



**SPECIAL MEETING
STRATEGIC PLANNING COMMITTEE**

**MONTECITO WATER DISTRICT
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA**

Join by Teleconference:

<https://zoom.us/j/99350076982?pwd=VytSZ2x6K2d2alFqTHovL2tsUTJ0UT09>

Meeting ID: 993 5007 6982 Passcode: 588680

Tel: (669) 900 6833

THURSDAY, AUGUST 19, 2021

2:00 P.M. – 3:30 P.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. Update on State Water Project Water Management Strategy (Presentation by WestWater)
 - i. Near-term supplemental water purchase opportunities;
 - ii. Long-term partnership for dry-year water if needed and the marketing of surplus SWP water;

** 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.

This agenda was posted on the District website, and at the Montecito Water District outside display case at 2:00 p.m. on August 18, 2021. 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. Agendas, agenda packets, and additional materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet are available on the District website.

Montecito Water District

SWP Water Supply Management Strategy

Strategic Planning Committee (August 19, 2021)

SWP Strategy Overview

Montecito is seeking out local and regional partnerships that can fulfill a two-component SWP water supply management strategy.

- **Component 1: Near-Term**

- Option to procure supplemental water between 2022 – 2023 if needed to meet potential dry-year demands.

- **Component 2: Long-Term**

- Ag-Urban partnerships to call on dry-year water when needed and market surplus water when available between 2023 – 2032.

Near-Term: Dry-Year Option Proposals

Entity	Term (Years)	Notice	Volume	Reservation Fee ¹ (\$/AF)	Strike Price (\$/AF)
Agricultural Landowner #1	2 (2022 – 2023)	<u>SLR Delivery</u> 2022: by Apr. 15 2023: by Feb. 28 <u>SWRU Delivery</u> Anytime before expiration	Up to 2,000 AF	\$625 (90% refundable)	\$1,500 (SLR Delivery) or \$1,250 (SWRU Delivery)
Agricultural Landowner #5	3 (2022 – 2024)	<u>Transfer</u> : Jan. 2 <u>Renewal</u> : Oct. 1	Up to 1,500 AF	\$300 (paid annually to reserve/renew option)	\$1,400 @ 0-25% Allocation \$1,200 @ 26-70% Allocation \$1,050 @ 71-100% Allocation

¹ Reservation Fee is credited to the Strike Price if option is exercised.

Long-Term: Water Management Proposals

Entity ^{1,2}	Term (Years)	Term Extension	Price (\$/AF) @ SWP Allocation	Est. Annual Payments @ SWP Allocation	Dry-Year Option Volume ³	Dry-Year Option Cost
Local Urban Water Purveyor	10	n/a	\$300 @ 61-100% \$500 @ 41-60% \$800 @ 21-40% \$1,200 @ 0-20%	\$0 at 0% \$250,000 at 48% \$400,000 under Best Case of 35-40%	None	n/a
Agricultural Landowner #1	10 (or longer)	ROFO	\$300 @ 86-100% \$400 @ 61-85% \$600 @ 26-60% \$1,100 @ 0-25%	\$100,000 at 0% \$572,400 at 48% \$870,000 under Best Case or 85%	Up to 1,000 AF per Year Max 3 Years	\$1,500/AF (SLR Delivery) or \$1,250/AF (SWRU Delivery)
Agricultural Landowner #2	10 (or 5 with ROFR, if too long)	1 year for each year of no transfer	\$400 @ 76-100% \$425 @ 56-75% \$450 @ 31-55% \$500 @ 16-30% \$600 @ 0 -15%	\$0 at 0% \$429,300 at 48% \$1,068,000 under Best Case or 100%	Up to 1,000 AF per Year Max 3 Years <i>(must have first delivered 1,000 AF and returned prior exchange obligations)</i>	Return 1 AF per 1 AF received
Agricultural Landowner #3	5	5 years then 4 years, by Mutual Agreement	\$300-\$450 @ 61-100% \$600-\$750 @ 31-60% \$900-\$1,350 @ 0-30%	\$0 at 0% \$596,250 at 48% \$810,000 under Best Case or 60%	Up to 200 AF per Year Max 3 Years	Return 4 AF per 1 AF received (3 years to return)

¹ Local proposal seeks to acquire up to 500 AF of Montecito's surplus at Montecito's discretion.

² Agricultural Landowners #1 - #3 are located outside of Santa Barbara County. Each proposal seeks to acquire all of Montecito's surplus at Montecito's discretion.

³ Montecito may call on Dry-Year Option if SWP allocations are less than or equal to 25%.

Recommendations

Dry-Year Options: Proceed to developing definitive agreement with *Agricultural Landowner #1*.

Long-Term Partnerships: Proceed to developing definitive agreement with *Agricultural Landowner #1*.