish and Maintain List of Interested Parties §10723.4
 - b. GSA Formation Public Notice §10723(b)
 - c. GSA Formation Public Hearing §10723(b)
 - d. GSA Formation §10723(b)
3. The District has already begun to develop and employ supporting tactics and tools that will continue to be used to communicate messages and share resources, such as:
 - a. Web content launch
 - b. Email and other digital communication
 - c. Media outreach activities
 - d. Community meetings
4. In preparation for GSA formation, the District collaborated extensively with adjacent basin representatives to review and potentially modify boundaries and all of the outreach for Basin Boundary Modification (BBM) included information on SGMA processes as a whole.

As the SGMA process moves forward, community engagement will remain high priority as the District identifies milestones and stakeholder engagement opportunities throughout the GSP development process. Engagement efforts will continue to focus on identifying audiences, stakeholder groups, community organizations or others who are concerned about the GSA/GSP and consider how each group will engage with the development of the GSP. Dudek, the District’s consultant supporting the SGMA process, provides assistance and guidance on all aspects of engagement as part of the comprehensive plan.

The attached table notes primary engagement initiatives to date.*

Table of Public Outreach Initiatives: Phase 1 GSA Formation and Coordination

Date	Venue	Purpose/Activity/Discussion	Location / hyperlink
10/19/2018	Public Board Meeting	Board voted to form GSA	District Office
11/08/2016	Letter to all District Customers	Inform on Board's action, invite to join Stakeholder list.	Web Site Link
12/2016	Web Home Page prominent SGMA link, dedicated SGMA page	Inform on Board's action, invite to learn more / join stakeholder list	Montecitowater.com
12/15/2016	Advertisement	Inform on Board's action, invite to learn more	Montecito Journal
12/16/2016	Enews	Inform on Board's action, invite to learn more / join stakeholder list	
01/2017	Web Site	Prominent SGMA link, dedicated SGMA page, Updates	Montecitowater.com
01/19/2017	Advertisement	Invitation to Public Workshop on 03/02/2017	Montecito Journal
01/2017	Enews	Invitation to Public Workshop on 03/02/2017	Archive Link
02/01/2017	Letter to all District Customers	Invitation to Public Workshop on 03/02/2017	Mailing
02/2017	Message on Invoice	Notify SGMA Public Workshop on 03/02/2017	Mailing
02/14/2017	Enews	Invite to Public Workshop on 03/02/2017/ join stakeholder list	Archive Link
02/16/2017	Advertisement	Invite to Public Workshop on 03/02/2017	Montecito Journal
03/02/2017	Public Workshop with representatives from City of SB, CVWD & Das Williams, County Supervisor	Community Engagement on SGMA and GSA Formation / Stakeholder list signup	El Montecito Church Video on Web
03/17/2017	Enews	Public Workshop debrief, invite to join stakeholder list	Archive Link
03/21/2017	Web Site Updates	DWR & MWD Archives & Resources	Montecitowater.com
04/22/2017	Earth Day	Inform, invite to join Stakeholder list.	Santa Barbara Community event
05/2017	Operations Committee Meeting	SGMA / GSA Update	Agenda on web site
06/2017	Web Site Updates	SGMA / GSA Update	Montecitowater.com
07/2017	Web Site Updates	SGMA / GSA Update	Montecitowater.com
07/24/2017	Press Release	District Initiatives Overview from General Manager includes SGMA	Media release, web site posting, email distribution.
8/01/2017	SGMA Updates ENewsletter	Inform and Update	Archive Link

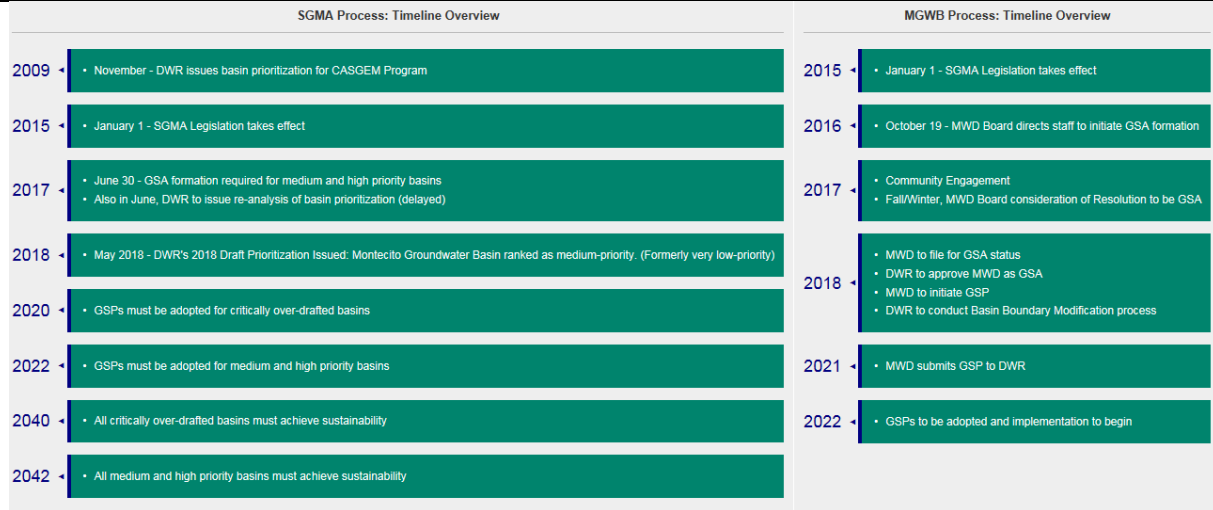
Date	Venue	Purpose/Activity/Discussion	Location / hyperlink
8/21/2017	SGMA Updates ENewsletter	Inform and Update	Archive Link
8/23/2017	Public Board Meeting	Update on Basin Boundary Modification (BBM)	Agenda on web site
08/2017	Public Board Meeting	Inform and Update	Agenda on web site
10/12/2017	Advertisement	Invitation to Public Workshop on 11/16/2017	Montecito Journal
10/20/2017	SGMA Updates ENewsletter	Inform and Update	Archive Link
11/2017	Message on Invoice	Notify SGMA Public Workshop on 11/16/2017	Mailing
11/02/2017	Advertisement	Invitation to Public Workshop on 11/16/2017	Montecito Journal
11/04/2017	Montecito Beautification Day	Table at Association event to update, inform on upcoming public workshop, and collect stakeholder list signups	Montecito Upper Village, Community Event
11/14/2017	SGMA Updates ENewsletter	Inform and Update	Archive Link
11/15/2017	Press Release	Invitation to Public Workshop on 11/16/2017	Media Release
11/16/2017	Public Workshop with representatives from City of SB, CVWD & Das Williams, County Supervisor	Community Engagement on SGMA and GSA Formation	El Montecito Church Video on Web
11/2017	Web Site Updates	DWR & MWD Archives & Resources	Montecitowater.com
11/29/2017	SGMA Updates ENewsletter	Inform and Update	Archive Link
12/2017- 3/2018	Communications precedent	Thomas Fire and Debris Flow Incident	
04/17/2018	Public Board Meeting	Board approved resolution to apply for Basin Boundary Modification (BBM)	Agenda on web site
05/14/2018	Operations Committee Meeting	Update on Basin Boundary Modification (BBM)	Agenda on web site
05/22/2018	Public Board Meeting	Draft BBM application and related documents were discussed and reviewed.	Agenda on web site
05/21/2018	SGMA Updates ENewsletter	Inform and Update	Archive Link
06/22/2018	SGMA Updates ENewsletter	Inform and Update	Archive Link
06/29/2018	SGMA Updates ENewsletter	Inform and Update	Archive Link
06/2018	Message on Invoice	Notify SGMA on agenda for Board Meeting	Mailing

Date	Venue	Purpose/Activity/Discussion	Location / hyperlink
07/05/2018	Public Notification	Notification of Board Meeting / Public Hearing on 07/24/2017	Santa Barbara News Press
07/12/18	Public Notification	Notification of Board Meeting / Public Hearing on 07/24/2017	Santa Barbara News Press
07/19/18	Advertisement	Invitation to Board Meeting / Public Hearing on 07/24/2017	Montecito Journal
<i>Note: Table may exclude periodic reference to SGMA made in general District communications such as emails, bill messages, press releases, Facebook posts and Twitter / tweets.</i>			

Example: Dedicated Web Page

<http://www.montecitowater.com/sustainable-groundwater-management.php>

Includes SGMA overview, Timelines, Enews Signup, and Resources such as links to an archive of all District SGMA materials as well as DWR glossaries and information.



