



**SPECIAL MEETING  
STRATEGIC PLANNING COMMITTEE  
MONTECITO WATER DISTRICT  
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA**

**TELECONFERENCE LINK: <https://global.gotomeeting.com/join/378388677>  
TEL: (224) 501-3412, ACCESS CODE: 378-388-677#**

**WEDNESDAY, SEPTEMBER 16, 2020  
9:30 A.M.**

**AGENDA**

**1) CALL TO ORDER, DETERMINATION OF QUORUM**

**2) PUBLIC FORUM**

NOTE: This portion of the agenda may be utilized by any person to address the 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. Options for utilizing surplus State Water Project water in 2020;
- B. Development of a Strategic Plan;
- C. Draft comment letter to the Montecito Planning Commission relating to Montecito Sanitary District's Coastal Development Permit;
- D. Update on Request for Proposals for Preparation of the 2020 Urban Water Management Plan;
- E. Update on Request for Proposals for Design Services in connection with a Recycled Water Project;

*\* indicates attachment included for this item.*

**4) ADJOURNMENT**

Note: In accordance with Executive Orders N-25-20, N-29-20, and N-33-20, issued by the Governor of the State of California in response to COVID-19, in-person public participation at Montecito Water District meetings is suspended. The District has established alternative methods of participation which permit members of the public to observe and address public meetings telephonically and/or electronically. These methods of participation can be accessed through the internet link provided at the top of this agenda.

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**MONTECITO WATER DISTRICT  
MEMORANDUM**

**SECTION: 3-A**

**DATE: SEPTEMBER 16, 2020**

**TO: STRATEGIC PLANNING COMMITTEE**

**FROM: GENERAL MANAGER**

**SUBJECT: REVIEW OF OPTIONS FOR UTILIZING SURPLUS STATE WATER  
PROJECT WATER IN 2020**

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**RECOMMENDATION:**

Information only. For discussion purposes.

**DISCUSSION:**

As we approach the end of each calendar year, the District must consider its options for putting to use its surplus State Water Project (SWP) water. SWP water is allocated through the first half of each calendar year and stored in the SWP's San Luis Reservoir (SLR) until delivery is requested. SWP water not delivered on or before December 31 of each calendar year becomes "carryover water" and is then available for delivery in subsequent years. While current year SWP water is protected from loss due to "spill", water deemed carryover water is at risk of loss should SLR fill and "spill". For example, the District purchased 6,000 acre feet (AF) of supplemental water in 2016. Following winter storms in early 2017, SLR filled from 5% of total storage capacity to full in approx. one month, resulting in a spill condition and loss of about 70% of this supply. The District has since avoided the storage of carryover water in SLR.

The District has an obligation in accordance with the Santa Ynez River/State Water Project Exchange Agreement (Exchange Agreement), dated February 1, 1993, to exchange a certain amount of District's SWP water with an equivalent amount of the Santa Ynez River Water Conservation District, Improvement District No. 1 (ID1) Cachuma Project supply. This requirement came about in the early 1990s in advance of commencement of SWP deliveries to Lake Cachuma in the late 1990s. In an effort to save time and money in regards to construction of SWP Coastal Branch facilities, the South Coast SWP participants, through the Central Coast Water Authority acquired an existing 7-mile transmission pipeline, connecting the end of the SWP Coastal Branch pipeline at the Santa Ynez Pump Station to Lake Cachuma from ID1 in exchange for a commitment to exchange SWP water deliveries with Cachuma Project water deliveries for as long as SWP participants are entitled to SWP water deliveries. The Exchange Agreement requires that, on or before April 15 of each year, ID1 deliver to the Cachuma Project members a monthly delivery schedule spanning May 1 of each calendar year through April 30 of the next. The District's maximum annual exchange obligation is approximately 625 AF per year so as long as SWP water has been allocated sufficient to satisfy the exchange request.