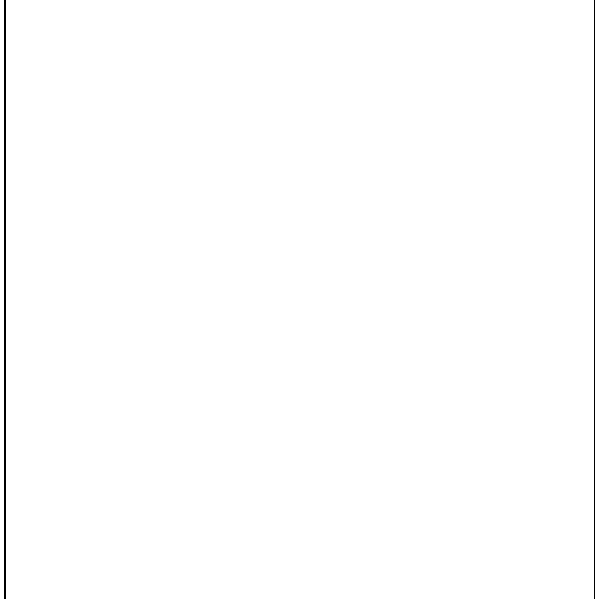
Sign up here for SGMA email updates and you will be added to the District's GSA Stakeholder and Interested Parties list:

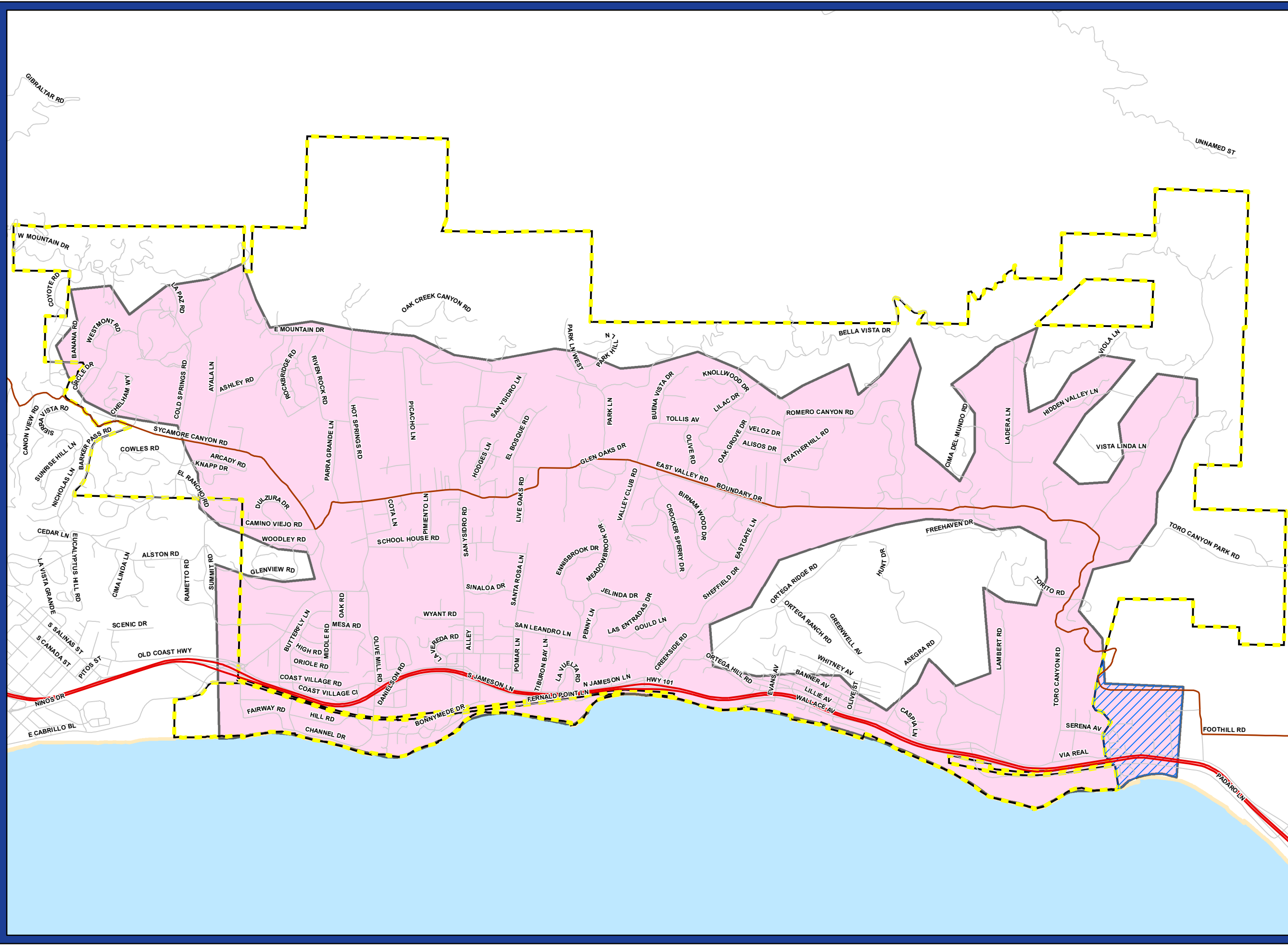
First and Last Name




Email Address

Also, sign me up for the MWD eNewsletter.

We will maintain your privacy and never sell or share your email address.

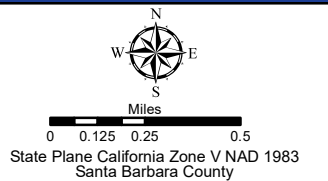




-  Basin Boundary Modification *
-  MWD Service Area Boundary
-  B18 Montecito Groundwater Basin

* Basin Boundary modification appl. submitted to DWR June 2018 to align B18 boundary with jurisdictional boundaries

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Montecito Water District
 Service Area and Basin Boundary

 **WORLD**
 Prepared by ZWORLD GIS in June 2018

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-D

DATE: JULY 16, 2018

TO: OPERATIONS & ADMINISTRATIVE COMMITTEE

FROM: GENERAL MANAGER

SUBJECT: QUARTERLY DROUGHT AND WATER SUPPLY UPDATE

RECOMMENDATION:

Information only, no action required.

DISCUSSION:

Background

In February 2014, following several years of deepening drought conditions and declining water supplies, the District adopted Ordinances 92, 93 and, subsequently, 94 declaring a Stage 4 Water Shortage Emergency and establishing customer water use allocations and penalties for water use in excess of allocations. This action was successful under extraordinary drought conditions in reducing customer water use by nearly 50% to be more in line with the District's available water supplies. In October 2017 following an above-average wet winter that resulted in partial recovery of Cachuma and Jameson Lakes and an above-average annual State Water Project allocation, the Board adopted Ordinance 95 repealing Ordinances 92 and 94 including monthly customer allocations and penalties, establishing updated water use restrictions based on current water supply conditions and reducing the declared water shortage emergency from Stage 4 to Stage 2. In accordance with the District's Water Shortage Contingency Plan included in its 2015 Urban Water Management Plan, under a Stage 2 water shortage emergency condition, less than average rainfall is projected, requiring up to 25% reduction in customer water use (conservation). The 2017/18 winter brought below-normal rainfall to Santa Barbara County including an extremely intense, short duration storm causing devastating debris flow to Montecito. This storm event resulted in little to no change in the District's water supply outlook.

Drought Update

Annual rainfall totals statewide, and in particular in Santa Barbara County, remain well below normal for this time of year. According to the Santa Barbara County Public Works Department, rainfall for Santa Barbara County is 53% of normal for Water Year (WY)

2018. In Montecito and at Jameson Lake, rainfall accumulation for WY 2018, according to District records are 59.8 and 47.9% respectively, of the average for this time of the year. While northern California seemingly experienced an increase in rainfall as the water year progressed and State reservoir levels are near capacity, the snowpack condition in the Sierras ended far below that of an average year.

The National Oceanic and Atmospheric Administration's three-month outlook predicts above-average temperatures and normal rainfall for the months of July thru September 2018. Despite the partial reprieve Santa Barbara County experienced in 2017 and the more recent storm events in 2018, extraordinary drought conditions remain. As of July 10, 2018, the U.S drought monitor indicates D2 severe drought intensity remains over the majority of Santa Barbara County.

Water Supply Outlook

The District's water supply planning outlook (3 years) projects water supply availability through mid-2020 under drought conditions with customer conservation continuing between 30-35% compared to 2013 usage. Assuming drought conditions persist across Santa Barbara County with no improvement in local water supply conditions, a water shortage is forecasted in mid-2020 unless customer demands are further reduced. Until local water supply conditions improve or the District successfully acquires new local and reliable supplies, the District will continue to be heavily reliant on the State Water Project and its facilities for delivery of State Water Project and supplemental water deliveries to meet customer demands. District Staff will continue to evaluate water supply conditions and the need for additional demand management measures to ensure water supply availability over the three-year planning period.

Jameson Lake/Doulton Tunnel

Although Jameson Lake received significant inflow following the February 2017 storm and then a small amount following the 2018 storms, as of July 1, 2018, the lake remains 61.6% of full storage capacity (3,168 acre feet). Limited water deliveries from the Lake began in March 2018 following the December 2017 Thomas Fire, but were halted in May 2018 due to poor water quality. Runoff following the Thomas Fire brought increased levels of organics (Total Organic Compounds, TOC) into the Lake resulting in increased levels of Disinfection Bypass Products (DBP) in the treated water. With assistance from District consultant, Water Quality & Treatment Solutions Inc., staff has developed a plan to enhance the treatment process by 1) replacing the filter media at Bella Vista with Granular Activated Carbon (GAC) to remove TOC and reduce DBP development and 2) install a blower and associated appurtenance in Bella Vista Reservoir to further remove DBPs to below regulated levels. The GAC is scheduled for installation the week of July 16 and the blower is currently under design.

Deliveries from Doulton Tunnel continue at approximately 15 acre feet per month and will be used to blend with water from the Lake to improve the water quality.

Cachuma Project

Lake Cachuma also received significant inflow following the February 2017 storm event and minimal inflow following the 2018 storms. As of July 1, 2018, the Lake remains at 38.7% of capacity (74,829 AF). The Cachuma Project member agencies received a 40% allocation in WY 2018 following a similar allocation in WY 2017. The Cachuma Project member agencies have requested an initial allocation for WY 2019 from the United States Bureau of Reclamation through the Santa Barbara County Water Agency and anticipate approval and release of the water in October.

City Staff continues to report that it is prepared for the potential water quality impacts from the Rey Fire, and most recent Thomas Fire. Following the Zaca Fire in 2007, significant investments were made to the City's treatment processes such as ozone treatment, active carbon feed, and pretreatment in Lauro Reservoir. To date, the runoff from the 2017/18 winter storms has not had a significant impact on water quality or the City's ability to treat water from Lake Cachuma.

Groundwater

As a result of the ongoing drought, groundwater levels remain at near-record lows. Staff presented the District's semi-annual survey of groundwater wells within the District service boundary at the June 2018 Board meeting. The fall 2017 and spring 2018 groundwater well survey successfully recorded groundwater elevations for 62 wells in the Montecito Basin. The data shows a slight rebound in groundwater elevations across the District but the majority of wells are still well below 1998 wet weather elevations. Deliveries from groundwater supplies remain reduced from that of 2017 at approximately 40 acre feet per month to allow for some groundwater recovery, but may increase to 60-70 acre feet per month later this summer depending on water supply conditions.

State Water Project/Supplemental Water

With the 2017/18 winter minimal inflow into our local surface water reservoirs, i.e. Cachuma and Jameson Lakes, the District continues to rely heavily on the State Water Project (SWP) and its facilities for delivery of water to offset the lack of available local water supplies. The 2018 SWP allocation is 35% (1,155 acre feet).

In June 2018, as a result of the below average SWP allocation, the District participated in the Central Coast Water Authority's 2018 Supplemental Water Purchase Program purchasing 2,800 acre feet of water from the Mojave Water Agency. This water was acquired through an exchange agreement requiring the return of 700 AF by 2028. This water will be used to continue maximizing deliveries to Lake Cachuma. In addition, approximately 1,000 acre feet of this supplemental

supply will likely be placed in the Semitropic Groundwater Banking and Exchange program between August and November 2018 in an effort to bolster available supplies during future drought years and avoid any risk of spill at San Luis Reservoir during early 2019.

Customer Demands/Conservation

In March of 2017, the District suspended the issuance of penalties for water use in excess of customer allocations following an improvement in water supply conditions. For nearly six months, customer demands remained at or near historic low levels, similar to that during 2016. In August of 2017, the District repealed its monthly customer water use allocations and penalties through the adoption of Ordinance 95, changing from a mandatory to voluntary based conservation model. Soon after, customer demands began to trend upward, with many months trending at or near 2013 peak levels, a pattern consistent amongst the South Coast agencies. This is partly attributable to extremely dry conditions from November 2017 through February 2018. During this same period, Montecito experienced two devastating natural disasters, the December 2017 Thomas Fire and the January 2018 mud/debris flows. Water usage during and after the disasters expectedly increased as a result of usage associated with the property protection, ash cleanup and water loss from damaged infrastructure. In March, customer water use decreased substantially compared to projections likely as a result of increased rainfall and this trend of reduced water use has continued.

Water conservation and water use efficiency continues to be a top priority for the District. As of June 30, 2018, the District's 12-month running average water conservation remains at 38% percent, based on 2013 water usage, which continues to exceed its current conservation target of 30%. Over the last six months, monthly conservation has varied from a low as 8% in January to as high as 65% in March. Conservation of approx. 30% must be achieved to remain compliant with the District's 2020 total production target as outlined in its 2015 Urban Water Management Plan and specifically Senate Bill X7-7. Conservation in excess of the current 30% target may be necessary to ensure water supply availability over the 3-year planning period.

ATTACHMENTS

1. Water Supply Update Presentation

Quarterly Drought and Water Supply Update

April 2018 – June 2018



Operations and Administration Committee Meeting

July 16, 2018

Outline

1. Drought Status
2. Production & Customer Demands
3. Currently Water Supply Outlook



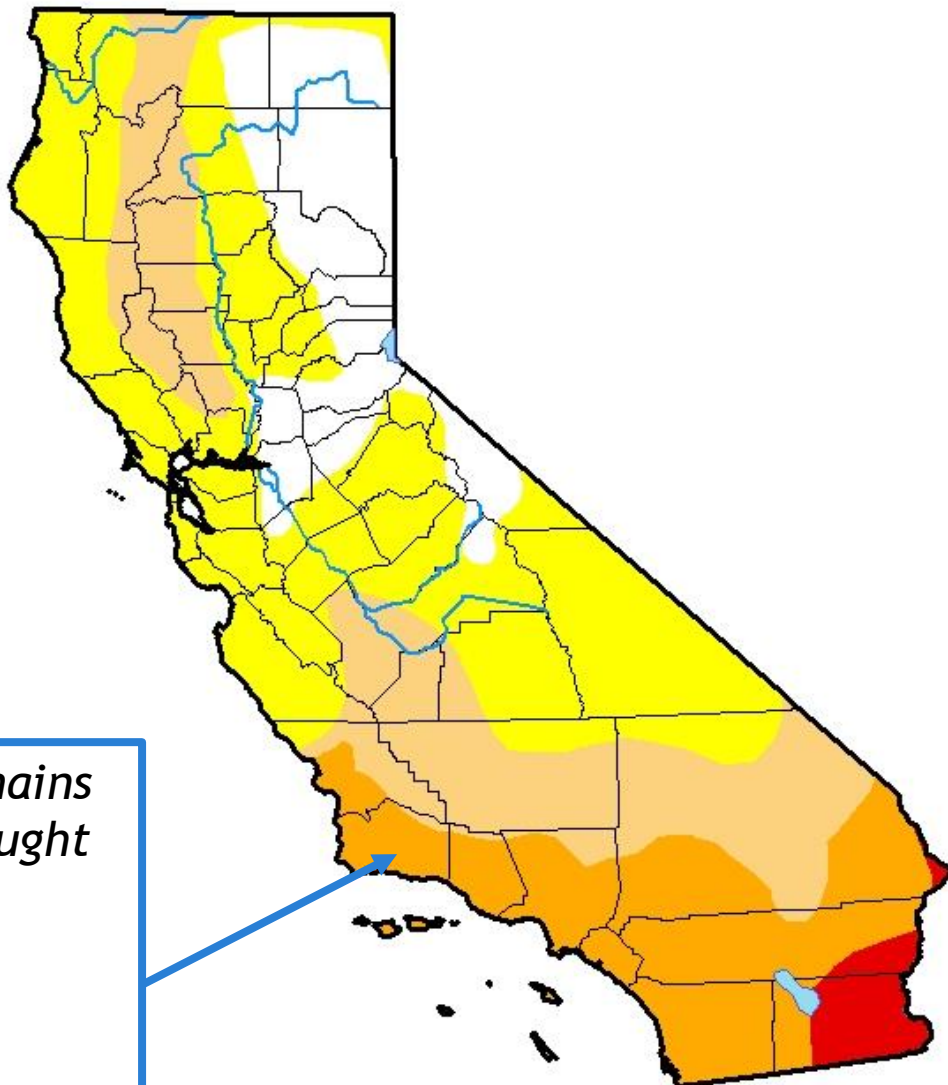
DROUGHT STATUS

U.S. Drought Monitor California

July 10, 2018

(Released Thursday, Jul. 12, 2018)