District staff is projecting from 150 to 300 AF of water remaining in SLR at the end of 2020, which water will become carryover water on January 1, 2021. This quantity may vary depending upon ID1's actual water deliveries through December 2020. The projected water supply accounting

through the end of the calendar year is shown in the table below. As previously noted, any surplus SWP water stored in SLR on January 1, 2021 will become carryover water and will be at risk of spill throughout the 2020/21 winter and beyond.

Month	Total Stored Water stored in SLR on 1 <sup>st</sup> day of month (AF)	Projected ID1 Exchange* (AF)	Total Stored Water stored in SLR on last day of month (AF)
August 2020	516	98	418
September 2020	418	110	308
October 2020	308	42	266
November 2020	266	10	256
December 2020	256	0	256

\*Delivery schedule in accordance with the Exchange Agreement for the period of May 15, 2020 through May 14, 2021 was provided by SYRWCD ID1 on August 21, 2020.

Based on the accounting above, District staff projects having 256 AF of surplus SWP water in SLR at the end of 2020. The District’s options for utilizing its surplus SWP water are as follows:

1. **Do nothing.** The District could continue to store its projected surplus SWP water in SLR. As of August 30, 2020, SLR is 47% of total capacity. The likelihood of spill can change quickly depending upon winter storms, as experienced during the 2016/17 winter. Water stored in SLR as carryover water is not impacted by evaporation and would be available for delivery in subsequent years.
2. **Bank water in Semitropic.** Semitropic has confirmed available banking capacity through the end of the 2020 and can accept a portion of or all of the District’s surplus SWP water. The District currently has 1,800 AF of water banked in Semitropic or approximately half of one year’s water supply. Any water placed in the bank, less the 10% leave-behind, would be available for extraction in subsequent years and used to meet shortfalls in local surface water supplies.
3. **Repay water debt owed to Mojave Water Agency.** The District has water debt remaining pursuant to a 2018 water exchange with Mojave Water Agency. The District has a total of 193 AF remaining to be repaid to Mojave Water Agency within 10 years of its acquisition. Mojave Water Agency has confirmed the ability to accept the repayment of water debt through the end of 2020.
4. **Lease water.** The District is consulting with WestWater Research (WestWater) for the development and implementation of a water marketing strategy which involves leasing surplus SWP water to offset costs associated with acquiring more local and reliable water supplies such as the Water Supply Agreement with the City of Santa Barbara. While the water market strategy ideally involves a short-term lease(s) of three to five years — one-time exchanges are also an option. According to WestWater, acquiring a one-time exchange this late in the year is unlikely. Ideally, this type of exchange would be identified

around the April/May time frame, when demand for supplemental water is high. Due to the timing, pursuing this option is not recommended.

District staff recommends the committee consider options 2 and 3 or a combination thereof.

### **FISCAL IMPACT**

The financial impact of the various options are as follows:

1. **Do nothing.** Initially there are no costs associated with this option. Should SLR fill and “spill”, 150 to 300 AF of water could be lost. If lost to spill, this water could cost approx. \$75,000 to \$150,000 to replace, if available, based on a unit purchase price of \$500 per acre foot.
2. **Bank water in Semitropic.** The unit costs to bank water in Semitropic include a one time setup and handling fee of \$7,000 plus \$0.25 per AF, a one-time usage fee of \$12.70 per acre foot banked, the one-time DWR power costs of \$25 per acre foot to bank water, and the management and maintenance fee of \$14.36 per acre foot per year. The combined cost to bank 150 to 300 AF of water in Semitropic would be approx. \$13,000 to \$18,500 respectively plus an annual charge of \$2,200 to \$4,300 respectively.
3. **Repay water debt owed to Mojave Water Agency.** The agreement between Central Coast Water Authority (CCWA) and Mojave Water Agency (MWA) involves CCWA paying the California Department of Water Resources (DWR) transportation cost to physically return water to MWA, which are estimated to be \$225 per acre foot. Therefore, the District’s cost to return 193 AF of water owed to MWA would be approx. \$44,000.
4. **Lease water.** As discussed above this is not currently an option.

The adopted FY 2021 budget includes about \$15,000 of expense associated with the planned banking of water in Semitropic. Costs above the budgeted amount would come from unrestricted reserves.