Valid 8 a.m. EDT



- SB County remains D2 Severe Drought
- Stage 2 Water Shortage Emergency

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	14.85	85.15	44.12	20.75	2.77	0.00
Last Week <i>07-03-2018</i>	14.85	85.15	44.17	20.75	2.77	0.00
3 Months Ago <i>04-10-2018</i>	33.85	66.15	37.10	13.77	2.50	0.00
Start of Calendar Year <i>01-02-2018</i>	55.70	44.30	12.69	0.00	0.00	0.00
Start of Water Year <i>09-26-2017</i>	77.88	22.12	8.24	0.00	0.00	0.00
One Year Ago <i>07-11-2017</i>	76.46	23.54	8.24	1.06	0.00	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Brian Fuchs
National Drought Mitigation Center



<http://droughtmonitor.unl.edu/>



Rainfall Totals

(According to District Records)
Sept. 1, 2017 – June 30, 2018

Location	WY 17-18' Rainfall to date (in)	Average Rainfall to date (in)	% of Average
Jameson Lake	13.73	28.64	47.9%
Montecito (District Office)	11.67	19.52	59.8%
Toro Canyon (Doulton Tunnel)	16.23	26.76	60.6%

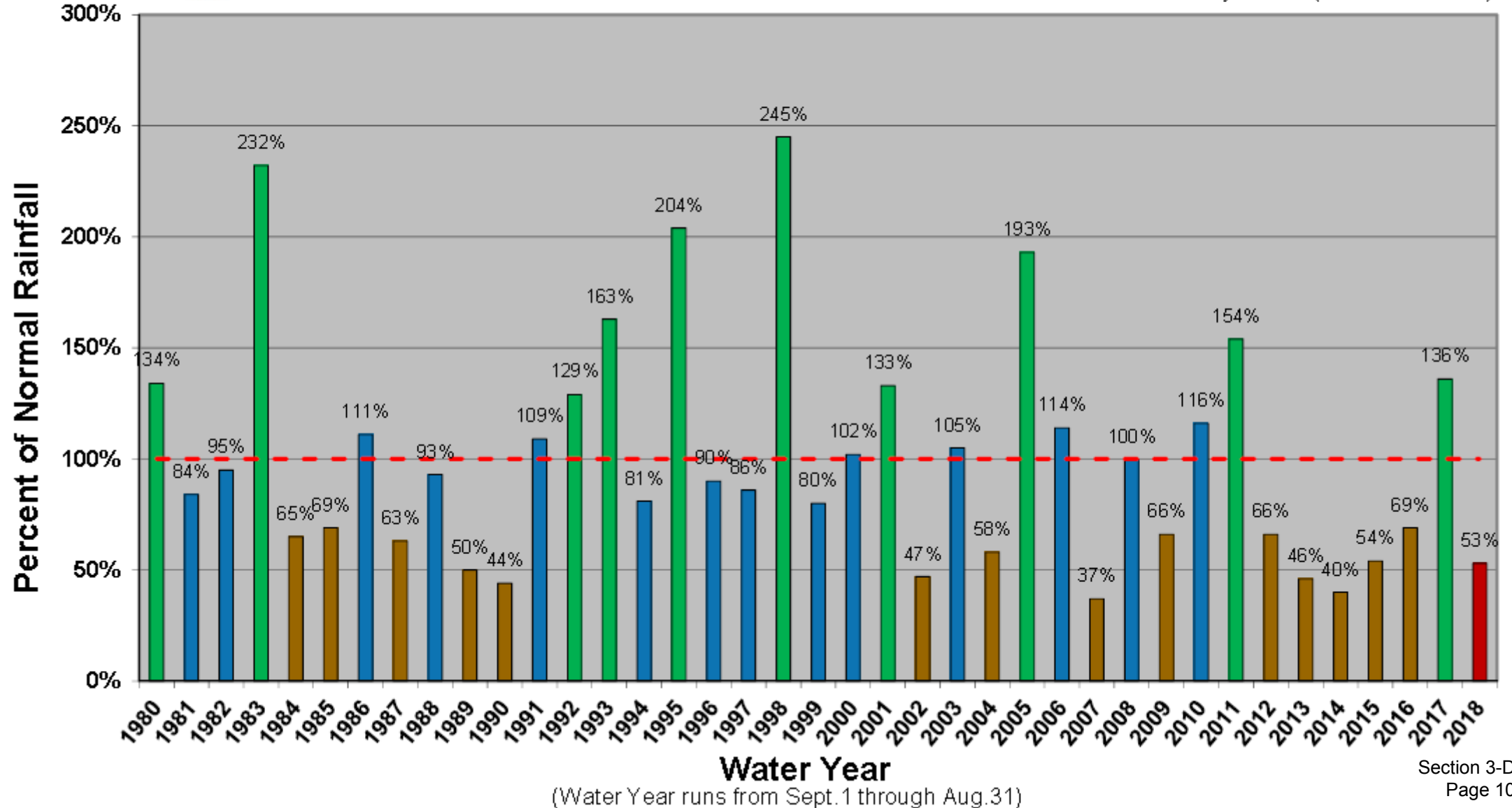


County-Wide Percent-of-Normal Water-Year Rainfall

WY2018 updated July 2, 2018

(Rainfall as a percentage of an entire average water-year)

Wet Years (>120% Normal Rain)
Dry Years (< 80% Normal Rain)

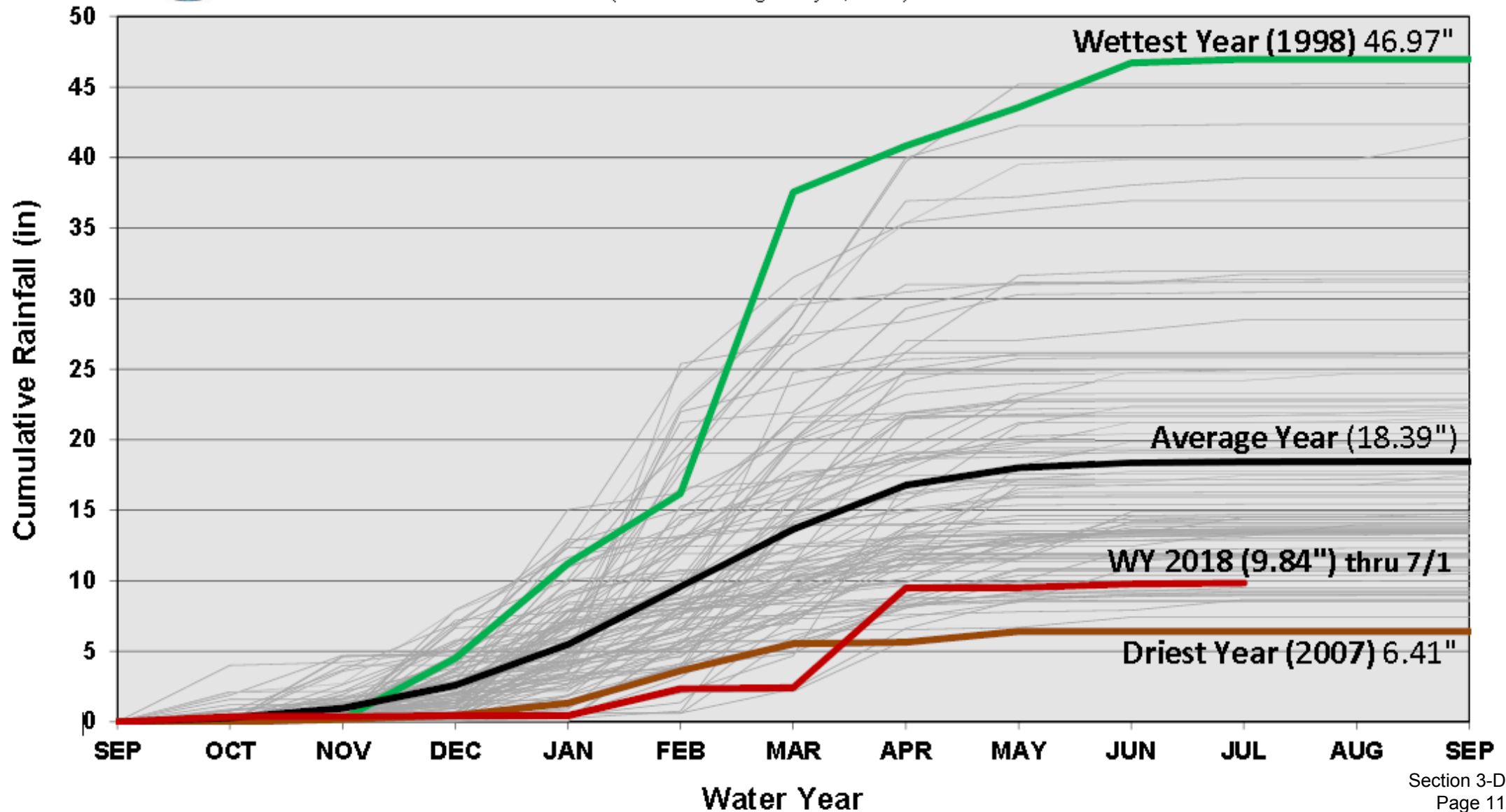




100 Years of Rainfall - Santa Barbara

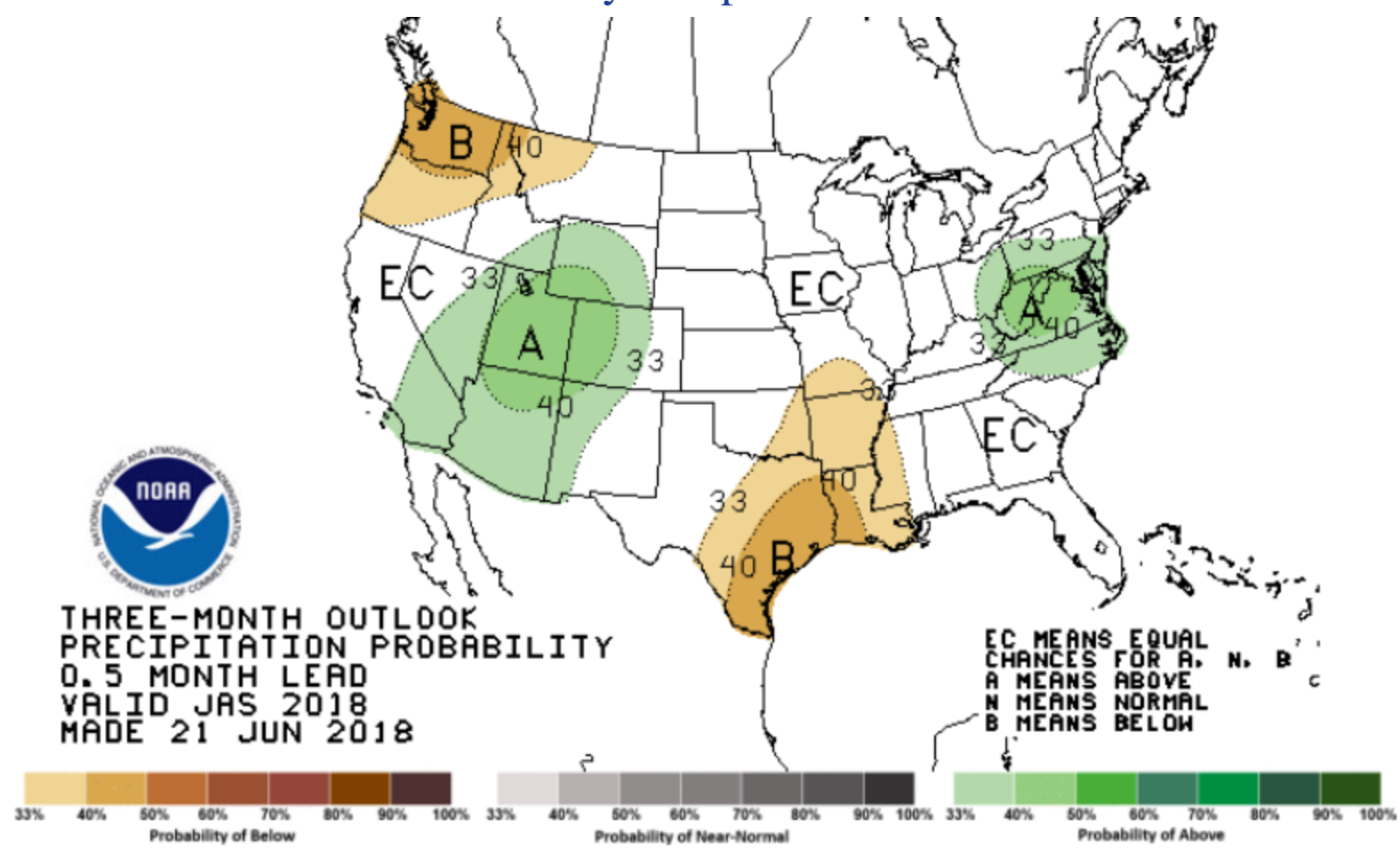
Water Years 1917 - 2018

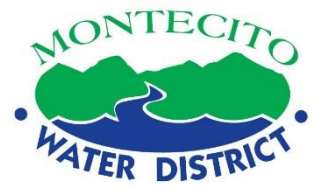
(WY2018 through July 1, 2018)



NOAA 3-Month Precipitation Outlook

July – Sept 2018

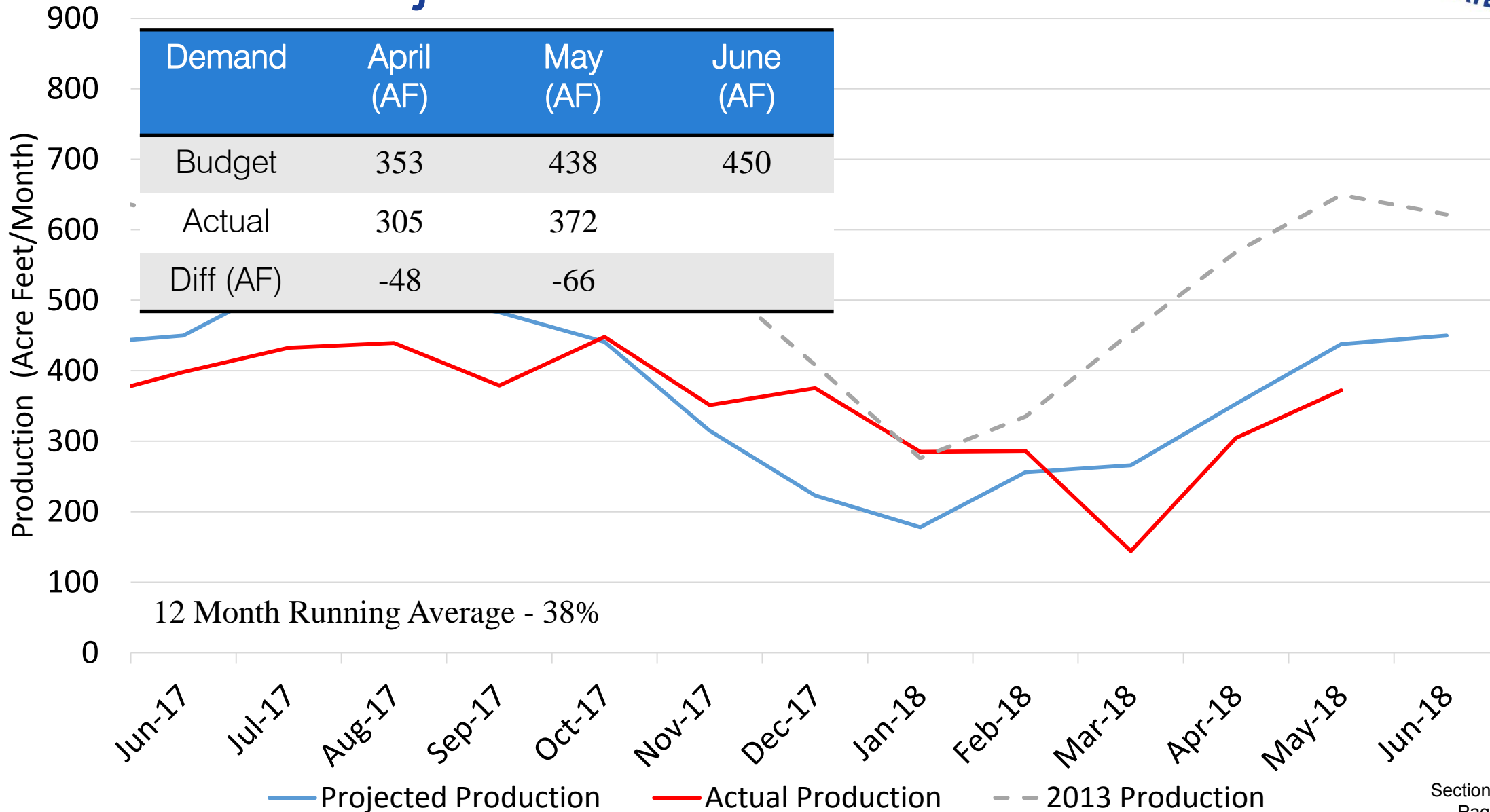




TOTAL PRODUCTION & CUSTOMER DEMANDS

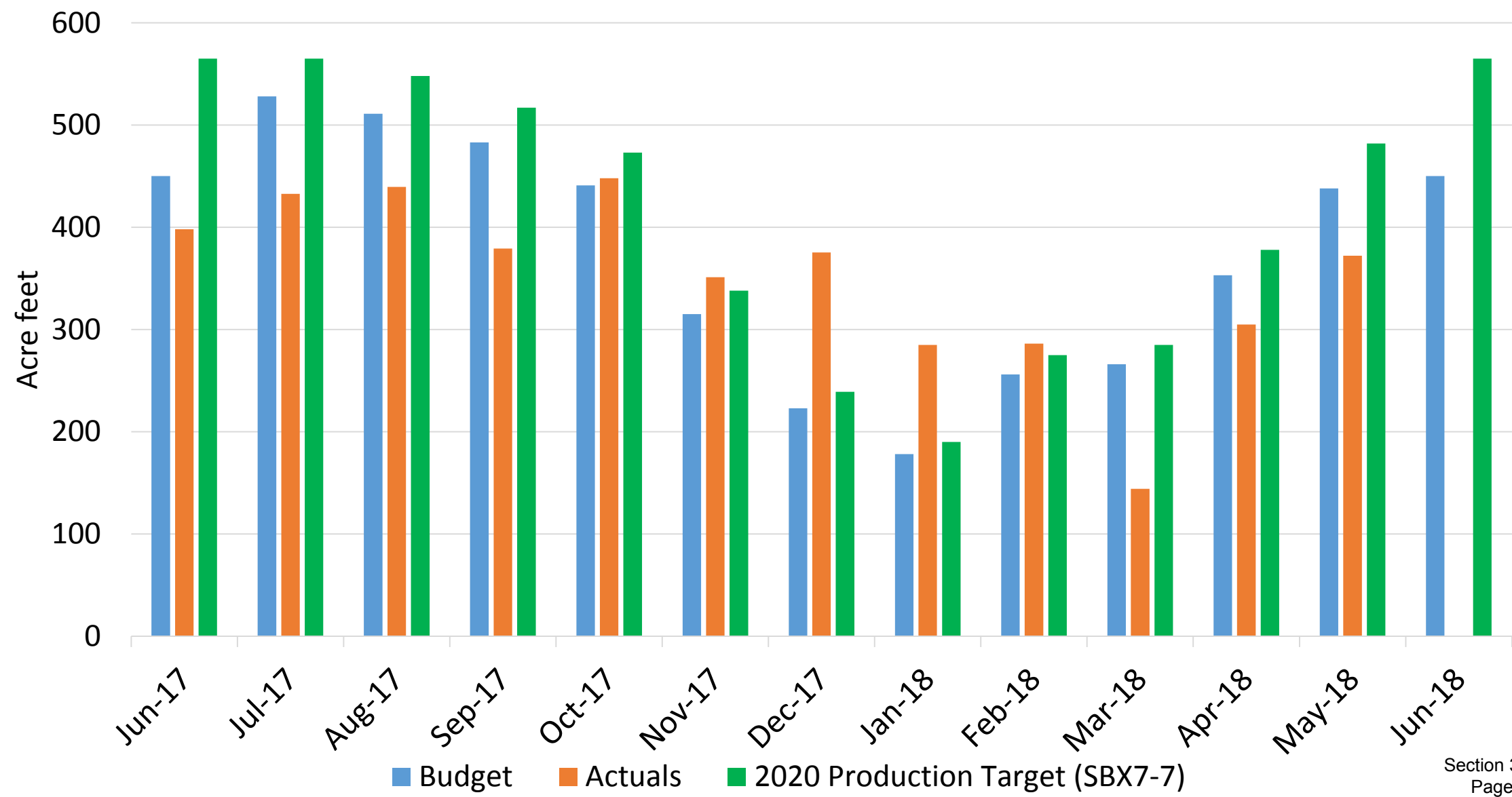


Projected vs. Actual Production



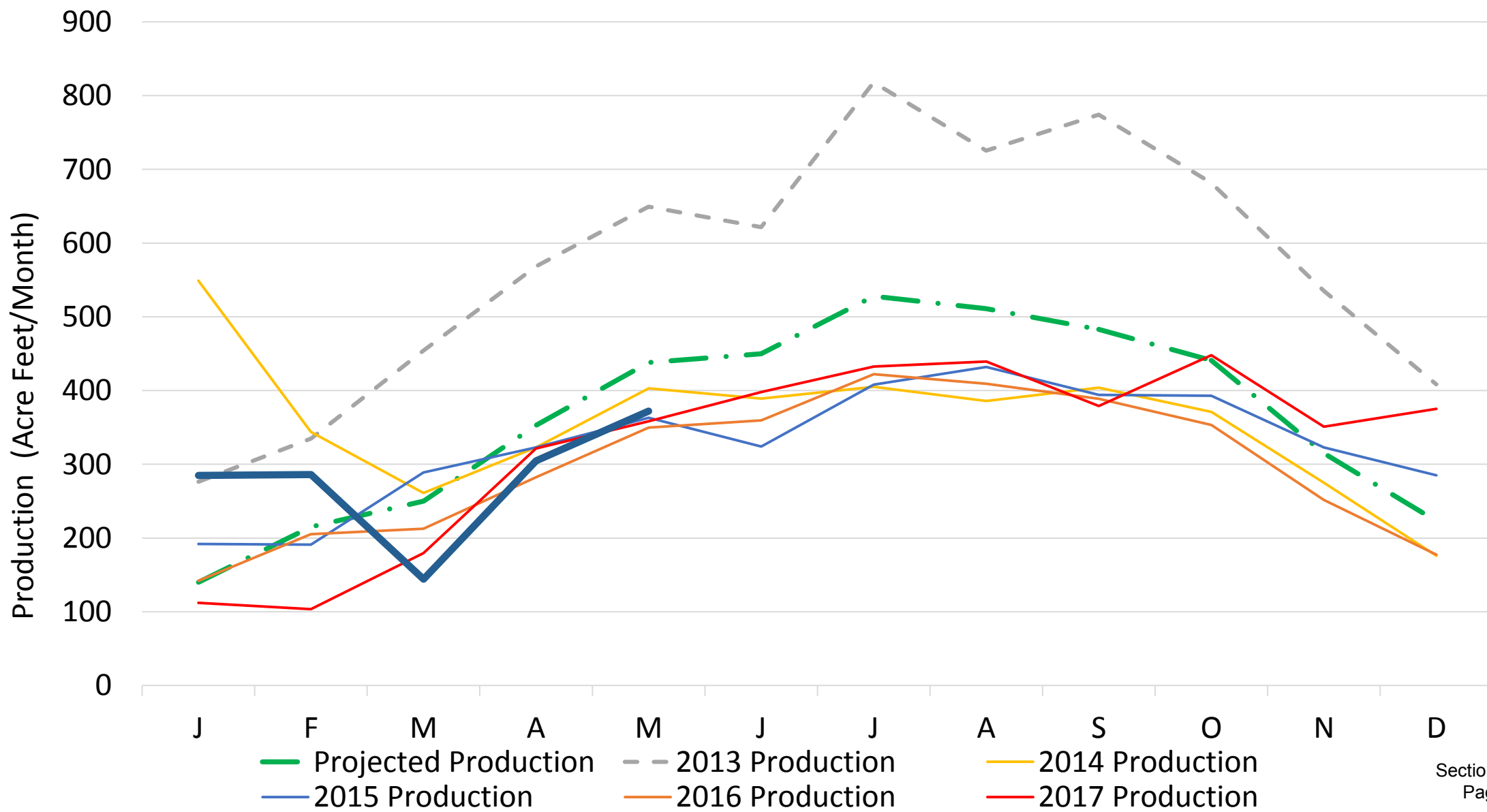


Projected vs. Actual Production





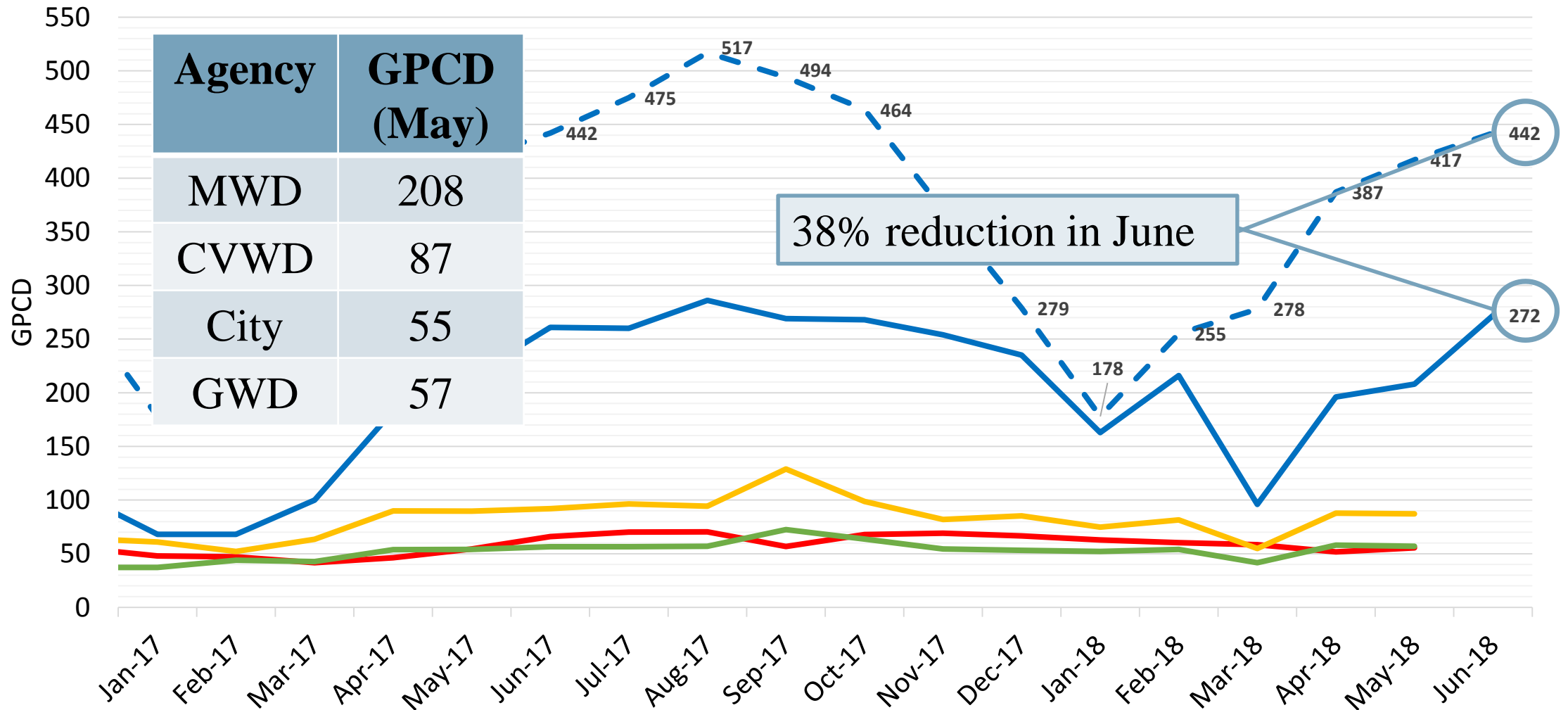
Monthly Production (AF)





SFR GPCD Agency Comparison

-- MWD 2013
 — MWD
 — City of SB
 — CVWD
 — GWD

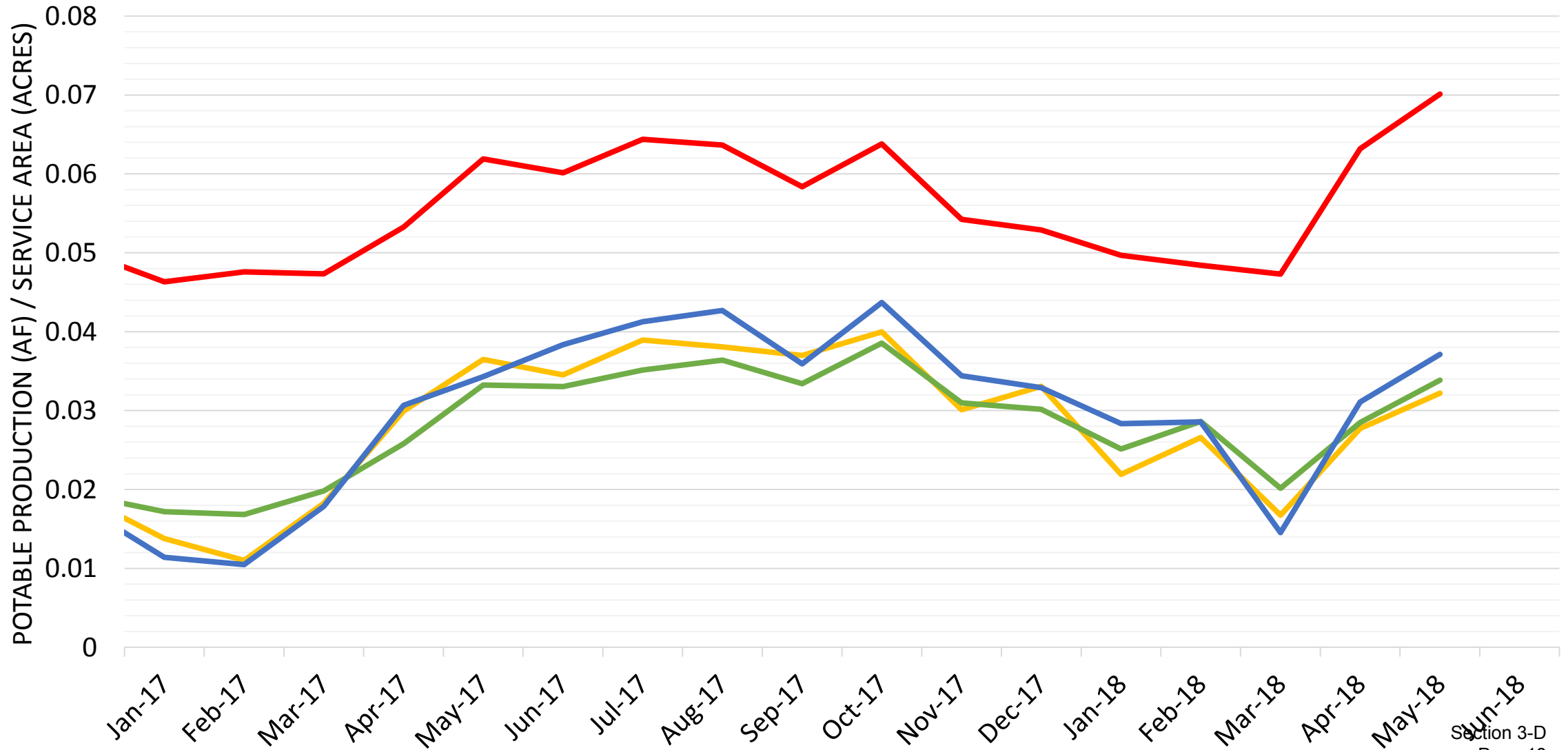


* GPCD data obtained from SWRCB
Adjusted MWD Population (2015 UWMP)

Water Demand Comparison (AF/Acre)



— City of SB — CVWD — GWD — MWD





WATER SUPPLY UPDATE

Lake Cachuma

As of July 1, 2018

1. Storage 74,829 AF (38.7% of capacity)
2. Lake El. 701.64 ft. (EPB needed at El. 695)
3. Downstream Release –10,000 AF, Aug 6th
4. Project Allocation WY 2019 – TBD
5. MWD Balance in Cachuma
 - a. Cachuma WY 2018 - 1060 AF
 - b. Cachuma Carryover \pm 998 AF
 - c. State & Supplemental \pm 661 AFTotal = 2,719 AF



Jameson Lake

As of July 1, 2018



1. Storage \pm 3,168 AF (\pm 61.6% of capacity)
2. Currently Monthly Diversion 0 AF
3. Increased Organics (TOC) = Increase Disinfection Byproducts (THMs)
4. Replace filter media at BVTP with GAC to remove TOC
5. Blower install at BV reservoir to reduce THMs
6. Doulton Tunnel Infiltration – 15 AF/month

Groundwater

1. Current production (<40 AF/mo.)
2. Continue alternating use of active wells
3. Consider increasing production as drought continues
4. Groundwater levels remain near historic low levels
5. Semi-annual report indicates slight recovery
6. SGMA Progress
 - BBM submitted to DWR
 - MOU w/ City – July 24, 2018
 - Formation of GSA – July 24, 2018



Paden Well

Imported Water

As of June 30, 2018

1. Current SWP and Supplemental water available
 - Cachuma \pm 661AF
 - SLR \pm 2,917AF
 - 2018 SWP Table A Allocation 35% (1,155AF)
2. Continue to maximize pumping into Lake Cachuma (258-334AF/mo.)
3. Supplemental Water
 - 2,800 AF purchased from Mojave Water Agency in 2018
 - Similar projected need in 2019 depending on 2018/19 winter



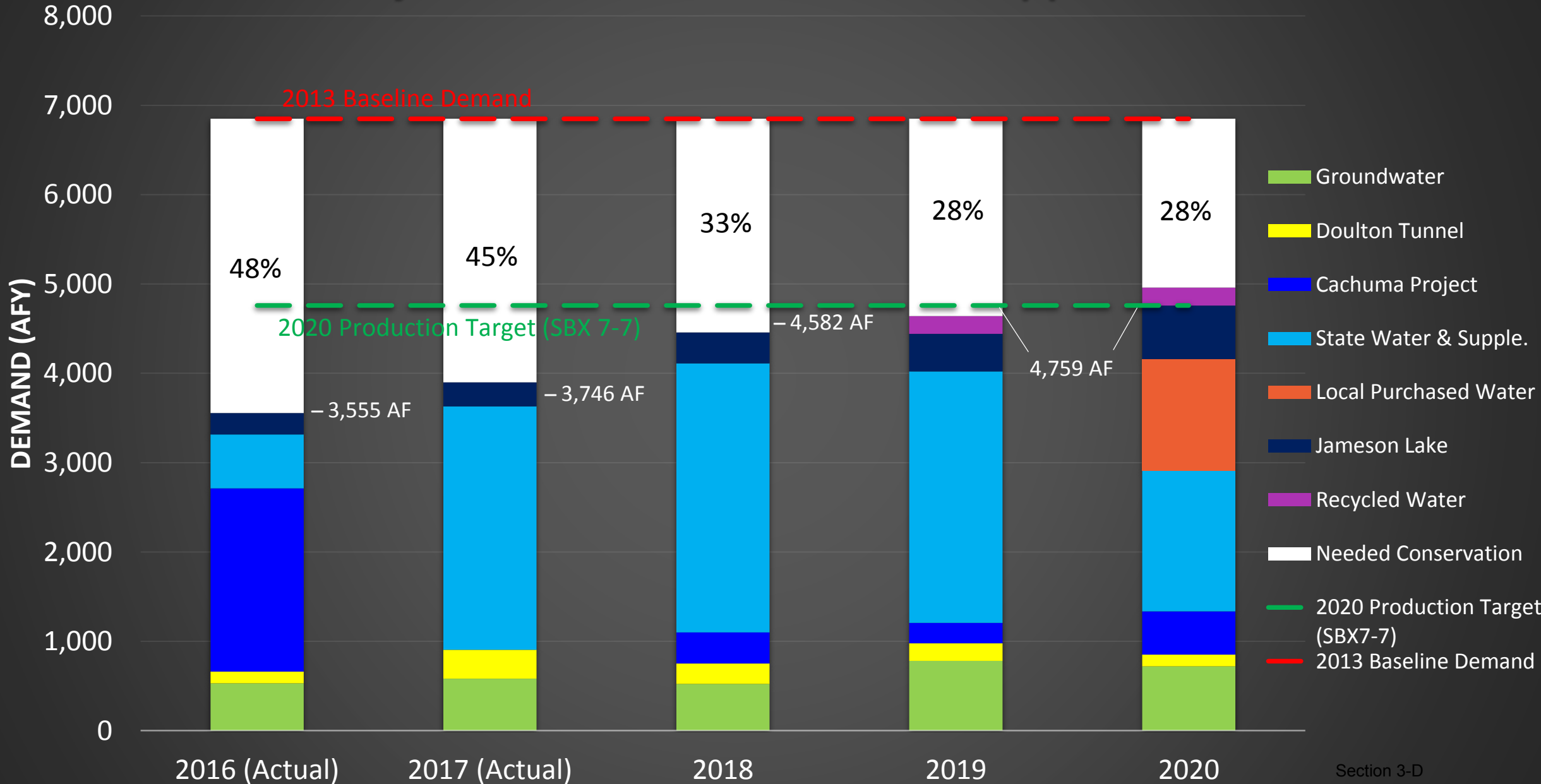
Water Supply Balance by Source

As of June 30, 2018

Source	Approx. Total (AF)
1. Jameson Lake	3,177
2. Cachuma Proj. Allocation 17/18'	1,060
3. Cachuma Proj. Carryover	998
4. SWP & Supplemental in SLR	2,917*
5. SWP Table A/Suppl. stored Cachuma	661
6. Groundwater (<u>AF/mo.</u>)	70
7. Doulton Tunnel Infiltration. (<u>AF/mo.</u>)	15
Total	8,898

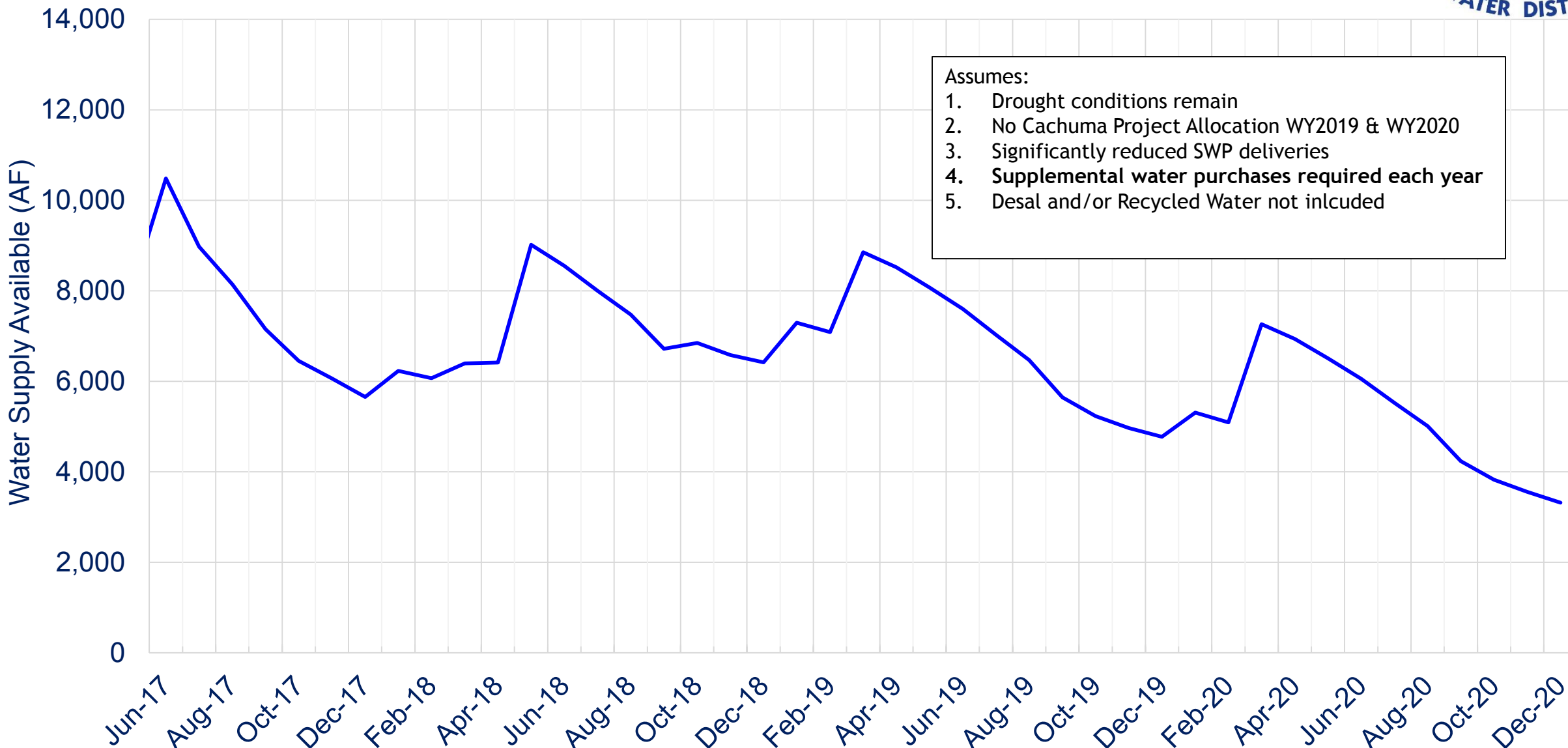
* Includes 2,800AF supplemental water purchase from Mojave Water Agency

Projected Utilization of Water Supplies





Total Water Supply Available





Questions?